

Committee on Energy and Commerce
Opening Statement as Prepared for Delivery
of
Full Committee Ranking Member Frank Pallone, Jr.

Markup of 17 Bills, Subcommittee on Health

May 17, 2023

Today, the Energy and Commerce Committee is doing what we do best — finding a bipartisan path forward to make health care more affordable for the American people.

I want to thank Chair Rodgers for all the work we have done together to get to this point on the comprehensive H.R. 3281, the Transparent Price Act. While it is not the exact bill I would have written, it represents a good compromise. Our bipartisan legislation will improve the transparency of our health care system, lower costs for patients, and strengthen our health care workforce by reauthorizing important programs that make care accessible in the most high-need communities.

The Transparent Price Act does exactly that – it brings more transparency to the health care system. It requires both hospitals and insurers to make price information public for all to see and requires the information to be displayed in a standardized format so it is easier for consumers to understand. Access to accurate prices for health care services empowers both employers and consumers to compare prices so that they can save money on health care services. Bringing more transparency to the health care system also encourages competition which can also help reduce health care costs.

I am also pleased we are considering two bills that will increase transparency into the practices of pharmacy benefit managers or PBMs. PBM contracts are opaque, making it difficult for employers and plan sponsors to understand drivers of cost so they can negotiate lower costs. The PBM Accountability Act, introduced by Representatives Kuster and Carter, will help employers and consumers better understand drug price information in an effort to help lower health care costs.

We are also marking up bipartisan legislation to help ensure that state Medicaid programs are not overpaying for prescription drugs. This will help ensure that scarce Medicaid dollars are going towards patients, not PBM profits.

The Subcommittee will also consider H.R. 3262, led by Representatives Schakowsky and Bilirakis. This bipartisan legislation will require hospitals and physician practices to disclose ownership data, including for entities owned by private equity firms and venture capital firms. Studies show that health consolidation is leading to higher health care prices. This bill will help increase transparency of hospital ownership and provide greater insight into hospital and provider consolidation.

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We will also mark up two bills that will reduce costs for Medicare beneficiaries. The first bill, led by Representatives Sarbanes and Joyce, would ensure hospital outpatient departments are billing appropriately under the Medicare program. And the second bill would align payment for the administration of drugs in hospital outpatient departments with the physician fee schedule rate. Right now, Medicare pays substantially more for low complexity services delivered in hospital outpatient departments compared to a physician's office. This has contributed to increased hospital consolidation, shifted care to higher cost settings, and increased cost-sharing for seniors.

Importantly, we will reinvest the savings to cancel the impending cuts to payments for Medicaid Disproportionate Share Hospital or DSH for two years. Hospitals that serve a large number of Medicaid and uninsured patients are a crucial part of the health care safety net. The legislation before us today will help these providers by canceling the \$16 billion in DSH cuts scheduled over the next two years.

I am also pleased that the package includes a six-year reauthorization of the Teaching Health Center Graduate Medical Education Program and doubles its current funding over those six years. This program moves primary care training into the community. It allows teaching health centers to address the workforce shortages in underserved areas and increase access to primary care. The legislation provides much needed security for the program so that it can recruit talented doctors and bring new centers to underserved communities.

While I look forward to advancing all of these bills, unfortunately there are two bills I cannot support. I oppose H.R. 3290 because it would obscure the value of the 340B program, which helps covered entities stretch federal dollars to help more patients. I also oppose H.R. 2666, which would make permanent a Trump-era regulation that experts have said could increase the cost of prescription drugs to state Medicaid programs and the federal government.

Despite my concerns with these bills, I am proud of the bipartisan work we are doing today, and I yield back the balance of my time.