

CHAMBER HILL

INSIGHTS

House Ways and Means Committee Hearing on Health Systems' Impact on Costs

House Ways and Means Committee Hearing on Health Systems' Impact on Costs

On April 28, 2026, the House Ways and Means Committee [held](#) a hearing to examine the cost of health care and invited hospital system CEOs to testify on the role of these systems in addressing health care cost concerns. Additionally, Democratic members of the committee invited the President of a health care advocacy organization. There was bipartisan concern about the rising costs of providing health care, as well as questions about site-neutral payments, hospital classifications, and the impact of the One Big Beautiful Bill Act (OBBBA).

OPENING STATEMENTS

- [Chairman Jason Smith \(R-MO-8\)](#)
- [Ranking Member Richard Neal \(D-MA-1\)](#)

WITNESS TESTIMONY

- Mr. Sam N. Hazen, Chief Executive Officer, HCA Healthcare – [Testimony](#)
- Mr. Wright Lassiter III, President and Chief Executive Officer, CommonSpirit Health – [Testimony](#)
- Dr. Brian G. Donley, President and Chief Executive Officer, New York-Presbyterian – [Testimony](#)
- Dr. Michael Waldrum, Chief Executive Officer, ECU Health – [Testimony](#)
- Mr. Brad Woodhouse, President, Protect Our Care – [Testimony](#)

MEMBER DISCUSSION

Site Neutral Payments

Multiple Republican members were curious about site-neutral payments. Reps. David Kustoff (R-TN-8) and Greg Steube (R-FL-17) wanted to understand how hospitals justify increases in payments for services performed in hospitals as opposed to those same services provided in an outpatient setting. Dr. Donley emphasized that patients in hospitals are often sicker than those seen in other settings. Mr. Hazen shared that the extra fees support broader hospital operations, such as the 24/7 staffing, that ambulatory centers do not have. Dr. Waldrum added that hospitals have federal mandates to provide care to all patients, which the additional payments help meet. Mr. Lassiter and Dr. Donley indicated that they would be open to some reforms in the payment system to shrink the differences in site payment

Impact of OBBBA

Democratic members of the Committee used today's hearing to raise concerns about how the OBBBA could impact future hospital costs. Rep. Terri Sewell (D-AL-7) asked Dr. Waldrum to explain what steps ECU Health is taking in regard to provisions in the OBBBA. Dr. Waldrum explained that the bill creates a fairly large reduction in payment for rural areas that will not be offset by the included Rural Health Transformation Program which will likely lead to reductions in services offered at provider sites. Rep. Steven Horsford (D-NV-4) asked about the service impacts of the OBBBA, to which Mr. Lassiter explained that CommonSpirit Health estimates a loss of \$5 Billion in reimbursement over the next decade.

Hospital Classification

A few Republican members wanted clarification on the tax-exempt status on some hospitals. Rep. Lloyd Smucker (R-PA-11) asked if there was a difference in which for profit and non-profit hospitals operated, to which Mr. Hazen said there was not. Rep. Greg Murphy (R-NC-3) questioned how a hospital can justify being for-profit with the high cost of care. Mr. Hazen stated that the model of HCA Healthcare is working well for providing care to patients and they can still provide uncompensated care as needed. Rep. Kevin Hern (R-OK-1) had concerns about how tax-exempt status and community benefit spending can be reported as an individual facility within a large system. Dr. Donley responded that hospitals are following IRS guidelines when they report their community benefit, which New York-Presbyterian estimates is about 4 times the amount they would contribute to taxes. Rep. Nicole Malliotakis (R-NY-11) asked what Congress should keep in mind if it were to set minimums for charity care and community benefits. Dr. Donley requested that Congress should not only consider charity care in calculations but should also include the care reimbursed under Medicaid, which is the bulk of New York-Presbyterian's community benefit.

