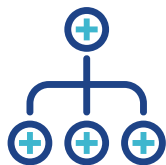


# SITE NEUTRAL PAYMENT REFORM PROTECTS PATIENTS



**Large hospital systems are buying up physician practices to generate revenue** — rebranding physician's offices as outpatient facilities and charging higher prices. This is one example of large hospital monopolies' anticompetitive and abusive pricing that ultimately leads to higher health care costs and affordability challenges for Americans. When the logo on the door changes, costs for routine services increase for patients even when their doctor stays the same. ([KFF](#))

## CONSOLIDATION DRIVES UP THE PRICE OF SERVICES



In Medicare, distortions in the payment system mean **people and taxpayers** pay more in hospital-based facilities even though the service remains the exact same. These payment differences often occur in the commercial market too, raising costs for patients and employers. ([MedPAC](#))



The ability to charge more in hospital outpatient departments creates incentives for hospitals to purchase physician practices to increase revenue. This consolidation ultimately increases prices in the commercial market. ([AFFHP](#))

## PATIENTS PAY MORE FOR THE SAME SERVICES SIMPLY BECAUSE OF WHERE THEY'RE PROVIDED

**2-3x**

Medicare beneficiaries are forced to pay **2-3x more out of pocket** for certain services simply because of where the service was delivered. ([ARC](#))

**\$146 → \$791**

On average, when hospitals bill a facility fee in the commercial market **the price for a biopsy increases from \$146 to \$791**. ([HCCI](#))

**+\$1000 per year**

High-need chemotherapy patients in Medicare pay more than \$1000 more per year because of the lack of site neutral payments ([ARC](#))

## CONSOLIDATION REDUCES CHOICE AND ACCESS



Evidence suggests that **consolidation reduces access and choice for patients**, including in rural areas. When larger systems acquire rural hospitals, they often reduce critical but less profitable services like primary care and obstetrics. ([Health Affairs](#))

**2013 27%**

**2021 52%**

Between 2013 and 2021, the **percentage of physicians employed by a hospital** rose from 27% to 52%. ([PAI](#), [PAI](#))

**Site neutral payment would reduce prices for low-acuity, routine services that are commonly and safely provided in a physician's office. Hospitals would continue to appropriately receive higher reimbursement rates for critical services that need to be provided in a hospital such as burn and neonatal care.**