Congressman Brett Guthrie

Opening Statement

As Prepared for Delivery

We are here today because health care costs continue to rise, further limiting Americana's budgets which have already been stretched thin by inflation driven by Democrats spending spree.

We are considering 17 bills and discussion drafts to advance price transparency and improve competition within the health care system. This legislative hearing builds on our bipartisan work last month. In our educational hearing, we came together to hear from experts and witnesses from across the political and policy spectrum who share our goal to lower costs for patients. Now, on the vast majority of these proposals, Republicans and Democrats on this committee are reaching across the aisle to advance solutions.

Transparency can reveal the true value of each step in the health care supply chain and empower patients and employers to get the best deal on high quality care. Many of the proposals before the subcommittee today will shine a light on prescription drug middlemen and further polices to make the health care system more competitive to lower costs. The Transparent PRICE Act, introduced by the leaders of the full committee, will improve upon the Trump Administration's hospital and insurer price transparency rules to ensure patients and employers are getting the best possible deal.

While transparency is necessary to a functioning market, there must also be competition to lower prices and increase quality. As such, we are reviewing a number of policies designed to reduce incentives to consolidate and require providers to compete with one another on both price and quality, all with the goal of benefitting patients. For example, by ending the practice of requiring Medicare and patients to pay more for certain services at hospitals – when those same services can be performed safely in doctor's offices or Ambulatory Surgical Centers – seniors can save billions. One proposal put forth by MedPAC, which we are discussing today, is estimated to have saved seniors $1.7 billion if it had been in place in 2019.

Similarly, another policy would simply require CMS to assess the impact regulatory decisions may have on consolidation in health care, so that we can better understand how federal regulations may be unintentionally driving consolidation. Improving competition will help ensure seniors maintain access to the highest quality health care services at the best possible prices.

Another theme heard repeatedly last month's bipartisan educational hearing is the need to address opaque pricing practices by pharmacy middlemen. Patients are facing rising costs at the drug counter, resulting from the growing influence of a small number of pharmacy benefit managers caused by the consolidation within the PBM industry. 80% of all drug claims are adjudicated by three PBMs.

I strongly support the bipartisan PBM Accountability Act to provide key information to employers about the drug costs of their employees. With that information, employers can hold PBMs accountable and understand what benefit their PBM may be providing. There's also bipartisan legislation from Representative Carter that would finally ban spread pricing in Medicaid. In 2019, it was reported that

PBMs earned $123 million in Kentucky alone through spread pricing. Medicaid programs should find a more transparent way to pay PBMs for their services.

Finally, I want to thank Ms. Eshoo for working with me on the MVP Act. The innovation coming the next few years is game changing – potential one time cures for rare diseases, sickle cell, hemophilia - but our system is not set up for that. Medicaid programs operate on annual budget, and while a multi million dollar drug is cost effective in a lot of these cases, states need more flexibility. This bipartisan legislation builds on a Trump Administration regulation that would give Medicaid programs the flexibility needed to pay over time and enter into contracts that provide patients with access to novel cell and gene therapies while ensuring states aren't on the hook to pay for treatments that fail patients.

In closing, I look forward to today's hearing to discuss these bipartisan ideas to lower health care costs and look forward to working with my subcommittee colleagues to advance these policies.

I yield back.