

Chair Brett Guthrie Opener

Health Hearing entitled, “Lowering Unaffordable Costs: Examining Transparency and Competition in Health Care.”

As Prepared for Delivery

Today, we will hold a bipartisan hearings to examine the rising costs of health care for patients and their families. The rising costs of care for individuals is one of the single-greatest threats to the overall economic security of Americans and their households.

Over the past thirty years, the cost of health care has steadily risen by almost 5% annually, eclipsing \$4 trillion annually, or roughly \$13,000 per person. Over this same period, the United States has also seen a sharp rise in consolidation within the health care industry.

There have been almost 1,800 hospital mergers between 1998 and 2021, leading to about 2,000 fewer hospitals throughout the country. Larger health systems are also buying physician practices at record rates as more than 80,000 physician practices were acquired in 2018, a marked increase over the more than 35,000 acquired in 2012.

The three largest pharmacy benefit managers represent over 80% of the marketplace and many have merged with insurance companies, specialty pharmacies, retail pharmacies, and even drug distribution.

Today, we spend thirty one percent of all health care expenditures on hospital services, twenty percent on physician services, and nine percent on prescription medications.

However, despite having all this aggregate expenditure information widely available to the public, patients and employers are unable to access an up-front price for a given item or service. They cannot make informed decisions about how and where to spend their money like they can in virtually every other industry. This not only leads to high unexpected costs, but more consequentially a lack of trust with the health care system and a reluctance to critical seek health care services.

I hope today can be a start on finding bipartisan solutions to make health care pricing more transparent and the health care system easier to navigate for patients, starting with any improvements necessary to the Centers for Medicare and Medicare Services’ hospital price transparency rule and the multi-Department transparency in coverage rule. These rules require hospitals to publicly post the prices of hundreds of common procedures on their website in a user-friendly format and require private health plans to disclose information about pricing and what patients are obligated to pay.

All of this information gives patients and employers that pay for health insurance for their employees more information and some peace of mind to know how much their health procedure or services would cost ahead of receiving care. It is imperative for the Biden Administration to conduct greater enforcement efforts on these rules in order to better serve

patients with clear and actionable price information. It is also crucial for Congress to strengthen these important transparency rules to support more efficient price transparency regulatory environment.

Congress should also consider solutions to make other parts of the health care system less opaque. We should build on our bipartisan work to make Pharmacy Benefit Managers be more transparent. Shining a light on middlemen who are making prescriptions more expensive is one important step to bolster competition and lower prices for patients. Further, patients, especially seniors, are unnecessarily paying more money for the same service simply because of the location where it was delivered.

It's time to carefully examine the root causes of these inefficiencies that are plaguing patients with higher costs and more confusion. And just maybe, by working together across the aisle on "first downs," we can make the health care system easier for patients to navigate and ultimately get the health care they need. To that end, I look forward to today's discussion and I yield back.