There were also strong Republican concerns about how hospitals are classified as rural vs urban. Chairman Jason Smith (R-MO-8), as well as Reps. Carol Miller (R-WV-1) and Rudy Yakam (R-IN-2) all wondered how New York-Presbyterian could be classified as a rural hospital when it operates in Manhattan, NY. Dr. Donley explained that while New York-Presbyterian is not geographically rural, they are a rural referral hospital under regulations from the Centers for Medicare and Medicaid Services (CMS). Chairman Smith and Rep. Yakam questioned whether these regulations should be changed to prevent the classification. Dr. Donley emphasized that Congress needs to ensure the sustainability of rural and urban hospitals.

Cost and Competition

There were bipartisan questions about the rising cost of hospital care. Rep. Adrian Smith (R-NE-3) asked how HCA Health can justify charging private insurance companies 3 times the Medicare reimbursement rate for the same services. Mr. Hazen explained that hospitals are seeing a greatly increased demand for services and providing care has become more complex. Rep. Brian Fitzpatrick (R-PA-1) questioned how New York-Presbyterian sets higher prices than surrounding systems. Dr. Donley stated that pricing

is complex but is based on the quality and complexity of care, as well as underlying hospital costs. Rep. Randy Feenstra (R-IA-4) was curious about cash pay discounts. Mr. Hazen shared that for HCA Healthcare cash payments resulted in a more than 20% reduction in costs because the hospital system did not need to deal with the health insurance administrative complexity. Rep. Susan DelBene (D-WA-1) questioned the usefulness of prior authorization practices and the increased administrative cost and burden. Mr. Lassiter shared that CommonSpirit estimates that prior authorization costs the system more than \$1 billion in additional work each year. Ranking Member Richard Neal (D-MA-1) highlighted that the cost of technology and prescription drugs has greatly increased, which is also a driver of increased hospital spending.

Health Subcommittee Ranking Member Lloyd Doggett (D-TX-37) and Rep. Jimmy Panetta (D-CA-19) wanted to understand the role that Medicare and Medicaid reimbursement plays in rising costs. Representatives from multiple health systems shared that CMS reimburses less than the cost of providing care, which means they must make up the difference in other areas. Mr. Lassiter also stated that CommonSpirit currently has \$4.3 billion in unpaid claims from Medicare and Medicaid patients.

Rep. Ron Estes (R-KS-4) questioned the rapid consolidation of health systems, suggesting that this is explained by a desire to increase profit. Dr. Waldrum argued that consolidation was not driven by profit but instead occurred because hospitals in rural areas could not afford to remain operational if they were not part of a larger system. Rep. Blake Moore (R-UT-1) raised concerns about smaller markets driving anti-competitive contracts. Mr. Lassiter shared that CommonSpirit operates in many different markets, and their contracts are not market-based. Rep. Beth Van Duyne (R-TX-24) suggested repealing the ban on physician-owned hospitals to increase market competition. Mr. Hazen stated that he is for competition, but that physician-owned hospitals do not have emergency rooms or provide care to uninsured populations, which means that they would be operating on an unequal playing field.

Other Topics

- Rep. Mike Carey (R-OH-15) argued that not extending the ACA tax credits has led to a larger uninsured population and asked about the rise in uninsured populations seeking care. Mr. Hazen shared that HCA Healthcare has seen a 15% rise in uninsured patients in the first quarter of 2026 compared to 2025.
- Rep. Don Beyer (D-VA-8) wanted to know how to reduce administrative costs in hospitals. Mr. Hazen suggested improving digital integration between payors and providers, as well as reducing overlap between regulations.
- Rep. Linda Sanchez (D-CA-38) raised concerns about immigration officials entering health facilities and preventing patients from receiving care.

We trust you found this summary useful. Please reach out to [us](#) with any questions.

©2026 Chamber Hill Strategies. All rights reserved. Any use of these materials including reproduction, modification, distribution or republication, without the prior written consent of Chamber Hill Strategies is strictly prohibited.