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Patrick Moran – President

HB 570 - Health Maintenance Organizations - Payments to Nonparticipating Providers - Reimbursement Rate

**Health and Government Operations Committee
February 8, 2024**

UNFAVORABLE

AFSCME Council 3 opposes HB 570. The No Surprises Act, which went into effect on January 1, 2022, protects state employees and others who must seek emergency services from an out-of-network provider or facility from getting unexpected balance or surprise bills to cover the difference between what their plan agreed to pay, and the full amount charged for a service. The Act requires that a health plan must cover emergency services by out-of-network providers. HB 570 ties the reimbursement rate that an HMO must pay for these services to an inflated rate from 2019 when providers were still billing a patient more than their in-network cost-share.

Under the bill, we are concerned that state employees who choose an HMO medical plan will experience higher premiums because of the increased rate nonparticipating emergency service providers could now charge HMOs. The lowest paid jobs that we represent in the state start at an annual salary of just \$35,041. While we understand the frustration that certain providers might feel, our members simply cannot afford premium increases that are the result of providers and health plans not being able to sit down and negotiate.

The goal of the No Surprises Act is to protect patients from the high costs of out-of-network emergency care. HB 570 could compromise this goal and we urge the committee to provide an unfavorable report.