

Submission for the record

House Committee on Energy & Commerce
Subcommittee on Health

Hearing: “Health Care Spending in the United States: Unsustainable for Patients,
Employers, and Taxpayers”

January 31, 2024

The **Alliance to Fight for Health Care** thanks the Subcommittee for holding the hearing, “Health Care Spending in the United States: Unsustainable for Patients, Employers, and Taxpayers,” to discuss rising health care costs and bipartisan solutions, such as the House-passed Lower Costs, More Transparency Act.

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 by **lowering the cost of health care services and increasing transparency and innovation**.

Employers, unions, patient advocates and other Alliance members want Congress to address policies that, first and foremost, are driving up costs for patients. A recent American Cancer Society Cancer Action Network [study](#) found that certain cancer treatment services provided in hospital outpatient departments (HOPDs) were **reimbursed at a rate that was three times higher** than services provided in a physician office setting, while some services were reimbursed at a **rate of more than five to six times** higher when provided in HOPDs. The study estimated a hypothetical patient receiving cancer treatments over the course of a year would have experienced a **\$1,500 reduction in out-of-pocket costs** over the course of a year if site-neutral payment had been implemented and that **Medicare Part B spending would have been \$7,750 less**.

In addition, a new [study](#) released by the Leukemia & Lymphoma Society (LLS) found that certain treatment services across eight disease groups were **reimbursed at a rate that was 1.5 to four times higher** when provided in an HOPD setting compared with a freestanding physician office setting. As a result, the study found a **Medicare patient with multiple myeloma could save an average of \$303.48 in out-of-pocket costs** per year if site-neutral payments were expanded, while a **patient with commercial insurance could save \$665.10 on average**.

That is why the Alliance is grateful for this Committee’s leadership in addressing this important topic and supports proposals included in the Lower Costs, More Transparency Act that aim to:

- **Protect patients from paying hospital prices for doctors’ office visits;** and
- **Ensure fair billing practices for care provided by off-campus HOPDs.**

Policy: Protect patients from paying hospital prices for doctors' office visits

The Alliance supports lowering the cost of health care services through policy proposals such as site-neutral payment reform. Current Medicare and private health insurance payment policies pay more for certain services provided in off-campus HOPDs. According to the Medicare Payment Advisory Commission (MedPAC), this disparity is incentivizing health care consolidation and higher health care costs. It also makes it harder for smaller, independent physician practices to compete. As shown in an AMA survey, fewer than half of physicians now work in physician-owned practices, a [trend](#) that has sharply risen since 2012.

We strongly support Section 203 of the Lower Costs, More Transparency Act, which aligns Medicare payments for physician-administered drugs in off-campus HOPDs and freestanding physician offices, and we urge Congress to work on a bicameral basis to complete this important work. As noted above, this policy serves as an important first step toward protecting patients from paying hospital-level prices for outpatient care provided outside of the hospital and for removing financial incentives driving consolidation among health care providers.

We urge Congress to build on this progress and consider additional site-neutral payment reforms. MedPAC, in its June 2022 report, estimated expanding site-neutral payment policies in Medicare could generate \$6.6 billion in annual savings for Medicare and taxpayers and lower cost-sharing for Medicare beneficiaries by \$1.7 billion. These policies can all be designed to protect vulnerable rural or safety-net hospitals, while protecting patients from climbing costs and the other ramifications of consolidation. There is significant support for site-neutral payment reform. A [Morning Consult poll](#) found 86% of insured adults, across political parties, believe health care costs should remain the same regardless of where the service is received.

Policy: Ensure fair billing practices for care provided by off-campus HOPDs

The Alliance also supports Section 204 of the Lower Costs, More Transparency Act, which requires each off-campus HOPDs of a Medicare provider to obtain and use a unique national provider identifier (NPI) on billings for claims for services.

This added layer of transparency is important because current Medicare and private health insurance payment policies make it difficult to tell whether a service was provided at a hospital or in an outpatient setting like a doctor's office, where care may be cheaper. Hospitals that own outpatient facilities often will use the main hospital's NPI and address on all claim forms -- even when care is provided outside the hospital at a hospital-owned doctor's office or facility. This makes it look like the care was provided within the hospital's walls even if the care was provided at an off-campus HOPD miles away from the main hospital.

By requiring off-campus HOPDs of Medicare providers to obtain and use a unique NPI, the committees will ensure patients and payers have the data necessary to dispute erroneous fees, unfair add-on costs, hospital upcharges and other junk fees.

Additional policies to lower health care costs for ALL Americans

The House-passed Lower Costs, More Transparency Act demonstrates the House's commitment to lowering health care costs for workers, employers, and the federal government. Therefore, we ask that the House also consider other Alliance-backed proposals that aim to improve access to care to ALL Americans, including:

- Advancing the Ways and Means Committee-passed Chronic Disease Flexible Coverage Act, HR 3800;
- Making permanent policies enabling employers and plans to continue offering telehealth services pre-deductible; and
- Preserving the ability of employer and multiemployer health plans to offer uniform benefits to all eligible employees across the country.

You can find a longer list of our recommended policies – including the barriers they aim to address – on our website at www.fightforhealthcare.com.

Employers' overarching mission is to drive better patient care. Employers prioritize investing in our employees' health care to support a healthy workforce. Employers and employees want the best outcomes and also to make sure that we are good stewards of their health care dollar. To do that, we need a strong and functioning health care system that places the patient at the center of care.

We thank the House Energy & Commerce Committee leadership again for their work to advance policies to lower health care costs and foster competition in health care. We look forward to working together to advance public policy that makes health care more affordable, supports continued innovation, improves job-based coverage, and advances the health care system for all patients.

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 effective and affordable option for working Americans and their families. The coalition (previously working as the **Alliance to Fight the 40**), led the successful effort to repeal the so-called 40% "Cadillac Tax" on health care coverage.