



# WELCOME!

# All-Stakeholder Meeting

Twitter: @EmplyrsForumIN  
LinkedIn: Employers' Forum of Indiana

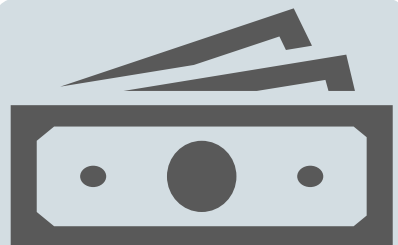
*November 13, 2020*  
*11:30-2:00pm EST*

# Agenda



## RAND 3.0 Study with an Indiana Focus

- Chris Whaley
- Gloria Sachdev



## National Academy for State Health Policy Hospital Cost Tool

- Marilyn Bartlett



## Colorado Group Purchasing

- Bob Smith



## Panel Discussion

- Dave Kelleher
- Marilyn Bartlett
- Bob Smith
- Terry Metzger



## Year in Review, On the Horizon for 2021

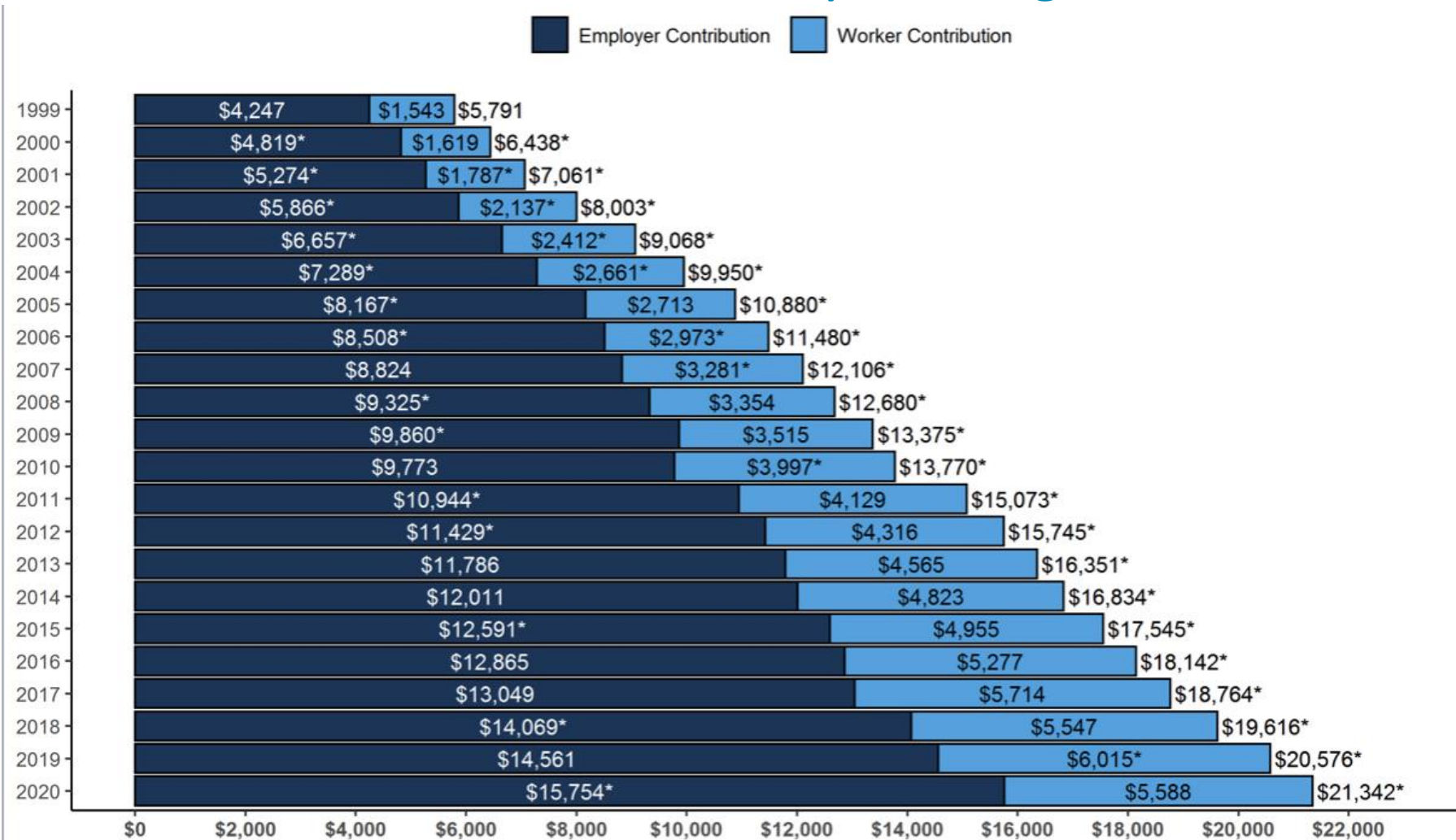
- Gloria Sachdev

# Announcements

## Successful September 18, 2020 National Hospital Price Transparency Conference

- Over 500 attendees
- Over 100 news articles including, the New York Times, Forbes, Health Leaders, Modern Healthcare, Bloomberg Law, Kaiser Family Foundation, etc.  
<https://employerptp.org/news/>
- Special THANKS for Forum members who presented:
  - Jonathan Nali, St. Vincent Health
  - Christan Royer, Indiana University
  - Sherry Roussari, Integrative Care Partners
  - Candace Shaffer, Purdue
  - Phil Terry and Natalie Roberts, Monarch Beverage

