



September 27, 2019

VIA ELECTRONIC MAIL – www.regulations.gov

Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attention: CMS-1717-P
P.O. Box 8013
Baltimore, MD 21244-1850

**RE: Proposed Rule on Price Transparency of Hospital Standard Charges
Docket No. CMS-1717-P; RIN 0938-AT74**

Dear Administrator Verma:

The Council of Insurance Agents and Brokers (“The Council”) appreciates this opportunity to comment on your proposed rule regarding price transparency of hospital standard charges.¹ We applaud your continued efforts to address this important issue of transparency, which is, we think an essential step toward bringing healthcare costs down.

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. In fact, they place 90 percent of all U.S. insurance products and services and they administer billions of dollars in employee benefits. Council members conduct business in some 30,000 locations and employ upward of 350,000 people worldwide, specializing in a wide range of insurance products and risk management services for business, industry, government, and the public.

In 2017, The Council formed a task force of employee benefits specialists within our membership to address true cost-drivers in the healthcare system and advocate for policies and practices that bring costs down.

Rising prices for medical and prescription health services (not utilization, which has remained steady or declined since 2012) are driving healthcare spending. Price inflation in the system drives premium pricing, which – as costs outpace wage growth – makes coverage in the private market less affordable for more and more people. Simply shifting increased costs to private

¹ Centers for Medicare and Medicaid Services, HHS, Proposed Rule, 84 Fed. Reg. 39398 (Aug. 9, 2019) (“proposed rule”).

market players like employers – without addressing health service price inflation – does not address the root problem.

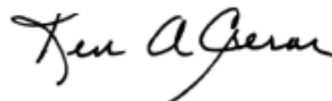
The reality of rising healthcare costs is particularly important to Council members because the employer-sponsored insurance market has and will continue to bear the burden of cost-shifting (while remaining the workhorse in providing healthcare benefits to more than 177 million Americans). Prices are highest in the commercial insurance market where employer-sponsored health plans pay twice as much as Medicare and Medicaid for common tests and procedures, particularly in the areas of inpatient hospital care and prescription drugs (both of which have seen more than a 25% jump in price since 2012).

Why are prices so high? The crux of the problem is cost-shifting in a “fee-for-service” environment. Americans pay a fee for every service, every drug, every test, etc. There are no standard prices or even price ranges, and the prices—which can vary widely for the same service—have no relation to value or to the producer’s costs. Meanwhile, prices are constantly being renegotiated by various suppliers without transparency, leaving consumers of healthcare virtually in the dark about how prices are set.

Your proposal addresses these issues head on by requiring publication of hospitals’ standard charges and negotiated rates, among other things. Increasing business-to-business and consumer transparency on quality (services, delivery, experience, etc.) and pricing will, we think, allow for more thoughtful healthcare consumption by plan sponsors and beneficiaries, particularly with respect to the “shoppable services” contemplated in the proposed rule. Having apples-to-apples price comparisons will help drive competition and value in the healthcare system.

The Council consistently urges policymakers to focus on the real cost-drivers for healthcare and adopt policies that solve, rather than mask, price-related challenges. We believe this is what the proposed rule is endeavoring to do. Thank you again for your attention to these important issues.

Respectfully submitted,



Ken A. Crerar
President/CEO
The Council of Insurance Agents & Brokers
701 Pennsylvania Avenue, NW
Suite 750
Washington, DC 20004-2608
(202) 783-4400
ken.a.crerar@ciab.com