



May 8, 2025

The Honorable John Thune (R-S.D.)
Senate Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mike Johnson (R-LA)
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable Mike Crapo (R-ID)
Chairman Senate Finance
United States Senate
Washington, DC 20510

The Honorable Jason Smith (R-MO)
Chairman House Ways and Means Committee
U.S. House of Representatives
Washington, DC 20515

The Honorable Bill Cassidy (R-LA)
Chairman Senate Health, Education,
Labor, & Pensions
United States Senate
Washington, DC 20510

The Honorable Brett Guthrie (R-KY)
Chairman House energy and Commerce
Committee
U.S. House of Representatives
Washington, DC 20515

On behalf of the undersigned organizations, representing a diverse coalition of taxpayer and free market organizations, we write to both promote and express our support for including provisions mandating “Site-Neutral” payments in Medicare into current policy discussions surrounding the reconciliation and the tax bill.

Site neutrality corrects a decades-long oversight in Medicare’s payment system – by mandating the same price for the same treatment, regardless of where it is performed.

Not only are these common-sense reforms, but they have also been a part of public policy discussions for more than a decade and garnered bipartisan support in recent years.

The way that the federal government currently pays for healthcare inadvertently creates healthcare monopolies. Without site neutrality, hospitals are paid more by the federal government for the same procedure. Not only can a simple check-up cost twice as much at a hospital outpatient department compared to an independent physician’s office, but this practice encourages hospitals the incentive to buy independent physician offices, which skyrockets prices and reduces quality of care.

This oversight has changed the landscape of healthcare around the country. Healthcare is now dominated by large hospital systems, not because they are better, provide more





access, or are more affordable, but because the federal government continues to over-subsidize them.



In all other industries, as an organization grows, prices get cheaper, services improve, and products become more abundant. Hospital administration should be more efficient, supplies should be cheaper, and data systems should deliver more gains. But without site-neutrality, this is not the case. It is the equivalent of finding products at Walmart that are two times more expensive than the local mom-and-pop shop for the same (and often better) product.



Now is the time to end these pro-monopoly subsidies, which would save the government \$150 billion over the next 10 years and help countless patients along the way. We urge Congress to take swift action to enhance hospital competition and ensure more patients can afford the health care they need.



Sincerely,



Charles Sauer
Market Institute

Phil Kerpen
American Commitment

Ryan Ellis
Center for a Free Economy



Grover Norquist
Americans for Tax Reform

Pete Sepp
National Taxpayers Union

John Goodman
Goodman Institute



John Tamny
Parkview Institute

Sally Pipes
Pacific Research Institute

Brent Gardner
Americans for Prosperity



Daniel Garza
The LIBRE Initiative

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Ralph Benko
Capitalist League

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Julio Rivera
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Tea Party Patriots Action

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