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Statement for the Record

United States Senate Committee on the Budget

Committee Hearing on How Primary Care Improves Health Care Efficiency

Prepared by *United States of Care*
March 7, 2024

On behalf of United States of Care ([USofCare](#)), thank you for holding yesterday's hearing on *How Primary Care Improves Health Care Efficiency* to explore solutions for improving patient health care outcomes while lowering overall costs. We appreciate the opportunity to offer this Statement for the Record to provide our people-centered perspective on how access to primary care can lead to better health outcomes and lower health care costs.

USofCare is a nonpartisan nonprofit working to ensure everyone has access to quality, affordable health care regardless of health status, social need, or income. We drive change at the state and federal level in partnership with everyday people, business leaders, health care innovators, fellow advocates, and policymakers. Together, we advocate for new solutions to tackle our shared health care challenges — solutions that people of every demographic tell us will bring them peace of mind and make a positive impact on their lives. Through our own [listening work](#), we are able to identify unique perspectives from people on the ground to amplify on both the state and federal levels.

USofCare commends the Committee's focus on lowering health care costs for people by investing in primary care, which is the foundation of our health care delivery system. Unfortunately, the high cost of care and reliance on a fee-for-service system has poorly equipped our health care system to deliver high quality and comprehensive primary care for people. We know greater investments in primary care will [improve health outcomes](#), [narrow health inequities](#), and [lower overall costs](#) for both people and the health care system at large. For many people, especially those in [rural or underserved areas](#), investments in primary care help build critical, meaningful relationships with providers that can last years.

Our research shows that affordability is people's [foremost concern](#) with the health care system. People are more likely to [skip or delay](#) care, including critical primary and preventive care services, if they aren't able to afford it. Unexpected costs associated with these services contribute to increased [medical debt](#), which [disproportionately impacts](#) communities of color and contributes to [disparities](#) in health outcomes, reversing hard-fought progress made by primary care providers and their patients across the country. **USofCare's [research](#) also demonstrates that people value providers who take the time to get to know them as a person and [greater care coordination](#) improves not only individual health but benefits the system more broadly. [65% of people](#) do not think the current fee-for-service approach is working to deliver high-quality care. Action is needed to move our health care system away from the existing fee-for-service structure, which is poorly equipped to deliver quality, to personable primary care focused on improving people's overall health.**

While [chronic underinvestment](#) in our nation's primary care infrastructure has long impacted people's access to care, more [recent trends](#) toward health care consolidation have exacerbated primary care access challenges even further. Current law embeds regulatory loopholes and incentives harmful hospital financial practices that have driven the sector to amass market power by purchasing independent physician offices and reclassifying them as hospital outpatient departments (HOPDs) eligible for higher payment rates. The lack of competition due to this consolidation allows hospitals to [increase prices](#) for the same services offered as before despite [no increase](#) in quality of care. Unlike independent physician offices, HOPDs can charge patients surprise "facility fees" that can add hundreds of dollars in out-of-pocket costs to their bill, including just for seeing their primary care provider. Given high prices, it's no wonder that people [worry](#) they will not be able to afford needed care in the future. **Yesterday's hearing underscores the need for payment reforms and**

investments in primary care to mitigate consolidation and the erosion of the primary care workforce and bring about fair prices for patients.

Congress must enact legislation to realign the economic incentives that erode the independent primary care workforce and leave consumers vulnerable to unjust charges when they seek routine, same-day care. USofCare wholeheartedly endorses the bipartisan [SITE Act](#) and the [Lower Costs, More Transparency Act](#) (LCMT), both of which aim to promote price transparency and take steps towards site-neutral payment reform. Site-neutral payment reforms ensure that patients pay the same price for the same service, regardless of where it is performed, directly tackling the consolidation of hospitals and independent providers through mergers and acquisitions of competing entities. Site-neutral payment policies are estimated to save taxpayers nearly \$500 billion over 10 years. In fact, if the limited site-neutral payment provisions included in the LCMT were [in effect](#), the Medicare program would have saved \$161 million and beneficiaries would have paid \$40 million less in cost-sharing in 2021 alone.

While moving towards site-neutral payment addresses the impacts and underlying causes of consolidation, more is needed to respond to people's desire for a health care system where providers treat them as a whole person rather than a series of symptoms. As noted, our research shows widespread support for alternatives to the current fee-for-service system: [by a 4:1 margin](#), people favor a **“patient-first,” value-based approach that incentivizes and pays for results over quantity and compensates providers for improving overall health, delivering superior care, and coordinating care.** Advancing alternative payment and delivery system models that allow for more coordinated care, such as the States Advancing All-Payer Health Equity Approaches and Development (AHEAD) model, can work towards these goals. Amidst the national [physician shortage](#) and growing hospital system consolidation, it is noteworthy that an [increasing number](#) of Accountable Care Organizations (ACOs) are led by physician groups, rather than hospital systems. The Center for Medicare and Medicaid Innovation announced earlier this year [significant growth in ACO program participation](#), signaling progress and momentum in realizing better care for beneficiaries. **For people to access quality primary care that meets their needs, we must invest in [patient-first care](#) that focuses on delivering value instead of the volume of services provided.**

USofCare appreciates the Committee's focus on primary care payment and delivery system reform, reducing health care spending, and improving patient outcomes. We are grateful to submit a Statement for the Record and look forward to further engagement with the Committee on these issues. Please contact Lezah Calvin, Senior Manager of Federal Affairs, at LCalvin@usofcare.org for further information and to let us know how we can best be of service to you.

Sincerely,



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United States of Care