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June 19, 2001

The Honorable John D. Dingell
Ranking Minority Member
Committee on Energy and Commerce
2322 Rayburn House Office Building
US House of Representatives
Washington, DC

Dear Representative Dingell:

On behalf of the American Thoracic Society, I am pleased to offer our strong support for the Bipartisan Patient Protection Act of 2001 (HR 526).

This legislation offers those who suffer from lung disease the strong, comprehensive, and enforceable protections that they need and deserve. The bill increases patient access to specialists, restricts interference by health plans and insurers with the doctor-patient relationship, and requires health plans to provide consumers with more health care options. In addition, the bill ensures that patients have recourse to speedy and genuine independent review when care is wrongfully denied. This bill applies these protections to all 170 million Americans covered by private-sector group health plans, individual health plans, and fully insured state and local government plans.

Most importantly, this bill has carefully crafted a compromise that would provide real legal accountability to health plans and insurance companies without encouraging frivolous lawsuits. This bill preserves existing state liability for medical injury and creates a new federal accountability for administrative decisions, with no caps on damages – but with a cap on civil penalties of \$5 million to deter violations.

Some opponents of providing this accountability have maintained they would cause health care premiums to skyrocket. In reality, an analysis of S. 283 by the Congressional Budget Office found that premiums would only be increased by 0.8 percent as a result of these accountability provisions.

In 1997 Texas enacted legislation that created a new state cause of action against health HMOs and other managed care entities that failed to exercise

ordinary care when making health care treatment decisions. The American Association of Health Plans and the Health Insurance Association of America surveyed their members on the effect that law had on their members. According to the results of that survey, they "could not find one example" where the Texas patient protection law forced Texas HMOs to raise their premiums or provide unneeded and expensive medical services.

The accountability provisions in HR 526 are similar to those in the Texas legislation and would not impose undue additional burdens on HMOs.

The Bipartisan Patient Protection Act of 2001 offers patients the protection they need and deserve. It empowers doctors – not insurance companies – to make medical decisions and speeds patients' access to speciality care. The American Thoracic Society looks forward to working with you and your staff to enact the provisions of this bill into law.

Sincerely,

A handwritten signature in black ink that reads "Adam Wanner". The signature is written in a cursive style with a large initial "A" and a long, sweeping underline.

Adam Wanner
President