



Hospital Competition Act of 2019

The rise of regional hospital monopolies is one of the largest barriers to finding significant savings in today's health care system. A 2011 paper reviewed hospital prices charged to commercial insurers for six common procedures—four of which were orthopaedic—and found they cost on average 44 percent more in hospital markets with an above-average degree of consolidation. Hospitals also have the ability to charge significantly more for care that is commonly performed in physician offices. For example, hospital-owned facilities in non-competitive markets charge on average nearly three times as much for an MRI scan. It is important that Congress take steps towards improving hospital competition to not only reduce the cost of U.S. health care, but to also increase patient access and quality of care.

Why H.R. 506 Matters:

This legislation would:

- Authorize \$160 million in additional appropriations for the Federal Trade Commission to hire staff to investigate anti-competitive mergers and practices related to inpatient and outpatient healthcare services
- Authorize \$1 billion in state grants each year for 10 years for states to take action improving hospital competition. Grants would be awarded to states who meet certain requirements, including those who currently do not have or rollback onerous certificate of need laws
- Require Medicare to reimburse Off-Campus Provider-Based Departments (PBDs) at the same rate as independent physician offices
- Require hospitals to publish the cost of their 100 most common services and require CMS to set up a system for posting this information digitally
- Repeal the ban on physician owned hospitals

What Congress Should Do:

Congress should co-sponsor HR 506, the Hospital Competition Act of 2019.

A companion bill should be introduced in the Senate.

For more information, contact Catherine Hayes in the AAOS Office of Government Relations at 202-548-4140.