

## **Crapo Statement at Hearing on Health Care Consolidation**

*June 8, 2023*

**Washington, D.C.**--U.S. Senator Mike Crapo (R-Idaho), Ranking Member of the U.S. Senate Finance Committee, delivered the following remarks at a hearing entitled "Consolidation and Corporate Ownership in Health Care: Trends and Impacts on Access, Quality, and Costs."

*As prepared for delivery:*

"Thank you, Mr. Chairman

"Competition has the potential to drive down costs, improve quality and increase options for consumers. In recent years, entrepreneurs and innovators have introduced new health care products, services and delivery models that have transformed the treatment landscape and revitalized our pursuit of these ideals.

"Unfortunately, regulatory hurdles and other problematic policies have constrained our system's capacity to produce better and more affordable results for Americans. Of particular note today--given our committee's jurisdiction--certain features of the Medicare program have exacerbated, rather than resolved, these challenges.

"In exploring and addressing these problems, we have the opportunity to build on our efforts to improve medication access and affordability by taking a broader look at the health care system through a similarly bipartisan, consensus-based lens.

"We need to examine the drivers of consolidation, as well as its effects on care quality and costs, both for patients and taxpayers. We also need to develop focused, bipartisan and bicameral solutions that reduce out-of-pocket spending while protecting access to lifesaving services. This effort is particularly important for rural communities that already face overwhelming barriers to care.

"As we move forward with these goals, I see substantial opportunities for commonsense, comprehensive and carefully tailored policies that prioritize patients from all walks of life.

"Our work should acknowledge the complexity of the challenges at hand, as well as the risk of unintended consequences. Any legislation should also address the full scope of the challenges. An ad-hoc, one-off approach to issues this significant, where tradeoffs are inevitable, could harm—rather than improve—our health care system.

"As we look to strike a productive balance, we should consider not just consolidation, but also quality, access and innovation.

"To that end, hospitals serve as a vital lifeline for communities across the country. Alignment of payment rates for certain services could provide patients with

flexibilities and lower costs, in addition to advancing competition. However, it is essential that any reforms preserve patient safety and bolster consumer access, especially in rural areas still reeling from hospital closures.

“Heavy-handed policies, regardless of the good intentions behind them, risk fueling—rather than mitigating—market concentration concerns.

“Efforts to curb consolidation must also address our unsustainable Medicare physician payment system, which has prompted waves of retirements and made independent practice untenable for far too many frontline providers. Doctors, nurses and other health professionals need predictability and sustainability.

“The trend of uncertain eleventh-hour stopgap measures accelerates untimely acquisitions, even for those who would prefer to remain in private practice. Savings from targeted site-of-care reforms could help to fund long-term improvements without driving up the deficit.

“Expanding access to care also requires responsible regulatory relief. At the end of last year, my colleagues and I developed legislation to extend crucial flexibilities for seniors. These flexibilities range from comprehensive telehealth coverage to Hospital at Home. These pivotal provisions have created a bridge through the end of next year, but without concerted congressional efforts, Medicare beneficiaries will face a cliff once these policies expire.

“Fortunately, all of these priorities enjoy broad bipartisan and bicameral support. Taken together, they reflect an opportunity for game-changing Medicare reform, with the potential to lower health care costs, increase access and enhance competition—benefiting patients and taxpayers alike.

“Along with our mental health legislation, much of which was signed into law last year, as well as our work on the prescription drug supply chain, these conversations could create the foundation for another effective, consensus-driven and consumer-focused Finance Committee effort.

“I look forward to today’s discussion and I thank our witnesses for being here today.

“Thank you, Mr. Chairman.”