



## HEALTHCARE ADVISORY February 12, 2020

### **House Ways and Means Committee Advances “Surprise” Billing Legislation**

On February 12<sup>th</sup>, the House Ways and Means Committee advanced its version of legislation to end "surprise" medical bills, setting up a showdown among four congressional panels over how to resolve disputes between insurers and providers.

The bill, H.R. 5826 (116), passed by voice vote after a largely rancor free markup, envisions negotiations between health plans and providers who could submit disputes to an independent mediator if there's an impasse. The approach is viewed as more favorable to doctors and hospitals than rival legislation, H.R. 5800 (116), the House Education and Labor Committee approved on Tuesday, that would establish a federal benchmark payment to settle disputes and offer the option to go to arbitration for bills over \$750.

House Ways and Means Chairman Richard Neal (D-Mass.) said the benchmark plan could favor health plans in pay disputes. “My concern with giving too much weight to such a benchmark rate, is that we already know insurers are looking for any way they can to pay the least amount possible. They will work to push those rates down, regardless of what it means for community providers like physicians, hospitals and our constituents who they employ.”

But the Ways and Means plan has drawn concern from lawmakers on other health committees and criticism from insurers and consumer groups, who argue it's burdensome and doesn't adequately clamp down on costs in the healthcare system. Congressional scorekeepers estimate it would save the government \$17.77 billion over a decade.

The Education and Labor billing fix that was approved on Tuesday, mimics a bipartisan December agreement struck by House Energy and Commerce leaders and Senate HELP Chairman Lamar Alexander (R-Tenn.).

House Democratic leaders want to pass a billing fix by the end of May as part of a package reauthorizing funding for a set of federal health programs. The White House weighed in Tuesday, appearing to express concerns with the Ways and Means approach.

Before the billing fix, Ways and Means members split along party lines on another bill that would require private equity investors with stakes in medical providers to report more information about their holdings to the IRS. Republicans said the plan, H.R. 5825 (116), demonized private investment and amounted to regulatory overreach.

Democrats pointed to instances they said showed how private equity hurt the healthcare system, such as the closure of a Philadelphia hospital less than two years after a private equity company bought it. “The bare minimum is sunlight,” said Rep. Bill Pascrell (D-N.J.). The committee approved the bill by voice vote, as well as



legislation, H.R. 5821 (116), to create a hospice program survey and enforcement procedures under Medicare.