



June 14, 2023

Dear Members of the United States Senate,

We the undersigned organizations call on you to support Senator Braun, Hassan, and Kennedy's Site-based Invoicing and Transparency Enhancement (SITE) Act, which would ensure that Medicare reimburses care fairly for off-campus services regardless of who owns the provider, saving taxpayers billions over the next ten years. Additionally, we support the sponsors' investment of a portion of the savings generated by this Act in nursing workforce education to alleviate the severe nursing workforce shortage that communities are facing.

Large hospital systems are incentivized by Medicare's site-specific reimbursement policy to consolidate the provider market by purchasing standalone care facilities and physician practices, then billing as if the off-campus facility is the primary hospital. Under Medicare's current reimbursement scheme, many hospitals can charge facility fees for services provided in their off-campus outpatient departments. These fees are significant, often doubling the overall cost of care compared to what independent physicians charge for the same service — despite there being no difference in the quality of care provided in hospital-owned facilities and independent physician practices. This contributes to the unacceptably high health care prices that Americans are forced to endure.

Patients across the country are feeling the costs of these unfair facility fees. The nonpartisan Congressional Budget Office [estimates](#) that taxpayers will bear close to \$40 billion in excess costs due to facility fee payments over the next decade. Consolidation incentivized by site-specific payments has driven up premiums in the private sector, too. From 2013 to 2018, in the wake of an attempt by Congress to implement site neutrality, the share of physician practices acquired by hospitals [doubled](#). In 2021, the American Medical Association [reported](#) that, for the first time in history, the majority of physicians were employed by hospitals.

Amidst an economic boom, health care providers are struggling to hire and retain qualified nurses to staff their facilities. Many nurses left the workforce or experienced burnout during the pandemic, and the U.S. Bureau of Labor Statistics projects that roughly 300,000 new nurses will need to be trained over the next decade to meet our nation's evolving health care needs. We recognize the serious need for the next generation of nurses to enter the fold and support the sponsors of the SITE Act in their intent to reinvest a portion of the savings generated by the bill in nursing education.

The implementation of site-neutral payments in Medicare is a small but essential step forward in relieving Americans from crushing medical expenses, preserving the fiscal health of Medicare, and fighting back against the harm of hospital consolidation in America. Likewise, ensuring that more nurses are trained and capable of responding to our country's evolving health needs is essential. We urge your support of Senator Braun, Hassan, and Kennedy's SITE Act.



Signed,

Americans For Prosperity

Arnold Ventures
Committee for a Responsible Federal Budget (CRFB)
Third Way
Hoosiers for Affordable Healthcare
Employer's Forum of Indiana
Centennial State Prosperity
Small Business Majority
Families USA
Better Solutions for Healthcare
American Benefits Council
Community Catalyst
Consumers for Affordable Health Care
FreedomWorks