

For Immediate Release  
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## *In case you missed it!*

# Site-Neutral Payments Could Save \$60B Annually in Commercial Market, Study Finds

**Expanding site-neutral payment reform could generate nearly \$60 billion in savings annually in the commercial market**, according to an economic [study](#) published in *INQUIRY*.

The study explains that site-neutral payments are a federal policy created to address the discrepancy in health care costs between certain care settings. Under the current Medicare payment system, Medicare reimburses physician offices or ambulatory surgical centers at a lower non-facility rate, while hospital outpatient departments (HOPDs) are reimbursed at a higher facility rate. This payment disparity has created an incentive for hospitals and physician office consolidation, reducing the number of independent physicians operating in the United States and increasing the total cost of care for patients and payers. The Medicare Payment Advisory Commission (MedPAC) previously has [estimated](#) that expanding site-neutral payments in Medicare would have generated \$4.9 billion in Medicare savings and \$1.2 billion in beneficiary savings in 2021.

In the study, University of Minnesota health economist Stephen Parente notes that while Congress created site-neutral payments to address payment disparities in Medicare, “similar payment discrepancies can be seen in the commercial market where individual and employer-sponsored health plans often pay more for certain outpatient services depending on their location.” The study projects that if **MedPAC’s proposed site-neutral payment expansion were applied in the commercial market in 2022 they would have reduced spending by \$58 billion**. Further, the study found **potential commercial market savings of up to \$898 billion over a 10-year period, with premium reductions of at least 5% from 2024 to 2033**.

A [recent](#) poll conducted by The Winston Group shows overwhelming voter support for site-neutral payment reform. Specifically, **the poll found that 72% of voters with employer-sponsored coverage believe health care could be more affordable by having services performed at less expensive settings when they can be done so safely** – for instance performing minor outpatient surgery in a clinic rather than a hospital to lower the cost of the procedure.

The **Alliance to Fight for Health Care** is very supportive of bipartisan provisions of the Lower Costs, More Transparency Act that take an important step in addressing this problem. This legislation passed the U.S. House of Representatives with overwhelming bipartisan support last December.

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 more. Further, we encourage Congress to work together on broader site-neutral payment reforms such as those in the bipartisan Site-based Invoicing and Transparency Enhancement (SITE) Act (S. 1869).

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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