

June 5, 2024

The Honorable Ron Wyden
Chair, Senate Finance Committee
U.S. Senate
Washington, DC 20510

The Honorable Mike Crapo
Ranking Member, Senate Finance Committee
U.S. Senate
Washington, DC 20510

Dear Chairman Wyden and Ranking Member Crapo:

Thank you for your ongoing leadership to find solutions to ensure families in America have affordable and accessible health and health care. Families in America are struggling in a health care affordability crisis, and it's going to take bipartisan champions like you working together to bring families needed relief. The undersigned organizations, representing families, workers, providers, employers, small businesses, health care consumers, and allied stakeholders, are writing to **urge you convene a Senate Finance Committee hearing before the August recess period to discuss policy solutions to address the underlying drivers of high health costs and opportunities to provide families needed relief from those high costs now.**

As you know, 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 housing,¹ and medical debt is on the rise.² At the same time, families and employers have seen staggering year over year increases to premiums costs as well. Over the last ten years, the growth in the average premium for employer-sponsored insurance family coverage (47%) far outpaced inflation (30%).³ And while an unprecedented number of individuals and families now have health coverage thanks in part to enhanced advanced premium tax credits (APTCs) for marketplace insurance, their affordable coverage is at risk as insurance premiums continue to rise as a result of high and rising health care prices and enhanced APTCs are set to expire at the end of 2025.^{4,5}

Excessive national health care costs, largely driven by high and rising health care prices, have become much higher in recent years because of health care industry consolidation — particularly among hospitals and large health care corporations — eliminating healthy competition and leading to monopolistic pricing. In the last 10 years, hospital prices have increased as much as 31% nationally, now accounting for nearly one-third of U.S. health care spending and growing four times faster than workers' paychecks.⁶ These high prices are too often hidden away in increasing premium costs, as well as in unexpected and inflated bills families get *after* they receive a service.

The Finance Committee's June 2023 hearing on consolidation and corporate ownership in health care was an important step in lifting up the impact that unaffordable health care costs have on people all across this country, **but more action is needed and America's families need solutions now.** The good news is that there are a variety of well-vetted policy proposals that can be enacted to turn the tide on this health care affordability crisis - many of which have been introduced in bipartisan and bicameral legislation. In fact, several of the solutions have already passed the House of Representatives in the *Lower Costs, More Transparency Act*, which awaits Senate action.

The undersigned organizations urge the Committee to seize this momentum and hold a hearing before the August recess to discuss commonsense policy solutions to improve health care affordability. Specifically, we urge you to consider:

- **Enacting 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 of service payment differentials are a flaw in Medicare's current payment structure that unnecessarily promote care in more expensive settings with no corresponding improvement in quality or access, while failing to appropriately pay some clinicians and other health care workers in non-hospital settings. Advancing site neutral payments for drug administration services as included in the *Lower Costs, More Transparency Act*, would be a welcome first step to crack down on industry gaming that uses misaligned payment incentives; and it is estimated to save the highest-need chemotherapy patients more than \$1,000 on cost sharing a year and would generate \$3.74 billion in savings over ten years.^{7,8}
- **Advancing billing transparency reforms** so off-campus hospital outpatient departments (HOPDs) 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 Congressional Budget Office (CBO) estimates that the Medicare billing transparency reforms in the *Lower Costs, More Transparency Act* would generate \$403 million in savings over ten years.⁹
- **Making enhanced Advanced Premium Tax Credits (APTCs) permanent.** The enhanced tax credits, most recently extended by the *Inflation Reduction Act* through December 2025, provide critical premium support for families who purchase health coverage through marketplaces. This is more important than ever, as premium costs continue to escalate as a result of hospital consolidation and profiteering business practices.

In addition to holding a hearing on key affordability issues under Finance Committee jurisdiction, we also urge you to continue to work with your counterparts on other committees of jurisdiction, including the Senate HELP Committee, to advance meaningful price transparency in the health care system. Unveiling prices is a critical step towards achieving truly affordable health care, improved health, and more competitive health care markets across the U.S. health care system. Price transparency pulls back the curtain on prices so that policymakers, researchers, employers, and consumers can see how irrational health care prices have become and where they are occurring most frequently, allowing us to take action to rein in pricing abuses through targeted policy solutions that bring down the cost of health care.

