



2020

2nd Annual

National Hospital Price Transparency Conference:
Path to Affordability

Lowering Hoosiers' Health Care Costs

Hoosiers for Affordable Health Care

September 18, 2020

What we Learned

- 1) Hospital prices, particularly for outpatient services, are very high in Indiana
- 2) These high hospital prices are not because Hoosiers are less healthy
- 3) Insurers lack the same incentives for low prices and low spending that employers have
- 4) In Indiana, a much larger share of doctors are employed by hospitals, leading to more referrals within costly hospital systems and reduced competition
- 5) Indiana employers maintain very broad provider networks and can take steps to lower their health care costs

Why Do Prices Matter?

Shopping is especially important under two conditions

- 1) For items that are large parts of our budget
- 2) For items where there is wide price variation

There are 3 problems with shopping for health care:

- 1) Lack of information
- 2) Lack of incentives
- 3) Institutional problems – Consolidation and Referrals



Four Major Benefits of Health Care Price Transparency



Better Informed Consumers and Patients



Better Informed Employers that Help Workers Shop for Value



Improved Ability for Employers to Monitor (and Eliminate) Middlemen



Public Pressure on High-Cost Providers

Price Disclosure

Recommendation

Insert new federal rules around price disclosure for 300 shoppable services into Indiana law

Action

Require hospitals, ASCs, and urgent care centers to provide weighted average prices for 100 shoppable services

Remaining Work

Implement our original recommendation or go further and insert entire federal rules for price disclosure into Indiana law

Good Faith Estimates

Recommendation

Require a comprehensive, bundled, understandable estimate

Action

Upon request, a patient receives a GFE within 5 days. Providers and hospitals must post notification that GFEs are available in all waiting areas and online

Remaining Work

Require the GFE be provided for all scheduled care



Surprise Billing

Recommendation

Prohibit balance billing at network facilities and for emergency services

Action

Prohibit balance billing at network facilities for non-emergency services unless they obtain written consent from the patient

Remaining Work

Extend the prohibition to emergency services



Broker Fees

Recommendation

Require disclosure to the purchaser of the plan

Action

Require disclosure for state-regulated entities

Remaining Work

Employers with self-insured plans should demand this information



All Payer Claims Database

Recommendation

Establish a process to implement one

Action

Set up a process to establish one

Remaining Work

None for legislature



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Gag Clauses

Recommendation

Prohibit them.
Establish voluntary participation for group health plans exempt from state insurance regulation

Action

Prohibit in contracts adopted or renewed after July 1, 2020

Remaining Work

Ensure existing contracts are included in the prohibition and ensure that self-insured group plans can voluntarily comply



Scope of practice limitations

Goal: All providers should be able to practice to the top of their ability.

Recommendation: Establish a process to allow employers and provider groups to challenge regulations that limit scope of practice. The process would produce an objective analysis of the benefits and costs of such limitations.

Improving appropriateness of care

Goals: 1) Provide patients and providers themselves with information about the quality of care delivered and how providers compare with each other. 2) Reduce unnecessary, wasteful, and harmful health care services (e.g. excessive C-section rates or back surgeries)

Recommendation: Make Medicaid claims publicly available and establish a process by which outside experts and providers develop metrics around the appropriateness of care, such as C-section rates or appropriate back surgeries



Additional recommendations

- Pursue interstate licensing compacts
- Recognize out-of-state/foreign medical licenses
- Do not enact anticompetitive policies like certificate-of-need laws and certificates of public advantage
- Scrutinize proposed mergers for impact on competition
- Sunrise review of health care restrictions
- Prohibit anticompetitive contract provisions (all-or-nothing clauses, anti-tiering clauses, anti-steering clauses, or most favored nation provisions)
- Reform the state employee health program

Leading the Way With State Employee Health Reforms

- 1) Only enter into agreements with insurers who agree to transparency and accountability requirements
- 2) Insist on bottom-up pricing and refuse for any rates to be set as discounts from billed charges
- 3) Insist that the insurer pays identical amounts for services regardless of the site of service
- 4) Utilize reference pricing where appropriate.
- 5) Look for opportunities to directly contract with high-quality providers and to accelerate the use of cost-effective telehealth services.

