

Congress Steps Up on Fair Billing and Site Neutrality



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Hospital prices have been front and center this year in Congress. Notably, there has been bipartisan support for tying prices to the value of the care being provided rather than who owns the location of care, also known as “fair billing” and “site neutrality.” It’s no wonder why: hospitals have been buying up physician practices across the country and converting them into hospital outpatient departments with the intention of gaining higher reimbursement in Medicare, billing for add-on facility fees, and increasing prices by 14% on average.

In response, we have seen a raft of bills tackling issues around fair billing and site neutrality requirements.

Fair Billing

The issue: Hospitals are not required to disclose whether the services being billed are provided within the hospital or at an off-site location. Therefore, Medicare and private payers can't always determine the appropriate level of reimbursement, resulting in higher costs. Fair billing would require hospitals to disclose the site of care, giving payers leverage to lower costs.

The action:

- Legislation introduced by Reps. John Joyce (R-PA) and John Sarbanes (D-MD) would create fair billing requirements in Medicare and was passed as part of the House Energy and Commerce Committee health care package. The package, introduced by Committee leaders through the Promoting Access to Treatments and Increasing Extremely Needed Transparency (PATIENT) Act, was passed unanimously by the Committee.
- Leaders of the House Education and Workforce Committee introduced and unanimously passed the Transparency in Billing Act. This legislation would institute fair billing requirements in the private market.
- Kevin Hern (R-OK) and Annie Kuster (D-NH) introduced the Facilitating Accountability in Reimbursements (FAIR) Act. The FAIR Act would accomplish both goals of the previous two bills in requiring fair billing practices in both Medicare and the private market.
- The Health Care Price Transparency Act, introduced by House Ways and Means Committee Chairman Jason Smith (R-MO), would create fair billing requirements in Medicare. It passed the Committee along partisan lines.

Site Neutrality

The issue: While fair billing is associated with transparency where services are being provided to patients, site neutrality sets the same payment across locations of care, which would make payments to hospital outpatient departments and doctors' offices the same for basic services.

The action:

- The PATIENT Act, as part of the House Energy and Commerce package, includes provisions that set payments at the same rate across care settings for physician-administered drugs in Medicare. This section, in addition to the fair billing provisions, would result in taxpayer savings of over \$6 billion (over a decade).
- House Budget Committee Chairman Jodey Arrington (R-TX) introduced the Medicare Patient Access to Cancer Treatment (MPACT) Act, which would require site-neutral payments in Medicare for cancer care.

- The Health Care Price Transparency Act, noted above, would also institute site-neutral payments in Medicare for physician-administered drugs in hospital outpatient departments located separate from the hospital.
- Senators Mike Braun (R-IN) and Maggie Hassan (D-NH) introduced the Site-based Invoicing and Transparency Enhancement (SITE) Act. This legislation vastly expands Medicare's site-neutrality requirements and requires fair billing in Medicare and the private market. Additionally, the bill would save taxpayers \$40 billion and invest some of the savings into a national nurse training program. Representative Victoria Spartz (R-IN) has introduced the Preventing Hospital Overbilling of Medicare Act to do the same.
- Senate HELP Committee Chairman Bernie Sanders (I-VT) recently introduced the Primary Care and Health Workforce Expansion Act. While primarily focused on growing the health care workforce, this bill makes comprehensive site neutrality reforms in the private market. It would prevent hospitals from charging facility fees for all off-site services as well as primary care, telehealth, and low-complexity services. Hospitals would also be prohibited from charging a higher price than the median amount paid for services provided in a physician office.

The raft of legislation, on both sides of the Capitol and among both parties, shows that fair billing and site neutrality are key priorities this year. We hope that Congress will act soon to deliver much needed relief to patients.

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