



Matthew Eyles
President and CEO

June 5, 2019

The Honorable Lamar Alexander
Chairman
Senate HELP Committee
United States Senate
428 Dirksen Building
Washington, D.C. 20510

The Honorable Patty Murray
Ranking Member
Senate HELP Committee
United States Senate
154 Russell Building
Washington, D.C. 20510

RE: The Lower Health Care Costs Act of 2019

Dear Chairman Alexander and Ranking Member Murray:

America's Health Insurance Plans (AHIP) appreciates this opportunity to comment on the Committee's discussion draft for the Lower Health Care Costs Act of 2019. Our members applaud your thoughtful leadership in developing bipartisan solutions to make health care more affordable, improve transparency, and enhance competition.

AHIP is the national association whose members provide coverage for health care and related services to millions of Americans every day. Through these offerings, we improve and protect the health and financial security of consumers, families, businesses, communities, and the nation. We are committed to market-based solutions and public-private partnerships that improve affordability, value, access, and well-being for consumers.

Americans are facing an escalating crisis of affordability across our health care system. Cost pressures are becoming more intense for everyone who pays the tab for health care in the United States—including consumers, employers, and taxpayers. We are strongly committed to working with the Committee to address this crisis with solutions that ensure all Americans have access to affordable choices and the high-quality health care they need and can afford.

Our comments on the Committee's discussion draft are provided in the attached chart. Each title of the draft bill addresses issues that offer significant opportunities for Congress to provide relief to the American people from rising health care costs.

Ending Surprise Medical Bills: We agree and strongly believe that federal legislation is needed to protect patients from surprise medical bills. Policy solutions should ensure premiums and out-of-pocket costs do not go up for patients and consumers. To accomplish these goals, payments to out-of-network providers should be based on a federal standard and not based solely on Independent Dispute Resolution processes. We also believe that a solution to price gouging by air and ground ambulance companies needs to be included in any legislation to end surprise medical billing.

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Reducing the Price of Prescription Drugs: We share your strong commitment to lowering out-of-control drug prices. Enhancing competition through more robust biosimilar and generic markets and increasing transparency around how drug prices are set are important steps toward preventing games that pharmaceutical manufacturers play to enhance their own profits at the expense of all Americans.

In addition to the legislation included in the Lower Health Care Costs Act of 2019, AHIP would encourage the Committee to include the Creating and Restoring Equal Access to Equivalent Samples (CREATES) Act (S. 340). This bipartisan legislation would prevent the abuse of patient safety protocols and ensure the widespread availability of generic and biosimilar drugs, which would create more affordable alternatives to high-priced brand name drugs.

We would also encourage the Committee to include legislation, such as the Fair Accountability and Innovative Research (FAIR) Drug Pricing Act, to promote transparency around how drug manufacturers set and increase prices.

The Evergreening and Manipulation that Extends Drug Years (REMEDY) Act is another example of legislation that the Committee should consider including in order to increase access to biosimilars and generics.

Each of these additional provisions would help achieve the Committee's goals of making health care more affordable, improving transparency, and enhancing competition.

Improving Transparency in Health Care: We strongly believe that consumers and plan sponsors should have access to information that is clear, helps them make informed decisions about their care or coverage, and leads to lower costs. When providing consumers with this valuable information, it is important to understand how prices are set and what causes prices to increase. Transparency proposals that would disclose competitively negotiated rates should be rejected, as they will make health care more expensive, not less. To improve transparency in health care, it is crucial to enable stakeholders to work together to lower prices and costs and ensure access to high-quality care.

Improving Public Health: As the Committee focuses on public health initiatives, we agree it is important to reduce disparities in care and improve health outcomes for mothers and children. AHIP and our members are committed to ensuring patients receive high-quality care during pregnancy, childbirth and after delivery. Many insurance providers offer targeted programs to engage and assist women with resources before, during and after pregnancy to improve health and identify possible risks. Additionally, we support provisions that would provide grants for research and/or programs that target the health outcomes of women and children.

Improving the Exchange of Health Information: We appreciate the Committee's longstanding efforts to make electronic health information more broadly available to patients, health care providers and health insurance providers through improvements in the interoperability of health information technology. By supporting the secure and seamless exchange of electronic health information, we can improve patients' access to and control over their health information while also improving the quality and affordability of the care they receive. All of these improvements to electronic health information must be balanced with consumer privacy, ensuring that this sensitive information is being treated with care and integrity.

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Additional Legislation: AHIP appreciates the Committee has not included harmful legislation such as the “Prescription Drug Rebate Reform Act” and strongly encourages the Committee to exclude this legislation from the final package. Requiring group health insurance plans to use a drug’s net price instead of list price as the basis for consumer co-payments (e.g., under co-insurance benefit designs) would reduce out-of-pocket spending for a very small proportion of consumers but result in higher premiums for all consumers and higher health care costs for employer plan sponsors by amounts that would far overshadow any reductions in co-payments. This legislation would also diminish competition and result in higher drug prices and costs by enabling drug makers to reverse engineer the discounts and rebates offered by their competitors.

We also recommend that the Committee not include any provisions that would extend the Office of Inspector General’s proposed rebate rule to the commercial market. The proposed rule would increase premiums, increase drug spending, increase employer health care costs, and result in a windfall to drug manufacturers at the expense of consumers and taxpayers. Extending this rule to the commercial market would only magnify these negative impacts.

Thank you for considering our comments and recommendations. We stand ready to respond to the Committee’s questions and provide any additional feedback that may be helpful as you continue to develop bipartisan legislation to help reduce costs and improve health care quality for patients. By working together and building on the strengths of the current system, we can succeed in achieving affordable, high-quality health coverage and care for every American.

Sincerely,

A handwritten signature in cursive script that reads "Matthew Eyles".

Matthew Eyles
President and CEO