



EMPLOYERS' FORUM OF INDIANA

Addressing the challenges of the local healthcare marketplace

THE EMPLOYERS' Voice

Stay in the know with the Employers' Forum of Indiana

November 2019

Welcome from the CEO

Welcome to this month's issue of The Employers' Voice, an e-newsletter for Employers' Forum of Indiana members and participants.

In this issue we'll share a snapshot of what the Forum has been up to; highlight local and national efforts around high quality, affordable healthcare; and introduce a sponsorship opportunity for our May conference at which the results of the RAND 3.0 study will be presented. We invite you to send resources and news of interest as the purpose of this newsletter is to provide a venue for sharing information among our diverse health care community.

I look forward to seeing you all at the November 20 All-Stakeholder Meeting!

Gloria Sachdev
President and CEO, Employers' Forum of Indiana

Congratulations to All Forum Members

The Employers' Forum of Indiana has been selected to receive the 2019

National Alliance Member Leadership Award! The Forum is honored to

receive this award in November in Washington DC on behalf of all Forum members who were instrumental in bringing hospital price transparency to the forefront. This award is presented to the business coalition who demonstrated leadership and commitment to health and healthcare value through and on behalf of their members and their employees, their community, and the National Alliance. The National Alliance noted that the Forum's work on Rand 2.0 and continued contributions with Rand 3.0 has made a substantive and critical contribution both to the National Alliance and purchaser coalitions across the country.



National Alliance
of Healthcare Purchaser Coalitions
Driving Innovation, Health and Value

Upcoming Events

Nov
20

All Stakeholder Meeting

November 20, 2019

11:30 a.m. - 2:00 p.m. (lunch will be provided)

Indiana Farm Bureau Insurance

[Get Directions](#)

[View the Agenda](#)

Interested in attending? [Contact us](#) to register!

Upcoming Meetings

February 6, 2020

Indiana Farm Bureau Insurance

May 12, 2020

2nd Annual National Conference

Eiteljorg Museum Ballroom

[Sponsorship Opportunities](#)

[VIEW PAST MEETINGS](#)



2nd Annual National Hospital Price Transparency Conference

May 12, 2020
Eiteljorg Museum | Indianapolis, Indiana

SPONSORSHIP OPPORTUNITIES

Save the Date: May 12, 2020

Our 2nd Annual National Hospital Price Transparency Conference will be held in Indianapolis, Indiana on May 12, 2020, where we will share the RAND 3.0 study findings. Click the button below to learn about opportunities for your organization to sponsor the conference.

[LEARN MORE](#)

Forum Snapshot

Lauren Vela: Reducing Wasteful Spending in Employers' Pharmacy Benefit Plans

Ms. Lauren Vela, Senior Director of Pacific Business Group on Health, shared at the September 25th Forum meeting that identifying and eliminating drugs that add waste to employers' formularies could reach savings of up to \$63 million annually. [Read the study.](#)



Self-Insured Employers Are Using Price Transparency To Improve Contracting With Health Care Providers: The Indiana Experience

Steep increases in health care cost take away from financial resources that could be used for capital investments, employee wage increases, and other spending priorities such as retirement plans. The growth in premiums, which occurred despite increases in deductibles, has primarily been driven by the increases in price rather than by use. In fact, employees' use of most health care services has been declining. [Read the article.](#)



Public Health Committee Meeting Focuses On High Health Care Costs

A state legislative public health committee met for the first time to discuss the high cost of health care in the state. Gloria Sachdev was invited to testify. "The single biggest driver of high healthcare costs is price," says Sachdev. "This is not a mystery." [Read the article.](#)

Congratulations to American Health Network (AHN)

Congratulations to AHN for being the Top CMS ACO Performer!

The results are in from CMS and American Health Network is the top Medicare Shared Savings Program (MSSP) performer in Indiana, with a savings rate of 4.06%.

CMS, defines an ACO as "an organization of health care practitioners that agrees to be accountable for the quality, cost, and overall care of Medicare beneficiaries who are enrolled in the traditional fee-for-service program who are assigned to it". By looking at who provided most of the primary care, CMS assigns patients to an ACO if the patient saw a primary care physician who was in the ACO. Primary care physicians can only be in one ACO.

At the end of the year, CMS measures ACO quality as a percentage of quality metrics achieved. CMS also calculates the spend for the patients assigned to the ACO. If that spend is below the CMS calculated benchmark by more than the threshold savings (established by CMS) then CMS shares the savings with the ACO. The share of the savings is adjusted by the quality score.

For the most recent year, 2018, the results for Indiana ACOs are as below. To account for different size ACOs the results are sorted by the savings rate. While these results are impressive, they do not tell the whole story. Many of the poor performing ACOs have decided to drop out. In 2018, 13% of the existing ACOs left the program.

