

Thank you, Dr. Osbourne-Roberts. Mr. Chairman and members of the Committee thank you for the opportunity to speak in opposition to Senate Bill 59. If I may, I would like first to explain why SB-259 would end protection from balance billing for many Coloradoans and shift health care costs from Carriers to consumers. I will then be happy to answer any questions from the panel.

Under current Colorado law, about 1/3 of Colorado consumers have health plans which are subject to balance billing by out-of-network providers. Instead of addressing that issue, this Bill would essentially double that number.

Between 1997 and 2010, the General Assembly enacted laws under Title 10, Article 16, Section 704(3) which protect many Coloradoans with health insurance from being exposed to balance billing unless they "intentionally" use out-of-network providers. That law prevents insurance carriers from shifting the cost of necessary out-of-network care onto consumers when the consumer goes to an in-network facility. It also, however, says that if consumers "intentionally" go to an out-of-network provider, the Carrier only has to pay at the out-of-network rate and the out-of-network provider can balance bill the patient. Most plans do not have out-of-network coverage which is a primary reason consumers go to in-network facilities.

The notice requirement in Section 2(a) of Senate Bill 259 will give Carriers "proof" that the patient is "intentionally" using an out-of-network provider. Carriers will then pay only the out-of-network benefit if one applies or, if it does not, simply deny coverage for the out-of-network provider's charges. Either way, the consumer has lost existing protection under Section 704(3) from balance billing because the patient will have "intentionally" used the services of an out-of-network provider. The patient will be billed for the out-of-network provider's charges. Again, about 1/3 of consumers with health plans in Colorado will lose existing protection from balance billing they now have.

I would now like to turn to section Section 3 of SB 259. Section 3 does not prevent balance billing for those consumers currently subject to balance billing under their health plan. For them and the consumers with those plans which section 2 now exposes to balance billing, section 3 presents a barrier to patient care by prioritizing payment issues at the expense of patient care. The patient's choices are to either agree in writing to balance billing and be exposed to medical bills despite having health insurance and receiving care at an in-network facility, or refuse balance billing which may lead to not receiving necessary medical care. The reason I put it in those terms is because out-of-network providers will not be paid by Carriers since the consumer "intentionally" used their services, and if the patient does not chose in writing balance billing, then the out-of-network provider cannot bill the patient. As a practical matter, most patients will sign paperwork put in front of them for surgery or other medical care. Most patients will not decline to be balance billed and will then face charges for medical services which are being paid by Carriers under the current law.

Personal medical debt in Colorado will increase substantially, hurting consumer finances and the economy, and burdening health care providers with debt collection. When Carriers are not responsible for coverage and the patient declines balance billing, the out-of-network provider simply will not be paid.

So, let's look at 2 scenarios under Senate Bill 259. In scenario 1, the patient receives notice of care by an out-of-network provider and agrees to balance billing. The patient has the services and then receives bills for charges from the out-of-network provider. If the patient has out-of-network coverage, the

Carrier may pay part of the charges with the patient billed for the balance or the Carrier may take the position that the patient "intentionally" used out of network services and pay nothing, leaving the patient to pay all of the bill.

In scenario 2, the patient receives notice but declines balance billing. The out-of-network provider does not get paid for the services rendered even if they are reasonable and appropriate.

This Bill will loosen the existing prohibition on balance billing and hurt Colorado consumers by shifting the charges for out-of-network services at in-network facilities to consumers or, if the consumer declines, providers.

Thank you for listening. I will be pleased to address any questions.