

June 21, 2023

Dear Members of Congress:

We write to you as a nonpartisan coalition of employer and health care groups urging you to cosponsor and advance the **Facilitating Accountability in Reimbursement (FAIR) Act (H.R. 3417)**, a bipartisan effort led by U.S. Reps. Kevin Hern (R-OK) and Annie Kuster (D-NH), and the **Site-based Invoicing and Transparency Enhancement (SITE) Act (S.1869)**, a bipartisan effort led by U.S. Sens. Mike Braun (R-IN) and Maggie Hassan (D-NH). These pieces of legislation protect patients, families, employers, and taxpayers from hospital dishonest billing – when hospitals secretly reclassify a doctor’s office they own as a hospital setting in order to charge more money.

Right now, hospitals manipulate an opaque billing system, which hurts patients. [One news story](#) chronicled a patient who visited her primary care physician to receive her annual arthritis treatment and later found she had been charged ten times the usual amount. The patient eventually discovered that she was charged more because her doctor’s practice was acquired by a hospital system that changed the billing to portray her treatment as if it were delivered in the hospital setting, when it was in fact delivered in a doctor’s office.

Dishonest billing gives hospital systems a financial incentive to perform takeovers of independent doctor’s offices, which exacerbates the problem of hospital consolidation. Hospital-clinician consolidation is a troubling and well-documented trend that decreases competition and makes health care services unaffordable for millions of Americans. [According to the American Medical Association](#), nearly 40 percent of physicians work directly for a hospital or for a practice owned by a hospital system. When hospitals buy clinician practices, the price for clinician services increases by [an average of 14.4 percent](#), and roughly a quarter of that increase is attributable to hospital dishonest billing.

Dishonest billing also has serious implications for taxpayers. Hospitals have used the acquisition of clinician practices to manipulatively bill national health care programs billions of dollars by portraying non-hospital-based services as if they were delivered in a hospital. [According to the Medicare Payment Advisory Commission](#), in 2015 alone, wasteful hospital billing cost the Medicare program an unnecessary \$1.6 billion and forced Medicare beneficiaries to pay \$400 million more in out-of-pocket costs.

At a time when roughly [30 percent of all health care spending is considered wasteful](#) and [inflation is at a 41-year high](#), we encourage you to cosponsor the **Facilitating Accountability in Reimbursement (FAIR) Act** and **Site-based Invoicing and Transparency Enhancement (SITE) Act (S.1869)** and work to advance this legislation to help lower health care costs for patients, families, employers, and taxpayers. Thank you for your consideration.

Sincerely,

The ERISA Industry Committee

National Kidney Foundation

P4ESC (Partnership for Employer-Sponsored Coverage)

Public Sector HealthCare Roundtable

BCBSA

National Alliance of Healthcare Purchaser Coalitions

National Association of Benefits and Insurance Professionals (NABIP)

National Federation of Independent Business (NFIB)

Dallas-Ft. Worth Business Group on Health

Economic Alliance for Michigan

Employers' Advanced Cooperative on Healthcare (Arkansas)

Employers' Forum of Indiana

Florida Alliance for Healthcare Value

Greater Philadelphia Business Coalition on Health

HCTN (Tennessee)

Houston Business Coalition on Health

Indiana Manufacturers Association

Kansas Business Group on Health

Lehigh Valley Business Group on Health

MidAtlantic Business Group on Health

Midwest Business Group on Health

Nevada Business Group on Health

North Carolina Business Group on Health

Pittsburgh Business Group on Health

Retailers Association of Massachusetts

Rhode Island Business Group on Health

Silicon Valley Employers Forum

St. Louis Area Business Health Coalition

Texas Business Group on Health

Texas Employers for Affordable Healthcare

The Alliance (Midwest)

The Alliance (Wisconsin)

Washington Health Alliance

WellOK - The Oklahoma Business Coalition on Health

Wisconsin Independent Businesses (WIB)

Wisconsin Manufacturers & Commerce (WMC)

Wisconsin Paper Council

Third Way