

# Health Policy in Transit A Purchaser Viewpoint

## Lower Costs, More Transparency Act

On December 11, the US House of Representatives overwhelmingly passed the [Lower Costs, More Transparency Act](#) (HR 5378) with a bipartisan vote of 320-71. The Act aims to address the issue of high and rising healthcare costs, particularly concerning plan sponsors.

The *Lower Costs, More Transparency Act* aligns with employer healthcare policy priorities, including:

- Greater price transparency in the healthcare system
- Transparency and oversight of pharmacy benefit managers (PBMs)
- Restriction of hospital billing practices promoting consolidation
- Expansion of site-neutral payment reform

The legislation enshrines the requirement for hospitals to publicly post negotiated prices in a machine-readable format, ensuring compliance and preventing erosion of group health plan transparency. This legislation will now need to be reconciled with any related bill passed in the Senate which could potentially improve or further limit these reforms.

While applauding these policies, we urge Congress to push for additional reforms to enhance transparency and data accuracy for employer-sponsored health plans. The concerns regarding [hospital billing practices](#) and [PBM business practices](#) have been well documented and require fundamental reform.

The Act takes an initial step in addressing anticompetitive hospital billing practices and promotes site-neutral payment reform. However, comprehensive reform is needed to ensure payment parity for various services and facilities.

Employers strongly support PBM reforms for transparency and competition. While appreciative of the *Lower Costs, More Transparency Act's* PBM transparency requirements, additional reforms are necessary, including banning spread pricing and ensuring clear oversight.

In conclusion, the bipartisan Act is an important step forward as it lays the groundwork for further reforms that promise lower costs and increased transparency in health care for working families. We look forward to collaborating with Congress on these shared goals.

The Act aims to address the issue of high and rising healthcare costs. The key measures introduced concerning plan sponsors include:

### 1. Elimination of consolidation incentives:

- Addresses overcharging by hospitals acquiring physician practices
- Advances site-neutral payment reform to align payment rates
- Promotes fair billing practices for accurate determination of care location

### 2. Enhanced price transparency:

- Strengthens transparency for hospitals and group health plans
- Provides clearer information on healthcare costs for better decision-making

### 3. Pharmacy benefit manager oversight:

- Aims to provide clear visibility into drug costs for employers
- Contributes to lowering prescription drug expenses and ensuring greater value