## NABIP Submits Written Testimony on Reducing Healthcare Costs for Working Americans and Families

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NABIP also submitted written testimony to the House Education and Workforce Subcommittee on Health ahead of the subcommittee’s Wednesday hearing titled “Reducing Healthcare Costs for Working Americans and Their Families.” In this testimony, we highlighted areas where we feel Congress and the administration can take action to control healthcare costs for employers and employees.

In our comments, we highlighted the popularity of employer-sponsored coverage and noted that the best way to control costs is to ensure that the employer-sponsored market thrives. One method of keeping healthcare costs low – as we informed the subcommittee – is to maintain the employer tax exclusion. NABIP noted that while eliminating or capping the exclusion would increase federal revenue, it would also eliminate most of the benefits of employer-sponsored insurance. Employers and individuals would lose many group purchasing efficiencies, and there would no longer be an effective means for spreading risk among healthy and unhealthy individuals. Healthier individuals would be likely to forego coverage if faced with a new tax burden, leading to adverse selection and a death spiral for those remaining in the insured pool. Small-business owners would be especially hard hit, finding themselves paying thousands of dollars in new taxes on their insurance premiums, making it even more difficult to offer comprehensive coverage for their employees.

We also noted the importance of tax credits, such as the small business healthcare tax credit. The SBTC was included as part of the ACA to encourage small employers to provide health insurance to their employees. Unfortunately, many employers have been unable to claim the SBTC due to the current eligibility limitations. As a result of these limited qualification parameters, many employers that wanted to access the SBTC simply do not qualify, resulting in fewer employers claiming the credit.

Another method of lowering healthcare costs for individuals and their families that we mentioned in our comments would be to establish reinsurance pools. Reinsurance programs work by spreading the costs of high-cost cases. Because employees with high expected healthcare costs can drive up the cost of coverage, reinsurance programs are designed to minimize the impact of high-cost cases on carriers and increase affordability of insurance for small businesses and individuals. High-risk individuals would not be aware that part of the risk of insuring them had been yielded to such a reinsurance pool, but doing so would lower costs for everyone purchasing coverage in the individual market. We noted that every state that has implemented an innovation waiver-funded individual market reinsurance program has experienced lower unsubsidized premiums.

A hot topic at this week’s subcommittee hearing was association health plans. NABIP believes that, under certain circumstances, AHPs could provide ample cost savings and increased benefits that are very specific to the needs and desires of their membership. However, NABIP also cautioned the subcommittee that, if AHPs are expanded, significant regulations will be necessary to ensure minimal fraud and harm. It’s also important that AHP beneficiaries are sufficiently educated on their benefits. We noted that, based on the NABIP membership’s longstanding observations of the health insurance purchasing behaviors of small employers, we do not believe there will be an overwhelming response by the small-business community to transition from the traditional small-group market to AHPs if they were expanded.

Outside of plan arrangements, one factor in the United States’ high healthcare costs that NABIP mentioned is dishonest billing due to the lack of site neutrality among providers. NABIP provided statistics to lawmakers highlighting the importance of passing site-neutral payment reform, the same statistics that we cited in our testimony to the Energy and Commerce Committee.

Regarding practices of dishonest billing, NABIP implored Congress to ensure that the No Surprises Act is implemented as intended. The Consolidated Appropriations Act of 2021 included the No Surprises Act, which holds patients harmless from surprise medical bills by ensuring they are only responsible for their in-network cost-sharing amounts in both emergency situations and certain non-emergency situations when patients do not have the ability to choose an in-network provider. For other claims, this new surprise-billing agreement utilizes an arbitration process with some patient safeguards.

Following this law’s passage, the Departments of HHS, Treasury and Labor issued regulations on the arbitration process where they had arbiters prioritize the qualifying payment amount, which effectively prioritized the local market payment. By using the QPA as a decisive point in the arbitration process, the consumer would likely encounter lower costs at the end of the process. Unfortunately, several lawsuits filed over the last three years have compelled agencies to release updated guidance that reduces the importance of the QPA and local payment rates substantially. NABIP supports the agencies’ original interpretation of the No Surprises Act – which offered the greatest amount of cost savings to the consumer – and opposes any threats to the law’s implementation.

To conclude our comments, we educated lawmakers on the stark situation that many rural providers are in and how helpful recent public health emergency flexibilities have been for the rural population. Due to the pandemic, rules related to all aspects of telehealth were loosened, resulting in an immense increase in the use of telehealth services and enabling cross-state care, which has been critical to underserved areas and rural communities. One of the most crucial telehealth flexibilities were for those covered by HDHPs, allowing a HDHP to cover telehealth and other remote-care services without a deductible. While this safe harbor originally expired on December 31, 2021, it has since been extended on two occasions – most recently in the Consolidated Appropriations Act of 2023, where it was renewed for plan years 2023 and 2024. NABIP recommended making this safe harbor permanent.