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U.S. House Passes Health Care Package Containing Medicare Site-Neutral Cuts to Hospitals

On Dec. 11, the U.S. House of Representatives voted to pass [H.R. 5378](#) – the Lower Costs, More Transparency Act – by a [vote of 320-71](#).

The legislation is an omnibus health care package that in addition to containing provisions like extending federal DSH caps, codifying the Trump Administration’s Hospital Price Transparency rule, funding community health centers, and requiring more transparency from pharmacy benefit managers, included harmful Medicare site-neutral cuts to hospitals.

Specifically, the legislation would require Medicare to reimburse at the physician fee schedule level for drug administration services provided at off-campus hospital outpatient departments. The cuts would begin in 2024 (2025 for facilities located in rural areas) and be phased in over a four-year period. According to an AHA estimate, the total Wisconsin impact over 10 years would be about \$114 million.

WHA [sent a memo to Wisconsin’s Congressional delegation on Sept. 18](#) as well as a HEAT alert to WHA’s grassroots network to express concerns to lawmakers in advance of the legislation being scheduled on the House’s suspension calendar which requires approval from two-thirds of House members. Thanks to combined advocacy efforts, the legislation was taken off the calendar at that time before being put back on the suspension calendar on Dec. 11. WHA again activated its HEAT network and expressed additional concerns to the Wisconsin Congressional Delegation in advance of the vote, and greatly appreciated support from Congresswoman Moore and Congressman Tiffany who both voted against this legislation.



With the passage of this legislation in the House, attention now moves to the U.S. Senate which has not yet passed any legislation that includes site-neutral cuts. Notably, the most recent omnibus health care package that the [Senate Finance Committee approved in November](#) did not include any site-neutral cuts. While there have been a few senators discussing their desire to work on site-neutral payments there have also been other senators who have expressed concerns publicly about what site-neutral payments would mean for their hospitals.

The current continuing resolution (CR) to fund the federal government [expires on Jan. 19 and Feb. 2](#), making those dates the next biggest threat of a legislative vehicle for these cuts to become law. However, the Senate is not currently expected to take a full vote on any health care packages in advance of the CR expiring, making it more difficult for the House to include H.R. 5378 provisions in a January/February funding package. Nevertheless, WHA will be keeping up our advocacy efforts especially in the Senate with this in mind.

Other Articles in this Issue

- [Senate Budget Committee Probes Impact of Private Equity on U.S. Hospitals](#)
- [U.S. House Passes Health Care Package Containing Medicare Site-Neutral Cuts to Hospitals](#)
- [Deadline Extended for the 2024 WHA Health Care Leadership Academy](#)
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