



**Testimony of Marni Jameson Carey  
Executive Director  
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**Hearing of the United States House of Representatives  
Committee on Energy & Commerce  
Health Subcommittee**

**“Building on the ACA: Legislation to Expand Health Coverage and Lower Costs”**

**March 23, 2021**

I would like to thank Chairwoman Eshoo, Congressman Guthrie, and members of the Subcommittee on Health for the invitation and opportunity to address the subcommittee today — on this anniversary of the Affordable Care Act — about the important topic of how legislation can better provide health-care coverage and lower costs to make care affordable and accessible. It is truly an honor to be here.

My name is Marni Jameson Carey. I am the executive director of the Association of Independent Doctors<sup>1</sup> (AID), a national, nonprofit trade association with members in 44 states, that was established to support our nation's independent doctors. At AID, we work to educate lawmakers, employers, patients and taxpayers about why preserving our independent doctors is so essential to lowering the cost of health care, improving access to care, and restoring the doctor-patient relationship.

Since AID was established in 2013, its mission has not changed.

- We strive to achieve systemwide price transparency, which would introduce competition into our price-opaque health-care system.
- We aim to achieve site-neutral payments, so the same service costs the same amount regardless of whether that service is performed in an independent doctor's office, or in a hospital outpatient setting.
- We work to stop the consolidation in health care, specifically the employment of physicians by hospitals, health systems and private equity groups, which drives up costs.

I see the bills before the committee today as attempts to expand coverage and protect the vulnerable. Those are certainly worthy goals. However, I would like to address the root problem in our health-care system, the fundamental reason so many Americans still lack coverage and lack access. The problem is that health care costs far too much in this country. Health care accounts for nearly 18 percent of our nation's gross national product.<sup>2</sup> Put another way, nearly one out of every five dollars each of us earns goes to pay for health care. The cost is financially crippling families, and hurting businesses. The system we have now only drives prices higher. In fact, since the ACA went into effect, national health spending went from \$2.60 trillion in 2010 to \$3.65 trillion in 2018.<sup>3</sup>

If we are truly going to achieve the important goal of making sure all Americans have access to health care, we must lower costs. This is true regardless of who is paying the bill, whether an individual, a private health plan, a government payor, or a self-insured employer, real prices matter, and we need to bring them down.

I will briefly discuss today how each of these inter-related efforts — achieving price transparency, realizing site-neutral payments, and halting consolidation — could dramatically lower the costs of health care, and thus, improve access to care and coverage.

Before I became Executive Director for AID, I worked as a health reporter writing for the *Los Angeles Times*, then for the *Orlando Sentinel*, where I was working as the senior health reporter as the ACA rolled out. During that time, media reports were full of statistics about how many Americans would gain or lose coverage as a result of insurance exchanges, mandates, and Medicaid expansion.

Covered lives became “the story,” largely because hospitals and insurers did a wonderful job of turning the public's attention toward the issue of coverage and away from the matter of cost. Sadly, to some cutting costs is less appealing than guaranteeing revenue streams. So special interests for these groups spent significant resources raising public awareness around the problem of coverage, and diverting

attention from root cause. Americans' lack of coverage is a byproduct of the primary problem, which is that health care costs too much. If care were affordable, coverage would begin to take care of itself.

So today, I would ask the Subcommittee, to consider ways we can lower our nation's health-care costs, and achieve the goals of increased access and coverage for all Americans. The path forward begins with systemwide health-care price transparency.

For too long, hospitals and insurance companies have profited excessively from keeping their prices and their patients in the dark. Most patients have no idea when they get a medical procedure what the price will be until after they get their bill. In no other industry does a consumer purchase a product or service without the ability to know the price up front. If patients could see the price of their care beforehand, and be able to shop and compare prices, more would see the value in choosing independent doctors, for instance, and freestanding imaging centers and surgical centers, which cost patients, employers, insurance companies, and ultimately all Americans, significantly less. Fewer would get surprised by a bill they could not foresee.

When patients can see prices, they could know in advance that a C-Section at one hospital in California could cost \$6,000 or \$60,000 depending on your insurance.<sup>4</sup> When patients can see that having a colonoscopy by an independent doctor at a freestanding facility costs \$775 and the same procedure performed by an employed doctor at a hospital-owned center across the street costs \$4,000,<sup>5</sup> the tide will begin to turn. True consumerism will tilt the market toward high-value providers.

