



June 18, 2025

The Honorable Bill Cassidy
Chairman, Committee on Health, Education, Labor & Pensions
United States Senate
428 Dirksen Senate Office Building
Washington, D.C. 20510

Re: New Initiative to Fight Waste, Fraud, Abuse at Hospitals

Dear Chairman Cassidy:

On behalf of Consumer Action for a Strong Economy (CASE), I am writing to make you aware of <u>Hospital Facts</u> – our new consumer watchdog initiative dedicated to exposing waste, fraud and abuse by hospitals.

With this new initiative, we are providing taxpayers, patients, consumers, journalists, and any interested parties with facts and evidence about hospitals' pricing overages and their lack of cost transparency for consumers. While most conversations concerning healthcare costs are fixated on drug manufacturers, in fact hospitals are one of the biggest drivers of rising healthcare costs and one of the largest perpetrators of waste, fraud, and abuse in the American healthcare system.

Between 2000 and 2022, the price of hospital services increased by over 220% - four times as fast as national inflation rates. This is greater than all other goods and services categories. While this has been explained away by increased labor costs due to the COVID pandemic, increased prices for hospital services have outpaced other medical sector professional services since 2006.

Disconcertingly, hospitals have gone as far as to take advantage of Military insurance, overbill insurance providers for routine care, charge an average of 2.5 times more for identical outpatient procedures depending on the service site, and charge insured patients more than uninsured patients.

As most hospitals are non-profit, tax-exempt institutions, American taxpayers are ultimately footing the bill for hospital price gouging. Despite efforts from President Trump to increase hospital price transparency starting in his first administration, a recent report found that 8 in 10 hospitals were out of compliance with federal transparency requirements.

As the U.S. Senate deliberates the reconciliation bill, eliminating hospital waste, fraud, and abuse should be a part of the conversation around savings. American hospitals have been operating with little to no oversight and taking advantage of consumers and the wider healthcare system for too long. The non-profit hospitals are some of the worst offenders, which we are bringing to light with Hospital Facts.

Thank you for your consideration of this important issue. I will follow up with your office to ensure receipt of this letter and would welcome the opportunity to discuss this with you further. I sincerely hope that <u>Hospital Facts</u> will serve as a helpful resource for you in your work.

Sincerely,

Matthew Kandrach

President, Consumer Action for a Strong Economy

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Cc: Senator Rand Paul

Senator Susan Collins

Senator Lisa Murkowski

Senator Markwayne Mullin

Senator Roger Marshall

Senator Tim Scott

Senator Josh Hawley

Senator Tommy Tubberville

Senator Jim Banks

Senator Jon Husted

Senator Ashley Moody