American College of Physicians Statement for the Record
Senate Finance Committee Hearing
The Rising Cost of Health Care: Considering Meaningful Solutions for All Americans
November 19, 2025

On behalf of the American College of Physicians (ACP), I am writing to share our views regarding the Senate Finance Committee Hearing on the Rising Cost of Care: Considering Meaningful Solutions for All Americans. We appreciate the opportunity to provide our recommendations on this topic as we urge the Senate to work together in a bipartisan fashion to reduce the cost of health care for our patients. We urge the Senate to approve measures to reduce the rising cost of care by extending eligibility for enhanced premium tax credits to purchase health insurance, improving care for our patients with chronic conditions, waiving cost sharing for advanced primary care management services, lowering the cost of prescription drugs in the pharmacy benefit manager (PBM) marketplace and private and public health plans, and expanding the primary care workforce.

ACP members include 162,000 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. Additionally, internal medicine is the specialty with the largest number of active physicians specializing in primary care, with 120,342 internal medicine physicians being identified as specializing in primary care in 2021.

Extend Enhanced Premium Tax Credits to Purchase Health Insurance

We urge the Senate to extend eligibility for enhanced premium tax credits, set to expire at the end of this year, that significantly lowered the cost of health insurance in the individual market. Enhanced premium tax credits have dramatically reduced health insurance costs for our patients by an average of 44 percent, or $705 per enrollee. The Congressional Budget Office projects that about 4 million Americans will lose their health insurance coverage if these tax credits are not extended.

If Congress fails to extend the tax credit, premiums will more than double on average in 2026, according to an analysis from the Kaiser Family Foundation. Premiums will increase by 114 percent from $888 in 2025 to $1,904 in 2026 on average without the tax credit in place.

Our patients can no longer afford to wait for Congress to act on this issue as insurers have already finalized their 2026 insurance premium rates, at significantly higher cost, compared to this year. We urge Congress to pass the Health Care Affordability Act, bicameral legislation making permanent the enhanced premium tax credits (PTCs) for marketplace coverage. If Congress fails to reach an agreement to extend these tax credits permanently, it should approve the Bipartisan Premium Tax Credit Extension Act that would extend them for one additional year.

Improve Care for Patients with Chronic Disease

Studies conclude that effective primary care reduces hospitalizations, improves patient health and extends life expectancy more than other specialties. And yet, the U.S. allocates just 5 cents of every healthcare dollar to primary care. General internal medicine physicians assume principal responsibility for coordinating and managing patients' overall care, particularly for those with multiple complex chronic conditions. Six in ten American adults have at least one chronic disease and four in ten have two or more, and at $3.3 trillion in annual health costs, chronic disease is responsible for 75 percent of aggregate national health care spending and is the largest cause of disability and death.

We remain concerned that many seniors have failed to access chronic care management services due to a patient cost-sharing requirement associated with this care. Current law mandates that Medicare beneficiaries are subject to a 20 percent coinsurance requirement to receive chronic care management services. This cost-sharing requirement creates a barrier to care, as beneficiaries are not accustomed to cost-sharing for care management services and may forego the services altogether as a result. The latest data reveals that only 4 percent of Medicare beneficiaries potentially eligible for chronic care management received these services. That amounts to 882,000 out of a potential pool of 22.5 million eligible beneficiaries.

We urge Congress to reintroduce and pass the Chronic Care Management Improvement Act. This legislation would have removed the cost sharing requirement for patients to access chronic care management services. We also support allowing the physician that performs chronic care management services to waive the requirement that the patient pay the 20 percent coinsurance fee associated with this service.

Waive Cost Sharing Associated with Advanced Primary Care Management Services

We are pleased that CMS is implementing a new enhanced program for Advanced Primary Care Management (APCM) services aimed at relieving administrative burdens and more appropriately reimbursing physicians caring for patients with complex medical and social needs. ACP is concerned that cost-sharing associated with these services could hinder beneficiary consent and uptake. We urge Congress to approve legislation to waive cost sharing associated with these services.

We are also grateful that CMS has also issued an RFI to stakeholders to explore the future direction of APCM services, particularly as they relate to preventive care and primary care's role in value-based models like the Medicare Shared Savings Program (MSSP). APCM services, introduced to simplify and support comprehensive, team-based primary care, have traditionally carried cost-sharing obligations for beneficiaries under Medicare Part B. However, CMS is now reconsidering that stance considering stakeholder feedback suggesting that even minimal cost sharing may limit the uptake of APCM services, particularly for populations with limited financial resources.

