



April 1, 2026

The Honorable Mehmet Oz, Administrator  
Centers for Medicare & Medicaid Services  
Department of Health and Human Services  
Baltimore, MD 21244–8016

Dear Administrator Oz,

On behalf of *Consumers First*, an alliance that brings together the interests of consumers, employers, labor unions, and primary care clinicians working to realign and improve the fundamental economic incentives and design of our health care system, we commend the steps that the Centers for Medicare & Medicaid Services (CMS) has taken over the past year to drive our health care sector to be more competitive, to make health care more affordable and to allow our nation’s families to access the health and health care they deserve. **We urge CMS and the administration to build on your progress and leverage the opportunities that you have in Calendar Year 2027 (CY27) Medicare payment rules to further address the harmful impacts of consolidation, ban anticompetitive behaviors and address the broken financial incentives found across the U.S. health care system.**

*Consumers First* brings together diverse organizations to redesign the economic incentives of health care payment and delivery models that drive unaffordable, low-quality health care. Our coalition is united in our work to serve as a counterweight to the entrenched business interests of the health care industry, with the goal of ensuring the policies and programs that govern our health care system meet the needs of the people it purports to serve. One essential lever to achieving this goal is the enactment of improved Medicare payment policy, which in turn establishes a standard that is often adopted by commercial payers and Medicaid.

We are appreciative of your work in the Calendar Year 2026 (CY26) Medicare payment rules to mitigate the impacts of consolidated health care markets and to reduce inefficiencies and market failures to ensure Americans have access to high-quality, low-cost care. Specifically, we commend your work in the CY26 Outpatient Prospective Payment System (OPPS) final rule to extend site neutral payments to drug administration services delivered by “grandfathered” off-campus provider-based departments, which represents a critical step to rein in key payment distortions that drive hospital consolidation and the delivery of unaffordable care for our nation’s families. Additionally, we strongly support your steps in the CY26 Medicare Physician Fee Schedule final rule (MPFS) to address payment rules that have led to overpayments for hospital and specialty care at the expense of primary care and independent practices, which will push more dollars into primary care practices that deliver higher-value, lower-cost care to millions of Americans.

## **Recommendations**

*Consumers First* offers the below recommendations to build upon the important progress that this administration made in Medicare payment changes and to further strengthen physician and hospital payment and delivery to drive value across the US health care system.

## Site neutral

We urge CMS to build upon its work in CY26 OPSS around site-of-service reforms for physician administered drugs and expand site-neutral payments to additional services and sites of care, while protecting access to care in underserved rural and urban communities. Specifically, we recommend:

- Eliminating the “grandfathering” of higher OPSS payment rates for existing off-campus provider-based departments for all services, not just for clinic visits and drug administration services. The Congressional Budget Office previously estimated that closing this loophole would save \$13.9 billion over a ten-year window (between 2019 and 2028).<sup>i</sup>
- Extending site-neutral payments for clinic visits to all on-campus provider-based departments. MedPAC’s 2017 report estimated that implementing site-neutral payments for clinic visits at on-campus and off-campus provider-based departments would save Medicare almost \$2 billion per year.<sup>ii</sup> That savings should in part be used to ensure financially vulnerable rural hospitals, teaching hospitals, and safety net clinics who may have been disproportionately harmed by recent changes to Medicaid are adequately supported.
- Extending site-neutral payments across a broader set of 66 clinical services including:
  - The 57 Ambulatory Payment Classifications (APCs) identified in the June 2022 MedPAC Report (and following reports) to Congress, to align the OPSS and alternate care site payment rates with those set in the MPFS;<sup>iii</sup> and
  - The 9 APCs that should align the OPSS payment rates with the Ambulatory Service Center (ASC) payment rates and continue to use the MPFS rate when the service is provided in a freestanding office.<sup>iv</sup>

## Price transparency

We urge CMS to leverage the CY27 OPSS rule to strengthen price transparency requirements for hospitals by:

- Prohibiting hospitals from posting percentages as well as other price estimates such as a “median allowed amount” and instead to specifically require all health care prices – that is, the negotiated rates – to be disclosed in dollars and cents without exception.
- Strengthening CY26 OPSS requirement for hospitals to encode a senior official’s name in its machine-readable file (MRF) by requiring the senior official to sign such attestation via verified electronic signature.
- Increasing the civil monetary penalty (CMP) for noncompliance to \$300 per bed per day for hospitals with 31 or more beds and remove the annual \$2 million cap on the CMP for such hospitals.

