

April 11, 2025

The Honorable John Thune
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Chuck Schumer
Minority Leader
United States Senate
Washington, DC 20510

The Honorable Mike Johnson
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Hakeem Jeffries
Minority Leader
U.S. House of Representatives
Washington, DC 20515

Dear Majority Leader Thune, Speaker Johnson, Minority Leader Schumer, and Minority Leader Jeffries:

Americans are increasingly burdened by rising health care costs, with many families struggling to afford the care they need as premiums and out-of-pocket expenses continue to climb. In fact, recent polling shows that [83% of voters](#) think it is difficult for Americans to afford health care, up from 78% in 2021. At the same time, [small](#) businesses and [large](#) employers alike are struggling with the rising cost of providing health coverage to their workers, which is limiting their potential to grow their business and economically prosper. This situation underscores the urgent need for reforms that lower costs for patients, businesses, and taxpayers, and puts money back in the pockets of the American people.

On behalf of the Alliance for Fair Health Pricing (AFFHP), we urge you to advance comprehensive site-neutral payment reform in Medicare. This commonsense, bipartisan reform represents a significant opportunity to meaningfully lower health care costs for patients while providing substantial cost savings for Medicare. Comprehensive site-neutral reform would also benefit businesses by reducing the incentive for large hospitals and health systems to consolidate and inflate prices for employers and their workers.

Medicare enrollees and the Medicare program currently pay up to [four times](#) more for the same routine services when they're delivered at hospital-owned outpatient facilities compared to the cost at an independent doctor's office. Many commercial insurers also pay more for care delivered in hospital-owned settings, as hospitals tack on additional "facility fees" for care that can be safely delivered in a doctor's office at a lower cost. These payment differentials create incentives for hospitals to buy up physician practices and rebrand them as hospital outpatient departments to charge patients higher prices for the same care, even when all that has changed is the sign on the door.

The higher prices being charged by hospital-owned outpatient facilities do not buy Americans higher-quality care. In fact, substantial evidence [shows](#) that increased provider consolidation in health care markets increases what patients, employers, and taxpayers pay for care, while at the same time reducing patient choice and access, and failing to improve the quality of care.

Site-neutral payments will help ensure patients pay the same amount for the same services regardless of where the service is performed. Enacting comprehensive site-neutral reforms will:

- **Lower out-of-pocket costs** for Medicare beneficiaries and **protect patients from the abusive and unfair billing practices** that lead to excessive health care prices, including saving Medicare enrollees more than [\\$90 billion](#) in premiums and cost-sharing;
- **Strengthen the Medicare program by reducing wasteful government spending**, saving the program an estimated [\\$157 billion in the next 10 years](#); and
- **Enhance health care market choice and competition** and bolster independent physician practices by removing hospital-owned facilities' ability to bill for the same services at a higher price.

We urge you to advance comprehensive site-neutral payment reforms. This is not just good policy—it's what voters want. Across party lines, [84%](#) of voters support preventing hospitals from charging higher prices for routine services that cost less in a doctor's office. It's time for Congress to deliver real relief to American families struggling to afford health care. The AFFHP stands ready to support your efforts to address site-based payment disparities and will continue to advocate for the enactment of these policies into law.

Thank you for your leadership,

