

March 23, 2017

The Honorable David Ralston  
Speaker  
Georgia House of Representatives  
332 State Capitol  
Atlanta, GA 30334

Re: AMA opposes Senate Bill 8

Dear Speaker Ralston:

On behalf of the American Medical Association (AMA) and our physician and student members, I write to state our serious concerns with the Senate Bill (SB) 8 and urge you to oppose it in its current form. The AMA fully understands the need to address the issue of unanticipated patient costs, including costs that result from unexpectedly receiving out-of-network care at participating hospitals. That is why we support the efforts of a multi-stakeholder coalition, which includes the Epilepsy Foundation of Georgia, the Medical Association of Georgia (MAG) and the Georgia College of Emergency Physicians, to promote a patient-centered solution to these unanticipated bills in Georgia. The enormity and largely unprecedented nature of such groups coming together to craft a solution to so-called “surprise billing” cannot be underestimated, and the balanced result was reflected in SB 277.

That is why we were disappointed to learn of the substitute amendment, now SB 8, which undermines the balance struck in SB 277. The coverage standard created in SB 8 would threaten the emergency care safety net in Georgia and reduce competition in the healthcare market.

The coverage standard proposed in SB 8 is very similar to the federal coverage standard for emergency care adopted in the Affordable Care Act (ACA).<sup>1</sup> However, unlike SB 8, the ACA’s coverage standard did not include a ban on balance billing. This is a critical caveat in that the federal standard allows physicians to still collect fair market value for their services, and more importantly, maintains incentives for insurers to offer fair contracts to emergency physicians.

One could argue that federal lawmakers understood the harmful impact that combining the ACA’s emergency care patient protections with a ban on balance billing would have on markets across the country and how it could undermine the stability of our emergency care safety net. In fact, Congress, while mandating that patients be protected from out-of-network cost-sharing in such emergency situations, specifically excluded balance billing amounts from the definition.<sup>2</sup> As the Georgia Legislature

---

<sup>1</sup> 29 CFR 2590.715-2719A

<sup>2</sup> Section 1302(c)(3)(B) of the Affordable Care Act excludes such balance billing amounts from the definition of cost sharing, and the requirement in section 2719A(b)(1)(C)(ii)(II) that cost sharing for out-of-network services be limited to that imposed in network only applies to cost sharing expressed as a copayment amount or coinsurance rate.

The Honorable David Ralston  
March 23, 2017  
Page 2

moves forward with the proposed ban on balance billing for emergency care, we strongly urge you not to couple it with a minimum coverage standard that was not designed for such purposes. Rather, a minimum coverage standard that reflects fair market value for physician services and maintains incentives for insurers to offer competitive contracts is essential. Such a standard is included in SB 277.

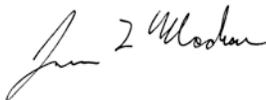
Additionally, SB 8 would eliminate options for physicians in the health care market in Georgia, leading to greater access issues for patients. It is likely that providers across the state will feel the impact of this legislation on their bottom lines, forcing them to make tough decisions that may include leaving the state or abandoning independent practice for hospital employment.

Moreover, this not only impacts patients who may not have access to emergency care, but Georgia's economy as well. Physicians are a significant economic driver in Georgia, creating \$29.7 billion in economic output, supporting 205,869 jobs and contributing \$1.1 billion in state and local tax revenues. The AMA believes it is impossible to enact SB 8 as drafted without unintended consequences to Georgians.

For the reasons above, we ask that you oppose SB 8 in its current form. If you have any questions, please contact Emily Carroll, Senior Legislative Attorney, Advocacy Resource Center at [emily.carroll@ama-assn.org](mailto:emily.carroll@ama-assn.org) or (312) 464-4967.

Thank you for your consideration of our concerns.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jim L. Madara".

James L. Madara, MD

cc: Members of the Georgia House of Representatives  
Medical Association of Georgia  
Patrice A. Harris, MD, MA