

OPEN LETTER TO CONGRESS

Same Service, Same Price.

From gas and groceries to cars and housing, rising prices for everyday goods and services can stress household budgets. But one of the biggest financial strains on families remains the irrationally high costs of one basic necessity: health care.

A significant driver of these high health care costs stems from the fact that patients, consumers, employers, and taxpayers are being charged what amounts to billions more as hospitals buy up physician practices and charge higher prices for the same services. Patients shouldn't be charged more for the same care simply because of where they receive it. **We are calling on Congress to act now to advance site-neutral payment and billing transparency reforms to protect against unfair billing practices that lead to excessive health care prices.**

Medicare beneficiaries and the Medicare program often pay two to three times more¹ for the same routine services when they are provided in a hospital outpatient department rather than in an independent doctor's office. People with private health insurance also pay higher prices for care in hospital-owned facilities in many cases. These higher payments create incentives for hospitals to buy up physician practices and rebrand them as hospital outpatient facilities to charge higher prices. When a physician's office is acquired by a hospital system, the prices increase by more than 14%² – simply because the logo on the door changed. This all leads to more consolidated health care markets, which reduces patient choice and access to care and increases what patients, employers, and taxpayers pay for health care.

A recent study³ released by the Leukemia & Lymphoma Society found that many cancer patients with multiple myeloma are charged \$2,029 in out-of-pocket costs for the same treatment that can be administered in an independent doctor's office for \$809. The study estimates site-neutral policies could help these patients save up to \$1,220 annually.

And it saves taxpayers money too. The Congressional Budget Office estimates⁴ that site-neutral payment reforms could save Medicare nearly \$140 billion over the next decade.

The time to act is now to stop these unfair billing practices. We urge you, Members of the 118th Congress, to prioritize the health and well-being of the American people.

Sincerely,

American Academy of
Family Physicians
American Benefits Council
American College of Physicians
Americans for Prosperity
Arnold Ventures
Association of American
Physicians and Surgeons
Blue Cross Blue Shield Association
Committee for a Responsible
Federal Budget
Committee to Protect Health Care
Community Catalyst
Community Oncology Alliance (COA)
The ERISA Industry Committee
Families USA
FreedomWorks
The Leukemia & Lymphoma Society
Market Institute
Medicare Rights Center
MomsRising
National Alliance of Healthcare
Purchaser Coalitions
National Kidney Foundation
National Taxpayers Union
Peterson Center on Healthcare
Progressive Policy Institute
Purchaser Business Group on Health
Small Business Majority
Third Way
United States Public Interest
Research Group
United States of Care
West Health Institute

1 Actuarial Research Corporation, *Potential Impacts of Medicare Site Neutrality on Off-Campus Drug Administration Costs*, October 18, 2023

2 Capps C, Dranove D, Ody C. The effect of hospital acquisitions of physician practices on prices and spending. *J Health Econ*. 2018;59:139-152. doi:10.1016/j.jhealeco.2018.04.001

3 Wakely and Leukemia & Lymphoma Society, *Site Neutral Payment Reform has the Potential to Significantly Reduce Out-of-Pocket Patient Spend*, November 2023

4 Congressional Budget Office, *Proposals Affecting Medicare—CBO's Estimate of the President's Fiscal Year 2021 Budget*, March 25, 2020