

Memorandum in Support of The Fair Pricing Act (S705 | A2140)

May 26, 2026

Small Business Majority is a national organization that empowers America's diverse entrepreneurs to build a thriving and equitable economy. We have an office and operations in New York representing the 2.4 million small business owners in the state.

Dear Members of the New York State Assembly,

Small Business Majority offers this Memorandum of Support for the Fair Pricing Act (FPA) S9705/A2140, which would provide needed relief to thousands of New York small business owners and employees and save more than \$1 billion annually in healthcare spending in the state.¹

This state has the second highest health expenditures per capita in the country forcing many New Yorkers to make the impossible choice between taking care of their well-being and protecting their financial security.² In fact, more than 740,000 New Yorkers have medical debt, and researchers have determined that 73% of people with medical debt owe some or all of that debt to hospitals.^{3, 4}

Small business owners already operate on thin margins and simply do not have access to the same robust health insurance plans that large employers do. As such, many small business owners and workers rely on the Affordable Care Act and Medicaid, which saw unprecedented cuts last summer via H.R. 1. With so many small business owners forced to pay out of pocket due to skimpy insurance plans, healthcare costs are now more than ever a major issue for entrepreneurs, and according to our research, 54% believe hospitals are responsible for increases in healthcare costs.⁵

The Fair Pricing Act would help control hospital costs by enacting what is known as site-neutral policies. This means that a hospital would not be able to charge more for certain low-complexity procedures than what would be charged for the same procedure in a doctor's office. For example, the 32BJ Health Fund found that a routine \$23 flu shot costs eight times more (\$183) when delivered in a hospital outpatient department.⁶

Under the FPA, these elevated charges would be limited to a fair price—150% of what Medicare pays—for the same service in a lower-cost setting. Medicare has already adopted these site-neutral policies for

¹ "Estimating Savings from the Fair Pricing Act and Commercial Site-Neutral Payments in New York State," Center for Advancing Health Policy through Research, Brown University School of Public Health, <https://doi.org/10.26300/khc5-fz54>

² KFF, "Health care expenditures per capita by state of residence," KFF 2020, <https://www.kff.org/state-health-policy-data/state-indicator/health-spending-per-capita/>

³ "Medical Debt in New York State," Urban Institute, October 2023, <https://www.urban.org/research/publication/medical-debt-new-york-state>

⁴ "Most adults with Past-due medical debt owe money to hospitals," Urban Institute, March 2023, <https://www.urban.org/research/publication/most-adults-past-due-medical-debt-owe-money-hospitals>

⁵ "Opinion poll: Small businesses struggling with rising healthcare costs, support bipartisan policy solutions," Small Business Majority, February 2024, <https://smallbusinessmajority.org/our-research/healthcare/small-businesses-struggling-rising-healthcare-costs-support-bipartisan-policy-solutions>

⁶ 32BJ Health Fund claims data, cited in New York State legislative testimony, 2025, <https://www.nysenate.gov/sites/default/files/admin/structure/media/manage/filefile/a/2025-02/32bj-health-fund-nys-joint-legislative-budget-hearing-written-testimony-2025-final.pdf>

several procedures and New York State should follow suit.⁷ New Yorkers support the Fair Pricing Act, with 89% of surveyed voters supporting the legislation.⁸ In addition, our research shows that the vast majority of entrepreneurs (82%) say the government should set limits on what hospitals can charge for certain services.

New York needs to formulate a comprehensive solution to our skyrocketing health care costs. But in the meantime, the Fair Pricing Act is an important first step towards doing so. For these reasons, Small Business Majority urges the Legislature to enact the Fair Pricing Act.

⁷ “Five things to know about Medicare site-neutral payment reforms,” KFF, June 2024, <https://www.kff.org/medicare/five-things-to-know-about-medicare-site-neutral-payment-reforms/>

⁸ “Polling in New York Finds Overwhelming Support for “Fair Pricing Act” Legislation,” Tulchin Research, January 2025, <https://www.politico.com/f/?id=00000194-957c-dbde-a7d6-f57ff17e0000>