

February 18, 2020

The Honorable Richard Neal
Chairman
House Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

The Honorable Kevin Brady
Ranking Member
House Committee on Ways and Means
1139 Longworth House Office Building
Washington, DC 20515

Dear Chairman Neal and Ranking Member Brady:

On behalf of the membership of the National Association of Insurance Commissioners¹, we extend our thanks for your efforts to protect consumers from surprise medical bills. As insurance regulators, we recognize the challenge of maintaining affordable and accessible insurance markets and the importance of balancing the interests of consumers, insurers, and health care providers. We applaud you for taking on this challenge and working to find the right balance that serves all stakeholders.

Our top priority in addressing surprise medical bills is to get consumers out of the middle of billing disputes. We're gratified that the legislation advanced by your committee would achieve that goal. Our other priorities include protecting state surprise bill laws and regulations from federal preemption and applying surprise bill protections to consumers served by air ambulances.

The bill passed by your committee allows the insurer payment for out-of-network care to be set under state law when there is a state law that provides for an amount payable for an item or service. This preserves states' authority to continue the existing surprise bill solutions they have developed through their own discussion and debate. It also allows states to make adjustments in the future through state law should they determine that the federal solution is not the optimal one for their state. We appreciate that this legislation applies federal policy where it is needed—to ERISA plans and others not covered by state regulation—while protecting states' authority to regulate insured health plans.

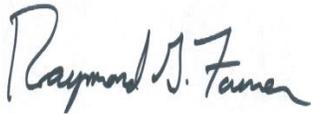
We also support federal legislative action in the area of air ambulances. States have been unable to implement meaningful legislation to protect consumers from surprise air ambulance bills because certain courts have interpreted the federal Airline Deregulation Act of 1978 (ADA) to preempt state regulation of air ambulance providers. As dozens of state regulators wrote to you in November, "prohibiting balance bills and establishing a process for determining out-of-network payment amounts would be a prudent, fair, and equitable way to resolve the crisis consumers are facing at the hands of a few bad actors in the air ambulance industry." We continue to reject the argument that ending surprise billing will leave rural Americans without access to air ambulance services. Rural residents are at risk for excessive surprise bills under the status quo and deserve protection that can only be provided by federal legislation.

As you work with other committees in the House and Senate to advance legislation on surprise bills, we urge you to maintain the key priorities of removing consumers from the middle of the payment disputes and preserving state authority. We also request that you support the inclusion of language to prohibit surprise bills from air

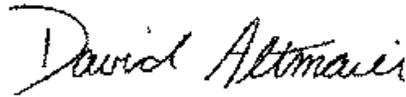
¹ Founded in 1871, the NAIC is the U.S. standard-setting and regulatory support organization created and governed by the chief insurance regulators from the 50 states, the District of Columbia and the five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer review, and coordinate their regulatory oversight. NAIC members, together with the central resources of the NAIC, form the national system of state-based insurance regulation in the U.S.

ambulance, as other committees have done in their legislation. Consumers need relief from surprise bills as quickly as possible, so we support quick action by Congress and offer any assistance state regulators can provide to move it over the finish line.

Sincerely,



Raymond G. Farmer
NAIC President
Director
South Carolina Department of Insurance



David Altmaier
NAIC President-Elect
Commissioner
Florida Office of Insurance Regulation



Dean L. Cameron
NAIC Vice President
Director
Idaho Department of Insurance



Chlora Lindley-Myers
NAIC Secretary-Treasurer
Director
Missouri Department of Commerce and
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Michael F. Consedine
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Commissioners