# SAME PROBLEM: Average Annual Employer and Worker Contributions to Premiums for Family Coverage, 1999-2020

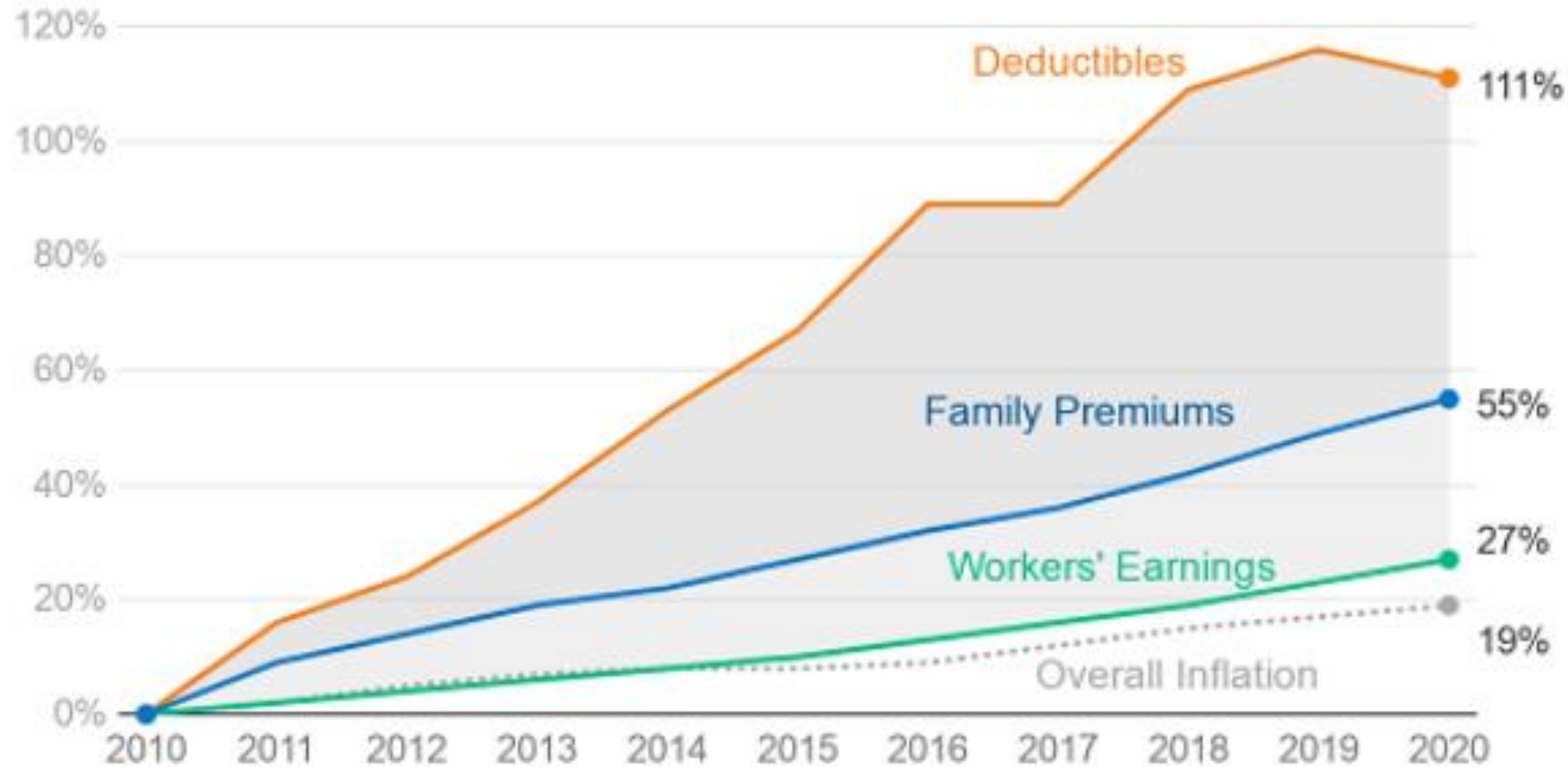


\* Estimate is statistically different from estimate for the previous year shown ( $p < .05$ ).

SOURCE: KFF Employer Health Benefits Survey, 2018-2020; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017

**KFF**

# NONSUSTAINABLE CONCERN: Employee Premiums and Deductibles Have Risen Much Faster than Wages since 2010



NOTE: Average general annual deductibles are for single coverage. Workers in plans without a general annual deductible for in-network services are assigned a value of zero. Source: KFF Employer Health Benefits Survey, 2020; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2010 and 2015: <https://www.kff.org/health-costs/report/2020-employer-health-benefits-survey/>

# RAND 3.0 Study

Chris Whaley, PhD

Policy Research, RAND Corp.

# Overview of Previous Studies

	RAND 1.0 Study	RAND 2.0 Study
<b>Services</b>	Hospital Inpatient and Outpatient	Hospital Inpatient and Outpatient
<b>States</b>	IN	CO, FL, GA, IL, IN, KS, KY, LA, MA, ME, MI, MO, MT, NH, NC, NM, NY, OH, PA, TN, TX, VT, WA, WI, WY
<b>Years</b>	July 2013-June 2016	January 2015 – December 2017
<b>Hospitals</b>	120 community hospitals	1598 short-stay general medical/ surgical
<b>Claims</b>	14,000 inpatient hospital facility stays 275,000 hospital outpatient facility services	330,000 claims inpatient facility stays 14.2 million outpatient facility services
<b>Covered Lives</b>	225,000	4 million
<b>Allowed Amount</b>	\$695,000 million total: \$336 million inpatient \$359 million outpatient	\$12.9 billion total: \$6.3 billion inpatient \$6.6 billion outpatient
<b>Data Sources</b>	Participating self-funded employers	Self-funded employers, 2 all payer claims databases, and health plans
<b>Published</b>	September 2017	May 2019
<b>Funders</b>	Fully funded by the Robert Wood Johnson Foundation (RWJF)	RWJF, NIHCR, THFI, optional for self-funded employers who wanted a private report (not health plans or hospitals)

