



July 10, 2024

The Honorable Bob Casey
Chair
Special Committee on Aging
United States Senate
Washington, D.C. 20510

The Honorable Mike Braun
Ranking Member
Special Committee on Aging
United States Senate
Washington, D.C. 20510

Dear Chair Casey and Ranking Member Braun:

On behalf of the *Consumers for Fair Hospital Pricing* coalition and the *Consumers First* alliance, comprised of organizations representing families, workers, employers, and health care consumers across the United States, we want to thank you for holding this important and timely hearing on transparency and competition in health care, and to offer our sincere appreciation to all of the witnesses and senators who are lifting up the impact of unaffordable health care costs on people all across this country.

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 housing¹, and medical debt is on the rise.² Unchecked health care industry consolidation, especially among hospitals, is eliminating competition and leading to monopolistic pricing; and is a root cause of rising medical costs for consumers.³ 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 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.^v These high prices are too often hidden away in increasing insurance premium costs, as well as in unexpected and inflated bills families get *after* they receive a service.

The Senate Aging Committee has a key role to play in uncovering concerning health industry behavior through bipartisan oversight and hearings such as this one and addressing those behaviors through legislation. We urge the Committee to work with your colleagues in the Senate to consider well-vetted, bipartisan, and commonsense legislation that would remedy some of the most obvious health system failings. This includes taking on rising health industry consolidation among hospitals, insurers, and other health care organizations that enables anticompetitive behaviors, prevents healthy competition, and results in monopolies that set outrageous and unjustifiable prices. Specifically, we call on the Senate to advance policies that:

- **Achieve meaningful price transparency in the health care system, including by codifying strengthened versions of the Hospital Price Transparency and Transparency in Coverage**

regulations. This includes requiring all hospitals and health plans to disclose negotiated rates, in dollars and cents; establishing standard formats for disclosing those rates, including a machine-readable format; eliminating loopholes; and encouraging greater compliance from hospitals and insurance carriers through hospital executive attestation requirements and increased penalties for non-compliance.⁵

- **Address payment differentials across sites of service that financially incentivize further consolidation. Importantly, enacting site neutral payments would ensure consumers pay the same price for the same service regardless of where the service is performed.**
- **Advance billing transparency reforms that require off-campus hospital outpatient departments to use a separate identifier when billing to Medicare or commercial insurers, ensuring large hospital systems do not overcharge for the care they deliver in outpatient settings.**
- **Prohibit anti-competitive contracting terms, including between providers and insurers such as “all-or-nothing”, “anti-steering,” and “anti-tiering” clauses in provider and insurer contracts; and “non-compete” clauses in clinician and health care worker employment arrangements.**
- **Ensure that the Federal Trade Commission and U.S. Department of Justice Antitrust Division are appropriately resourced and have the legal tools needed to exert meaningful oversight of health care mergers and acquisitions, including examining the impact on patient access to quality care.**

The policies described above would set a critical foundation for reducing inflated spending throughout the health care system and make health care more affordable and value-driven for consumers.⁶

Consumers for Fair Hospital Pricing and *Consumers First* and our undersigned allies look forward to the discussion today, and to working with you to enact bipartisan and commonsense improvements to our nation’s health care payment and delivery system. We stand ready to support you in this essential and urgently needed work. Please contact Jane Sheehan, Families USA’s Deputy Senior Director of Federal Relations at 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
U.S. PIRG

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

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-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-necessarymedical-care-because-cost.aspx>

² Noam 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 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.

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 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>

⁶ Policy Approaches to Reduce What Commercial Insurers Pay for Hospitals' and Physicians' Services. Congressional Budget Office. 2022. <https://www.cbo.gov/publication/58222>