



California Society of
ANESTHESIOLOGISTS
Physicians for Vital Times

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August 4, 2016

The Honorable Ricardo Lara
Chair, Senate Appropriations Committee
State Capitol, Room 2206
Sacramento, California 95814

RE: AB 72 (Bonta)
CSA Position: *Oppose Unless Amended*

Dear Senator Lara:

The California Society of Anesthesiologists (CSA) has adopted a position of ***Oppose Unless Amended*** on AB 72 (Bonta). CSA is supportive of eliminating surprise bills and believes patients should not be put in the middle of these situations. And while AB 72 has considerable merits over previously proposed legislation, it still puts physicians in a situation where it will become more and more difficult to negotiate fair contracts with insurers, leading to fewer physicians treating patients and narrower networks overall. As such, CSA requests amendments in concert with the California Medical Association (CMA) and other hospital-based specialty physicians that will improve the important goal of taking patients out of the middle of these situations. We appreciate that this bill provides a framework for a comprehensive, fair solution to the surprise billing issue and we request parity between physicians and health insurers.

CSA physicians routinely treat patients during life's most difficult and uncertain moments, often in life-sustaining surgeries. We agree that patients should not be surprised by out-of-network charges. However it is unrealistic to ensure that any given physician has a contract for every coverage product in their area, and every product offered by each individual insurer, though CSA members strive to reach agreement on as many contracts as possible. It is for this reason that pegging interim payments to the greater of average contracted rates or 125% of Medicare is objectionable to CSA. Contracted rates of payment already represent substantial discounts to usual and customary market rates. To statutorily impose payments that some physicians have agreed to but not others will rapidly force a spiral of even lower rates (driven by health plan and insurers) leading to even more restricted provider networks. Several states have passed legislation dealing with this issue and we are waiting to see what the net effect of these responses is. Our overall concern on narrow networks is that patients will face significant challenges in finding a physician who accepts their coverage, thereby delaying care and increasing costs for otherwise treatable conditions.

(Continued)

For these reasons, we must take a position of ***Oppose Unless Amended*** and thank you for your consideration on AB 72 (Bonta). If you have questions or require additional information, please contact either one of our CSA Legislative Advocates, Bryce Docherty at bdocherty@ka-pow.com or Vanessa Cajina at vcajina@ka-pow.com or (916) 448-2162.

Sincerely,

A handwritten signature in cursive script that reads "Jeff A. Poage, MD".

Jeff Poage, MD
Chair, Legislative and Practice Affairs Division

cc: The Honorable Rob Bonta
 The Honorable Susan Bonilla
 The Honorable Brian Dahle
 The Honorable Lorena Gonzalez
 The Honorable Brian Maienschein
 The Honorable Jim Wood
 Members, Senate Appropriations Committee
 Senate Republican Caucus