I am Ilana Boivie, a research economist with the International Association of Machinists and Aerospace workers, a trade union with over 600,000 active and retired members. So I'd like to take a step back and talk about our broader concerns about increased cost of coverage, and how the No Surprises law fits in.

At the IAM, we are proud that nearly all of our members have workplace health insurance plans, largely through their employers.

The IAM also co-trustees the National IAM Benefit Trust Fund, a multiemployer health benefit fund, which offers medical, dental, vision, and life insurance for IAM members, other employees, and their dependents. The Benefit Trust currently serves over 200 employers and nearly 30,000 total participants, and pays out roughly $100 million in benefits each year. The Trust Fund has a very small staff, less than 10 employees total, and does everything it can to keep administrative costs low, given its fiduciary duty to spend as much on actual benefits as possible. In 2020, administrative costs accounted for less than 8% of total expenses.

Aside from the Benefit Trust and employer-based plans, many IAM workers are covered under Service Contract Agreements, in which they receive an hourly contribution to pay for their health insurance. These rates can range from $3 to $10 per hour. Obviously, especially under this arrangement, but for all of our workplace plans, the more that health insurance costs increase, the more that employees will pay out of pocket towards their care.

Therefore, the IAM is concerned about rising health care costs generally, and also potential increases specific to the No Surprises law. While we agree with the tenets of the law in principle, we are concerned that certain details within the regulation could increase health insurance costs.

We negotiate new collective bargaining agreements all the time, and we have already heard concerns from several employers that certain aspects of the No Surprises law may increase their health insurance costs – both in terms of overall health care costs and the cost of compliance. As a result, these employers are looking to make changes to plan design, and employee premium rates, in anticipation of these increases. We believe that if the final regulations make the IDR process as streamlined and transparent as possible, then hopefully, some of these employers' fears will be assuaged, and our members will not see large increases in their health care costs, which would be an unfortunate unintended consequence to a law that was meant to protect health care consumers.

We believe that using the qualified payment amount as the default rate in the IDR process generally makes the most logical sense, is in line with the intent of the statute, and will help to keep the cost of care down. We also believe that, should providers seem arbiters deciding more and more cases in this manner, over time the number of cases that even go to arbitration will likely be minimized, as providers will realize that they will need to present extenuating circumstances in order to get a higher rate. Minimized litigation will help minimize the burden on the federal government, while also helping to keep plan administrative costs down.

I thank you very much for your time and consideration, and am happy to answer any questions.