ACO Name	Savings Rate	Generated Savings	Distributed Savings	Quality Score
AHN Accountable Care Organization, LLC	4.06%	\$11,033,104	\$5,241,500	96.95%
Ascension Care Management Health Partners Indianapolis, LLC	2.25%	\$0	\$0	99.06%
CHSPSC ACO 2, LLC	1.59%	\$0	\$0	100.00%
Suburban Health ACO 2	0.86%	\$0	\$0	96.07%
Suburban Health ACO	0.34%	\$0	\$0	94.00%
Inspire Health Partners, LLC	-4.39%	(\$4,865,100)	\$0	100.00%
Franciscan Riverview Health ACO	-9.19%	(\$4,145,005)	\$0	93.96%

Information above provided by Dr. Ben Park, President of American Health Network.

Further reading: [Spread of ACOs And Value-Based Payment Models In 2019: Gauging the Impact of Pathways to Success.](#)

Insurers Covering DNA Test for Psychiatric Drugs

DNA Tests For Psychiatric Drugs Are Controversial But Some Insurers Are Covering Them

UnitedHealthcare, the nation's largest insurer, began covering the tests as of October 1. In addition to UnitedHealthcare's coverage, Myriad Genetics' test is covered by Medicare, a regional Blue Cross Blue Shield affiliate, and the insurance network for the grocery chain Kroger. [Read the study.](#)

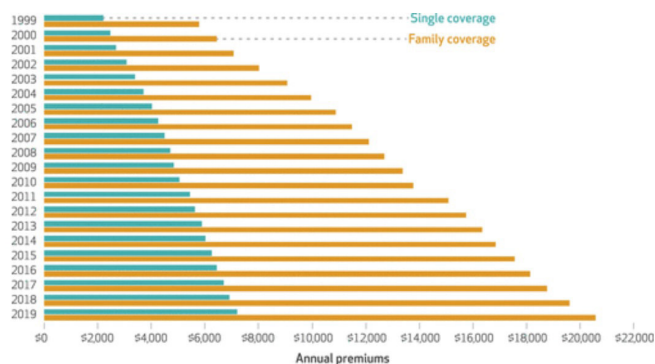


Myriad Genetics is among a handful of companies that make a genetic test to help doctors choose psychiatric medicines for patients. Evidence that the tests are effective has been called "inconclusive."

In the News

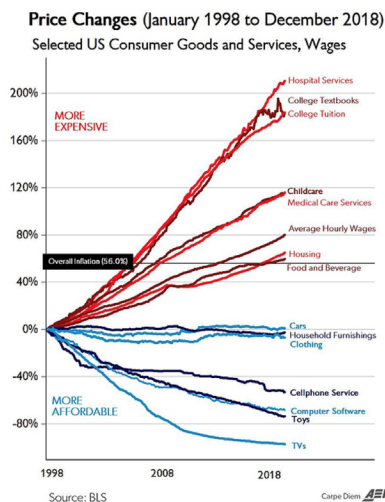
KFF 2019 Single and Family Premium Trend

Exhibit 1 Average annual premiums for single and family coverage, 1999–2019



Source: [Health Benefits in 2019: Premiums Inch Higher, Employers Respond to Federal Policy](#)

Price Changes from 1998 – 2018 noting Hospital Prices are the Highest

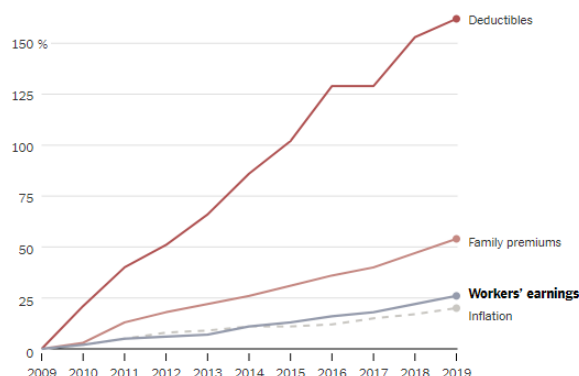


Source: [Price Changes: Jan 1998 - Dec 2018](#)

Employer-based Health Insurance Premiums and Deductibles have Outpaced

Medical Costs

Recent increases in employer-based health insurance premiums and deductibles have outpaced the rise in workers' earnings.



