



July 18, 2019

The Honorable Lamar Alexander
Chairman, Senate HELP Committee
455 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Patty Murray
Ranking Member, Senate HELP Committee
154 Russell Senate Office Building
Washington, DC 20510

Dear Chairman Alexander and Ranking Member Murray:

Blue Shield of California is writing to express our support for the Committee's bipartisan work to end the practice of surprise medical bills. Blue Shield is a nonprofit health plan with a mission to ensure all Californians have access to high-quality health care at an affordable price. We worked with a diverse coalition of stakeholders in California to pass an overwhelmingly bipartisan reform, AB 72, which tackled surprise bills in our state.

We applaud the HELP Committee for its work to advance legislation that would end surprise billing for our members and also take meaningful action to address rising health care costs. Most importantly, the HELP legislation would protect consumers from surprise bills. As in the California law, the Lower Health Care Costs Act would provide that, unless the consumer consents to additional charges, they would only be responsible for the amount that they would have paid if the provider had been in network. Additionally, according to CBO, the net result of the changes related to surprise billing would be "lower insurance premiums and savings to the federal budget."

The California law and the Lower Health Care Cost Act rely on setting a benchmark rate for each plan in each geography, which is designed to reflect the market rate so as to not inflate commercial or government health expenditures. Our experience in California is that AB 72 is working to end surprise billing for health plans regulated by California law. Importantly, an analysis of changes in Blue Shield's network participation shows that AB 72 is working to bring providers back into our networks. Specifically, since AB 72 went into effect:

- The overall number of physicians we have contracted with has increased by 5 percent.
- At acute care hospital facilities specifically, the number of in-network physicians increased by 6 percent.
- The number of unique anesthesiologists in our network increased by 6.7 percent.

Additionally, Blue Shield's contracted rates for ancillary providers who frequently balance billed also continued to increase after AB 72 went into effect. An analysis for these providers shows that average contracted rates from 2017-2019 for the top billed codes increased on average by 7 percent for radiology, 3.2 percent for pathology and 4 percent for anesthesia.

	CPT	Modifier	Description	2017-2019 % change
Radiology	70450	26	Ct head/brain w/o dye	6%
	71010	26	Chest x-ray 1 view frontal	5%
	71020	26	Chest x-ray 2vw frontal&latl	4%
	74177	26	Ct abd & pelv w/contrast	8%
	76942	26	Echo guide for biopsy	12%
Pathology	88304	26	Tissue exam by pathologist	4%
	88305	26	Tissue exam by pathologist	5%
	88307	26	Tissue exam by pathologist	6%
	88341	26	Immunohisto antib addl slide	0%
	88342	26	Immunohisto antib 1st stain	1%
Anesth	All Codes		Anesthesia Coefficient	4%

We believe that the law has made a positive difference for consumers while protecting against price increases and addressing a market failure. Again, we applaud your leadership on this critical issue.

Please let us know how we can continue to support your efforts.

Sincerely,



Andy Chasin
 AVP Federal Policy and Advocacy
 Blue Shield of California