By requiring hospitals and insurers to make hidden health-care prices clear, comparable and accessible to consumers, patients could begin to shop and compare prices, and health care could begin to function like other competitive markets. One economic study found that the savings that would result from systemwide health-care price transparency would add \$11,000 in real income to American households.<sup>6</sup>

Price transparency would enable price competition, which would make the acquisition of physicians less lucrative. That would help stem the increasing trend toward health-care consolidation.<sup>7</sup> Mergers of hospitals and medical groups are a leading driver behind our skyrocketing health-care costs.<sup>8,9</sup>

Here's why. When hospitals acquire medical groups (and by extension their patient base) they expand their market share. That expanded market share gives them greater bargaining power with third-party payers. They leverage that to negotiate for higher reimbursements, which we all pay for in higher premiums and taxes (to pay for Medicare and Medicaid).

In addition, when hospitals buy independent practices, they get to add facility fees to their doctors' bills. These facility fees add zero value, yet can drive up the cost of care three to five times or more, compared to the same procedure performed at an independent doctor's office, which does not have these added fees.

As a result, a procedure that Medicare would pay \$1,100 for when performed in an independent cardiologist's office now costs \$4,000 when the same doctor becomes employed and performs the same procedure. Multiply that cost increase by the increasing number of employed doctors and you can see the profound impact that facility fees have on our burdened health-care system, and how much waste is in the system. The Medicare Payment Advisory Commission, which advises Congress on how to control Medicare spending, has long advocated for "site-neutral payments."<sup>10,11</sup> That is, MedPAC has

recommended that the government should pay the same amount for the same service regardless of whether that service is performed in an independent doctor's office or in a hospital outpatient department. This would essentially eliminate these fees and level the playing field.

Price transparency would help expose these facility fees for the valueless add on that they are, and the resulting price competition would drive them down. The inability to charge facility fees would remove much of the incentive for hospitals to acquire medical practices. Some might even begin to divest themselves of the doctors they've acquired as profit margins wane.

One way Congress could help achieve these cost-cutting moves is by reinforcing with law the Hospital Price Transparency Rule<sup>12</sup> that the Dept. of Health and Human Services put into effect this past Jan. 1, and then also reinforcing with law and without delay the companion rule, the Transparency in Coverage rule, requiring insurers to post their prices by Jan. 1, 2022. Since most hospitals are not yet complying, we were heartened to hear the new Secretary of Health and Human Services Xavier Becerra say during his confirmation hearing: "We will do robust enforcement to make sure that price transparency is there for all Americans, because for far too long, people have never had an idea of what they're going to pay if they walk into a hospital."<sup>13</sup>

This is a golden moment for this Administration and Congress to build on the price transparency initiative, which has its roots in the ACA, and which puts consumers in charge of their health-care spending, introduces much-needed competition into our dysfunctional health-care market, and reverses the unhealthy trend of consolidation.

These goals are not only healthy for America's independent doctors, but they are also healthy for all Americans. A recent national Marist survey<sup>14</sup> found that 91% of Americans believe that hospitals should be legally required to post all their prices in an easy-to-access format; 89% want actual prices not estimates, and 84% believe, as do most economists, that clearly posted prices would increase competition, improve quality of care, and lower the costs of care and coverage.

These goals further align with those outlined in the Biden-Sanders Unity Task Force Recommendations, which states:

We will work to increase price transparency in the health care system across all payers, and reduce paperwork through uniform medical billing. And we will vigorously use antitrust laws to fight against mega-mergers in the hospital, insurance, and pharmaceutical industries that would raise prices for patients by undermining market competition.<sup>15</sup>

Clearly, price transparency is not a red or blue issue. It's an American issue. Complete health-care price transparency will empower consumers, lower prices, usher in competition, reverse consolidation, help doctors remain or become independent, and restore the doctor-patient relationship.

As we acknowledge the anniversary of the ACA, and a new era in Washington, I urge Congress and the Administration to work together to enact legislation that would reinforce systemwide price transparency, encourage competition, discourage health-care consolidation, and thereby usher in a functional health-care market that results in more coverage and improved access for all Americans because it is truly affordable.

Thank you again for this opportunity, and for your service to our country.

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