

August 12, 2019

Mr. Thomas Nickels  
Executive Vice President  
American Hospital Association  
800 10<sup>th</sup> Street NW, Suite 400  
Washington, DC 20001

Dear Mr. Nickels:

Thank you for appearing before the Subcommittee on Health on Wednesday, June 12, 2019 at the hearing entitled “No More Surprises: Protecting Patients from Surprise Medical Bills.” We appreciate the time and effort you gave as a witness before the Subcommittee.

Pursuant to Rule 3 of the Committee on Energy and Commerce, members are permitted to submit additional questions to the witnesses for their responses, which will be included in the hearing record. Attached are questions directed to you from certain members of the Committee. In preparing your answers to these questions, please address your responses to the member who has submitted the questions using the Word document provided with this letter.

To facilitate the publication of the hearing record, please submit your responses to these questions by no later than the close of business on Friday, August 30, 2019. As previously noted, this transmittal letter and your responses will be included in the hearing record. Your written response should be transmitted by e-mail in the Word document provided with this letter to Josh Krantz, Policy Analyst with the Committee, at [josh.krantz@mail.house.gov](mailto:josh.krantz@mail.house.gov). You do not need to send a paper copy of your responses to the Committee. Using the Word document provided for submitting your responses will also help maintain the proper format for incorporating your answers into the hearing record.

Mr. Thomas Nickels

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Thank you for your prompt attention to this request. If you need additional information or have other questions, please have your staff contact Mr. Krantz at (202) 225-5056.

Sincerely,

Frank Pallone, Jr.  
Chairman

#### Attachments

cc: Hon. Greg Walden, Ranking Member  
Committee on Energy and Commerce

Hon. Anna G. Eshoo, Chairwoman  
Subcommittee on Health

Hon. Michael C. Burgess, Ranking Member  
Subcommittee on Health

**Attachments—Additional Questions for the Record**

**Subcommittee on Health  
Hearing on  
“No More Surprises: Protecting Patients from Surprise Medical Bills”  
June 12, 2019**

**Thomas Nickels**

**The Honorable Michael C. Burgess, M.D.**

1. I think everyone agrees that the patient should be held harmless and that their out-of-pocket costs should be kept to a minimum. Can you explain the existing process that hospitals and insurers go through in balance billing a patient and how you determine how much they must pay?

**Answer:**

Hospitals and health systems treat all patients who come through their doors, around the clock and regardless of their ability to pay. They work closely with them on their individual bills, including seeking information from their insurer regarding out-of-pocket expenses. Hospitals then share and discuss financial assistance options with the patient. The American Hospital Association provides resources to our members regarding how they can best talk to patients about a hospital's billing process.

For tax-exempt hospitals, Congress has prescribed specific requirements for information that must be included in a Financial Assistance Policy (FAP), and limited the amount an individual eligible for assistance can be expected to pay, typically similar to Medicare pricing. In 2016, tax-exempt hospitals reported that \$43.0 billion, 6.4 percent of total hospital expenses, were both devoted to financial assistance for patients and absorbing losses from Medicaid and other means tested government program under payments, on their IRS Form 990 Schedule H. Hospital expenditures include services provided by their employed physicians. Physicians who are not employees typically have no financial assistance obligations.