32BJ Health Fund
AARP New York
Center for Independence of the Disabled, New York (CIDNY)
Citizen Action of New York
Coalition for Asian American Children and Families
Community Service Society of New York
Consumer Reports
Families USA
Fiscal Policy Institute
Health Care For All New York (HCFANY)
Hispanic Federation
New York State Council of Churches
New York Public Interest Research Group (NYPIRG)
Small Business Majority
The New York Immigration Coalition
United States of Care
Young Invincibles

# News Release

**For immediate release:**
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## Leading Healthcare Advocacy Groups Call on Governor to Lower the Cost of Routine Healthcare in Executive Budget

(Albany, NY) - As New Yorkers are buffeted by mushrooming health care costs, a broad coalition of 17 organizations today called on Governor Hochul to include in her executive budget proposal strong measures that will lower prices on many routine health procedures. If enacted, the measure could save New Yorkers millions of dollars in out-of-pocket costs. The advocates urged her to embrace the Fair Pricing Act (S705B/A2140 of 2026) which will cap prices for common procedures and ban facility fees that hospitals routinely charge, even when patients don't step foot in a hospital.

It's no secret that the cost of healthcare is high and rising. More than 740,000 New Yorkers are burdened by medical debt and many delay or decline seeking care due to cost. In fact, two-thirds of respondents to one survey said they delayed or went without care because of cost. And 80% of respondents reported worrying about the cost of care.

As high as the cost of care is now, it's about to get worse. Health insurance premiums are expected to rise significantly in 2027. Affordable Care Act marketplace premiums could rise by 13%.

The biggest driver of rising healthcare costs is skyrocketing hospital prices. Over the past two decades hospitals and large health systems have consolidated, buying up private practices and charging more money for routine care, including onerous facility fees. When a hospital system buys a physician practice, lab center, ambulatory surgery center or lab, the acquired practice will often charge prices three or four times higher for common services like x-rays, MRIs, biopsies, and blood labs.

The governor has a great opportunity to strengthen her affordability agenda by including the provisions of the Fair Pricing Act (S.705B/A.2140B) in her executive budget. The bill, sponsored by Senator Liz Krueger and Assemblymember Chantal Jackson, uses Medicare's negotiated rates as a baseline and caps what can be charged for certain routine and low complexity care at 150% of Medicare's nonhospital rate. The kinds of procedures included under the bill are those that MedPAC has identified as safe to perform outside a hospital setting. The bill also bans the use of facility fees for those services and procedures. A Brown University study found that the bill would result in consumers saving up to $213 million in out-of-pocket costs alone.

"Voters told us loud and clear that government needs to respond to the ever-increasing cost of healthcare," **said Senator Liz Krueger.** "The Fair Pricing Act would take meaningful action to rein in skyrocketing hospital prices and protect the future of independent physician practices while ensuring that New Yorkers continue to have access to high-quality healthcare. The State has an opportunity to make routine medical care more affordable by preventing hospitals from charging significantly more for the same procedure simply because it is performed at a hospital-owned facility rather than an independent doctor's office or outpatient center."

"With health insurance premiums expected to rise significantly in 2027, it's more important than ever that we take meaningful steps to make healthcare more affordable. The Fair Pricing Act will help lower the cost of routine medical procedures, eliminate unnecessary facility fees, and ensure that New Yorkers are not paying more than they should for the care they need. Healthcare should be accessible and affordable for everyone, not another financial burden on working families," **said Assemblymember Chantel Jackson**.

"New Yorkers want to rest assured that nonprofit hospitals aren't charging an arm and a leg while treating an arm or a leg," **said Chris Bottini, Policy Coordinator for the New York Public Interest Research Group (NYPIRG).** "As hospitals consolidate, they have fewer competitors and charge more and more. This bill will cut prices for patients and disincentivize hospitals from forming regional monopolies."

"Something has to be done to address the fact that New York's small businesses are facing annual increases of 20% or more for their health insurance coverage. With most small firms operating on thin margins, such drastic and frequent increases are not sustainable. And when small businesses

cannot afford to offer health insurance, it's almost impossible for them to compete for top talent. New York needs to get to the root cause of these types of healthcare cost increases by reining in hospital prices. We call on Gov. Hochul to support small businesses in her next budget by taking steps to make healthcare more accessible for small firms through the provisions of the Fair Pricing Act, which would lower costs for small businesses by limiting how much hospitals can charge," **said Lindsey Vigoda, New York Director of Small Business Majority**

"New Yorkers are struggling to afford their health care," **said Elisabeth R. Benjamin, Vice President of Health Initiatives at the Community Service Society of New York.** "The Fair Pricing Act is a modest proposal to rein in rising prices and ensure patients are paying the same price for the same visit, regardless of where they get their care."

