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June 26, 2019

The Honorable Senator Lamar Alexander
The United States Senate
Washington, DC 20510

Dear Senator Alexander:

Thank you for your time yesterday to meet with us and the other leaders of the Tennessee Medical Association to discuss the Lower Health Care Cost Act and in particular, the proposed solutions to surprise medical bills.

We all agree that patients need to be insulated from the sometimes-catastrophic financial impact of receiving a bill for medical services, when, through no fault of their own, they received services from an out-of-network provider.

We understand your proposal to use a median in network rate to set the fees to be paid for out of network providers but ask for your additional consideration for

1. Developing a median rate using rates from more than the insurer in question. Use all commercial payers' averages from the community, or even state averages.
2. Deriving this calculation from independent, third party sources, not solely the payer itself.
3. Incorporating an independent dispute resolution process for instances when the median fee is in dispute. This will serve as a process 'backstop' and give providers some sense of fairness in the process. If the insurers are allowed to set median fees and that is the final number, that number will spiral lower as 'high cost' providers will be dropped from insurance provider panels.
4. Requiring network adequacy standards for health plans. We believe that if health plans are required to have the right number and type of providers in their plan, we will see the instances of surprise bills diminish.

If plans have no reason to negotiate fairly with physicians and providers, they will not. This will have a deleterious and unintended consequence on network participation by physician and ultimately make access to 'in network' provider worsen for patients.

Thank you again for allowing us time to discuss this matter with you and your staff and as always, the TMA stands ready to help you as you work tirelessly for our citizens and the country!

Sincerely,

A handwritten signature in black ink, appearing to read "Elise Denny".

Elise C. Denny, MD
President

A handwritten signature in black ink, appearing to read "Russ Miller".

Russ Miller, CAE
Chief Executive Officer