## Physician payment

We urge CMS to build upon its work in the CY26 Medicare Physician Fee Schedule final rule by:

- Continuing to modernize the physician fee schedule by leveraging a diverse set of data sources to ensure payment accurately reflects the real cost of providing care.

- Investing in primary care by streamlining billing processes such as by waiving patient cost-sharing for Advanced Primary Care Management services, and moving away from the inefficiencies of traditional FFS through the advancement of more hybrid and population-based payment models.
- Preserving and scaling existing payment models that use prospective, ongoing payments not tied to fee-for-service reimbursement, with the goal of establishing alternate payment models as the core reimbursement models under the Medicare program.

## Conclusion

By enacting these policy recommendations, the Trump administration can help realign the economic incentives and design of health care payment and delivery to ensure the system delivers the health and high-value care that all people across the nation need and deserve. *Consumers First* and its member organizations stand ready to work with the administration and federal agencies to achieve these goals. Please contact Jane Sheehan, Deputy Senior Director of Government Relations at Families USA, [JSheehan@familiesusa.org](mailto:JSheehan@familiesusa.org), for further information and to let us know how we can best be of service to you.

Sincerely,

### Consumers First Steering Committee

American Academy of Family Physicians  
 American Benefits Council  
 American Federation of State, County, and Municipal Employees  
 Families USA  
 Purchaser Business Group on Health

<sup>i</sup> Congressional Budget Office. (2019). Proposal Affecting Medicare – Congressional Budget Office’s Estimate of the President’s Fiscal Year 2019 Budget. Congressional Budget Office. <https://www.cbo.gov/system/files?file=115thcongress-2017-2018/dataandtechnicalinformation/53906-medicare.pdf>.

<sup>ii</sup> MedPAC. (March 2017). Medicare Payment Advisory Commission March 2017 Report to Congress, Chapter 3 - Hospital inpatient and outpatient services. [http://www.medpac.gov/docs/defaultsource/reports/mar17\\_medpac\\_ch3.pdf?sfvrsn=0](http://www.medpac.gov/docs/defaultsource/reports/mar17_medpac_ch3.pdf?sfvrsn=0)

<sup>iii</sup> MedPAC. (March 2022). Report to the Congress: Medicare and Health Care Delivery System. [https://www.medpac.gov/wpcontent/uploads/2023/06/Jun23\\_MedPAC\\_Report\\_To\\_Congress\\_SEC.pdf](https://www.medpac.gov/wpcontent/uploads/2023/06/Jun23_MedPAC_Report_To_Congress_SEC.pdf) ; MedPAC. (2023). Report to Congress: Medicare Payment Policy. [https://www.medpac.gov/wp-content/uploads/2023/03/Mar23\\_MedPAC\\_Report\\_To\\_Congress\\_SEC.pdf](https://www.medpac.gov/wp-content/uploads/2023/03/Mar23_MedPAC_Report_To_Congress_SEC.pdf); MedPAC. (June 2023) MedPAC report to Congress, Medicare and the Health Care Delivery System.

<sup>iv</sup> MedPAC. (2022). Report to the Congress: Medicare and Health Care Delivery System. [https://www.medpac.gov/wpcontent/uploads/2023/06/Jun23\\_MedPAC\\_Report\\_To\\_Congress\\_SEC.pdf](https://www.medpac.gov/wpcontent/uploads/2023/06/Jun23_MedPAC_Report_To_Congress_SEC.pdf) ; MedPAC. (2023). Report to Congress: Medicare Payment Policy. [https://www.medpac.gov/wp-content/uploads/2023/03/Mar23\\_MedPAC\\_Report\\_To\\_Congress\\_SEC.pdf](https://www.medpac.gov/wp-content/uploads/2023/03/Mar23_MedPAC_Report_To_Congress_SEC.pdf)