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Congress Must Act: Stop Big Health Care Corporations From Taking Advantage of Rural Communities

AMERICA HAS A RURAL HEALTH CRISIS

More than one-third of rural Americans skip needed medical care due to the high cost.[1]

More than 1 in 5 rural Americans report serious problems paying their medical bills, including being unable to pay altogether.[2]

Rural Americans face more limited access to care, higher health insurance premiums and higher out of-pocket costs.[3]

Policymakers must take action to bring more affordable, higher-quality care to rural families and communities. One of the most important things Congress can do **right now** is to stop big health care corporations from putting their greed ahead of the health and financial security of people living in our nation's rural communities.

Medical monopolies are exacerbating the rural health crisis and putting rural Americans' access to care at risk by buying up rural providers, dramatically increasing health care prices, eliminating critical lifesaving services, and closing facilities all together — **all because the broken financial incentives in our current health care payment system drive them to do just that.**[4]

To address our nation's rural health crisis, policymakers will have to create a new set of economic incentives designed to meet the specific needs of rural communities and their health care providers. ***In the short term, Congress must enact commonsense bipartisan policy reforms that stop big health care corporations from hurting our nation's rural communities and providers.***

MEDICAL MONOPOLIES ARE EXPLOITING RURAL COMMUNITIES

Health care consolidation is rampant in rural communities:

- Nearly 30% of rural communities have experienced a large hospital corporation coming into their community and buying up their local providers.[5]

Health care consolidation hurts rural patients, resulting in:

- Up to a 50% increase in health care prices per merger.[6]

- The elimination of lifesaving medical services including primary care, maternal and neonatal health, mental health, and substance use disorder services.[7]
  - This consolidation exacerbates the maternal health crisis where Black moms and babies are dying at nearly 4x the rate of white moms and babies,[8] and where pregnant women in rural areas die at 2x the rate of their urban counterparts.[9]

Health care consolidation hurts rural workers, resulting in:

- Rural health care workers losing an average of $665,000 in wages per merger.[10]
- The loss of more than 200 rural jobs on average per merger.[11]
  - This consolidation exacerbates the health workforce crisis and the existing economic hardship already facing rural communities, where rural workers make on average 32% less than their urban counterparts.[12]

THE SOLUTION: SAME SERVICE, SAME PRICE

Congress must rein in the anti-competitive practices of large health care corporations and fix the broken ways we pay for care that actively harm rural communities. **One key way to do this is to ensure big hospitals charge the same price for the same service, regardless of whether that care is provided in an outpatient hospital setting or in an independent doctor's office — a policy called "site-neutral" payment.**[13]

Site-neutral payments will:

1. Protect patients from being overcharged for routine care delivered in a "hospital setting."[14]
2. Eliminate one of the biggest financial incentives driving big health care corporations to buy up doctors' offices and rural providers.[15]

Congress has well-vetted, bipartisan solutions to make these changes right now:

- The House-passed Lower Costs, More Transparency Act would enact site-neutral payments for drug administration services, **saving high-need chemotherapy patients more than $1,000 on cost sharing a year**, with rural patients saving the most.[16]
- The Site-based Invoicing and Transparency Enhancement (SITE) Act (S. 1869) would further expand site-neutral payments for outpatient services and eliminate loopholes that prevent many facilities from charging the same price for the same service, **saving Medicare nearly $40 billion** based on previous Congressional Budget Office estimates.[17]

- Enacting the Medicare Payment Advisory Commission's (MedPAC) comprehensive site-neutral payment policy **could save more than $141 billion in wasteful spending**[18] — resources that could be reinvested to further strengthen rural health care and access for rural communities and families by:[19]
  - Putting in place increased payments to support safety net and rural hospitals that serve our most marginalized and rural communities, including providers that treat lower volumes of patients.[20]
  - Funding new and existing health care workforce programs to address shortages in rural areas, such as the Teaching Health Center Graduate Medical Education (THCGME) program, which trains and retains the primary care workforce in underserved and rural communities.[21]

CONGRESS, STAND UP FOR RURAL COMMUNITIES

Large health care corporations and their industry lobbyists do not speak for rural families. Congress needs to stand up to the corporate greed of medical monopolies and enact site-neutral payment reform to lower health care costs and protect access to health care for rural communities.

Endnotes:

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[15] MedPAC, Report to the Congress; Tripoli and Plotke, *Congress Must Act*; Isasi, Tripoli and Law, *Gaming the System*.

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[19] Tripoli and Plotke, *Congress Must Act*.

[20] For instance, Congress can put in place across-the-board payment adjustments for certain safety net and rural hospitals, applying a "stop loss" policy as modeled by MedPAC, delaying certain disproportionate share (DSH) hospital payment reductions and/or extending cost-based reimbursement. See "Chapter 6: Aligning Fee-for-Service Payment Rates Across Ambulatory Settings," *Report to the Congress: Medicare and the Health Care Delivery System* (Medicare Payment Advisory Commission (MedPAC), June 2022), https://www.medpac.gov/wp-content/uploads/2022/06/Jun22_Ch6_MedPAC_Report_to_Congress_SEC.pdf. See, for example, Page 5 of Information for *Critical Access Hospitals* (Medicare Learning Network and U.S. Centers for Medicare & Medicaid Services, December 2023), https://www.cms.gov/files/document/mln006400-information-critical-access-hospitals.pdf. Cost-based reimbursement refers to providers being reimbursed by health care payers based on the providers' reported costs associated with delivering patient care. In the case of critical access hospitals (CAHs), Medicare will pay a CAH 101% of its reported costs associated with the delivery of outpatient, inpatient, laboratory and therapy services, as well as post-acute care in the hospital's swing beds. For more information, see "Critical Access Hospitals Payment System," *Payment Basics*, Medicare Payment Advisory Commission (MedPAC), revised October 2022, https://www.medpac.gov/wp-content/uploads/2021/11/MedPAC_Payment_Basics_22_CAH_FINAL_SEC.pdf.

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