

PBGH ISSUES STATEMENT ON THE PASSAGE OF THE CARES ACT – COVID-19 RESPONSE PACKAGE

The Coronavirus Aid, Relief, and Economic Security Act (S. 3548; H.R. 748), passed by Congress and signed into law today, is a very important step in the right direction at addressing the immediate needs of businesses and individuals.

“We appreciate the bold steps government leaders have taken to strengthen our nation’s response to the health crisis and stabilize the economy. We are also deeply grateful for the brave and committed health care workers who are taking care of patients affected by this virus,” said Elizabeth Mitchell, president and CEO of the Pacific Business Group on Health, the nation’s leading coalition of large employers and health care purchasers.

“Further action will be needed, however, to address the longer-term detrimental impacts that the COVID-19 pandemic will have on health care costs and the ramifications on the purchasers of health care products and services, namely employers and their employees and families.”

Employers, collectively the largest purchasers of health care in the United States, provide health care for more than 181 million Americans. Congress must do more enact policies that provide assurances that COVID-19 won’t cripple employers with the burden of high health care costs, compounded by a slowing economy. A [report by CoveredCA](#) released just this week, anticipates the potential one-year impact to be as much as \$251 billion on America’s commercial market for testing, treatment and care specifically related to COVID-19. These additional costs could cause commercial premiums to spike as much as 40% in the coming year.

Specifically, PBGH calls on Congress and the Administration as it develops the next anticipated COVID-19 package to include the following provisions:

- Create reasonable limits on the prices charged to health plans or self-insured employers, while requiring COVID-19 testing, vaccines and preventive services to be covered at 100%. Currently, health care purchasers and employers are vulnerable to increased prices for these services.
- Prohibit price gouging, i.e., the potential for suppliers and providers to raise prices dramatically for tests, supplies, drugs, treatments and hospital services. While there are undoubtedly large increases in utilization due to COVID-19, we cannot let that cost burden be compounded by bad actors who might use the current crisis to raise prices unreasonably.
- Provide protections against surprise medical billing, a serious risk for COVID-19 patients. We should build on the ongoing congressional negotiations on surprise medical billing legislation rather than punting the issue to the 2020 “lame duck” session when

compromise is unlikely. Per our long-standing position, the prices paid to providers in these “surprise” situations should be based on a local, market-based benchmark.

PBGH and our member companies look forward to continued communication with federal policymakers to provide relief for COVID-19 patients as well as employers and the millions of Americans for whom they purchase health care services. We call on Congress to consider these provisions that address the issues outlined above in any subsequent legislative package addressing COVID-19.

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