



**CONSUMERS F1RST**

The Alliance to Make the Health Care  
System Work for Everyone

**Statement for the Record**

Senate Committee on Health, Education, Labor and Pensions (HELP)

Hearing on “Making Health Care Affordable: Solutions to Lower Costs and Empower Patients”

Prepared by *Consumers First: The Alliance to Make the Health Care System Work for Everyone*

July 31, 2025

Chair Cassidy and Ranking Member Sanders, on behalf of *Consumers First*, we want to thank you for holding this important and timely hearing on health care affordability, and to offer our sincere appreciation to all of the witnesses and senators who are lifting up the impact that unaffordable health care costs have on people all across this country. As an alliance that brings together the interests of consumers, employers, labor unions, and primary care clinicians working to realign and improve the fundamental economic incentives and design of the health care system, *Consumers First* thanks you for being responsive to [our call to action](#),<sup>1</sup> and stands ready to support you as you embark on this critical work.

While policymakers have taken steps in recent years to begin to lower health care costs and to improve health outcomes, there is still a lot of work to be done; and recent legislation prioritized and passed by this Congress *wholly failed* to address the root causes driving unaffordable American health care, including the health care industry's anticompetitive behaviors and price gouging of families. Congress must waste no more time in taking on these root drivers and providing relief to the American people.

Across the country, Americans are sounding the alarm: the cost of health care is too high, the system too complex, and relief is desperately needed. In 2025, nearly half of all Americans struggle to afford the health care they and their families need due to the high cost.<sup>i</sup> Even families with commercial coverage are spending up to 25% of their monthly budget on health care costs.<sup>ii</sup> These high costs have left 100 million families grappling with medical debt they may never pay off.<sup>iii</sup>

Our health care affordability crisis is largely driven by health care industry consolidation — particularly among hospitals — that has eliminated healthy competition and led to irrational and inflated health care prices.<sup>iv</sup> This consolidation has taken place without meaningful regulatory oversight or intervention and is made worse by the broken financial incentives in our current health care payment system that drive further consolidation and fail to hold the health care system accountable for the affordability or quality of the care being delivered.

As a result, over the last three decades, health care prices, and in particular hospital prices, have increased a staggering 600%, now accounting for nearly one-third of U.S. health care spending and growing more than four times faster than workers' paychecks.<sup>v</sup> Prices are not only high, but irrationally variable across a wide range of health care goods and services; and importantly, prices are opaque to those who need that information the most. Every person should be able to know upfront what they will be charged for health care services, whether it's for an X-ray, MRI, surgery or other procedure. Yet health care is one of the only sectors in the U.S. economy where prices are hidden from consumers and other purchasers until after they receive the service and a bill for care.<sup>vi</sup>

The HELP Committee has a key role to play in advancing well-vetted, bipartisan and commonsense legislation that would remedy some of the most obvious health system failings by promoting meaningful transparency and accountability, reducing waste and inefficiencies driven by corporate health systems, and rooting out conflicts of interest that increase health care costs

**Price transparency.** One crucial way this Committee can address provider consolidation and encourage competition in the health care system is through price transparency. Unveiling prices is a critical step towards achieving truly affordable health care, improved health, and more competitive health care

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<sup>1</sup> [https://familiesusa.org/wp-content/uploads/2025/02/Consumers-First\\_Legislative-Agenda-2025.pdf](https://familiesusa.org/wp-content/uploads/2025/02/Consumers-First_Legislative-Agenda-2025.pdf)

markets across the U.S. health care system. Price transparency pulls back the curtain on prices so that policymakers, researchers, employers, and consumers can see how irrational health care prices have become and take action to rein in pricing abuses. Further, unveiling prices can inform where the highest and most irrational prices are occurring in the health care system, so policymakers can implement more targeted policy solutions to bring down the cost of health care. We strongly support the administration's commitment to improve hospital price transparency and **urge the Committee to strengthen and codify the Hospital Price Transparency Rule to require all hospitals and health plans to disclose their negotiated rates in dollars and cents, establish standard formats including a machine-readable file format, eliminate loopholes and require hospital executive attestation.**

**Honest billing and site-of-service payment differentials.** We also encourage the Committee to address payment differentials across sites of service that financially incentivize further consolidation. The continuation of this perverse payment incentive drives up costs and undermines healthy market competition with no corresponding improvement in quality or access. **We urge the Committee to advance billing transparency reforms that require off-campus hospital outpatient departments to use a separate identifier when billing to commercial insurers to ensure large hospital systems do not overcharge for the care they deliver in outpatient settings. We also urge you to work with your colleagues on the Senate Finance Committee to enact these reforms in Medicare and to advance comprehensive site neutral payments, requiring Medicare and Medicaid to pay the same rates across on- and off-campus hospital outpatient departments, ambulatory surgical centers and independent doctor's offices, while protecting access to care in underserved rural and urban communities.**

**Anti-competitive contracting.** In addition, we urge the Committee to take a closer look at anticompetitive practices and clauses in health care contracting agreements, which occur in a variety of places including between providers and insurers and within clinician and health care worker employment arrangements. In contracts between provider entities and insurers, large entities in highly consolidated markets have the upper hand in contract negotiations to build networks and set prices. As a result, many of these contracts include terms that limit access to higher-quality, lower-cost care. When anticompetitive terms are present in health care clinician and worker employment contracts, they can further stifle competition, lead to burnout that exacerbates workforce shortages<sup>vii</sup>, impede patient access to preferred providers and care, and in some cases lead to higher prices for health care services.<sup>viii</sup> **We urge the Committee to prohibit anticompetitive contracting terms, including between providers and insurers such as "all-or-nothing," "anti-steering," and "anti-tiering" clauses in provider and insurer contracts; and to prohibit anticompetitive contracting terms, such as "non-compete" clauses in clinician and health care worker employment arrangements, that, for instance, may interfere with the continuity of the primary care patient-physician relationship.**

