



January 8, 2024

The Honorable Charles E. Schumer
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, D.C. 20510

Dear Majority Leader Schumer and Minority Leader McConnell:

On behalf of the *Consumers for Fair Hospital Pricing* coalition and the *Consumers First* alliance, organizations representing families, workers, primary care clinicians, employers, and health care consumers across the United States, we urge the Senate to act without delay to remedy some of the most obvious health system failings by improving price transparency, increasing healthy competition, and ensuring that patients pay the same price for the same health care service. Specifically, we call on the Senate to advance policies that resemble key provisions from the *Lower Costs, More Transparency Act*, which recently passed the House of Representatives in an overwhelmingly bipartisan vote, in any upcoming must-pass legislation.

As we wrote in our in our November 9 letter¹, America's families, workers, employers, and clinicians are struggling in a health care affordability crisis. Nearly half of all Americans have reported having to forgo medical care due to cost, and nearly one third say that the high cost of medical care is interfering with their ability to secure basic needs like food and housing², and medical debt is on the rise.³ Meanwhile, hospitals and large hospital systems are setting inflated prices that have little to do with the actual cost or quality of the care they offer.⁴ Health care consolidation, especially among hospitals, is a root cause of rising medical costs for consumers.⁵

We urge the Senate to advance policies that take on rising health industry consolidation that enables anticompetitive behaviors, prevents healthy competition in markets and results in monopolies that have the ability to set unjustifiable prices. As part of any upcoming must-pass health care package, we urge the Senate to advance well-vetted, bipartisan, and commonsense legislation that would remedy some of the most obvious health system failings take steps to ensure our nation's families have access to the high quality and affordable health care they deserve. Specifically, we call on the Senate to:

- **Achieve meaningful price transparency in the health care system by requiring all hospitals and health plans to disclose negotiated rates, in dollars and cents, establish standard formats including a machine-readable format, eliminate loopholes, and require hospital executive attestation and further increase penalties to encourage greater compliance by hospitals and insurance carriers.**⁶ These efforts should include codifying strengthened versions of both the Hospital Price Transparency and the Transparency in Coverage regulations.

- **Enact site neutral payments for drug administration services to help ensure consumers pay the same price for the same service regardless of where the service is performed.** Site neutral payments for drug administration services as drafted in the *Lower Costs, More Transparency Act*, is estimated to save the highest-need chemotherapy patients more than \$1,000 on cost sharing a year⁷
- **Advance billing transparency reforms so off-campus hospital outpatient departments are required to use a separate identifier when billing to Medicare or commercial insurers to ensure large hospital systems do not overcharge for the care they deliver in outpatient settings.**

The policies described in bold above would set a critical foundation for reducing inflated spending throughout the system and make health care more affordable and value-driven for consumers.⁸ *Consumers for Fair Hospital Pricing* and *Consumers First* stand ready to support you in this essential and urgently needed work. Please contact Jane Sheehan, Director of Federal Relations at Families USA, JSheehan@familiesusa.org, for further information and to let us know how we can best be of service to you.

Sincerely,

Consumers for Fair Hospital Pricing
 Colorado Consumer Health Initiative
 Consumers for Quality Care
 Families USA
 Health Access California
 Pennsylvania Health Access Network
 Public Citizen
 U.S. PIRG

Consumers First Steering Committee
 American Academy of Family Physicians
 American Benefits Council
 American Federation of State, County & Municipal
 Employees
 Families USA
 Purchaser Business Group on Health

¹ Consumers for Fair Hospital Pricing; Consumers First. Letter to Majority Leader Schumer, Minority Leader McConnell, Speaker Johnson, and Minority Leader Jeffries. November 9, 2023. https://familiesusa.org/wp-content/uploads/2023/11/Consumer-Stakeholders_Transparency-SNP-11.9.23.pdf

² Gallup, Record High in U.S. Put Off Medical Care Due to Cost in 2022, January 2023. <https://news.gallup.com/poll/468053/record-high-put-off-medical-care-due-cost-2022.aspx>. See also, NORC at the University of Chicago and West Health, Americans' Views on Healthcare Costs, Coverage and Policy, March 2018 <https://www.norc.org/NewsEventsPublications/PressReleases/Pages/survey-finds-large-number-of-people-skipping-necessary-medical-care-because-cost.aspx>

³ Naomi N. Levey, 100 Million People in America are Saddled with Health Care Debt, Kaiser Health News, June 16, 2022, <https://khn.org/news/article/diagnosis-debt-investigation-100-million-americans-hidden-medical-debt/>.

⁴ Robert A. Berenson et al., Addressing Health Care Market Consolidation and High Prices, The Urban Institute https://www.urban.org/sites/default/files/publication/101508/addressing_health_care_market_consolidation_and_high_prices_1.pdf

⁵ Jaime S. King et al., Preventing Anticompetitive Healthcare Consolidation: Lessons From Five States (Source on Healthcare Price and Competition and Nicholas C. Petris Center on Health Care Markets and Consumer Welfare, University of California Berkeley School of Public Health, June 2020), <https://sourceonhealthcare.org/profile/preventinganticompetitive-healthcare-consolidation-lessons-from-five-states/>; Martin Gaynor, Kate Ho, and Robert J. Town, "The Industrial Organization of Health-Care Markets," *Journal of Economic Literature* 53, no. 2 (June 2015): 235–284.

⁶ For more information on FUSA's recommendations on codifying a strengthened hospital price transparency rule into law, see: Sophia Tripoli, Adam Axler, *The Power of Price Transparency: Unveiling Health Care Prices to Promote Accountability and Lower Costs*, April 2023. Pages 13-15. <https://familiesusa.org/wp-content/uploads/2023/04/Powerof-Price-Transparency-final4.19.23.pdf>

⁷ Actuarial Research Corporation, *Potential Impacts of Medicare Site Neutrality on Off-Campus Drug Administration Costs*, October 18, 2023. <https://craftmediabucket.s3.amazonaws.com/uploads/Drug-Admin-Off-Campus-Site-Neutrality-2023.10.18.pdf>

⁸ Policy Approaches to Reduce What Commercial Insurers Pay for Hospitals' and Physicians' Services. Congressional Budget Office. 2022. <https://www.cbo.gov/publication/58222>