



The Honorable Mitch McConnell  
Majority Leader  
United States Senate  
317 Russell Senate Office Building  
Washington, DC 20510



The Honorable John Thune  
Majority Whip  
United States Senate  
511 Dirksen Senate Office Building  
Washington, DC 20510



Dear Senators McConnell and Thune:



Reports suggest that some Members have reached a potential compromise to address surprise medical bills, but while we await further details, what is known thus far raises alarms.



Surprise bills are a problem faced by millions of Americans each year. It's commendable that Congress is looking for solutions, but we, the undersigned organizations dedicated to promoting free markets, limited government, and constitutional principles, urge you not to rush to pass ill-considered proposals, especially as a 'rider' to a must-pass, year-end spending bill.



Any solution to the problem of surprise medical bills must recognize the reality of the health care market. High and opaque prices, for instance, are symptoms of a market heavily distorted by existing government interventions. Piling on with yet more heavy-handed regulation, such as with rate-setting through a benchmark payment for out-of-network providers, will only further complicate and distort the health care market. Furthermore, rate-setting will incentivize narrowing of networks, which undermines the goal of reducing surprise bills, and drive some doctors out of business.



Rather than reinvent the wheel, Congress should learn from the experiences of the states—our laboratories of democracy—that have already begun addressing surprise billing. Specifically, contrast the



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results of California's embrace of price controls with New York's adoption of independent dispute resolution.

In California, declining resources for doctors is fueling consolidation while physician networks are shrinking and harming patient access. On the other hand, New York reports a 34 percent reduction in out-of-network billing and \$400 million in savings for consumers over 4 years.



We recognize that compromise is often necessary to move important legislation, but that doesn't mean that any compromise will do. Rate-setting will exacerbate dysfunctions in the healthcare market and can't be even a component of a bill to address surprise billing. If that means Congress must work a little longer on the issue, so be it. Patients will thank you for taking the time to get it right.

Sincerely,

Andrew F. Quinlan ~ President, Center for Freedom and Prosperity  
Jason Pye ~ Vice President of Legislative Affairs, FreedomWorks  
Jeffrey Mazzella ~ President, Center for Individual Freedom  
Peter Ferrara ~ Senior Advisor, National Tax Limitation Committee  
Andrew Langer ~ President, Institute for Liberty  
Chuck Muth ~ President, Citizen Outreach  
Sean Noble ~ President, American Encore  
Judson Phillips ~ President, Tea Party Nation  
Rick Manning ~ President, Americans for Limited Government  
Norm Singleton ~ President, Ron Paul's Campaign for Liberty  
Seton Motley ~ President, Less Government  
Matthew Kandrach ~ President, Consumer Action for a Strong Economy

