The Alliance to Fight for Health Care

Advancing employer-provided coverage

September 15, 2025

The Honorable Mehmet Oz
Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
P.O. Box 8010, Baltimore, MD 21244-8010

RE: Medicare and Medicaid Programs: Hospital Outpatient Prospective Payment and Ambulatory Surgical Center Payment Systems; Quality Reporting Programs; Overall Hospital Quality Star Ratings; and Hospital Price Transparency (CMS-1834-P)

Dear Administrator Oz,

Thank you for the opportunity to comment on the Centers for Medicare & Medicaid Services' (CMS) Hospital Outpatient Prospective Payment System (OPPS) proposed rule for calendar year (CY) 2026. The Alliance to Fight for Health Care greatly supports the agency's proposal to expand site-neutral payments and protect patients from paying hospital prices for doctors' office visits.

The Alliance to Fight for Health Care is a diverse 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. The Alliance is dedicated to pursuing policies that increase competition to bring meaningful change — and cost savings — to our health care system and patients everywhere.

Employers, unions, patient advocates and other Alliance members want CMS to address policies that, first and foremost, are driving up costs for patients. We have strongly endorsed Section 203 of the Lower Costs, More Transparency Act, from last Congress, which aligns Medicare payments for physician-administered drugs in off-campus HOPDs and freestanding physician offices.

We have also supported more expansive legislation, such as the SITE Act, which would remove exceptions included in the 2015 Bipartisan Budget Act (BBA) for dedicated emergency departments and CMS approved "mid-build" off-campus HOPDs. The bill also would remove the BBA's provision that "grandfathered" HOPDs operating prior to November 2, 2015. The BBA did not restrict those grandfathered hospitals from expanding the services they provide, which means any hospital that has acquired a physician practice and added it to an existing off-campus HOPD that is excepted from the BBA is reimbursed at the higher, hospital rates. The Alliance also has supported an important congressional proposal that would require every off-campus HOPD to use a unique billing identifier that is separate from the hospital's National Provider Identification. This policy would facilitate site-neutral payments by ensuring Medicare and private health plans know exactly where care was provided and, when appropriate, pay the lower site-neutral rate and charge patients lower cost-sharing amounts.

We will continue to advocate for Congress to pass these much-needed reforms to address the existing Medicare payment disparity and ensure CMS has the statutory authority needed to expand site-neutral payment reforms to all off-campus HOPDs settings for services that can be safely provided in a physician's office.

Our comments below focus on CMS's proposal to expand site-neutral payments to drug administration services provided in off-campus HOPDs and the agency's request for information to further expand site-neutral payments.

CMS' proposal to expand site-neutral payments to outpatient drug administration services

The Alliance strongly supports CMS's proposal to expand site-neutral payments to drug administration services provided in off-campus HOPDs. Current Medicare and private health insurance payment policies pay more for certain services provided in off-campus HOPDs. This payment disparity increases costs for patients because most insured patients pay a percentage of their bill through coinsurance. Site-neutral payments are a commonsense policy that lowers out-of-pocket costs for insured patients and reduces spending by federal and private payers. For example, a recent American Cancer Society Cancer Action Network study found that certain cancer treatment services provided in 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 study released by the Leukemia & Lymphoma Society (LLS) found that certain treatment services across seven disease groups were reimbursed at a rate that was 1.5 to four times higher when provided in an HOPD setting compared with a physician office setting. As a result, the study found a Medicare patient with multiple myeloma could save an average of over $300 in out-of-pocket costs per year if site-neutral payments were expanded, while a commercial patient with multiple myeloma could save $665 on average.

Finalizing CMS's proposal to expand site-neutral payment policy to outpatient drug administration services will have the direct benefit of lowering out-of-pocket costs for Medicare patients with potential for spillover effect into the commercial market, as many commercial rates are benchmarked to Medicare payment. For example, research by University of Minnesota economist Stephen Parente conducted on behalf of the Alliance estimates applying site-neutral payments to the commercial market could result in nearly $60 billion in savings annually in the commercial market. The analysis focused on 57 ambulatory payment classifications (APCs) that the Medicare Payment Advisory Commission (MedPAC) in its June 2022 report said could be aligned with PFS payments and 11 APCs that could by aligned with ASC payments based on volume and safety.

According to the MedPAC, the current payment disparity also 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. This drives up costs for patients and taxpayers without increasing quality or improving outcomes for patients.

CMS's proposal to expand site-neutral payments will help to level the playing field between provider-owned practices and hospital-owned practices so that market need, and not misguided federal payment policy, will determine when consolidation makes sense. Therefore, we urge CMS to finalize this vital policy.

RFIs to further expand site-neutral payments

We believe CMS's proposal to expand site-neutral payments to outpatient drug administration services serves as an important first step toward: (1) protecting patients from paying hospital-level prices for outpatient care provided outside of the hospital; and (2) removing financial incentives driving consolidation among health care providers. We applaud CMS's requests for information on additional ways to expand site-neutral payments. As noted above, the Alliance has supported more expansive legislative proposals that would increase the number of services subject to site-neutral payments, as well as the number of settings subject to site-neutral payments.

The Alliance supports MedPAC's recommended volume-based calculation for identifying which outpatient services should be subject to site-neutral payment. Their recommended list of services for site-neutral payment focus on "low complexity" outpatient services often provided in non-HOPD settings, which do not necessarily cost more, or require more staff or equipment, in a HOPD setting.

MedPAC estimates applying site-neutral payments to those services would generate $6.6 billion in annual savings for the Medicare program and $1.7 billion in savings from lower cost-sharing for Medicare beneficiaries. The Alliance also supports proposals to expand the number of facilities subject to site-neutral payments. The current scope of site-neutral payments is extremely limited. According to MedPAC, just .8% of total OPPS spending provided in off-campus HOPDs or ASCs is subject to site-neutral payment reforms included in the BBA due to the law's exceptions and grandfathering provisions.

As discussed above, the BBA included exemptions for existing and "mid-build" HOPDs, which have expanded their services and retained their grandfathered status to avoid application of site-neutral policy. We urge CMS to continue to work with Congress to resolve any statutory limitations and expand site-neutral payments to all off-campus HOPDs.

Thank you for the opportunity to provide comments, and we look forward to working with you on this and other issues of importance. If you have any questions or wish to collaborate on these issues further, please contact Tara Bradshaw at tara.bradshaw@ey.com.

Sincerely,

The Alliance to Fight for Health Care