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Chief Executive Officer

The Honorable Martha McSally
United States Senate
2201 E. Camelback Rd., Suite 115
Phoenix, AZ 85016

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Dear Senator McSally,

On behalf of our over 4000 members constituting the largest physician organization in Arizona, the Arizona Medical Association (ArMA) strongly supports state and federal measures to protect patients who through no fault of their own are subjected to surprise medical bills.

In 2017, ArMA worked closely with the Arizona Legislature to pass legislation that protects patients without providing a disproportionate advantage to payers, facilities, or providers in the marketplace. We suggest Congress adopt a fair and equitable approach for protecting patients and the marketplace as we did in Arizona. Such an approach would protect patients from surprise billing while preserving their access to care, controlling costs, and maintaining the strength and stability of our overall health care system.

Of the payment models presently being discussed in Congress, we support the approach utilizing Independent Dispute Resolution (IDR), which has been used successfully in New York since 2015, increasing network participation, lowering out-of-network billing rates, and reducing emergency care costs—ultimately saving New Yorkers upwards of \$400 million. It has worked so well, in fact, that it has earned the support of providers as well as the New York Health Plan Association, showing it is the only reasonable solution for all parties involved.

A robust IDR process allows both providers and insurers to submit their best offers for out-of-network payments through a simple, online process, with an ultimate decision to be made by an impartial, third-party mediator. Ultimately, the IDR process ensures fair payments by taking into consideration a number of contributing factors that determine the true cost of clinical services, including physician experience, geographical location, complexity of care, and more.

Additionally, IDR would ensure providers receive timely, market-based payments at the onset of the process that help keep particularly at-risk hospitals strong—such as those serving largely rural areas that are already dealing with financial constraints—so that no one's access to care is threatened or undermined. This is especially important for states like Arizona that have challenges in delivering care to rural areas.

Congress should adopt national legislation that comprehensively leverages this proven-effective IDR process. This is critically important for patients in Arizona and throughout the nation. Thank you for listening to the concerns of Arizona physicians, and if our organization can be of any assistance please do not hesitate to let me know.

Sincerely,

Susan M. Whitely, M.D.

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