



June 24, 2019

Via Electronic Mail

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

The Honorable Patty Murray
Ranking Member
Senate HELP Committee
428 Dirksen Office Building
Washington, DC 20510

RE: Support for the Lower Healthcare Costs Act

Chairman Alexander, Ranking Member Murray, and Members of the Committee:

On behalf of The Council of Insurance Agents and Brokers (“The Council”), I write to express our members’ strong support for the Lower Health Care Costs Act. This bipartisan legislation, we believe, tackles some of the biggest obstacles to bringing costs down in the health care system, including surprise medical bills and lack of transparency throughout the industry. We urge the Committee and the Senate to approve this important legislation as soon as possible.

By way of background, The Council represents the largest and most successful employee benefits and property/casualty agencies and brokerage firms. Council member firms annually place more than \$300 billion in commercial insurance business in the United States and abroad. Council members conduct business in some 30,000 locations and employ upwards of 350,000 people worldwide. In addition, Council members specialize in a wide range of insurance products and risk management services for business, industry, government, and the public.

First, we support section 308 of the Act. Our members have long advocated for greater transparency throughout the health care ecosystem, and as a matter of principle, we do not think brokers and consultants should be carved out of a movement toward more openness in the system. The Council has a standing policy promoting transparency with respect to our members’ business arrangements with their clients, and many of our members already are providing robust upfront disclosures regarding their services and their compensation. We support section 308’s effort to standardize this practice across the industry and the overall spirit of transparency underlying the provisions.

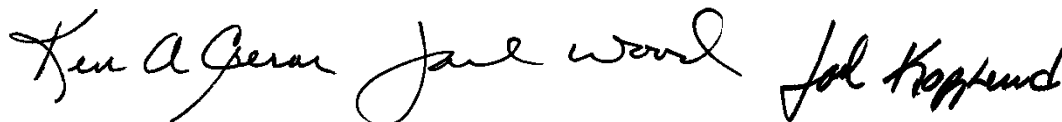
For the last few years, our members have identified lack of transparency in the prescription drug supply chain and surprise medical bills as major issues in the fight to reduce costs for employer sponsors of health care and for individual patients. We therefore applaud the Committee’s work to address these pain points.

Specifically, we support elimination of surprise billing in situations in which there is no meaningful choice between in-network and out-of-network providers. We also favor removing the patient from surprise billing disputes and providing some certainty with respect to rates for payers in these scenarios. We also appreciate the Committee avoiding unduly burdensome or lengthy dispute resolution processes that would negatively impact self-insured employers.

Finally, we support the Act's inclusion of various transparency measures related to the prescription drug supply chain. Employers need more access to data and a greater understanding regarding drug delivery systems and business arrangements to help contain their costs and design optimal plan options for their employee populations. The Act's requirement of more frequent and robust reporting by PBMs to plan sponsors regarding covered drugs, utilization, and pricing, and its prohibition on "gag clause" practices that keep plan sponsors from accessing de-identified claims data will go a long way in helping employers navigate this complex area of the health care system. Moreover, clarifying PBMs' responsibilities to plan sponsors with respect to passing on rebates or other discounts PBMs may be receiving will help ensure that incentives are properly aligned to deliver the best value and lowest costs to end payers.

Thank you again for your continued efforts to address these important issues. If you have any questions or would like more information, please contact Joel Kopperud at 202-661-4311 or joel.kopperud@ciab.com.

Best,



Ken Crerar
President and CEO

Joel Wood
Senior Vice President
Government Affairs

Joel Kopperud
Vice President
Government Affairs

cc: Members of the Senate HELP Committee