

June 3, 2025

Re: Urge inclusion of “site-neutral” health care pricing in any final reconciliation agreement.

Dear Members of the New York Congressional Delegation,

As organizations across New York dedicated to improving healthcare affordability and access, we write to urge you to support Congressional “site neutral” pricing reforms as consistent with the Cassidy/Hassan framework¹ on such payments. The framework would save money for both the Medicare program and its beneficiaries by setting lower non-hospital rates for health services at Hospital Outpatient Departments (HOPDs), bringing them in line with rates at independent practices and ambulatory centers.

Currently the cost of a patient’s doctor visit can depend as much on what entity owns the facility as on the particular care they receive. As large hospital systems consolidate, they are also rapidly acquiring doctor’s offices, private practices, clinics, labs, and imaging centers. More than half of U.S. doctors now work for hospitals and health systems.²

One result is that these non-hospital locations can now use the acquiring hospital’s typically more expensive billing code, as well as include facility fees. And what used to be billed as a doctor’s visit can now be charged at a hospital’s much higher rate. Medicare and its beneficiaries pay *twice* as much for procedures done in hospital owned facilities as they would in independent physician’s offices.³

Because of consolidation, Medicare is paying more and beneficiaries are burdened with higher out-of-pocket costs in their deductibles and coinsurance. A regular doctor’s appointment and even routine lab work can quickly become much more expensive when done in a hospital owned facility. As a result, patients and Medicare and its beneficiaries pay more for services that should be more affordable.

New Yorkers across the state feel the effects of high healthcare costs. Approximately 740,000 New Yorkers are burdened by medical debt.⁴ A recent statewide survey found widespread concern about the cost of health care and support for solutions. For example,

- 68% of New Yorkers said they were burdened by healthcare costs within the last year.
- 76% agreed that the healthcare system “needs to change”.

¹ Senators Bill Cassidy and Maggie Hassan, “Lowering Health Costs for Seniors Framework,” <https://www.cassidy.senate.gov/wp-content/uploads/2024/10/Site-Neutral-Policy-Framework-Final.pdf>

² Physician’s Advocacy Institute, “COVID-19’s Impact On Acquisitions of Physician Practices and Physician Employment 2019-2021,” April 2022, https://www.physiciansadvocacyinstitute.org/Portals/0/assets/docs/PAI-Research/PAI%20Avalere%20Physician%20Employment%20Trends%20Study%202019-21%20Final.pdf?ver=ksWkgjKXB_yZflmFdXlvGg%3d%3.

³ Actuarial Research Corporation, “Sizing Medicare Off-Campus Hospital Outpatient Department Site Neutrality Proposals,” July 3, 2024 <https://craftmediabucket.s3.amazonaws.com/uploads/Sizing-Medicare-Off-Campus-HOPD-Site-Neutrality-Proposals-2024.01.03.pdf>.

⁴ New York Health Foundation, “Medical Debt in New York State and Its Unequal Burden across Communities,” July 12, 2023, <https://nyhealthfoundation.org/resource/medical-debt-in-nys-and-unequal-burden-across-communities-report/>

- When asked what issues the government should address this year, more than half cited health care. Among the most cited topics within healthcare they wanted addressed, respondents chose high healthcare costs, consumer protections and improvements to Medicare and disability coverage.⁵

One way to bring down costs without sacrificing quality of care is to align the rates for common procedures and services typically performed outside a hospital setting. **“Site neutral” simply means that common procedures should be similarly priced regardless of the site where that procedure is performed.** Merely being owned by a hospital is no reason for a physician’s practice, imaging center, or ambulatory center to charge significantly higher rates than if the facility were independently operated. To that end, the “site neutral” policies included in the Cassidy/Hassan framework represent an important step in the right direction and have the potential to save taxpayers millions of dollars and lower the out-of-pocket expenses of patients. The framework would call for extending site neutral payment policies to all hospital-owned facilities that are not on the hospital’s main campus. This would significantly cut costs for Medicare and patients without affecting the quality of patient care. Additionally, they propose establishing “site neutral” payments for common health services that are often provided at independent physicians’ offices.

“Site neutral” policies have the potential to make healthcare more affordable for patients while saving Medicare money, and it would do this without sacrificing healthcare quality or patient safety. We urge you to support and advance these common sense policies.

Sincerely,

32BJ Health Fund
 ACA Consumer Advocacy
 Campaign for New York Health
 Citizen Action of NY
 Community Service Society of NY
 Consumer Reports
 Empire Center for Public Policy
 Families USA
 Health and Welfare Council of Long Island
 Hispanic Federation
 Metro New York Health Care for All
 New York Health Plan Association
 New York Public Interest Research Group (NYPIRG)
 New York StateWide Senior Action Council
 Northwest Bronx Indivisible
 NYCD16/15-Indivisible
 The Home Healthcare Workers of America
 The Infusion Providers Alliance
 United States Public Interest Research Group (U.S. PIRG)

⁵ Community Service Society of New York, “New York State Survey Respondents Struggle to Afford High Health Care Costs; Worry about Affording Health Care in the Future; Support Government Action Across Party Lines,” March 2025,
<https://www.cssny.org/publications/entry/new-york-state-survey-respondents-struggle-to-afford-high-health-care-costs>