

Urge Illinois Members of House Energy and Commerce Committee to Oppose Setting Payment Rates in Law for Out-of-Network Bills

The U.S. House Energy and Commerce Health Subcommittee passed the No Surprises Act (H.R. 3630) on July 11, and the full committee is expected to consider the bill next week. The No Surprises Act would limit unexpected medical bills for patients and set a benchmark rate for payment to providers for certain out-of-network and emergency services. The benchmark rate would be based on the 2019 median in-network rate for a geographic area, with an index for increase each year.

The bill's authors, who are the chair and ranking member of the full committee — Reps. Pallone (D-NJ) and Walden (R-OR) — agreed to continue discussions before the full committee mark-up next week. One possible compromise would set payment parameters for providers and insurers, and then force them into arbitration if they fail to reach an agreement.

ACTION REQUESTED: Please reach out to the Illinois members of the House Energy and Commerce Committee (see list below) to urge them to oppose setting payment rates for hospitals in law. And if your local U.S. Representative is not a member of this committee, please contact him/her to express your concerns and opposition to rate setting. To send an email message to your member of Congress, [*click here*](#).

Tell them why a government-mandated rate, which would become a default rate for additional services, could threaten already limited hospital resources and create a disincentive for health plans to establish adequate coverage networks. This government overreach could disproportionately harm patients and hospitals in rural and underserved communities.

During Thursday's subcommittee markup, several members, including Rep. John Shimkus (IL-15) expressed concern about the impact of a benchmark rate. Rep. Shimkus also highlighted Illinois law, which uses arbitration as the independent dispute resolution process, as a model for federal legislation.

IHA supports arbitration as the independent dispute resolution process. For more information, see [*IHA's letter to the Illinois delegation*](#), and our [*Federal Issue Paper*](#).

Illinois Members of the House Energy and Commerce Committee

Robin Kelly (IL-2)

Adam Kinzinger (IL-16)

Bobby Rush (IL-1)

Jan Schakowsky (IL-9)

John Shimkus (IL-15)

Suggested talking points:

- Illinois hospitals support federal legislation that would ban the practice of “balance billing” for emergency services, or for services obtained in an in-network facility that could reasonably have been assumed to be in-network.
- Once patients are protected by a ban on balance billing, the standard process of negotiation between providers and health plans should be permitted to continue.
- We urge Congress look to successful state-level laws — such as those in Illinois — as a model for federal legislation.
- Arbitration is the independent dispute resolution process used in Illinois. This approach allows for more market

considerations than a benchmark rate and has been shown to encourage network participation and incentivize early resolution of any reimbursement disputes.

- Illinois hospitals strongly oppose rate-setting proposals, which would establish an arbitrary fixed rate for services. These rates would become a “ceiling” for healthcare pricing – not a “floor” thereby reducing hospital resources and removing the incentive for insurers to create adequate coverage networks.
 - Over half of the reimbursement rates paid to Illinois hospitals are set in law by the Medicare and Medicaid programs, and fall short of covering the cost of care. Currently, 42 percent of Illinois hospitals are operating on negative or extremely thin margins. IHA is concerned that expanding government rate-setting to the private sector could lead to an immediate, harmful reduction in hospital resources, which would threaten access to care.
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Illinois Health and Hospital Association