# RAND 3.0 Study

Conducted by RAND Corp, commissioned by the Employers' Forum of Indiana

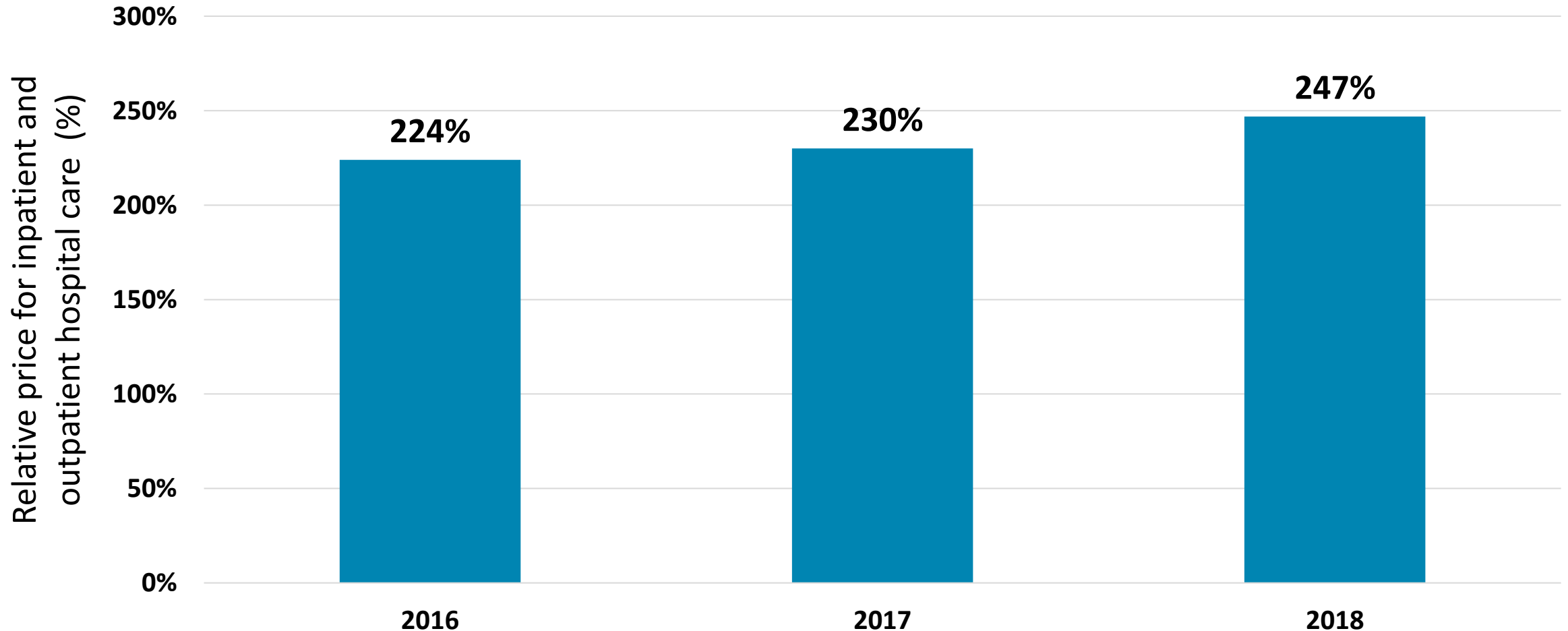
	RAND 3.0
Services	Hospital Inpatient and Outpatient Fees Professional Inpatient and Outpatient Fees
States	49 states and the District of Columbia (excludes Maryland)
Years	January 2016 – December 2018
Hospitals	3,112
Claims	750,000 for inpatient hospital facility stays (and professional fees) 40.2 million claims for outpatient services (and professional fees)
Allowed Amount	\$33.8 billion total: \$15.7 billion inpatient \$14.8 billion outpatient \$3.3 billion professional
Data Sources	Self-insured employers, 6 state all-payer claims databases, & health plans across the US
Published	September 18, 2020
Funders	Robert Wood Johnson Foundation & optional for self-funded employers if they wanted a private report

