

**Statement for the Record**

**Alliance for Fair Health Pricing**

**Submitted to the  
U.S. House of Representatives Energy and Commerce Committee  
Subcommittee on Health**

***Lowering Health Care Costs for All Americans: An Examination of Health Insurance  
Affordability***

**January 22, 2026**

On behalf of the [Alliance for Fair Health Pricing \(AFFHP\)](#), we are pleased to submit written testimony with concrete recommendations that will lower costs and make health care more affordable for all Americans.

AFFHP is a non-partisan coalition of patients, consumers, and employers committed to bold changes that will lower health care prices, the root cause of high health care costs for the privately insured. We have an affordability crisis today, with Americans sounding the alarm, worried they won't be able to pay for needed care or be forced to skip care because it is too expensive.<sup>1</sup> 31% of small businesses offer employer-sponsored insurance to their employees, with many of those businesses citing rising health care premiums as a major financial burden.<sup>2</sup> And more than half of large employers say they will be forced to make cost-cutting changes to their plans in 2026.<sup>3</sup>

This is unacceptable. High health care prices are a major threat to the economic security of American families. We need to reverse the trend of health care premiums increasing faster than inflation and wages, and to do this, we need to focus on the underlying costs of health care.

A new report by the Centers for Medicare and Medicaid Services (CMS) finds the costs Americans paid “for hospital care, physician and clinical services, and retail prescription drugs all contributed more to overall growth in 2024 than during the 2014–19 period,” with health care spending nationwide growing by 7.2% in 2024, reaching a record \$5.3 trillion<sup>4</sup>. In the private market, hospital costs alone account for 40 cents of the health care dollar due to the excessive prices charged by corporate hospitals and health systems.<sup>5</sup>

Substantial evidence shows that high and rising hospital prices are the result of decades of health care consolidation in provider markets that has largely gone unchecked. In fact, over the last two decades, prices in the hospital sector have grown faster than prices in virtually any other sector of the economy.<sup>6</sup> These powerful monopolies have the leverage to charge patients unreasonably high and arbitrary prices, which translate into skyrocketing premiums, higher deductibles, and exorbitant out-of-pocket expenses – all without any meaningful improvement in quality of care.

The consequences of consolidation are not just financial. Hospital consolidation leads to reduced access to care and fewer choices for patients, especially for those in rural communities.

---

<sup>1</sup> [Taking the Pulse of Healthcare in America](#), West Health-Gallup Center on Healthcare.

<sup>2</sup> [Voice of Main Street: Small Businesses Support Healthcare Premium Relief, Immigration Reform](#), Small Business Majority. [Opinion Poll: Small Businesses Struggling with Rising Healthcare Costs, Support Bipartisan Policy Solutions](#), Small Business Majority.

<sup>3</sup> [Survey on Health & Benefit Strategies for 2026](#), Mercer.

<sup>4</sup> [National Health Care Spending Increased 7.2 Percent In 2024 As Utilization Remained Elevated](#), Health Affairs.

<sup>5</sup> [Where Does Your Health Care Dollar Go?](#), AHIP.

<sup>6</sup> [Lax Antitrust Enforcement Linked to Rising Hospital Prices](#), Yale News. [Hospital Prices Grew Substantially Faster Than Physician Prices For Hospital-Based Care In 2007–14](#), Health Affairs.

Opaque prices limit consumers' ability to shop for care and employers' ability to make informed health care purchasing decisions — and leave patients vulnerable to price gouging.

Patients and employers should not struggle to afford care while corporate hospitals continue to raise prices to boost their profits.

As voters continue to face high and rising costs, they are demanding action from policymakers, with 91% of voters saying it's important that Congress and the President act to lower health care costs.<sup>7</sup> The good news is that there are meaningful actions Congress can take now to lower costs for all Americans by:

- **Establishing site of service billing transparency to provide transparency over where patients receive care by requiring unique National Provider Identifiers (NPI).** This will bring much-needed transparency and provide a means to track where patients are being charged excessively high hospital prices for care that is being provided in a lower-cost setting, such as off-site clinics or hospital-owned physician offices.
- **Strengthening price transparency.** Achieving full transparency of health care prices is a critical step towards increasing competition in the U.S. health care system and ensuring our nation's families receive affordable, high-quality health care. Price transparency is an important tool to show how irrational health care prices have become and it will better equip employers, policymakers, and researchers to take action to rein in pricing abuses. Importantly, it allows patients and purchasers of care to compare prices to make the best choice for their health care needs.
- **Advancing comprehensive site-neutral payment reforms.** Patients should pay the same amount for the same services regardless of where the service is performed. Paying more for the same service when delivered in a hospital outpatient facility rather than a community-based physicians' office — as Medicare and commercial insurers typically do — creates a financial incentive for hospitals to vertically consolidate with physicians and shift services to higher-cost hospital settings.

Eliminating price differences for certain routine services (which can result in patients paying up to four times more) based on where care is delivered will create a fairer and more affordable system for patients and reduce the incentives for large, consolidated health systems to buy up physician practices to charge higher prices. This, in turn, lowers the cost of care for the privately insured.

- **Banning anticompetitive contracting tactics.** Corporate hospital systems use anticompetitive practices (e.g., anti-tiering, anti-steering clauses) in their contract negotiations with health care purchasers to enhance their market power and ultimately raise their prices. These practices limit market competition, increase health care prices

---

<sup>7</sup> [2025 Affordability Polling](#), Families USA.

and ultimately decrease patient and employer choice. Banning anticompetitive contracting would dampen the effects of consolidation in health care markets and lower health care costs for patients, consumers, employers, and taxpayers.

Congress has an opportunity to address market failures, restore competition, and, importantly, improve affordability by lowering health care costs. We urge you to seize this moment and enact these practical policies, as they directly address the root drivers of high health care costs and would meaningfully make health care more affordable for the privately insured, creating a more affordable and accessible health care system. These policies would also save taxpayers money while giving Congress a clear win on the top economic concern for voters, and a fiscally responsible achievement in a moment when Washington urgently needs one.

Voters are exhausted by rising costs, they're frustrated by inaction,<sup>8</sup> and they're paying attention to what happens next. This is the window, the opportunity, and the moment for real leadership. AFFHP stands ready to support your efforts to make good on your promises to lower the cost of health care for millions of Americans.



---

<sup>8</sup> [2025 Affordability Polling](#), Families USA.