

For Immediate Release
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In Case You Missed It! **MedPAC Chair to Congress: Expand Site-Neutral Payments**

During an April 16 House Energy & Commerce Subcommittee on Oversight and Investigations hearing, **Medicare Payment Advisory Commission (MedPAC) Chair Michael Chernew recommended Congress expand site-neutral payments as a way to improve payment accuracy in the Medicare program.**

In his testimony, Chernew explained that Medicare “payment rates for the same service often differ across three ambulatory settings: hospital outpatient departments (HOPDs), ambulatory surgical centers (ASCs), and freestanding clinician offices.” He noted that these payment differences “**encourage consolidation of physician practices with hospitals**” and shift care “towards the settings with the highest fees, which **increased total Medicare spending and beneficiary cost sharing without significantly improving patient outcomes.**”

He explained that MedPAC has conducted independent analyses and in 2023 “recommended that Congress more closely align payment rates across ambulatory settings for services that can be safely and appropriately delivered in all settings and when doing so, does not degrade access” – a policy commonly referred to as site-neutral payment policy. Chernew explained that even if implemented in a budget-neutral manner, **site-neutral payments “would reduce incentives for providers to make site decisions based on the financial rather than clinical factors,** which could eventually result in lower aggregate spending” and lower Medicare beneficiaries’ cost-sharing.

In December 2023, by a vote of 320 to 71, the House passed the Lower Costs, More Transparency Act (LCMTA), which includes provisions to expand site-neutral payments to certain outpatient drugs and ensure fair billing practices for care provided by off-campus HOPDs. The **Alliance to Fight for Health Care [strongly supports](#)** these provisions and **we urge the Senate to quickly take up these proposals, which have broad stakeholder support** representing physicians, employers, patient advocacy groups and more, including: the Alliance to Fight for Health Care, American Benefits Council, Families USA, Leukemia & Lymphoma Society, American Academy of Family Physicians, American College of Physicians, Community Oncology Alliance, US Oncology Network, National Restaurant Association, and others.

Full testimony:

[MedPAC_April_2024_Improving_Payment_Accuracy_EC_IO_testimony_FINAL_SEC.pdf](#)

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.

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