

February 9, 2024

In case you missed it!

Lawmakers discuss ways to lower health care costs by enacting site-neutral payments, while protecting safety-net hospitals

During the January 31 House Energy and Commerce Committee's Health Subcommittee [hearing](#), Republicans, Democrats, and witnesses discussed **how to enact meaningful site-neutral payments that can lower patient costs and reduce incentives for consolidation while protecting safety-net hospitals**.

Below are some highlights from the hearing titled, "Health Care Spending in the United States: Unsustainable for Patients, Employers, and Taxpayers."

"The site-neutral conversation is not an exercise in cutting hospitals, but it is really about how to more efficiently structure Medicare, so that patients and taxpayers are not overpaying for the same services to subsidize lost leaders."

- **Energy & Commerce Committee Chair Cathy McMorris Rodgers** (R-WA) on the driving force behind site-neutral policies

"If you do a more comprehensive policy and have more meaningful concerns about the viability of certain hospitals, it would be far better to go ahead and do site-neutral payments, and come up with a policy that directly addresses those hospitals you are concerned about, either by subsidizing directly or limiting the losses from the policy, rather than keep the current policy that overpays everybody."

- **Benedic Ippolito**, Senior Fellow, **American Enterprise Institute** on how to enact meaningful site-neutral payments while shoring up safety-net hospitals

"We have these incredibly broken financial incentives, where we service payment differentials that actually have this incentive for big systems hospitals to come in and buy up physician practices and independent physician practices, rebrand those practices as outpatient departments so that the hospital system can generate a higher reimbursement. ... a policy like site-neutral payments helps to address some of those problems."

- **Sophia Tripoli**, Senior Director of Health Policy, **Families USA**, on the factors leading more physicians to leave their independent practices.

"CBO doesn't recommend policy, we don't advocate for policy. But in the score of the Lower Cost, More Transparency Act, expanding site-neutral payments in Medicare is a saver, increased transparency is a saver on many dimensions. ... the more expansive version of site neutral policy, we expect could have some dampening of the incentives to consolidate and that could spill over to what commercial insurers pay."

- **Chapin White**, Director of Health Analysis, **Congressional Budget Office**, on policies that can reduce overall costs.

“Expanding site-neutral payments.”

- **Ippolito, Tripoli, and White** in separate responses to **Subcommittee Ranking Member Anna Eshoo’s** question on policies that would put a “dent” in the system and generate cost savings.

[Click here to read the Alliance’s statement for the hearing record.](#)

The **Alliance to Fight for Health Care** supports the site-neutral payment policies included in the House-passed Lower, Costs More Transparency Act (HR 5378) that aim to eliminate payment discrepancies based on the site-of-care for certain drug administration services. **We urge the Senate to pass this policy**, which will lower costs for Medicare and Medicare beneficiaries and to **build on this success to adopting more comprehensive site-neutral payment policies that can generate billions in cost savings for the federal government and Medicare beneficiaries and reduce incentives for hospital consolidation, which would lower costs for All Americans.**

The **Alliance to Fight for Health Care** is a broad-based coalition comprised of businesses, patient advocates, employer organizations, unions, health care companies, consumer groups and other stakeholders that support employer-provided health coverage. Together, we are working to ensure that employer-provided coverage remains an available and affordable option for working Americans and their families.



@HealthCareFight | www.fightforhealthcare.com

###