

# Site Neutral Reforms Will Save Patients Money

**Same service, same price.** You should be charged the same price when you receive the same medical service, no matter where you get it. But every day, patients are being charged more for routine services they receive at hospital-owned outpatient departments compared to what they would pay at an independent doctor's office.

## LARGE HOSPITAL SYSTEMS ARE DRIVING UP PATIENT COSTS

For years, large hospital systems have been aggressively buying up clinics and small physician practices. And once they change the logo on the door, Medicare pays higher hospital prices for routine services – like a regular check-up or MRI. For patients, that means higher out-of-pocket costs even though the service, and in some cases, the doctor, are the same.

## SITE NEUTRAL PAYMENT REFORM WILL LOWER COSTS FOR PATIENTS

Site neutral payment reforms will lower out-of-pocket costs and premiums for Medicare beneficiaries, many of whom are on a fixed income. According to a [study](#) from Wakely and the Leukemia & Lymphoma Society<sup>1</sup>, patients with chronic and life-threatening conditions **could save hundreds if not thousands of dollars** if site neutral reforms are adopted.

The drug administration services included in the *Lower Costs, More Transparency Act* are frequently used by the highest need cases. For example, off-campus hospital outpatient departments covered by the legislation disproportionately serve patients with cancer, which is not only a life-threatening medical diagnosis but also can be financially devastating. **Nearly one in four Americans** with medical debt who have had cancer have declared bankruptcy or lost their home and **two-thirds** have cut spending on essentials, like food and clothing.<sup>2</sup> **Implementing site neutral payments for drug administration would help Americans with cancer afford life-saving treatments.**

### SOURCES

1. Stewart, ASA, MAAA; Steiner, Julie "Site Neutral Payment Reform Has The Potential To Significantly Reduce Out-Of-Pocket Patient Spend." chrome-extension: <https://www.ils.org/sites/default/files/2023-11/FINAL%20site%20neutral%20report.pdf>
2. "In America, Cancer Patients Endure Debt on Top of Disease - KFF Health News." KFF Health News, 27 July 2022, [kffhealthnews.org/news/article/in-america-cancer-patients-endure-debt-on-top-of-disease](https://kffhealthnews.org/news/article/in-america-cancer-patients-endure-debt-on-top-of-disease)
3. Bulat, FSA, MAAA; Brake, Ryan, ASA, MAAA "Sizing Medicare Off- Campus Hospital Outpatient Departments Site Neutrality Proposals." Actuarial Research Corporation, 3, Jan. 2023, [Sizing-Medicare-Off-Campus-HOPD-Site-Neutrality-Proposals-2024.01.03.pdf](https://www.arscorp.com/wp-content/uploads/2024/01/03.pdf) ([craftmediabucket.s3.amazonaws.com](https://craftmediabucket.s3.amazonaws.com))
4. Weber, Lauren. "Her Doctor's Office Moved 1 Floor up. Why Did Her Treatment Cost 10 Times More?" NPR, 26 Mar. 2021, [www.npr.org/sections/health-shots/2021/03/26/976112513/her-doctors-office-moved-1-floor-up-why-did-her-treatment-cost-10-times-more](https://www.npr.org/sections/health-shots/2021/03/26/976112513/her-doctors-office-moved-1-floor-up-why-did-her-treatment-cost-10-times-more)
5. "Site-Neutral Payments Could Mean Big Savings for Patients With..." Arnold Ventures, 19 Oct. 2023, [www.arnoldventures.org/stories/site-neutral-payments-could-mean-big-savings-for-patients-with-chronic-conditions](https://www.arnoldventures.org/stories/site-neutral-payments-could-mean-big-savings-for-patients-with-chronic-conditions)

Medicare beneficiaries pay

UP TO 4X MORE

at a hospital-owned outpatient department vs. an independent doctor's office.<sup>3</sup>

Kyunghee Lee, a 72-year-old retiree from Mentor, OH, paid around \$30 for her routine arthritis injections until her physician's practice was acquired by a university hospital and the price increased

10X TO \$354.68.<sup>4</sup>

With site neutral reforms, chemotherapy patients would have paid \$292 less in cost sharing, and the highest-need patients would have paid

> \$1,000 LESS.<sup>5</sup>