

## MEMORANDUM OF SUPPORT FOR FAIR PRICING ACT



### **Memorandum in Support of The Fair Pricing Act (S705|A2140)**

United States of Care (USofCare) is a non-partisan, non-profit organization working to ensure [everyone](#) has access to quality, affordable health care, regardless of who they are, where they live, or how much money they make. We work in states across the country to develop pragmatic policy solutions that meet the needs of people and have been engaged in efforts in states across the country to address people's affordability and lower the underlying cost of care.

United States of Care offers this Memorandum of Support for the Fair Pricing Act S705/A2140. According to KFF, New York has the second highest health expenditures per capita, following only the District of Columbia.<sup>1</sup> Hospital care is the single largest component of health care expenditures.<sup>2</sup> Over 740,000 New Yorkers have medical debt. Researchers at the Urban Institute have determined that 73 percent of people with medical debt owe some or all of that debt to hospitals.<sup>3</sup>

The Fair Pricing Act would help control hospital costs by enacting what is known as site-neutral policies. This means that a hospital would not be able to charge vastly more for low-complexity procedures than what would be charged for the same procedure in a doctor's office. For example, the 32BJ Health Fund found that a routine \$23 flu shot costs eight times more (\$183) when delivered in an hospital outpatient department. An IV for hydration was found to cost 25 times more. Under the FPA, these elevated charges would be limited to a fair price, 150 percent of what Medicare pays, for the same service in a lower-cost setting. Medicare has already adopted these site-neutral policies for several procedures and New York State should follow suit.<sup>4</sup> New Yorkers support the Fair Pricing Act, with 89 percent of surveyed voters supporting the legislation.

New York needs the Fair Pricing Act as an important first step towards addressing our skyrocketing healthcare costs. For these reasons, United States of Care urges the Legislature to pass the Fair Pricing Act.

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<sup>1</sup> KFF, "Health care expenditures per capita by state of residence," KFF State Health Facts.

<sup>2</sup> Centers for Medicare and Medicaid Services, "Nation Health Expenditures 2022 Highlights," 2023.

<sup>3</sup> M. Karpman, "Most adults with Past-due medical debt owe money to hospitals," Urban Institute, 2023.

<sup>4</sup> KFF, "Five things to know about Medicare site-neutral payment reforms," KFF Medicare, 2024.