



July 1, 2019

The Honorable Dr. Richard Pan, Chair
Senate Health Committee
State Capitol, Room 2191
Sacramento, CA 95814

RE: AB 1611 (Chiu) as Amended June 27, 2019 – SUPPORT

Dear Dr. Pan,

On behalf of the Pacific Business Group on Health, I would like to express our strong support for AB 1611 (Chiu), which would protect patients from surprise emergency room bills and unfair debt collections from out-of-network hospitals. PBGH is a not-for-profit public benefit organization based in California consisting of large public and private purchasers of health care. Together our members spend nearly \$100 billion each year to provide health care coverage for about twelve million Americans.

AB 1611 would protect patients from receiving a bill from an out-of-network hospital for more than their in-network copays, deductibles, or other cost sharing. The bill also would protect consumers from being sent to a collection agency for an amount greater than their in-network cost sharing. Importantly, AB 1611 also would protect consumers from higher insurance premiums, and the bill ensures the hospital gets a reasonable payment for emergency room treatment. Specifically, the bill would prohibit a hospital from charging more than the greater of the average contracted rate or 150% of the amount Medicare pays for emergency services in the same geographic region. We believe this is fair and reasonable payment amount, and it will not lead to financial hardship for hospitals or worsening access to emergency services for patients.

In summary, AB 1611 lowers costs both for patients and for all California health consumers. It prevents patients from receiving outrageous emergency room bills and facing financial ruin, while also ensuring that hospitals cannot demand exorbitant rates from health plans and self-insured employers that then drive up premiums for everyone. This bill is an important consumer protection that will benefit millions of Californians.

For these reasons, the Pacific Business Group on Health supports AB 1611 (Chiu) and respectfully requests your “AYE” vote.

Sincerely,

William E. Kramer
Executive Director for Health Policy