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September 16, 2025

Chair David Schweikert (R-AZ)
Ranking Member Terri Sewell (D-AL)
House Committee on Ways and Means
Subcommittee on Oversight

Dear Chair Schweikert and Ranking Member Sewell:

Thank you for holding today's critical hearing on hospitals that do not pay taxes.

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, ending corporate hospital systems' "dishonest billing" practices, and shining more light on hospital prices.

The Lown Institute's latest report on tax-exempt hospitals found 80 percent of the 2,425 hospitals evaluated spent less on charity care than they received in tax breaks.¹ This comes as the American public cites healthcare affordability as a top concern² and employers next year face the largest price increase in over 15 years.³

If corporate hospitals want to keep their tax breaks, they need to prove they are committed to the true intention of the policy. The number of tax-exempt hospitals that fall short of their fair share obligations is staggering. For too long these hospitals have put profits ahead of patients, and we applaud the committee for their focus on the issue.

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 to 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.⁴ Not only does this

¹ *Fair Share Spending*. Lown Institute Hospital Index. Accessed 16 Sept. 2025.
<https://lownhospitalsindex.org/hospital-fair-share-spending-2024/>

² *Americans Continue to View Several Economic Issues as Top National Problems*. Pew Research Center. 20 Feb., 2025.
<https://www.pewresearch.org/politics/2025/02/20/americans-continue-to-view-several-economic-issues-as-top-national-problems/>

³ *Employers prepare for the highest health benefit cost increase in 15 years*. Mercer. 3 Sept., 2025.
<https://www.mercer.com/en-us/insights/us-health-news/employers-prepare-for-the-highest-health-benefit-cost-increase-in-15-years/>

⁴ Wofford, Darbin. "Stop Hospitals from Dumping Patients." *Third Way*, Accessed 26 June, 2024.
<https://www.thirdway.org/report/stop-hospitals-from-dumping-patients>

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“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 percent more simply because a corporate hospital system owns the doctor’s practice.⁵

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

We cannot solve the healthcare 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.⁶ And hospitals charge \$417 for every \$100 of their costs.⁷

For patients to realize true affordability, comprehensive site-neutral payment 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

⁵ 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>.

⁶ Gee, Emily. “The High Price of Hospital Care.” *Center for American Progress*. Accessed 13 Oct. 2023,
www.americanprogress.org/article/high-price-hospital-care/.

⁷ *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.