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Chairman Hawkins and members of the House Health and Human Services Committee,

It is my pleasure to introduce HB2575 to the committee. This bill seeks to bring greater transparency and reduce costs in healthcare. As a medical provider myself, I know how often patients are concerned about the cost of their care. And as a member of the House, I know I am not alone in hearing frequently from constituents about their struggles to afford health insurance and health care.

I know two facts:

1. The status quo is not sustainable in Kansas for most patients.
2. Patients are rarely healthier if they skip needed services due to cost.

So, reform is needed.

This bill, in a commonsense way, allows patients to know the estimated cost before they see a provider, get rewarded for smart value shopping and, allows patients to access high-value providers out-of-network if they are below the in-network average price. Here is how the bill would work in practice.

I need an MRI for my knee. I am unaware that my insurer will pay one facility \$500 for that MRI and another \$1,500 - for the exact same thing. My doctor has referred me to the \$1,500 option.

Since I am paying out of my pocket for the MRI, under this bill I can find out from my insurer what they are paying each provider under my specific plan for me to pick the best provider. If I pick the \$500 facility, or a \$600 one, I will then earn a financial reward based on where I go vs the average price. For this example: let's say the average is \$800 in-network, so going to the \$600 option would result in me receiving a \$100 incentive.

$((\$800 \text{ (have)} - \$600 \text{ (where I go)}) * 50\% = \100). If I picked the \$500 option, I would get \$150.

We recently heard about the shared savings program being implemented for state employees. This takes similar concepts and opens that option to those buying insurance on their own and getting it from small employers.

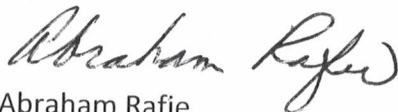
I am sure we will hear many reasons why this bill should be slowed down. But from what I understand this is working in other states already. Kansas is not the first and the legislature in Missouri currently has been discussing similar ideas of transparency.

I encourage those with reservations to engage in a productive conversation to find a solution that works, instead of defending a status quo that is putting enormous negative pressure on patients. I have confidence in Kansas providers and medical facilities to deliver good care, but the system does need transparency to ensure cost-effective access more often for patients.

Currently in our national discourse, there is a wide spectrum of ideas and perspectives on solving our healthcare crisis. Amid many disparate views, I believe there are a few core ideas that the vast majority of people would agree are important. Bringing greater value and transparency to our healthcare system are widely shared goals. Innovation in healthcare delivery will be essential to these ends. It will not solve all the problems we have in health care, but I believe this bill is a practical step in that direction.

Right to Shop will facilitate patients' ability to make informed value decisions about their own healthcare. The success of our healthcare system will be determined by the incalculable number of individual decisions made by providers and patients that culminate in quality, cost-effective care. As a provider, I will do my part and I hope this bill will help patients, along with their providers, chart the best and most cost-effective course soon. Without this bill that is often not possible now.

I believe, hospitals, providers, insurers and patients will all benefit from this innovative bill.



Abraham Rafie

District 48