Improve Accountability and Transparency in the PBM Marketplace

We support discussions between Chairman Crapo and Ranking Member Wyden concerning a bipartisan health package that could include reforming the practices of pharmacy benefit managers. ACP policy also urges more stringent oversight of pharmacy benefit manager (PBM) mergers/acquisitions. The consolidation of the PBM market raises concerns about potential antitrust issues and has been shown to increase prices for patients. Although many smaller regional PBMs exist, the large national PBMs that take up the vast majority of the market share 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.

PBMs administer prescription drug coverage for more than 266 million Americans in private and public health plans, making them the principal purchasers of prescription drugs in the United States. An ongoing challenge is the lack of transparency in PBMs, with the contracts negotiated between health plans and PBMs for fees and the share of a rebate that is retained

by the PBM are kept confidential. ACP supports policies that would ensure rebates and other savings are used to help lower prescription drug costs for patients.

Reduce the Cost of Prescription Drugs

In 2019, ACP published Policy Recommendations for Public Health Plans to Stem the Escalating Costs of Prescription Drugs: A Position Paper From the American College of Physicians to offer additional recommendations for stemming the escalating cost of prescription drugs involving PBMs, decreasing out-of-pocket costs for patients, enhancing the government's purchasing power and addressing existing policies that add costs to the health care system. ACP's recommendations include:

- Modifying Medicare Part D low-income subsidy program cost-sharing and copayment structures to encourage use of lower-cost generic or biosimilar drugs.
- Continuing requirements of the Inflation Reduction Act (IRA) for drug price negotiation models that drive down the price of prescription drugs for beneficiaries.
- Implementing new policies to prevent market manipulation, help lower-cost alternatives make it to the market faster, and ensure a robust and competitive market for generic and biosimilar drugs.

ACP is encouraged by the Trump administration's announcement last month about a pricing deal with Pfizer to help to lower the cost of prescription drugs for Medicaid enrollees and others, part of which will include a new federal website. The high cost of prescription drugs is a barrier to our patients accessing the care they need. Prescription drugs can only ever be as effective as our patients' ability to access these treatments. Actions that lower the cost of vital treatments are crucial to ensuring the health of the American public. The administration's focus on this issue is critical to our patients, and we urge them to ensure that the promise of this announcement translates into savings for the American public.

Reauthorize and fund the National Health Service Corps and Teaching Health Center Graduate Medical Education

We urge the Senate to invest in increasing the primary care workforce through the National Health Service Corps (NHSC) and Teaching Health Center Graduate Medical Education (THCGME). The United States faces a projected physician shortage of up to 187,140 physicians by 2037 - with the U.S. facing a shortage of over 87,000 primary care physicians. Currently, over

seventy-seven million Americans live in areas without adequate numbers of health care clinicians, which is a matter for concern as insufficient primary care provider supply is associated with negative outcomes, including higher rates of hospitalization, lower patient-rated health quality, and even higher mortality.

We support NHSC funding reauthorization at no less than $350 million per year for at least two fiscal years. The NHSC awards scholarships and loan repayment to health care professionals to help expand the country's primary care workforce and meet the health care needs of underserved communities across the country. Health Resources and Services Administration (HRSA) data shows In the 2024 fiscal year, with a target of 21,000 clinicians in the field, including over 2,100 physicians, NHSC members are providing culturally competent care to a target of over 22 million patients at more than 21,000 NHSC-approved health care sites in urban, rural, and frontier areas. Increased FY2026 funding would help maintain NHSC's field strength by helping to address the health professionals' workforce shortage and growing maldistribution.

We support THCGME program funding reauthorization at an average of at least $400 million per year for five fiscal years. The THCGME program has over a decade of bipartisan support and is the only federal program investing in the training of future physicians in community settings, rather than hospitals. According to HRSA, 92 Teaching Health Center programs currently operate in nearly 30 states, training nearly 1,200 medical and dental residents who handle more than an estimated one million patient visits annually.

THCs are a vital response to the primary care physician shortage, placing doctors in communities where they are needed most. Many residents stay in the region where they were trained. HRSA has found that since the program began 65 percent of THC graduates remain in primary care and 56 percent of THC graduates practice in medically underserved or rural communities.

Conclusion

We thank Chairman Crapo and Ranking Member Wyden for hosting this hearing to consider solutions to the rising cost of health care. We look forward to working with the Senate Finance Committee to accomplish these goals. Should you have any questions regarding the recommendations outlined in this statement, please do not hesitate to contact Brian Buckley, Senior Associate for Legislative Affairs at bbuckley@acponline.org.