

STATEMENT FOR THE RECORD BY
THE ERISA INDUSTRY COMMITTEE (ERIC)
TO THE U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON EDUCATION & WORKFORCE
SUBCOMMITTEE ON HEALTH, EMPLOYMENT, LABOR, AND PENSIONS

“A HEALTHY WORKFORCE: EXPANDING ACCESS AND AFFORDABILITY IN EMPLOYER-
SPONSORED HEALTH CARE”

April 2, 2025

Chairman Allen, Ranking Member DeSaulnier, and Members of the subcommittee, thank you for the opportunity to submit a statement for the record on behalf of The ERISA Industry Committee (ERIC) for the hearing entitled “*A Healthy Workforce: Expanding Access and Affordability in Employer-Sponsored Health Care.*” We appreciate the subcommittee’s attention to the impacts of rising health care costs on employers and their workforce and look forward to working with you to find solutions that will make quality health care more affordable and accessible.

ERIC is a national advocacy organization exclusively representing the largest employers in the United States in their capacity as sponsors of employee benefit plans for their nationwide workforces. With member companies that are leaders in every economic sector, ERIC is the voice of large employer plan sponsors on federal, state, and local public policies impacting their ability to sponsor benefit plans. ERIC member companies offer benefits to tens of millions of employees and their families, located in every state, city, and congressional district.

ERIC member companies offer comprehensive health coverage for employees, their families and retirees through self-insured plans governed by the Employee Retirement Income Security Act of 1974 (ERISA). They do so to attract and retain employees, to be competitive for human capital, to improve health and productivity, and to provide peace of mind. Large employers, like ERIC member companies, roll up their sleeves to improve how health care is delivered in communities across the country. They do this by developing value-driven and coordinated care programs, implementing employee wellness programs, providing transparency tools, and a myriad of other innovations that improve quality, reduce costs, and drive value for working families.

Below, we highlight ERIC’s topline policy proposals to consider as you examine the rising costs of health care for employees, their families, retirees, and employers. More than 160 million Americans receive health insurance from their employers, and employers can and should be important partners to help forge affordability solutions. ERIC looks forward to working with you on the following policy proposals identified by our member companies as key to this shared goal.

I. Transparency and Accountability Reforms

ERIC member companies believe transparency is integral both to reduce health care costs and improve quality of care. Health care costs for employers continue to rise at an unsustainable rate. To help mitigate these costs, Congress should significantly strengthen transparency in the health care system, thus giving rise to better care for patients, more competition, greater value, and improved quality and safety.

ERIC applauds the House's work on the "*Lower Costs, More Transparency Act*" (LCMT, H.R. 5378 – 118th Congress) as an important step in addressing the need for greater health care transparency. Too many hospitals are still failing to meaningfully comply with the U.S. Department of Health and Human Services (HHS) regulations requiring them to make public standard charges, including negotiated rates. Notably, the legislation would enshrine in statute the requirement that hospitals publicly post the negotiated price for health care items and services in a machine-readable format and increase compliance with and enforcement of this requirement. In addition, the legislation strengthens group health plan Transparency in Coverage requirements and makes important changes to facilitate better access by plan sponsors to much-needed data so they can offer better benefits to their employees.

While these policies are significant and necessary, we urge Members of Congress to continue to push forward on additional reforms to ensure optimal transparency. This includes extending transparency requirements to pharmacy benefit managers (PBMs) along with commonsense reforms that would hold PBMs accountable to fair market practices when partnering with employers. To that end, we strongly urge Congress to enact the bipartisan, bicameral health care package that was agreed upon in December but failed to make it onto the final continuing resolution. Additionally, we implore the Committee to push for inclusion of Title IV of the LCMT, which provides desperately needed clarifications and enhancements to the Consolidated Appropriations Act (CAA), as well as implementing new data sharing and transparency requirements to improve employer-sponsored health benefits.

The more accurate, complete, accessible, and up-to-date the data is when shared with employer-sponsored health plans, the more plan sponsors may do to ensure not only their own compliance with current law and regulations, but also to improve affordability and quality for the millions of workers enrolled in these plans. If Congress wants employers to be active purchasers who make changes and advocate on behalf of employees throughout the plan year, then employers need information about costs throughout the plan year – not just in an end-of-the-year summary.

II. Provider Consolidation and Unfair Pricing Practices

Health care provider markets continue to consolidate, including the mass purchase of provider practices by hospital systems. With such widescale consolidation comes great market power to demand higher prices. ERIC member companies are seeing the impact of this through enhanced pressures regarding provider contracting, as well as significant price increases for services in provider offices and clinics.

There is no case for a laissez-faire approach to such egregious market failures. Immediate intervention is needed to preserve free markets in health care as they continue to spiral out of control, leading to affordability and access concerns for employers and their workforce.

Congress should enact legislation banning hospitals from charging facility fees for telehealth services, along with facility fees at hospital-purchased physician offices. This could be achieved by promoting transparency via honest billing requirements, requiring a unique identifier for billing at every site of care. Legislation was introduced last Congress that would do just that -- the "*Facilitating Accountability In Reimbursement (FAIR) Act*" (H.R. 3417 – 118th Congress) and the "*Site-Based Invoicing and Transparency Enhancement (SITE) Act*" (S. 1869 – 118th Congress). Furthermore, Congress should enact legislation advanced by the Committee last Congress that would rebalance the lopsided market power of providers and promote fairness in contracting practices. We encourage the subcommittee to promote competition and reduce network consolidation by advancing the "*Healthy Competition for Better Care Act*" (H.R. 3120 – 118th Congress) through the legislative process.

III. Telehealth

ERIC member companies are pioneers in offering robust telehealth benefits. Telehealth enables individuals to obtain the care they need, when and where they need it, affordably and conveniently. Telehealth visits are generally less expensive than in-person visits and significantly less expensive than urgent care or emergency room visits. Telehealth visits allow individuals who may not have a primary care provider and are experiencing medical symptoms an affordable alternative to an otherwise unnecessary emergency room visit. Access to telehealth benefits saves individuals significant money and reduces the cost to the plan, which ultimately lowers health insurance premiums.

Telehealth benefits reduce the need to leave home or work and risk infection at a physician's office, provide a solution for individuals with limited mobility or access to transportation, and have the potential to address provider shortages, especially related to mental health, and improve choice, competition, and reduce costs in health care.

ERIC's member companies continue to innovate in their benefit designs to reflect telehealth improvements – held back only by various federal and state government barriers. This includes overly restrictive provider licensing, unnecessary barriers such as banning store-and-forward communications, or specific technology requirements. Additionally, ERIC member companies are interested in offering telehealth to certain sectors of their workforce who currently cannot be offered these services. We encourage Congress to pass the “*Telehealth Benefit Expansion for Workers Act of 2023*” (H.R. 824 – 118th Congress). This bill would allow employers to offer standalone telehealth benefits to millions of individuals who are not enrolled in the employer’s full medical plan, such as part-time workers, interns, seasonal workers, persons on a waiting period, and others, by removing barriers presented under current law, such as the *Affordable Care Act* (ACA).

Conclusion

Thank you for this opportunity to share our views. ERIC is committed to helping forge solutions that result in improved health care access, affordability, quality, transparency, and safety for all Americans. We are confident that our policy recommendations can provide meaningful changes to our health care system. We look forward to working with the subcommittee to further help in policy development and enact legislation.