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July 11, 2024

Chairman Bob Casey (D-PA)
Ranking Member Mike Braun (R-IN)
Senate Special Committee on Aging

Dear Chairman Casey and Ranking Member Braun:

Thank you for holding today's hearing, regarding the rising cost of health care and the need for additional transparency in America's health care system.

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.

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

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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We cannot solve the health care affordability crisis in America without addressing the role of corporate hospital systems. In fact, hospitals account for 42 percent of health care spending for patients with commercial health insurance.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 hearing offers another step forward in tackling Americans' skyrocketing healthcare costs.

In particular, we are supportive of the bipartisan SITE Act (S. 1869), which includes key honest billing components and removes the financial incentive for large corporate hospital systems to buy small rural doctors' offices.

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,
Better Solutions for Healthcare

³ *Hospital Price Transparency Study Round 5*, RAND. Accessed 10 July, 2024.
<https://www.rand.org/health-care/projects/hospital-pricing/round5.html>

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.