

Hospitals are taking the fall for high health care costs. – Politico

Two of the most powerful lobbies in the country are turning on a third in the hopes of deflecting Washington's wrath and securing bigger shares of the \$5 trillion Americans spend on health care each year, [Amanda reports](#).

— Drugmakers and insurers are aiming to take advantage of lawmakers' worries about affordability to convince them it's the hospitals they should regulate, and not them, if they want to bring down Americans' bills. Some of the changes the drugmakers and insurers are pursuing would pad their own profits.

— All three industry sectors have spent time in the hot seat this year. Drugmakers have stood with President **Donald Trump** and promised lower prices; insurers have taken broadsides on their Obamacare fees and offered to speed up claims processing. But hospitals have already absorbed the biggest blow in the form of pending cuts to Medicaid, and there may be more to come. Lawmakers and Trump administration regulators are also considering cutting their Medicare fees, cracking down on their mergers and scaling back their drug discounts.

— Hospitals' industry rivals are egging the politicians on, seeing an opportunity to advance proposals long stuck in Washington's partisan gridlock. The **Pharmaceutical Research and Manufacturers of America** (PhRMA), the lobby for branded drugmakers, launched a seven-figure ad blitz last week alleging hospitals were abusing a federal drug discount program. That followed a six-figure campaign in April from **Hospital Watch**, a new insurance-backed coalition that blames hospital consolidation for high prices.

— “The aperture is just being opened,” said **Adam Buckalew**, a senior adviser for Hospital Watch and founder of **ALBSolutions**, one of the top lobbying shops for insurers.

— The barrage of attacks against hospitals marks the latest high-profile clash between three of Washington's most powerful industry lobbies. PhRMA, **AHIP**, which represents health insurers, and the **American Hospital Association** have poured record sums into lobbying in the past year as the Trump administration and Republicans in Congress overhauled the country's health policies.

— Hospitals, whose lobbies were long afforded deference from lawmakers given their outsized roles in local economies, worry they are losing ground. Their coalition puts them at a disadvantage when trying to unite behind a message, compared to drugmakers and health insurance plans, hospital representatives told POLITICO.

— The likelihood that there are more hits to come for hospitals compounds an already difficult economic outlook for a sector that is one of the country’s largest sources of employment. That outlook was clouded by enactment last year of nearly \$1 trillion in cuts to Medicaid in Trump’s One Big Beautiful Bill Act and the expiration of enhanced Obamacare subsidies at year end.

— “The entire environment right now for hospitals is not a great one,” said **Lisa Kidder Hrobsky**, senior vice president of federal relations at the American Hospital Association, the main industry group. “We do feel like we are sort of in constant attack from others outside of the hospital industry.