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# Sneed Law Firm, LLC

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## Memorandum

To: The Honorable Rob Olson, Chair  
Senate Financial Institutions and Insurance Committee

From: William W. Sneed, Retained Counsel  
America's Health Insurance Plans

Date: January 29, 2020

RE: S.B. 282

Mr. Chairman, Members of the Committee: My name is Bill Sneed and I represent America's Health Insurance Plans ("AHIP"). AHIP is the national trade association representing the health insurance industry. AHIP members provide health and supplemental benefits to more than 200 million Americans through employer-sponsored coverage, the individual and small group insurance markets, and public programs such as Medicare and Medicaid. Members offer a broad range of health insurance products in the commerce marketplace and have also demonstrated a strong commitment to participation in public programs throughout the country. Please accept this memorandum as my client's neutral position on S.B. 282.

We are here today on behalf of our member plans in Kansas as well as the thousands of Kansans that receive health care coverage and related services that health insurance providers deliver each day. In particular, the subject matter of today's hearing – patient empowerment through increased provider and insurer price disclosures – is an important consideration with the potential to substantially enhance a patient's ability to participate in their health care decision-making. Access to

both the cost and quality information being sought is an important part of informed decision-making. However, because of the possibility that some of the specific provisions of this act may be unworkable or pose logistical concerns, AHIP maintains a neutral position on this Act.

Initially, AHIP supports the idea that Kansans, and, likewise, all Americans, should have access to transparent information on health care cost and quality before they seek care. Meaningful transparency should aid and support patient decision-making and put downward pressure on premiums for consumers and employers by assisting patients that are seeking high quality medical care. Health insurance providers unequivocally want to empower patients and consumers with cost and quality information that is clear, simple, and personalized. The benefits are clear for both patient and insurance provider. These benefits should be balanced with other patient concerns to ensure that the information provided is useful and actionable.

Currently, health insurance providers already offer Kansans many easy-to-use tools to get the personalized information they need about their care options and potential costs. From telehealth to mobile apps, secure member portals to cost estimator tools and provider directories, Americans have many options for getting information about where to get the best and most valuable care for themselves and their families. In fact, many plans already provide convenient access to the information that the legislation is seeking. Health insurance providers in Kansas have developed and provide cost comparison tools and quality ratings to assist patients at each step of the care continuum, which is why we believe it is important that new legislation not unnecessarily inhibit successful efforts already underway.

AHIP agrees with the bill's proponents that patients deserve access to personalized, actionable health care information to empower them to make better, more informed decisions. However, it is important to assess whether the benefits of additional disclosure provide sufficient justification for any costly administrative issues that could arise. This is particularly important when proposed legislation increases administrative costs while seeking to codify information already being provided by insurers. Access to transparent information is critical, but it is important to ensure that gathering

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January 28, 2020  
S.B. 282

and refining this information does not needlessly increase health care costs for the people of Kansas. A recent Morning Consult study found that 75 percent of Americans would not support policy proposals that made it easier to find the cost of medical procedures while also raising the cost of health insurance premiums.<sup>1</sup>

Our concern with proposals such as those outlined in the Act is that implementation could inadvertently increase the administrative burden on both providers and health insurers, resulting in an increase in costs to consumers and employers in Kansas. While the goals of the legislation are commendable, there are a handful of potential drafting issues that could prove problematic for both health insurance providers and patients. For example, the legislation includes terms that are not defined and may be unsuited to the information being sought, such as the term “allowable charge.” Additionally, the use of vague terms such as “discounts” and “incentives” pose implementation concerns that could hinder successful implementation and uniform information as insurance providers interpret and implement the bill’s provisions. We believe that steps can be taken to mitigate these concerns.

In summary, health insurance providers are committed to delivering actionable, personalized information to help patients and consumers make informed decisions. We support policy solutions that make certain Kansas patients get the quality health care they deserve at a price they can afford, and, that continued action is important to improving health care price transparency.

Thank you for allowing me to appear before you today on behalf of America’s Health Insurance Plans. I am available for questions at your convenience.

Respectfully submitted,



William W. Sneed

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<sup>1</sup> Morning Consult. (January 2020). *Pricing Transparency Polling Presentation*. Retrieved from [https://www.ahip.org/wp-content/uploads/AHIP\\_Healthcare-Care-Cost-Transparency.pdf](https://www.ahip.org/wp-content/uploads/AHIP_Healthcare-Care-Cost-Transparency.pdf)