



July 27, 2023

The Honorable Cathy McMorris Rodgers  
Chair  
Committee on Energy and Commerce  
2188 Rayburn House Office Building  
Washington, DC 20515

The Honorable Frank Pallone  
Ranking Member  
Committee on Energy and Commerce  
2107 Rayburn House Office Building  
Washington, DC 20515

The Honorable Brett Guthrie  
Chair  
House Subcommittee on Health  
2434 Rayburn House Office Building  
Washington, DC 20515

The Honorable Anna Eshoo  
Ranking Member  
House Subcommittee on Health  
2322 Rayburn House Office Building  
Washington, DC 20515

MARY KAY HENRY  
International President

APRIL VERRETT  
International Secretary-Treasurer

NEAL BISNO  
Executive Vice President

JOSEPH BRYANT  
Executive Vice President

HEATHER CONROY  
Executive Vice President

LESLIE FRANE  
Executive Vice President

ROCIO SÁENZ  
Executive Vice President

Dear Representative:

On behalf of the two million members of the Service Employees International Union (SEIU), I write to strongly urge you to oppose provisions included in two recent House legislation that aims to impose so-called “site neutral” requirements on Medicare hospital payments. These include Section 302 of H.R. 3561, Promoting Access to Treatments and Increasing Extremely Needed Transparency (PATIENT) Act of 2023 and Section 203 of H.R. 4822, the Health Care Price Transparency Act of 2023. This provision would effectively cut payments for drug administration provided at hospital off-campus locations by reducing it to the lower rate paid to physician offices, as well as more broadly limit payments for services provided in hospital-owned ambulatory settings.<sup>1</sup>

SEIU has long supported efforts to lower health costs for consumers, employers, and taxpayers, including through thoughtful design of health coverage plans and cracking down on abusive practices of for-profit hospitals, dialysis companies, and other health providers. We have also generally supported proposals to increase transparency around hospital and insurer price transparency, such as those included in Sections 101 and 102 of the PATIENT Act.

However, we are concerned that the proposed cuts disregard the higher, but legitimate, costs of providing services in a hospital setting. The higher reimbursement rates that hospitals receive reflect the more complex nature of these entities, which remain open 24 hours a day, care for a wide variety of patients, including those who lack insurance, and are subject to a range of regulatory requirements that do not apply in physician offices. We further note that there is some evidence that workers employed in physician offices and other ambulatory settings earn less than workers doing the same job in a hospital setting. We believe that it is extremely important to ensure the efficient use of healthcare dollars, but we fear that one-size-fits-all provisions that do not reflect the complexities of health care delivery and cost structures could have unintended consequences for both patients who rely on access to hospital out-patient clinics and for the frontline workers, including thousands of SEIU members, employed by these hospitals.

SERVICE EMPLOYEES  
INTERNATIONAL UNION  
SOC, CLC

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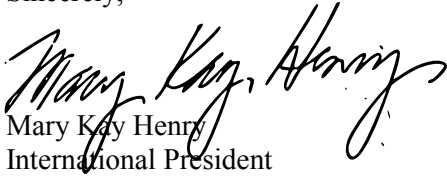
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Finally, we are also concerned that Section 103 of H.R. 3561 and Section 202 of H.R. 4822 would require each outpatient department of a provider to include a unique identification number on claims and require hospitals to submit attestations for each off-campus location to the Centers for Medicare and Medicaid Services. This would create a substantial burden on hospitals that are already subject to provider-based requirements, with potential recoupments if they are found to be out of compliance. We believe that existing requirements are sufficient, and that this proposed provision is unnecessary.

Thank you for your attention to these concerns. We look forward to working with you in the future on lowering healthcare costs, increasing transparency, and improving the overall U.S. healthcare system and the lives of the workers who are the backbone of that system.

Sincerely,



Mary Kay Henry  
International President

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<sup>i</sup> See Appelbaum and Batt, *Organizational Restructuring in U.S. Healthcare Systems: Implications for Jobs, Wages, and Inequality* (Center for Economic and Policy Research, September, 2017). Recent Bureau of Labor Statistics data indicate that Medical and Physician Assistants employed in physicians' offices earn approximately 5 percent less than those working in a hospital setting.