



Testimony For the Record of

Dave Chase

Founder, Health Rosetta

TED Talk, “Healthcare Stole the American Dream - Here’s How We Take It back”

Author, “CEOs Guide to restoring the American Dream - How to Deliver World Class Health Care to Your Employees at Half the Cost”

On Behalf of Health Rosetta

For the

Subcommittee on Health, Employment, Labor, and Pensions

Hearing On

“Lowering Costs and Increasing Access to Health Care With Employer-Driven Innovation”

January 11, 2024



January 18, 2024

The Honorable Bob Good
Chair, Subcommittee on Health, Employment,
Labor, and Pensions
461 Cannon House Office Building
Washington, DC 20515

The Honorable Mark DeSaulnier
Ranking Member, Subcommittee on Health, Employment,
Labor, and Pensions
503 Cannon House Office Building
Washington, DC 20510

Dear Chair Good and Ranking Member DeSaulnier:

I extend my gratitude for the hearing on Lowering Costs and Increasing Access to Health Care With Employer-Driven Innovation. The bipartisan support demonstrated by your committee for price transparency is commendable and aligns with the will of the American people, as evidenced by the recent Marist poll¹ showing 94% support for systemwide healthcare price transparency.

I am an author and social movement leader — my TED talk and book titles describe the problem we are tackling and our work

- My TED Talk was titled “Healthcare Stole the American Dream - Here’s How We Take It back”
- My bestselling book was titled “CEOs Guide to restoring the American Dream - How to Deliver World Class Health Care to Your Employees at Half the Cost”

The urgency for readily available prices in healthcare cannot be overstated. With one hundred million Americans in medical debt and facing devastating financial consequences, the need for transparency is a pressing matter. Employers and their employees continually grapple with escalating healthcare costs and premiums, making it imperative to address this issue promptly.

The success stories of employers like SavATree (which has employees in Representative DeSaulnier’s district, in Martinez, CA providing tree and lawn services) showcase the potential of having unfettered access to claims data and direct contracting in lowering healthcare costs. In 2016, SavATree was spending \$13,230.19 per employee per year (PEPY). By the end of 2022, that was reduced to \$6,139.90 PEPY and benefits improved (e.g., free direct primary care, removing cost sharing, etc. for their 2000 employees). Today, that puts SavATree at 61% below the national average PEPY. Enrollment in their health plan has increased 46% and the cumulative savings has been \$35.5 million.

In Representative Good’s district is another employer, Design Electric (160 employees in Charlottesville), earlier in the process of benefiting their employees by utilizing claims data to improve their health plan. This has already resulted in substantial savings for the company and employees.

While we celebrate these successes, it is essential to acknowledge the monumental challenges faced by employers to gain access to claims data. We cannot expect every employer to undertake such extreme measures to provide quality health benefits at a fair cost. The 90 million Americans who work for firms with 50 to 5,000 employees face the most challenges from unfair contracting and data blocking practices. Health Rosetta’s community of accredited advisors steward 5 million Americans in these employer health plans to negotiate a path forward to lower premiums for their employees.

Health Rosetta employers have demonstrated the transformative power of unfettered access to healthcare claims data. Beyond providing superior health benefits, they have successfully rooted out waste, leading to what we call the Health Rosetta Dividend, spending 20-55% less per capita. This dividend allows for reinvestments in areas such as free college education, substantial pay increases, advanced primary care services, healthy food initiatives,

¹ Patient Rights Advocate, Inc., National Survey December 2023, Conducted by the Marist Poll, <https://www.patientrightsadvocate.org/2024maristpoll>, accessed January 23, 2024.



and more – directly impacting the health and financial well-being of their workforce, dependents, and communities.

In light of these successes and challenges, I urge your support for legislation that addresses the crucial pillars of meaningful healthcare price transparency. These include codification of the Transparency in Coverage (TiC) rule for all commercial coverage, enhancements to drug price disclosures, closing loopholes in the "gag clause" prohibition on employer plan third party administrators, expanded access to data for employers, and accountability provisions to ensure accurate disclosures of claims payments and provider prices, including cash prices.

Specifically, key planks of meaningful legislation must enable true, system-wide price and coverage transparency as follows:

1. Apply specific penalties to plans, issuers, and TPAs that breach the gag clause restriction by including anti-competitive terms in their contracts;
2. Expand the application to Accountable Care Organizations that serve Medicare patients as payers and obtain favorable reimbursement from the government;
3. Enact requirements that forbid charging members more than they anticipate and mandate that issuers and plans certify the truthfulness of their disclosures;
4. Codify the TiC rule such that it applies to all commercial coverage, particularly requiring plans and issuers to provide machine-readable files with negotiated out-of-network, in-network, and prescription pricing;
5. Improve machine-readable files for drug prices to guarantee that the true costs of medications are revealed;
6. Include the following revisions to the "gag clause" prohibition of the Consolidated Appropriations Act, 2021:
 - a. Make sure it covers the right parties, such as TPAs that service group health plans;
 - b. Extend the prohibition to contract clauses that would forbid or restrict the ability of a group health plan to audit its insurers or TPAs;
 - c. Increase the scope of data and information that employers can access regarding their own plans, including pricing and reimbursement formulas; and
 - d. Provide explicit protections to enable employers and individuals to bargain for better terms and to receive the financial benefits of such negotiations.

Legislation pending now in the House and the Senate incorporating these critical pillars will meet the demands of the American people for meaningful healthcare price transparency. I would be delighted to meet with you to provide more details on these suggestions. Further, I can provide dozens of other inspiring examples of what's possible when employers and unions have access to their claims data.

Warmest Regards,

A handwritten signature in black ink, appearing to read "Dave Chase".

Dave Chase
Co-founder & CEO
HealthRosetta.org