



Charlene MacDonald
President and CEO

April 1, 2026

The Honorable Tom Barrett
U.S. House of Representatives
1232 Longworth House Office Building
Washington, DC 20515

The Honorable Josh Riley
U.S. House of Representatives
128 Cannon House Office Building
Washington, DC 20515

Dear Representatives Barrett and Riley,

On behalf of the Federation of American Hospitals (FAH), representing more than 1,000 tax-paying community hospitals and health systems, we write to express our support for *H.R. 7861, the Care Over Profits Act of 2026*. This bipartisan legislation represents an important step toward ensuring that health insurance works for patients by reaffirming that premium dollars should be devoted primarily to patient care—not excessive administrative costs or insurer profits.

FAH supports the bill's provision to raise the medical loss ratio (MLR) threshold to 85 percent in the individual and small-group markets. However, we believe this policy change alone is insufficient to address the broader affordability challenges facing patients across the country.

Large, vertically integrated insurance companies that own multiple segments of the health care system can circumvent MLR requirements by directing payments to affiliated entities and counting those payments as "medical spending." At the same time, these insurers increasingly rely on utilization management tools to restrict or delay care outside of their corporate networks, enabling them to control claims costs and manage toward target MLR thresholds. These practices ultimately shift costs onto patients, delay necessary care, and increase administrative burdens for providers. Unfortunately, there is currently no mechanism to hold insurers accountable for this behavior.

We urge Congress to address these gaps by strengthening transparency and oversight of MLR requirements. Additional reporting and enforcement mechanisms are needed to ensure that policymakers, regulators, and patients have a clear understanding of how premium dollars are spent—and that MLR rules function as an effective consumer protection in today's highly consolidated marketplace.

FAH appreciates your leadership on this important issue and looks forward to working with you to advance policies that ensure premium dollars support patient care, rather than benefiting insurers while increasing Americans' out-of-pocket costs.

Sincerely,

A handwritten signature in blue ink, appearing to read "Charlene MacDonald".

Charlene MacDonald