

Members of the committee—

Thank you for allowing me to submit testimony in support of Senate bill 15-074. My name is Eric Novack, MD, and I am an orthopedic surgeon in Phoenix, Arizona. In 2012 and 2013, I worked closely with Senator Nancy Barto, Senate Health Chair, and Representative Heather Carter, House Health Chair, to collaborate with stakeholders to help craft, and pass, HB2045, upon which this bill is based.

The bill passed with significant bipartisan support in both chambers, was signed by then-Governor Brewer, and became law on January 1, 2014.

In the year since passage, there have been no reported problems or complaints from either consumers seeking price information, or from healthcare providers and facilities about any undue burden associated with compliance.

For far too long, healthcare has existed under an environment of ever-increasing price 'opacity'—and fortunately, throughout the country, we are beginning to see some real movement towards recognizing that transparency is certainly in our patients' and their families' interests, benefits employers offering insurance, and can be a source of competitive advantage for healthcare providers.

A concern that having direct pay prices be more transparent could result in poor quality care promoted by low prices has not materialized since the law went into effect in Arizona.

A concern that overzealous government regulators would seek loopholes to use the law to 'set prices' has not occurred, and it is nice to see that this bill even further strengthens those limits on government setting direct pay prices.

In practice, direct pay prices have allowed my patients who have taken advantage of the law to experience 'price certainty' – they can pay up front for the complete care for the condition, in a more comprehensive way than exists in any 'packaged' billing codes, without the fear of receiving bills weeks or months later saying they owe more. In addition to removing the fear of opening the mail, it has given those patients and families the freedom to focus more on their health.

Deductibles are now more than \$2000 for 1 in 5 workers, and family deductibles in the range of \$2000 - \$4500 for families, or greater, while at the same time health insurance costs and other plan-related expenses are continuing to grow at well above the rate of inflation. Everything we can do to put more straightforward information in the hands of patients and families empowers them to take more control over their health and healthcare. The ability for a single mother to save \$20, \$30, \$50 on a trip to the doctor for her child who fell at the park means more money for food, clothes, and gas.

The family who will not get a 'surprise' bill 6 weeks after getting treatment can better plan for their future.

Senate bill 15-074 will be a small, but important step in the right direction for hard working Colorado families.

Thank you again for allowing me to submit my testimony.

Eric Novack, MD