



IN CASE YOU MISSED IT

Bipartisan, Former HHS Secretaries: *Congress Should Adopt Site Neutral Payments for Health Care*

Last week, former Secretaries of Health and Human Services Alex Azar and Kathleen G. Sebelius, who served under Presidents Trump and Obama respectively, wrote a piece in [STAT News](#) calling on Congress to pass site neutral payment reform in Medicare, **which would save taxpayers billions and reduce out-of-pocket costs for patients.**

Currently, Medicare reimburses hospital outpatient departments at a higher rate than independent physician offices for the same health care services. Site neutral payment reform would equalize payments for the same services that can safely and effectively be delivered in a physician's office, as [recommended](#) by the nonpartisan Medicare Payment Advisory Commission (*MedPAC*).

Last Thursday, House Budget Committee Chairman Jodey C. Arrington (R-TX) [offered an amendment](#) at the House Rules Committee to fully offset the cost of the national security supplemental spending bills by implementing site neutral payment reform while exempting rural hospitals. **This marked an important step toward restoring fiscal responsibility to Washington by paying for new spending and lowering health care costs for millions of Americans.**



WORD ON THE STREET



Via [STAT News](#):

- *“As two former secretaries of Health and Human Services, we are all too familiar with the struggle of finding narrow openings for bipartisanship. Despite our different approaches, we believe that addressing health care costs is a truly*



*bipartisan issue. To be serious about creating access for people to the best possible care, that care must be affordable for patients and taxpayers. **One issue that is particularly ripe for bipartisan compromise is site neutral payments.***

- *“Even though we served under presidents for different parties, we both recommended that Congress adopt policies advancing site neutral payments to save patients and taxpayers money. **People should pay for the care they receive, not for the sign on the door.**”*
- *“Imagine that your favorite independent coffee shop is purchased by a global chain and your \$2 cup of joe jumps to \$4 overnight. **It’s the same coffee, the same barista, and the same building — only the company name on your cup has changed.**”*
- *“Enacting site neutral payments would fix this problem and ensure that hospitals are no longer able to charge more for services delivered in physician offices and outpatient clinics that they purchase.”*
- *“Paying more based on where a medical service is performed drives up costs. **It also encourages consolidation and makes it difficult for independent physician offices to compete.**”*
- *“Site neutral payments represent a commonsense policy that will reduce costs for patients and taxpayers. It will diminish perverse incentives for consolidation and incentivize care delivery in the right place for the right price. **It’s a no-brainer that we believe could reduce costs for patients and payers.**”*

THE BOTTOM LINE

Equalizing payments for the same services in Medicare through site neutral reform is a commonsense, bipartisan policy that would **reduce Medicare spending while also lowering out-of-pocket costs and increasing access to care for patients.**

Both President [Obama](#) and President [Trump](#) included site neutral payment reform in their budget requests. Concerningly, President Biden omitted the policy from his budget requests, including the recent Fiscal Year 2025 budget, which Chairman Arrington pressed Biden Administration appointees to defend during recent Congressional [hearings](#) on the Biden budget.



In contrast with the Biden budget, Medicare site neutral payment reform was included in the [Committee-advanced](#) House Republican Fiscal Year 2025 “Reverse the Curse” [Budget Resolution](#).

Additionally, a similar site neutral policy was included in the House Republican [Lower Costs, More Transparency \(H.R. 5378/Sec. 203\)](#) that passed the House last December and would equalize Medicare payments for physician-administered medicines.

House Republicans and the House Budget Committee continue to lead the way in advancing commonsense policies to lower costs for Americans and restore fiscal responsibility to Washington.

Read more about Chairman Arrington’s amendment restoring fiscal responsibility and implementing site neutral payments [HERE](#).

Read more about the House Budget Committee’s FY2025 “Reverse the Curse” Budget Resolution [HERE](#).