The Finance Committee has the support of the American public as you work to address these issues. Ninety-three percent of Americans agree that our country is paying too much for the quality of health care we receive, and more than half of adults in that same poll said that their most recent health care experience was not worth the cost.¹⁰ Recent polling shows that almost 90% of voters say it is important for this Congress to take action to reduce hospital prices, including 95% of Biden voters and 85% of Trump voters.¹¹

Families need relief from the ongoing affordability crisis, and the Finance Committee has the opportunity to provide it by advancing commonsense policies that rein in abusive health care prices and make health care more affordable for everyone. The journey to fully transform our health care system is long, but Congress holds the power to take the next critical steps.

Sincerely,

Families USA
ACA Consumer Advocacy
AFSCME
AIDS Foundation Chicago
American Geriatrics Society
American Muslim Health Professionals
Asian Resources, Inc.
Asthma and Allergy Network
Colorado Consumer Health Initiative
Community Catalyst
Connecticut Health Policy Project
Connecticut Oral Health Initiative
Consumer Action
Consumers for Affordable Healthcare, Maine
Consumers for Quality Care
Detroit Parent Network/Mothering Justice
Doctors for America
Gerontological Society of America
Health Access California
Health Action New Mexico
Health Equity Solutions, Connecticut
Health Care Voices
Hydrocephalus Association
Pennsylvania Health Access Network
UNITE HERE
UNITE HERE Health
UNITE HERE Culinary Health Fund, Nevada
Iowa Citizen Action Network
Kentucky Equal Justice Center
Kentucky Voices for Health
Medicare Rights Center
Metro NY Healthcare for All
MJ Health and Life Insurance LLC
National Consumers League
National Partnerships for Women and Families
NJ Citizen Action
Primary Care Development Corporation
Seventh Generation Interfaith Coalition
Shriver Center on Poverty Law
Small Business Majority
Tennessee Justice Center

Texas Employers for Affordable Healthcare
The United Methodist Church
Third Way
Universal Health Care Foundation of Connecticut
Utah Health Policy Project
Virginia Organizing

¹ 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-putoff-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-peopleskipping-necessarymedical-care-because-cost.aspx>

² 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/>.

³ KFF, 2023 Employer Health Benefits Survey, October 18, 2023. [https://www.kff.org/report-section/ehbs-2023-section-1-cost-of-health-insurance/#:~:text=The%20average%20family%20premium%20grew,42%25\)%20%5BFigure%201.15%5D](https://www.kff.org/report-section/ehbs-2023-section-1-cost-of-health-insurance/#:~:text=The%20average%20family%20premium%20grew,42%25)%20%5BFigure%201.15%5D).

⁴ John Holahan et al., "Marketplace Competition and Premiums, 2019–2022," Urban Institute and Robert Wood Johnson Foundation, April 2022. <https://www.urban.org/sites/default/files/2022-04/Marketplace%20Premiums%20and%20Competition%202019-22.pdf>

⁵ Cheryl Fish-Parcham, "The Importance of Premium Tax Credits: Affording Health Insurance Coast to Coast," Families USA, May 30, 2024, <https://familiesusa.org/wp-content/uploads/2024/05/National-ImportancePremiumTaxCredits-FactSheet.pdf>

⁶ Aaron Plotke, Sophia Tripoli, and Nicholas Chang. "The Weight of High Hospital Prices Is Keeping American Workers Underwater." Families USA. March 4, 2024. <https://familiesusa.org/resources/the-weight-of-high-hospital-prices-is-keeping-american-workers-underwater/>

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 Congressional Budget Office, *Estimated Direct Spending and Revenue Effects of H.R. 5378, the Lower Costs, More Transparency Act*, December 8, 2023. https://www.cbo.gov/system/files/2023-12/hr5378-DS-and-Revs_12-2023.pdf

⁹ Ibid.

¹⁰ West Health, and GALLUP, "West Health-Gallup 2022 Healthcare in America Report," West Health, December 14, 2021, [West Health-Gallup 2022 Healthcare in America Report - westhealth.org](https://westhealth.org/Health-Gallup-2022-Healthcare-in-America-Report).

¹¹ Arnold Ventures, "Arnold Foundation Survey (Study #14460)," Arnold Ventures, March 23, 2023. https://www.arnoldventures.org/stories/new-poll-majority-of-voters-support-aggressive-congressional-action-to-lower-hospital-prices?x-craft-preview=FZfdMAYpOB&token=WENwOldeHSblx2pRQ6y01tk_BGY5flyX