



December 18, 2020

The Honorable Nancy Pelosi
Speaker of the House
1236 Longworth House Office Building
Washington, DC 20515

The Honorable Kevin McCarthy
House Minority Leader
2468 Rayburn House Office Building
Washington, DC 20515

The Honorable Mitch McConnell
Senate Majority Leader
317 Russell Senate Office Building
Washington, DC 20510

The Honorable Charles Schumer
Senate Minority Leader
322 Hart Senate Office Building
Washington, DC 20510

RE: Hospital Contracting Reform (Lower Health Care Costs Act, Section 202)

Dear Speaker Pelosi, Leader McCarthy, Leader McConnell, and Leader Schumer:

In addition to the primary goal of protecting patients from surprise medical bills, we are writing to ensure that any surprise billing legislation that is included in the end-of-year package contain hospital contracting reform as proposed in the Lower Health Care Costs Act.

Solely funded by philanthropists Gary and Mary West, West Health is a family of nonprofit and nonpartisan organizations that is dedicated to lowering healthcare costs to enable seniors to successfully age in place with access to high-quality, affordable health and support services that preserve and protect their dignity, quality of life and independence.

As reported out of the HELP Committee, the Lower Health Care Costs Act includes a section entitled "Banning anticompetitive terms in facility and insurance contracts that limit access to higher quality, lower cost care" (sec. 202), which would ensure that hospitals cannot act in anti-competitive contracting behavior that raises the cost of healthcare for patients. A recent high-profile complaint filed against Sutter Health in our home State of California highlighted some of these behaviors: "all or none" requirements for the in-network status of Sutter's facilities, the bundling of services without offering them for a lower standalone price, and no ceiling on out-of-network charges.

While these behaviors may violate antitrust laws, challenging them in court is a complex, lengthy, and costly process – a process during which existing patients experience high costs with no relief. Thus, it would be prudent to clearly specify in surprise billing legislation that this type of anticompetitive contracting will no longer be tolerated. The above-referenced section from the Lower Health Care Costs Act accomplishes that and is an important step toward increasing transparency.

Thank you for your consideration. Please do not hesitate to contact me, should you require additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "T. Lash", written over a light blue horizontal line.

Tim Lash
Executive Vice President, West Health