



August 15, 2016

Senate President Sweeney
New Jersey Senate
Trenton, New Jersey, 08608

Dear Senate President Sweeney,

We, the undersigned organizations, are writing to again urge you to please take action to pass **S1285** the *Consumer Protection, Transparency, Cost Containment and Accountability Act*. This legislation is urgently needed to protect New Jersey patients and help control rising health care costs.

As recent research by New Jersey Policy Perspective (NJPP) shows, about 168,000 consumers every year directly receive egregious charges for involuntary out of network services. But the practice, in fact, affects most of the five million New Jersey's privately insured health care consumers, who pay higher premiums as a result of this billing practice. NJPP's research finds that the added cost to consumers statewide is as much as *\$1 billion dollars* every year. The State Health Benefits Plan is also spending tens of millions of dollars every year to cover the cost of these high out-of-network charges for their beneficiaries. Left unchecked, these unfair and costly out-of-network bills will continue to compromise the ability of consumers, employers, and state and local governments to maintain health care coverage.

Despite these tremendously inflated costs that are passed onto most health consumers in our state, the New Jersey Legislature has failed to act on the problem for a decade. Years of inaction has contributed to the lack of affordable health coverage in our state. New Jersey is now home to the nation's most expensive health coverage in the nation in the individual market and the second highest in the employer-based market, which is one of the main reasons nearly a million New Jerseyans remain uninsured.

Historic health care reform under the Affordable Care Act (ACA) makes the need for **S1285** even more urgent, as hundreds of thousands of low and moderate income New Jerseyans struggle to pay their premiums and maintain coverage, as the ACA mandates. Without your support and action to pass **S1285**, New Jersey's progress toward implementing the ACA and building an affordable health care system will be undermined and our goal to reach universal coverage will be impossible to reach.

Every day, families across New Jersey receive involuntary surprise medical bills from providers who cared for them in an emergency or at an in-network facility, who they did not select. Patients can experience bills as high as five, 13, even 27 times the Medicare reimbursement rate for the health care services they receive. Such bills range from \$500 to \$25,000 or more, and several bills of over \$100,000 have been reported. These types of charges harm unwitting

consumers – sometimes irreparably, when they are referred to collections, damage consumers' credit, and/or result in bankruptcy. Although the problem of egregious billing is a statewide problem, for profit health systems like Care Point operate on an out of network business model to maximize profits and allow physicians who practice at their facilities to charge patients excessive amounts, hitting consumers especially hard.

This legislation would bring significant cost savings to New Jerseyans, helping to make health care coverage and care more affordable. The savings to the State Health Benefits plan alone could be as high as \$140 million annually. It is why so many diverse organizations representing New Jersey consumers, business and industry, and labor have voiced their support for this legislation.

Furthermore, **S1285** could help bring resolution to the issues that have resulted in the Governor freezing hospital charity care and other payments **that will result in a crisis in New Jersey if it is not addressed quickly**. It is why we need to pass **S1285** now.

To that end, we are requesting a meeting with you in the next few weeks to discuss the urgent need for your support of this legislation and how we might work together to ensure its passage without further delay.

On behalf of the many New Jersey health care consumers we represent, we the undersigned organizations thank you for your consideration of this critically important issue and look forward to your reply.

Respectfully,

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