By The New York Times | Source: Kaiser Family Foundation Employer Health Benefits Survey

Source: [Employer Health Insurance Is Increasingly Unaffordable, Study Finds](#)

Trend in Employer Insurance Costs by State, 2008 – 2017: Indiana Table

Indiana Trends in Employer Insurance Costs, 2008–2017					100 Years The Commonwealth Fund		
	Year				Average annual change		
	2008	2011	2016	2017	2008-11	2011-16	2016-17
Employer-Sponsored Insurance Premium Cost							
Single coverage							
Indiana	\$4,495	\$5,132	\$6,130	\$6,162	4.5%	3.6%	0.5%
United States	\$4,386	\$5,222	\$6,101	\$6,368	6.0%	3.2%	4.4%
Family coverage							
Indiana	\$13,504	\$14,713	\$17,996	\$18,253	2.9%	4.1%	1.4%
United States	\$12,298	\$15,022	\$17,710	\$18,687	6.9%	3.3%	5.5%
Employee Contribution to Premium Costs							
Single coverage							
Indiana	\$950	\$1,037	\$1,289	\$1,460	3.0%	4.4%	13.3%
United States	\$882	\$1,090	\$1,325	\$1,415	7.3%	4.0%	6.8%
Family coverage							
Indiana	\$2,472	\$3,257	\$4,175	\$4,547	9.6%	5.1%	8.9%
United States	\$3,394	\$3,962	\$4,956	\$5,218	5.3%	4.6%	5.3%
Combined average¹							
Indiana	\$2,106	\$2,728	\$3,526	\$3,905	9.0%	5.3%	10.7%
% of median income	4%	5%	6%	6%			
United States	\$2,715	\$3,170	\$4,050	\$4,249	5.3%	5.0%	4.9%
% of median income	5%	6%	7%	7%			
Employee Deductible Cost							
Single coverage²							
Indiana	\$929	\$1,187	\$1,866	\$1,797	8.5%	9.5%	-3.7%
United States	\$869	\$1,123	\$1,696	\$1,808	8.9%	8.6%	6.6%
Combined average³							
Indiana	\$1,318	\$1,901	\$3,048	\$3,558	13.0%	9.9%	16.7%
% of median income	2%	4%	5%	6%			
United States	\$1,445	\$1,918	\$2,726	\$2,991	9.9%	7.3%	9.7%
% of median income	3%	4%	5%	5%			
Total Potential Out-of-Pocket Costs (Employee Contribution + Deductible)							
Combined average⁴							
Indiana	\$3,423	\$4,629	\$6,574	\$7,462	10.6%	7.3%	13.5%
% of median income	6%	9%	11%	12%			
United States	\$4,160	\$5,088	\$6,776	\$7,240	6.9%	5.9%	6.8%
% of median income	8%	10%	11%	12%			

Notes: (1) Single and family premium, contribution, and deductible costs are weighted to the distribution of single and family households. (2) Only single deductibles are included since family plans typically use this rate per family member. Data: Medical Expenditure Panel Survey-Insurance Component (MEPS-IC), 2008-2017; Current Population Survey (CPS), 2007-2018.

Source: [The Cost of Employer Insurance Is a Growing Burden for Middle-Income Families](#)

That Beloved Hospital? It's Driving Up Health Care Costs (The New York Times)

Researchers at Yale and other universities came out with a study illustrating that from 2007 to 2014 hospital prices have increased 42% for inpatient care and 25% for outpatient care. Showing that hospitals are the biggest cost in the United States' \$3.5 trillion health care system. That is faster spending than wage growth, inflation, and gross domestic product.

Workers feel sting from shift to high-deductible health coverage (Indianapolis Business Journal)

As workers and employers face the annual open-enrollment season this fall, many are seeing double-digit percentage increases in premiums, prompting even more to consider moving to high-deductible plans as a way to keep their costs under control.

2018 Medscape Physician Salary Survey (Medscape – Registration required)

Indiana physicians received the highest salary compensation in the US.
Resolving Surprise Medical Bills (HealthAffairs Blog)

Employer Health Insurance Is Increasingly Unaffordable, Study Finds (The New York Times)

A relentless rise in premiums and deductibles is putting insurance out of reach for many workers, especially those with low incomes.

The State Laws Impacting Healthcare Cost and Quality (SLIHCQ) Database (Catalyst for Payment Reform)

Database that catalogues state legislation to contain healthcare costs and improve quality in a searchable and sortable, public database. The purpose of the database is to help purchasers, states, and policy makers understand their legal and regulatory environment as they make efforts to improve access, quality, and efficiency and reduce costs in health care.

Denver provider market at 'tipping point,' study finds (HealthLeaders)

The report expects employers and health plans to exert more influence in demanding market power going forward.

Walmart to pilot expanded healthcare benefits in 2020 (Talk Business & Politics)

Imagine if We Paid for Food like We Do Healthcare (Foundation for Economic Education)

Interested in becoming a Forum Member? Contact Gloria at gloria@employersforumindiana.org.

Do you have a suggestion for our next newsletter? Contact us at meetings@employersforumindiana.org.



Employers' Forum of Indiana
<http://employersforumindiana.org>