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June 27, 2024

Chair Cathy McMorris Rodgers (R-WA)
Ranking Member Frank Pallone, Jr. (D-NJ)
House Committee on Energy and Commerce

Dear Chair Rodgers and Ranking Member Pallone:

Thank you for holding today's critical markup, which includes legislation increasing access to healthcare across America.

Better Solutions for Healthcare, a national coalition representing a broad range of employers and consumers, is committed to advancing legislation to harmonize billing practices in off-campus hospital outpatient facilities, end corporate hospital systems' "dishonest billing" practices, and shine more light on hospital prices.

We are grateful this committee previously included key honest billing components of the Facilitating Accountability in Reimbursements Act – or the FAIR Act – into the bipartisan Lower Costs, More Transparency Act, which received a strong 320 – 71 House floor vote December 11, 2023. And we are thrilled to see this policy once again included in today's legislation extending telehealth access – reaffirming the solid bipartisan support for removing the financial incentive for large corporate hospital systems to buy small rural doctors' offices.

Our coalition's mission is to educate the public about the leading role corporate hospital systems play in driving up the cost of healthcare and advocate for reforms to lower the prices Americans pay for care. America's job creators and local and state business leaders know all too well how the rapidly increasing cost of care creates barriers to good health.

What's worse, a recent report found that corporate hospital systems are threatening to dump patients' insurance networks in an attempt to increase their profits.¹ Not only does this "hostage-taking" strategy make patients innocent victims of predatory billing practices, it increases their out-of-pocket costs and what their employers pay in premiums.

The need for site-neutral reform is growing. As more corporate hospital systems buy smaller, independent practices, they frequently charge patients for services provided in physicians' offices as if they were delivered in a hospital setting. So, the same service, provided by the same doctor, in the same doctor's office, now costs the same patient as much as 300% more simply because a corporate hospital system owns the doctor's practice.² Rural Americans, who

¹ Wofford, Darbin. "Stop Hospitals from Dumping Patients." *Third Way*, Accessed 26 June, 2024. <https://www.thirdway.org/report/stop-hospitals-from-dumping-patients>

² Shinkman, Ron. "Study quantifies cost differential between physician offices and hospital outpatient care." *Fierce Healthcare*, Accessed 6 March, 2024. <https://www.fiercehealthcare.com/finance/study-quantifies-cost-differential-between-physician-offices-and-hospital-outpatient-care>.

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often have limited options for where to receive care, are particularly vulnerable to these cost-inflating practices.

We cannot solve the health care affordability crisis in America without addressing the role of corporate hospital systems. Today, one out of every three dollars spent on healthcare goes to hospitals.³ And hospitals charge \$417 for every \$100 of their costs.⁴

In the 118th Congress, six House and Senate committees have conducted over a dozen hearings and markups scrutinizing corporate hospital systems' practices, and today's markup offers another practical step forward in tackling Americans' skyrocketing healthcare costs.

As previously mentioned, the House passed the Lower Costs, More Transparency Act by a 320 – 71 bipartisan vote, with 166 Republican and 154 Democratic lawmakers supporting the bill, which includes site-neutral reforms for physician-administered drugs, saving \$3.74 billion, and requires off-campus hospitals to have a unique identifier, saving \$2.32 billion.

For patients to realize true affordability, comprehensive site-neutral reforms must be enacted. Americans depend on pragmatic legislators to work together to address the problem of corporate hospital costs. Thankfully, there is growing bipartisan consensus to put an end to these alarming price markups.

Better Solutions urges the committee to support policies that promote hospital competition, enforce federal price transparency laws for hospital charges, rein in hospital markups, and ensure honest billing practices by corporate hospital systems.

Sincerely,
Connie Partoyan
Executive Director

³ Gee, Emily. "The High Price of Hospital Care." *Center for American Progress*. Accessed 13 Oct. 2023, www.americanprogress.org/article/high-price-hospital-care/.

⁴ *The Cost of In-Home Care*, MDC Healthcare, 24 Oct. 2022, www.mdchealthcare.org/understanding-the-cost-of-in-home-care-and-the-cost-of-a-hospital-stay/#:~:text=U.S.%20hospitals%20charge%20an%20average,stay%20at%20home%20long%20term.