

# Florida hospital CEO says Medicare site-neutral payment reform ‘makes some sense’

Tampa General’s John Couris sees validity in the outpatient cuts, as hospital lobbyists oppose the policy



By Bob Herman

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SAN FRANCISCO — Hospitals loathe so-called site-neutral policy, the idea that Medicare should pay hospitals’ outpatient clinics the same, lower amounts as independent physicians’ offices for the same services. Tens of billions of dollars in hospital revenue could evaporate.

Researchers, lawmakers, government officials, and consumers see site-neutral payments as commonsense because the care in the two settings is identical — why should the government and patients pay more for identical care, just because the provider is linked to a hospital?

John Couris sees the validity in that critique. He also happens to be the head of a major hospital system.

“I think site neutrality makes some sense,” said Couris, CEO of the Florida Health Sciences Center, the nonprofit parent organization of Tampa General Hospital that posted \$3.4 billion of revenue in its latest fiscal year.

His opinion differs greatly from hospital industry lobbyists, who have warned that all such payment policies would “eliminate critical hospital-based care, resulting in increased wait times and decreased access to care for patients.”

“If we’re being intellectually honest with ourselves, it’s not OK. I get why it needs to change,” Couris told STAT on the sidelines of the J.P. Morgan

Healthcare Conference, when asked about site-neutral proposals in Congress. “And I’m not opposed to actual change, but I’m very much opposed to all these other things that get swept up in from that policy change.”

The federal push to equalize payments across hospital outpatient clinics and freestanding physician offices has been around for more than a decade. Policymakers have been concerned that hospitals were acquiring physician practices and converting them to hospital outpatient departments for the primary purpose of collecting additional revenue — even though basic tests and services didn’t change.

For example, Medicare paid hospitals’ outpatient departments more than double what physician offices received for echocardiograms in 2023, according to the Medicare Payment Advisory Commission. This doesn’t just lead to higher payments to hospitals — it also leads to bigger bills for patients.

MedPAC estimated that if Medicare paid the same amounts for 57 different categories of services, taxpayers and patients would have saved a combined \$6.2 billion in 2021 alone. Implementing a broad version of site-neutral payments could reduce Medicare payments to hospitals for outpatient care by about \$157 billion over a decade.

Couris said he does not support proposals in which site-neutral payments would apply to outpatient clinics that do more intensive work on things like neuroscience or transplants. “If you flip them immediately to the lower rates, we’re not going to be able to do all the work that we do for transplant patients,” Couris said.

Lawmakers and federal agencies “need to take a scalpel” instead of a “blowtorch” when carving out services in site-neutral proposals, he said.

“It’s got to be written in a way that recognizes that academic health systems are taking care of different types of patients who are very sick, very complex, and require a great deal of resources,” Couris said.