

December 8, 2023

Dear Representative,

The Texas Public Interest Research Group (TexPIRG) and the Texas Employers for Affordable Health Care urge you to support and pass the [Lower Costs, More Transparency Act \(HR 5378\)](#). Rising health care costs, a lack of price transparency, and unfair billing practices burden patients and their families across the country - including your district. When patients don't know the price of their health care, they can't plan for these expenses, which puts them at risk of huge medical bills. These unexpected costs could lead to debt and other financial consequences, as well as decision-making that could put their health at risk.

This bipartisan bill will take a first step in lowering health care costs by:

- Codifying and strengthening current agency requirements for hospital price transparency, including monitoring and enforcement;
- Expanding price transparency to other providers such as ambulatory surgical centers;
- Improving transparency from health insurance carriers;
- Ordering reports on federal price transparency tools, consolidation among Medicare participating entities, and ownership of health care entities;
- Requiring site-neutral payments for certain Medicare services so patients get the same treatment for the same price regardless of the setting; and
- Separating billing codes for hospitals and off-campus outpatient departments so service locations are better identified and appropriate payment rates are applied.

These are important provisions that work to address two key issues that contribute to the high and rising costs of health care: a lack of transparency and increasing market consolidation.

Improved price transparency will improve the health care experience for Texans and Americans across the country.

Managing a family budget is difficult in the best of circumstances, and health care costs are a big portion of most people's annual expenses. These prices have been rising; per capita health care spending in Texas [increased over 27%](#) from 2010-2020. Unfortunately, that increased spending doesn't equate to better health outcomes; in fact, 18-20% of Texans reported [fair or poor health](#) in the same time period. The lack of health care price transparency plays a role in this correlation between spending and outcomes: more than [40% of Texans](#) report skipping or delaying treatment because they are uncertain of the final bill.

By passing the Lower Cost, More Transparency Act, you will give patients stronger rights to see what their treatment will cost before they receive care. Texas hospitals' compliance with the 2021 agency rule on [hospital price transparency](#) which requires hospital prices to be posted on public websites is disappointing. In fact, only [57 out of 223](#) Texas hospitals reviewed are fully compliant with the requirement to post their prices, according to one independent report. That means for 75% of Texas' hospitals, families will struggle to find how much their planned medical

treatments will cost. To date, CMS has fined only [14 hospitals](#) nationwide for noncompliance, despite many warnings and requests for corrective action. Two of those hospitals are in Texas: Kell West Regional Hospital in Wichita Falls and Falls Community Hospital & Clinic in Marlin.

The Lower Costs, More Transparency Act strengthens the hospital price transparency rule by setting meaningful monitoring and compliance standards so more families can plan and shop for medical expenses. It also extends these requirements to other care settings such as ambulatory surgical centers (ASCs).

Nearly [90% of voters](#) nationwide agree that Congress should take action to reduce hospital prices. Putting prices in the hands of patients is one important tool you can give patients to fully understand their medical expenses.

Hospital consolidation has reduced the power of the normal market forces to protect patients against [higher prices](#) and [unfair billing practices](#).

In Texas, [87% of voters](#) are concerned about the effects of health care consolidation. One study indicated that [3 in 5 Texans](#) live in highly or very highly concentrated health care markets, which tend to lead to [higher prices and worse health outcomes](#). When hospitals and health systems purchase primary care providers, clinics, and other doctor's offices, payers like Medicare can't tell where services are being provided, allowing hospitals to [charge higher reimbursement rates](#) at these non-hospital locations. Patients also end up paying higher co-pays and coinsurance for treatment in non-hospital locations simply because their clinic or provider office is now owned by a hospital system. Insurance plans also pay more, which can be passed on to Texans in higher premiums in the following year. These higher prices and unfair billing practices stem from a change in ownership and consolidation, rather than any change to the services being provided or the cost of care.

By passing the Lower Cost, More Transparency Act, you will prevent these unfair billing practices based on "ownership" and thereby lower costs for both patients and our insurers.

The Lower Costs, More Transparency Act prevents higher hospital-level billing at regular health care settings by requiring separate provider identifiers for these hospital-owned doctor offices. The bill extends site neutral payments for physician-administered medication regardless of location, requiring the same payment rate whether the drug is provided in a hospital or a doctor's office: same service; same price. Finally, the Act also includes an annual study on the impact of Medicare rules and regulations on provider and payer consolidation.

Prices should be accessible and easily comparable so patients are prepared for any financial burden health care may impose, and unfair billing practices must be stamped out. We urge you to pass the Lower Costs, More Transparency Act through the House this year to improve price transparency and put an end to some of these unfair billing practices.

If you have any questions, please contact US PIRG's Health Care Advocate, Maribeth Guarino (mguarino@pirg.org).

Sincerely,

TexPIRG
Texas Employers for Affordable Healthcare