

Thank you, Mr. Chairman, for inviting members to testify before the Committee this morning.

I am here today to advocate for three of my bills which fall within Ways & Means Committee jurisdiction, each focused on lowering healthcare costs, improving patient choice, and rooting out fraud & abuse in our non-profit healthcare sector.

First, *H.R. 2862 – Empowering Patient Choice of Medical Care Act* would eliminate CMS’s “inpatient-only list,” a collection of services that Medicare will only reimburse if conducted in an inpatient setting. CMS has historically designated the codes on this list in an arbitrary fashion, based on incomplete data and weak risk assessment. The Trump Administration rightly scrapped the inpatient-only list in 2020. Unfortunately, the Biden Administration reinstated this list the following year. As a result, patients have once again been forced by Washington to seek certain treatments at more expensive inpatient settings when outpatient care may suffice.

If passed, the *Empowering Patient Choice of Medical Care Act* would allow patients, along with their doctors and other healthcare professionals, to make informed decisions about where they receive treatment, without unnecessary government restrictions. It is long past time to stop letting bureaucrats determine where Americans receive healthcare and place our trust back in the hands of patients and providers.

Second, *H.R. 2863 – Preventing Hospital Overbilling of Medicare Act* would ensure that medical care is billed based on the service provided, rather than the facility in which it is provided, such as a hospital, hospital owned outpatient department, ambulatory surgical center, or independent physician office. This bill presents a common-sense approach known as site-neutrality to tackle unjust billing practices by nonprofit hospitals. According to the American Action Forum, “Over 10 years, site-neutral payment policies could save Medicare up to \$153 billion, beneficiaries up to \$94 billion, the greater U.S. health care system up to \$672 billion while reducing the national deficit by a potential \$279 billion, and potentially reduce the Part A trust fund’s shortfall.”

For context, nonprofit hospitals frequently own physician clinics and outpatient centers, where they fraudulently bill patients, Medicare, and private insurance companies the higher hospital rate for services typically billed at the lower clinic

rate at an unaffiliated physician's office. The *Preventing Hospital Overbilling of Medicare Act* proposes a simple solution: professional services provided in offices, clinics, or spaces owned by a hospital or institutional provider, other than the primary hospital structure, must be billed on a claim form like any unaffiliated outpatient physician clinic. This straightforward change ensures that billing practices are fair, transparent, and are based on the service and location provided.

Third, *H.R. 2859 – Holding Nonprofit Hospitals Accountable Act* strengthens our tax code's nonprofit hospital charity care standard. Currently, nonprofit hospitals qualify for tax-exempt status based on their investments in improving local community health, a process determined by the so-called Community Benefit Standard. These tax exemptions amount to approximately \$28 billion annually, but nonprofit hospitals are increasingly avoiding their legal responsibility to provide charity care to the communities they serve.

A recent piece in the *New England Journal of Medicine* highlights why many nonprofit hospitals do not deserve their tax exempt status. In 2018, nonprofit hospitals spent only \$2.3 of every \$100 in total expenses on charity care, significantly less than government and for-profit hospitals. *The Holding Nonprofit Hospitals Accountable Act* addresses these concerns by adding quantifiable requirements and definitions to nonprofit hospital charity care standards. It does not devalue the work nonprofit hospitals do in our community but adds guardrails to ensure they are not shirking their community responsibility. It ensures that nonprofit hospitals spend 100% of the value of their tax exemptions each year on policies directly improving the affordability and accessibility of care, such as training, education, or research designed to enhance patient care.

In conclusion, these three bills—the *Empowering Patient Choice of Medical Care Act*, the *Preventing Hospital Overbilling of Medicare Act*, and the *Holding Nonprofit Hospitals Accountable Act*—represent a commonsense approach to begin reforming our healthcare system to the benefit of all Americans, not special interests. They address issues of overbilling, ensure that non-profit hospitals fulfill their charitable missions transparently and effectively, and return the intimate power of healthcare decision-making to patients and providers.