



September 15, 2023

**Statement from Consumers First on the
Lower Costs, More Transparency Act**

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* writes in support of key provisions in the bipartisan *Lower Costs, More Transparency Act* put forward jointly by leaders on the House Committees on Energy and Commerce, Education and Workforce, and Ways and Means. We believe this legislation contains policies that would set critical groundwork to reduce inflated spending throughout the system and make health care more affordable and value driven for consumers.

Consumers, employers, workers, and clinicians are struggling in a health care system whose payment structure incentivizes the delivery of high cost services regardless of the quality of care. Increased hospital and health system consolidation, combined with an ongoing lack of price transparency, precludes healthy competition and exacerbates irrational health care prices and anticompetitive behavior.ⁱ Far too many people in this country are forced to make impossible choices between seeking medical care and meeting basic needs, such as feeding their families, and nearly half of Americans report having to forgo medical care due to the costⁱⁱ. At the same time, people's premiums keep rising, employers are spending increasingly more to keep their workers covered, and many workers' wages are suppressed.ⁱⁱⁱ

Several of the solutions included in the *Lower Costs, More Transparency Act* would make important strides towards addressing some of the most obvious health system failings that have enabled anticompetitive behaviors, prevented healthy competition, and resulted in monopolies that set unaffordable prices:

- This legislation makes clear, without any exception, that all hospitals and insurers are required to post the underlying price of health care services, in a machine readable and consumer-friendly format. Price transparency pulls back the curtain so that policymakers, researchers, employers, and consumers can better understand health care prices and take action to rein in rising prices. Moving towards achieving full transparency of health care prices is a critical step towards driving value in the U.S. health care system and ensuring our nation's families receive affordable, high-quality health care.
- This legislation also takes an important step toward fostering healthier competition in health care markets by advancing billing transparency reforms and expanding site neutral payments for drug administration services to help ensure consumers pay the same price for the same services regardless of where the service is performed. These policies are a welcome first step to addressing misaligned payment incentives that lead to higher costs for patients without meaningfully improving quality.

There is more Congress can do to improve price transparency and health care affordability, including adoption of comprehensive site neutral payment policies, lifting the cap on maximum fines for hospital noncompliance with transparency requirements, and requiring transparency around private equity ownership of health care facilities. But make no mistake, this legislation provides an important moment for Members of Congress to make bipartisan and commonsense improvements to our nation's health care payment and delivery system.

Sincerely,

Consumers First Steering Committee

American Academy of Family Physicians
American Benefits Council
American Federation of State, County & Municipal Employees
Families USA
Purchaser Business Group on Health

ⁱ Jaime S. King et al., Preventing Anticompetitive Healthcare Consolidation: Lessons From Five States (Source on Healthcare Price and Competition and Nicholas C. Petris Center on Health Care Markets and Consumer Welfare, University of California Berkeley School of Public Health, June 2020), <https://sourceonhealthcare.org/profile/preventing-5-anticompetitive-healthcare-consolidation-lessons-from-five-states/>; Martin Gaynor, Kate Ho, and Robert J. Town, "The Industrial Organization of Health-Care Markets," *Journal of Economic Literature* 53, no. 2 (June 2015): 235–284.

ⁱⁱ Gaynor, M. "Examining the Impact of Health Care Consolidation" Statement Before the Committee on Energy and Commerce, Oversight and Investigations Subcommittee, U.S. House of Representatives. 2018.
https://www.researchgate.net/profile/MartinGaynor/publication/323228757_Examining_the_Impact_of_Health_Care_Consolidation_Statement_before_the_Committee_on_Energy_and_Commerce_Oversight_and_Investigations_Subcommittee_US_House_of_Representatives/links/5a874b89a6fdc6b1a3ac6e9/Examining-the-Impact-of-Health-Care-Consolidation-Statement-before-the-Com

ⁱⁱⁱ Daniel Arnold, Christopher M. Whaley, "Who Pays for Health Care Costs?," 2020,
https://www.rand.org/pubs/working_papers/WRA621-2.html; Billie Jean Miller and Steve Nyce, July 27, 2023,
<https://www.wtwco.com/en-us/insights/2023/07/the-big-paycheck-squeeze-the-impacts-of-rising-healthcare-costs>.