

How Hospital Pricing Abuse Drives Up Healthcare Costs for Employers and Working Families:

Five Things You Need to Know

When hospitals abuse their pricing power, employers pay the price. Local businesses and public employers, working families, and communities ultimately bear the burden of higher premiums, lower wages, and deepening budget cuts for essential local services, all driven by out-of-control hospital prices.

Today, hospital care accounts for the largest share (31%) of annual U.S. healthcare spending, totaling \$1.5 trillion.¹ Here are five things you need to know about the harms of hospital pricing abuse:



Hospital prices are soaring. Hospital prices have jumped 220% since 2000, significantly outpacing inflation (74%) and prices for other medical services (130%).²



Employers are bearing the brunt of price increases. Since 2014, the growth rate for hospital prices paid by employer-sponsored health plans is more than twice the growth rate of prices paid by Medicare and Medicaid.³



Hospital mark-ups are contributing to higher premiums. Hospital systems exploit the 340B Drug Pricing Program by buying discounted drugs meant for low-income patients, marking them up for employer-sponsored plans, and pocketing the difference — contributing to an estimated \$23 billion in added employer healthcare costs in 2023.⁴



Hospital consolidation is harming competition. Hospital industry consolidation inflates prices upwards of 6–18% on average by enabling large hospital systems to block lower-cost competitors, steer patients to more expensive care, and limit options, especially in rural communities.⁵



Hospitals are hiding true costs. Lack of transparency enables hospital systems to set prices unrelated to the actual cost of care and keeps employers in the dark about the real drivers of their healthcare spending. On average, hospitals charge employers and employees 250% more than Medicare for the same services — a rate that can vary wildly between employers.⁶

As America's local employers, we are calling on policymakers to rein in these abuses with greater transparency, accountability, and oversight to ensure we can continue providing the healthcare services working families depend on. To join the movement for fair hospital pricing practices, visit the **Employers Against Hospital Pricing Abuse** campaign at hospitalpricingabuse.org.

¹ <https://www.cms.gov/files/document/highlights.pdf>

² <https://www.bakerinstitute.org/research/hospital-price-increases-2000-outpaced-inflation-more-double-baker-institute-report-says>

³ <https://www.kff.org/key-facts-about-hospitals/?entry=hospital-prices-price-growth-by-payer>

⁴ <https://www.npcnow.org/sites/default/files/2025-05/340B%20and%20Employer%20Costs%20White%20Paper.pdf>

⁵ https://www.ncci.com/Articles/Pages/II_Insights_QEB_Impact-of-Hospital-Consolidation-on-Medical-Costs.aspx

⁶ https://www.nationalalliancehealth.org/wp-content/uploads/NationalAlliance_HPT_RPT_2023_M-FINAL.pdf

**EMPLOYERS AGAINST
HOSPITAL PRICING ABUSE**

