

Cathy McMorris Rodgers Opening Statement

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

As Prepared for Delivery

Opening Statement

INTRO

Today we are examining in a bipartisan way how to drive down the costs of health care.

This is a top concern as the cost of living has surged across the board.

More than 60 percent of Americans are living paycheck to paycheck.

It means they are just one medical bill away from a financial emergency.

One doctor visit away from not being able to pay their rent... for their groceries... or gas.

A recent poll of Americans with health insurance found more than half ranked “reducing health care costs” as their top health care policy priority.

For a more secure and healthier future, people need more certainty and stability.

The United States spends more on health care as a percentage of our economy than any other developed nation.

And CBO projects that federal health care costs per person are expected to grow faster than the economy, meaning the U.S. will continue to spend more as a percentage of the economy.

So I am pleased that we’ve worked in a bipartisan way to hold this hearing on what the federal government can do about the high costs of health care.

TRANSPARENCY

Improving price transparency in our health care system is one way we can drive down costs. It's foundational to restoring the doctor-patient relationship.

Right now, it is nearly impossible for patients or their employers to shop for the best and most affordable care they or their employees need.

It is nearly impossible for people to plan ahead and budget for their health care costs.

Take the example of Dani Yuengling, from South Carolina. She needed a biopsy and had a \$6,000 deductible. Her hospital's price tool estimated she would pay \$1,400.

After receiving the bill, she found out the true price of the service was nearly \$18,000. She was on the hook for more than \$5,000.

Patients shouldn't be in the dark until after they receive care and after their bills come.

The Trump Administration finalized two rules on price transparency.

The first rule requires hospitals to post standard charges and payer-specific rates for all items and services and a consumer-friendly display of at least three-hundred shoppable services like an MRI.

The second rule requires insurers to post comprehensive rate information and provide patients personalized pricing information for five-hundred items and services.

That includes a wide spectrum of services – from routine doctor visits and imaging services, to more complex care, like knee replacements or even delivering a baby.

Unfortunately, independent evaluators broadly agree that most hospitals have not complied fully with the rules.

We need stronger enforcement from CMS, which to date has only levied two penalties against hospitals for not posting accurate information for patients.

We will hear from a hospital in my district – **that is transparent and in compliance with the rules** – about their experience and why we should have reasonable expectations that other hospitals should be able to comply with these rules.

Eastern Washington employers have also been on the forefront of utilizing price transparency for good.

Schweitzer Engineering Labs in my district, one of the largest private employers in Eastern Washington, has been a leader in utilizing price transparency to deliver better quality care at lower prices.

We know from stories like these that, if fully implemented, these rules will help Americans.

A recent economic analysis found that together, both rules could reduce spending for privately-insured individuals by tens of billions through 2025 alone, with low-income Americans seeing the most significant benefits.

Ranking Member Pallone and I have worked together on oversight of these rules over the past two years, and I look forward to continuing that bipartisan work today.

COMPETITION

Additionally, we will also examine how more competition can help lower health care costs.

Hospital, physician, and health insurer markets have become increasingly consolidated.

Consolidation hasn't been just limited to hospitals buying other hospitals or physician groups buying other physician groups – also known as horizontal integration.

We have seen a rise in vertical integration, where purchases occur across different sectors within the health care system.

For example, this could mean hospitals acquiring physician groups or insurers buying PBMs.

For patients, this could mean their insurance company may own:

- Their doctor's practice
- Their pharmacy; and
- The PBM that decides what they pay for medicine

Are these arrangements in the best interest of patients?

It remains to be seen, and it is one reason we need to have this hearing today.

CLOSING

Thank you again to everyone on our witness panel today.

We're grateful for your expertise and work to help inform how this committee will lead to lower health care costs and improve the quality of life for all Americans.

I am glad we are having this bipartisan conversation and I look forward to working productively together.