



December 21, 2023

The Honorable Chuck Schumer
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, DC 20510

Dear Majority Leader Schumer and Leader McConnell:

On behalf of the American College of Physicians (ACP), I am writing to express our [support](#) for several provisions of the House passed bill, H.R. 5378, *Lower Costs, More Transparency Act*, (“the Act”), and to urge the Senate to take up this legislation with several recommendations outlined below. H.R. 5378 promotes price transparency among hospitals, health plans and pharmacy benefit managers as well as site neutrality for Medicare and Medicare beneficiaries. Importantly, the Act requires disclosure of changes in hospital or health facility ownership to reveal when private equity firms acquire hospitals, larger physician practices or nursing homes. Further, it reauthorizes and increases funding for the Teaching Health Center Graduate Medical Education program, Community Health Center program and National Health Service Corps.

ACP is the largest medical specialty organization and the second largest physician membership society in the United States. ACP members include 161,000 internal medicine physicians, related subspecialists, and medical students. Internal medicine physicians are specialists who apply scientific knowledge, clinical expertise, and compassion to the preventive, diagnostic, and therapeutic care of adults across the spectrum from health to complex illness.

Increase Transparency and Data Collection in Health Care Consolidation

ACP supports measures to increase transparency and data collection regarding vertical integration and consolidation in the health care industry. Section 108 of the Act requires Medicare Advantage Organizations (MAOs) to report to Health and Human Services (HHS) certain information relating to health care providers, pharmacy benefit managers (PBMs), and pharmacies with which they share common ownership and charges MedPAC to study and report on vertical integration between MAOs, health care providers, PBMs, and pharmacies and how it affects beneficiary access, cost, quality, and outcomes. Section 110 of the Act also contains a provision requiring the Secretary of HHS to submit an annual report on the effect of Medicare regulations on health care consolidation and to analyze the effects of Centers for Medicare and Medicaid Innovation demonstrations on health care consolidation.

In our [paper](#) entitled “Financial Profit in Medicine: A Position Paper From the American College of Physicians,” ACP considers the effect of mergers, integration, private equity investment,

nonprofit hospital requirements, and conversions from nonprofit to for-profit status on patients, physicians, and the health care system. For physician practices, private equity investment and management could alleviate administrative burdens, provide financial stability, and accelerate adoption of health information technology.¹ Research is needed to better understand the effect of private equity investment in health care.

These bills will enhance the ability for research of private equity investment. Moreover, ACP supports transparency regarding corporate and private equity investment in the health care industry. Policymakers, stakeholders, and regulators should provide oversight of private equity activity to prevent practices like unwarranted self-referral, overreliance on nonphysician health care professionals, or consolidation that results in uncompetitive markets. [ACP recommends](#) longitudinal research on the effect of private equity investment on physicians' clinical decision making, health care prices, access and patient care, including the characteristics of models that may have adverse or positive effects on the quality and cost of care and the patient–physician relationship.

We also [urge](#) more stringent oversight of PBM mergers/acquisitions. The consolidation of the PBM market raises concerns about potential antitrust issues and has been shown to increase prices for patients.² Although many smaller regional PBMs exist, the large national PBMs that take up the vast majority of the market share continue and continue to wield leverage with pharmaceutical companies. As consolidation continues, agreements between PBMs, insurers and other entities should undergo strict review for both antitrust implications and effects on other aspects of drug supply chain, such as generic and biosimilar market entry.

Increase Pricing Transparency in Health Care

ACP supports increasing pricing transparency by health care organizations. Sections 101 –106 of the Act requires important price publication requirements for hospitals, ambulatory surgical centers, imaging services, clinical laboratories, health insurers and PBMs. These requirements will help ensure that patients and employers have more information regarding the actual costs of medical services and prescription drugs, which in turn can help increase competition and disincentivize behaviors that harm patients and needlessly drive-up health care costs.

ACP supports transparency of reliable and valid price information, expected out-of-pocket costs, and quality data that allows consumers, physicians, payers, and other stakeholders to compare and assess medical services and products in a meaningful way. Health plans and health care facilities should clearly communicate to a consumer whether a provider or clinician

¹ Zhu JM. Private equity investment in physician practices. Leonard Davis Institute of Health Economics. University of Pennsylvania. 18 February 2020. Accessed at <https://ldi.upenn.edu/healthpolicysense/private-equity-investment-physician-practices> on 8 June 2021.

² U.S. Senate Homeland Security & Governmental Affairs Committee, Minority Office. Manufactured Crisis: How Devastating Drug Price Increases Are Harming America's Seniors. Accessed at www.hsgac.senate.gov/imo/media/doc/Manufactured%20Crisis%20-%20How%20Devastating%20Drug%20Price%20Increases%20Are%20Harming%20America's%20Seniors%20-%20Report.pdf on 9 August 2019.

is in-network or out-of-network and the estimated out-of-pocket payment responsibilities of the consumer. ACP recommends that payers, plans, and other health care organizations develop patient-targeted health care value decision-making tools that are written for patients at all levels of health literacy that make price, estimated out-of-pocket cost, and quality data available to consumers. This information should be communicated in an easy- to-understand way.

Support of Site Neutral Payments in Medicare

Site neutrality is good policy for Medicare, Medicare beneficiaries, and the health care system as a whole. Section 203 of the Act requires Medicare to reimburse off-campus hospital outpatient departments (HOPDs) administering Medicare Part B drugs at the same rate it reimburses physicians under the Medicare Physician Fee Schedule. The Act also requires the HHS Office of the Inspector General to review the compliance of previous Medicare site neutral payment policies.

ACP supports this section of the Act because we do not believe that care delivered in a HOPD should be paid a higher rate when that care is not dependent on the hospital facility and its associated technologies. Rather, in line with the College's [High-Value Care initiative](#), ACP supports delivery of care in the most efficient setting, while maintaining quality of care.

While the Senate is considering provisions of S. 2840, the *Bipartisan Primary Care and Health Workforce Act*, to require off-campus HOPDs bill under separate provider identities with the hope that insurers may negotiate for lower rates for those services, we believe the House provisions would be more effective in addressing site neutral payments. The Senate bill requires an extra step of insurer negotiation to realize lower costs. A significant driver of high health care costs stems from patients and consumers being charged more as hospitals buy up physician practices and charge higher prices for the same services. Patients should not be charged more for the same care simply because of where they receive it.

Reauthorize and Fund Essential Health Care Access and Workforce Programs

ACP strongly supports the reauthorization of funding at the highest level possible for the National Health Service Corp, Teaching Health Centers, and Community Health Centers provided in the Act. This funding is essential to reducing the worsening physician shortage and increasing access to care in the areas that need it the most.

We ask for your support and leadership in advancing the provisions of the *Lower Costs, More Transparency Act* highlighted above as well as reauthorized funding of health care programs. ACP stands ready to serve as a resource to promote these policies as this legislation is considered by the Senate. If you have any questions, please contact George Lyons at glyons@acponline.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Omar Atiq". The signature is written in a cursive style with a large initial 'O'.

Omar T. Atiq, MD, MACP

President