"We're facing a health care affordability crisis and it is overwhelmingly driven by the big corporate hospital systems leveraging their market power to charge egregiously high prices because they can. We can no longer accept half measures or vague promises – we need to tackle high prices head on and hold these corporate health systems accountable for price gouging patients and families when they are most vulnerable," **said Sophia Tripoli, managing director of policy for Families USA, the longtime, national health care consumer advocate.** "The Fair Pricing Act is an important step forward that would allow New York to set an example for how we can stop the corporate greed that is driving up health care prices. Every day that our leaders fail to act is another day where people and families are forced to take on medical debt, delay retirement, and struggle to afford basic health care for themselves and their children – all while corporate health systems get bigger and rake in huge profits."

"For older New Yorkers, the rising cost of health care is not an abstract issue. It can mean making difficult choices about when to seek care and how to stretch a household budget," said **Beth Finkel, State Director of AARP New York**. "New Yorkers should not have to pay substantially more for the same routine care simply because of who owns the doctor's office or where that care is delivered. The Fair Pricing Act is a commonsense step to rein in excessive costs, protect patients from unnecessary facility fees and make health care more affordable. We urge Governor Hochul to include these protections in her Executive Budget."

"No family should have to skip routine medical care because they're terrified of an exorbitant hospital bill. Across New York's Asian American, Pacific Islander, and immigrant communities, many working families rely on the state health exchange or public plans—yet even having insurance doesn't protect them from arbitrary, confusing charges after a hospital visit. CACF joins 32BJ Health Fund and advocates across the state in calling on Governor Hochul to include the Fair Pricing Act in her FY 2028 Executive Budget. We stand united with our partners to bring fairness and transparency to hospital pricing," said **Anita Gundanna and Vanessa Leung, Co-Executive Directors of the Coalition for Asian American Children and Families (CACF).**

"The Fair Pricing Act is an important step towards a healthcare system that puts patients and ahead of corporate profits," said **Ursula Rozum, Co-Director of Campaigns Organizing, Citizen**

**Action of New York**. “Hospital corporations should not be able to use their power to drive up prices and make more money off communities who simply need medical care. New Yorkers are already struggling to afford basic healthcare, and we shouldn’t have to pay more for the exact same procedure just because a corporate hospital system has taken over the facility where we receive care.”

**AN OPEN LETTER URGING SUPPORT FOR INCLUSION OF THE FAIR PRICING ACT IN THE STATE BUDGET**

*VIA EMAIL*

November 24, 2026

Governor Kathy Hochul
Executive Chamber
Capitol
Albany, N.Y. 12224

**Re: Urge inclusion of the Fair Pricing Act in the state budget**

Dear Governor Hochul,

As organizations across New York dedicated to improving healthcare affordability and access, we write to urge you to include the Fair Pricing Act (S.705B/A.2140B)[1] in your FY 2028 executive budget proposal. Setting lower non-hospital rates for routine health services and procedures at Hospital Outpatient Departments (HOPDs), and bringing them in line with rates at independent practices and ambulatory centers will save New Yorkers more than a billion dollars in unnecessary costs.

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.

Because of consolidation, insurers are paying more and patients are burdened with higher out-of-pocket costs. 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 their insurers pay more for services that should be more affordable.

New Yorkers across the state feel the effects of high healthcare costs. Approximately 740,000

[1] S.705B/A.2140B "Fair Pricing Act." https://www.nysenate.gov/legislation/bills/2025/S705/amendment/B
[2] Trilliant Health, "A Tragedy of the Commons: 2026 Trends Shaping the Health Economy," 2026. https://www.trillianthealth.com/hubfs/TrilliantHealth_2026TrendsReport.pdf

New Yorkers are burdened by medical debt.[3] 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".
- 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.[4]

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 priced based on the procedure rather than the site where it's 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 Fair Pricing Act (S.705B/A.2140B) would cap prices for routine low complexity medical procedures at 150% of Medicare non-hospital rates and would bar facility fees for those same procedures. By reducing the cost disparities between hospitals and independent facilities, patients won't be financially penalized based on where they receive care, and employers and taxpayers will face less expense. According to a study by Brown University's School of Public Health, this legislation could save New York a total of about $1.14 billion. Of that, patients would save between $168 million and $213 million in out-of-pocket costs. The New York State Health Insurance Program (NYSHIP) would save approximately $71.9 billion under the bill.[5]

"Site neutral" policies under the Fairing Pricing Act would make healthcare more affordable for patients while saving insurers and the state money, all without sacrificing healthcare quality or patient safety. We urge you to make this bill a central piece of your affordability agenda in your upcoming executive budget.

Sincerely,

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[3] 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/

[4] 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

[5] Brown University School of Public Health, "Estimating Savings from the Fair Pricing Act and Commercial Site-Neutral Payments in New York State." https://cahpr.sph.brown.edu/sites/default/files/documents/Policy%20Briefs/Fair%20Pricing%20Act%20Economic%20Analysis%20(2).pdf

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CC:

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Assemblymember Chantel Jackson
Brian Mahanna
Megan Baldwin