Enacting these policies would set critical groundwork to reduce inflated spending throughout the system and make health care more affordable and value-driven for consumers.<sup>ix</sup>

*Consumers First* and our undersigned allies look forward the discussion today and to working with you to enact bipartisan and commonsense improvements to our nation's health care payment and delivery system. Please contact Jane Sheehan, Deputy Senior Director of Government Relations at Families USA, [JSheehan@familiesusa.org](mailto:JSheehan@familiesusa.org), for further information and to let us know how we can best be of service to you.

Sincerely,

American Academy of Family Physicians

American Benefits Council

American Federation of State, County, and Municipal Employees

Families USA

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<sup>i</sup> KFF, Americans' Challenges with Health Care Costs, July 11, 2025. <https://www.kff.org/health-costs/issue-brief/americans-challenges-with-health-care-costs/>

<sup>ii</sup> Sara R. Collins, Shreya Roy, and Relebohile Masitha, "Paying for It: How Health Care Costs and Medical Debt Are Making Americans Sicker and Poorer: Findings From the Commonwealth Fund 2023 Health Care Affordability Survey," The Commonwealth Fund, October 26, 2023, <https://doi.org/10.26099/bf08-3735>.

<sup>iii</sup> Noam N. Levey, "100 Million People in America Are Saddled With Health Care Debt," KFF Health News, June 16, 2022, <https://kffhealthnews.org/news/article/diagnosis-debt-investigation-100-million-americans-hidden-medicaldebt/>.

<sup>iv</sup> Robert A. Berenson, Jaime S. King, and Katherine L. Gudiksen, "Addressing Health Care Market Consolidation and High Prices," The Urban Institute, January 2020, <https://www.urban.org/research/publication/addressing-healthcare-market-consolidation-and-high-prices>. See also, "Policy Approaches to Reduce What Commercial Insurers Pay for Hospitals' and Physicians' Services," Congressional Budget Office, September 2022, <https://www.cbo.gov/system/files/2022-09/58222-medical-prices.pdf>.

<sup>v</sup> Emma Wager, Shameek Rakshit, and Cynthia Cox, "What Drives Health Spending in the U.S. Compared to Other Countries," Peterson-KFF Health System Tracker, August 2, 2024, <https://www.healthsystemtracker.org/brief/whatdrives-health-spending-in-the-u-s-compared-to-other-countries/#Healthcare%20spending%20per%20capita,%20by%20spending%20category,%202021>; Drew DeSilver, "For Most U.S. Workers, Real Wages Have Barely Budged in Decades," Pew Research Center, August 7, 2018, <https://www.pewresearch.org/fact-tank/2018/08/07/for-most-us-workers-real-wages-have-barely-budged-for-decade>; 2020 Health Care Cost and Utilization Report (Health Care Cost Institute, May 2022), [https://healthcostinstitute.org/images/pdfs/HCCI\\_2020\\_Health\\_Care\\_Cost\\_and\\_Utilization\\_Report.pdf](https://healthcostinstitute.org/images/pdfs/HCCI_2020_Health_Care_Cost_and_Utilization_Report.pdf); "The Healthcare Cost Crisis: An American Epidemic," West Health, (September, 2024), <https://healthcostcrisis.org/>; "Healthcare Cost and Utilization Project (HCUP)," Agency for Healthcare Research and Quality, U.S. Department of Health & Human Services, last reviewed February 2025, <https://www.ahrq.gov/data/hcup/index.html>.

<sup>vi</sup> Danielle Scheurer, "Lack of Transparency Plagues U.S. Health Care System," The Hospitalist, Society of FAMILIESUSA.ORG 14 Hospital Medicine, May 1, 2013, <https://www.the-hospitalist.org/hospitalist/article/125866/health-policy/lacktransparency-plagues-us-health-care-system>; Ann Boynton and James C. Robinson, "Appropriate Use of Reference Pricing Can Increase Value," Health Affairs Forefront, July 7, 2015, <https://www.healthaffairs.org/doi/10.1377/forefront.20150707.049155/full>; Sarah Kliff and Josh Katz, "Hospitals and 14 Insurers Didn't Want You to See These Prices. Here's Why," New York Times, August 22, 2021, <https://www.nytimes.com/interactive/2021/08/22/upshot/hospital-prices.html>.

<sup>vii</sup> Smith EB, "Ending Physician Noncompete Agreements—Time for a National Solution," *JAMA Health Forum*. 2021;2(12):e214018. doi:10.1001/jamahealthforum.2021.4018  
<https://jamanetwork.com/journals/jama-health-forum/fullarticle/2786894>

<sup>viii</sup> Hausman, Naomi, and Kurt Lavetti. 2021. "Physician Practice Organization and Negotiated Prices: Evidence from State Law Changes." *American Economic Journal: Applied Economics*, 13 (2): 258-96.DOI: 10.1257/app.20180078  
<https://www.aeaweb.org/articles?id=10.1257/app.20180078>

<sup>ix</sup> *Policy Approaches to Reduce What Commercial Insurers Pay for Hospitals' and Physicians' Services*. Congressional Budget Office. 2022. <https://www.cbo.gov/publication/58222>