

Opening Statement of Ranking Member Scott (VA-03)

Full Committee Markup

Transparency in Billing Act (H.R. 4509)

Transparency in Coverage Act (H.R. 4507)

Health Data, Accessibility, Transparency, and Affordability Act (DATA) Act (H.R. 4527)

Hidden Fee Disclosure Act (H.R. 4508)

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Wednesday, July 12, 2023 | 10:15 a.m.

Thank you, Dr. Foxx.

The bills we are considering today take promising steps to lower health care costs for workers and families by promoting transparency and competition in health care.

One of the key problems behind the high cost of health care is that consumers and employers do not have complete information about the care for which they are paying.

This makes it harder for patients to find an affordable, high-quality health care provider. It also prevents employers from spending the workers' premium dollars carefully. It hinders competition, which keep health care costs in check for consumers and employers. And it limits our ability as policymakers to improve the health care system.

While we have made bipartisan progress in the past two Congresses to address this issue, we know that more can be done.

For example, the pharmacy benefit managers, or PBMs, and third-party administrators often fail to disclose their fees to plan fiduciaries. And they prevent plan fiduciaries from using this information to lower costs or improve quality.

Employers and consumers also often do not know how the rebates that PBMs receive from drug manufacturers impact decisions that raise the costs for workers and families.

In response, the *Transparency in Coverage Act*—led by HELP Subcommittee Chairman Good and Ranking Member DeSaulnier—improves current regulations that require group health plans and insurance providers to release key details, such as prescription drug pricing and cost-sharing information. And it ensures that this information is both accessible and useful for the public.

Moreover, it requires PBMs to regularly inform plan administrators about the rebates they receive from third parties and compensation they pay to consultants and brokers.

Next bill under consideration, the *Transparency in Billing Act*, makes key reforms to improve transparency in hospital billing. We are seeing a growing trend of hospitals acquiring independent physician offices, then

charging patients higher prices even if the care they receive is essentially identical to what they were receiving before the hospitals acquired the office.

This legislation prohibits hospitals from billing consumers or private health plans unless they provide sufficient information to allow payers to determine the site in which the care is provided.

Third bill, the *Hidden Fee Disclosure Act*, introduced by Rep. Courtney and Rep. Houchin, promotes transparency in service providers—including brokers, third-party administrators, and PBMs—that contract with group health plans.

Despite the clear requirement under current law that these companies disclose their fees, many fail to do so. Or, if they do, they make it virtually impossible for fiduciaries to identify whether the compensation paid is reasonable and whether vendors receive indirect compensation that could present a conflict of interest.

Similarly, other transparency measures that apply to third-party administrators and other service providers have not functioned as intended.

The final bill we are marking up—the *Health Data Accessibility, Transparency, and Affordability Act* (Health DATA Act)—strengthens one such requirement, which is the prohibition on gag clauses enacted on a bipartisan basis through the *Consolidated Appropriations Act of 2021*. This bill—introduced by Rep. Chavez Deremer, and Representatives Takano and Manning—improves enforcement of the gag clause prohibition and ensures that plan fiduciaries can audit cost data produced by companies that administer their group health plans.

Simply put, the American people deserve to know the full picture of the prices they are asked to pay. I thank my colleagues on both sides of the aisle for leading these proposals that will help ensure that health care costs are driven by those who provide the highest quality services—not those who have the most market power.

So, I'm hopeful that our bipartisan work continues after today's mark up to make our health care system work for patients and families. The American people are counting on us to not only promote transparency and competition, but to take direct action to provide access to affordable, high-quality health care for all.