

CAPITOL STREET

September 13, 2023

ASC Transparency Not Limited to Hospital-Owned

House Vote Next Week; Likely to Pass With Robust PBM, Site-Neutral Policy

Relevant Companies



»» Our Take & Next Up

The Ambulatory Surgery Center (ASC) transparency reporting requirement (2026) is updated from hospital-owned ASCs to all ASCs, good news for those centers. In a draft released last week, hospital owned centers (20% of the market) were singled out, and we said the policy would be expanded to all ASCs, or get dropped eventually from the transparency bill. This is scheduled to come to a House vote next week, and we believe that it is likely to pass. On the Senate side, we believe (1) Pandemic preparedness with drug shortage policies (2) Community health centers and Medicaid DSH cut aversion (3) hospital site neutral (v limited policies) (4) anti PBM reforms (mimicking Senate finance bill most closely) will come together for passage in a December package, once a government funding bill (CR) is up ahead of Christmas. We do not anticipate a government shutdown and instead expect a CR to early December.

»» Key Points

The healthcare transparency framework released last week by the House Healthcare Committees – Ways and Means, Education & Labor and Energy & Commerce – was updated to include all Ambulatory Surgical Centers (ASCs) ([here](#)). The original framework included transparency reporting requirements for hospital-owned ASCs. The ASC price transparency requirements introduced by GOP only, starting January 1, 2026, now requires all ASCs to publish cash prices and insurer-negotiated rates for all items and services and requires publication of prices for at least 300 shoppable services or a consumer-friendly price estimator tool.

As a reminder, the transparency framework includes requirements for hospitals, health plans, pharmaceuticals, PBMs, and medical devices/diagnostic tests/clinical labs (see [here](#) for past memo and additional details). We view these measures

as largely palatable to both sides of the aisle. The goal would be to glean savings and offset the Medicaid DSH cuts to hospitals slated to take effect (\$8 B per year).

End game, as we see it, for transparency and PBM, Hospitals (site-neutral and DSH), anti-microbials & drug shortages.

The Senate will take its time to combine the following must-pass bills along with pet projects (bipartisan) for inclusion in a December bill. We think that there will be a CR to early December and everything will come together ahead of the holidays.

- **Budget:** CR ahead of Oct 1 to get us to early December (avoids a government shutdown).
- **Fall agenda on H'care:** House & Senate continue to work on drug shortages.
- **PBM:** Additional policies are likely to pass. The Senate will sort through its myriad bills to include spread, transparency, de-linking and perhaps DIR and other policy for inclusion in an end of year vehicle.
- **Hospitals:** Hospital site neutral policies will likely not include a shutdown of the entire practice (\$140 B over ten) as it would decimate academic medical centers. We see physician administered drugs (\$3 B or so) as being the poster child for "site neutral" and a starting point for more policy next year.
- **Medicaid / DSH:** Medicaid DSH, Community Health Centers will likely be addressed this year, with Congress averting cuts for Medicaid DSH hospitals.
- **Life Sciences:** Pandemic Preparedness (PAHPA) also likely will get done but in December. The Senate language is more robust and will likely be the model. Drug shortage policy (chemo, non sterile injectables, etc.) will likely get folded in.
- **Antimicrobials:** We do not envision *Pasteur Act* passing in 2023 but perhaps something more watered down on anti-microbial resistance.

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