The Alliance for Site Neutral Payment Reform today urged a bipartisan group of Senators to consider expansion of site neutral payment policies for outpatient services to help empower patients, promote competition in the health care marketplace and decrease costs. The recommendation was made in response to a request for stakeholder input from Senators Bill Cassidy, Chuck Grassley, Todd Young, Michael Bennet, Tom Carper, and Claire McCaskill.

“We are encouraged by the Senate working group’s commitment to empowering patients, decreasing costs, and improving competition in the healthcare marketplace,” said Dr. Debra Patt, Medical Director for The US Oncology Network. “Site neutral payment reform is a commonsense solution to help address the skyrocketing cost of healthcare and maintain patient access.”

Under current law, Medicare pays hospital outpatient departments (HOPDs) at significantly higher rates than outpatient physician offices for providing the exact same services. These payment disparities result in an unnecessary increase in costs for patients, employers, taxpayers, and Medicare. According to a 2017 study by Avalere, patients across the US spent more than $400 million more in out-of-pocket costs for services provided at HOPDs over a three-year period.

Without action from Congress, this problem will unfortunately get worse. Hospitals are already acquiring independent physician practices to take advantage of the payment disparity between sites of service. Hospitals acquired over 13,000 physician practices in the six months from July 2014 to January 2015 alone. Ultimately, the financial burden on individual patients and the healthcare system as a whole will grow if these trends are allowed to continue.

In order to reduce out-of-pocket costs for patients, promote greater competition in the healthcare market, and increase market stability and transparency, the Alliance strongly urges the bipartisan working group to eliminate all exemptions from the site neutral payment law to ensure payment parity across all outpatient settings.

To read the full text of the Alliance's letter, please click here.

About the Alliance for Site Neutral Payment Reform
The Alliance for Site Neutral Payment Reform is a coalition of patient advocates, providers, payers, manufacturers and employers, who formed in 2015 to advocate for payment parity across site of service to decrease Medicare and commercial spending, ensure patient access to the right care in the right setting and lower taxpayer and beneficiary costs. Since our inception, the Alliance has worked collectively to urge Congress and regulators to advance site neutral payment policies to equalize payments across sites of service for all outpatient services. To learn more, visit siteneutral.org.
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