<https://employerptp.org/wp-content/uploads/2020/09/RAND-3.0-Report-9-18-20.pdf>



# RAND 3.0: Trends in Relative Prices in U.S.

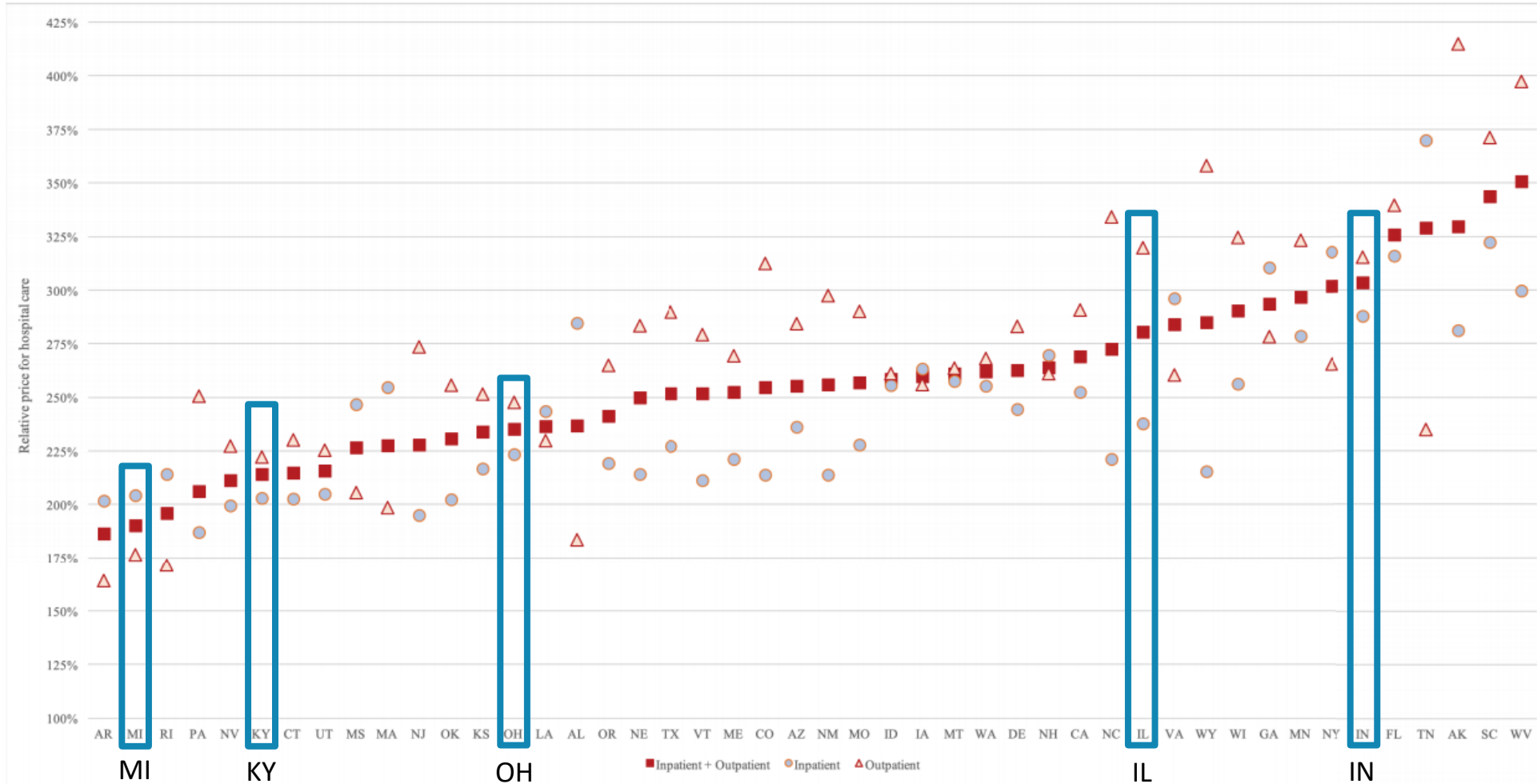
Total inpatient and outpatient services to include facility and professional prices



NOTE: Relative prices equal the ratio of the amounts actually paid divided by the amounts that would have been paid—for the same services provided by the same hospitals—using Medicare’s price-setting formulas. Prices include prices for inpatient and outpatient services and group facility and professional fees.

# Hospital Prices Relative to Medicare by State, 2018

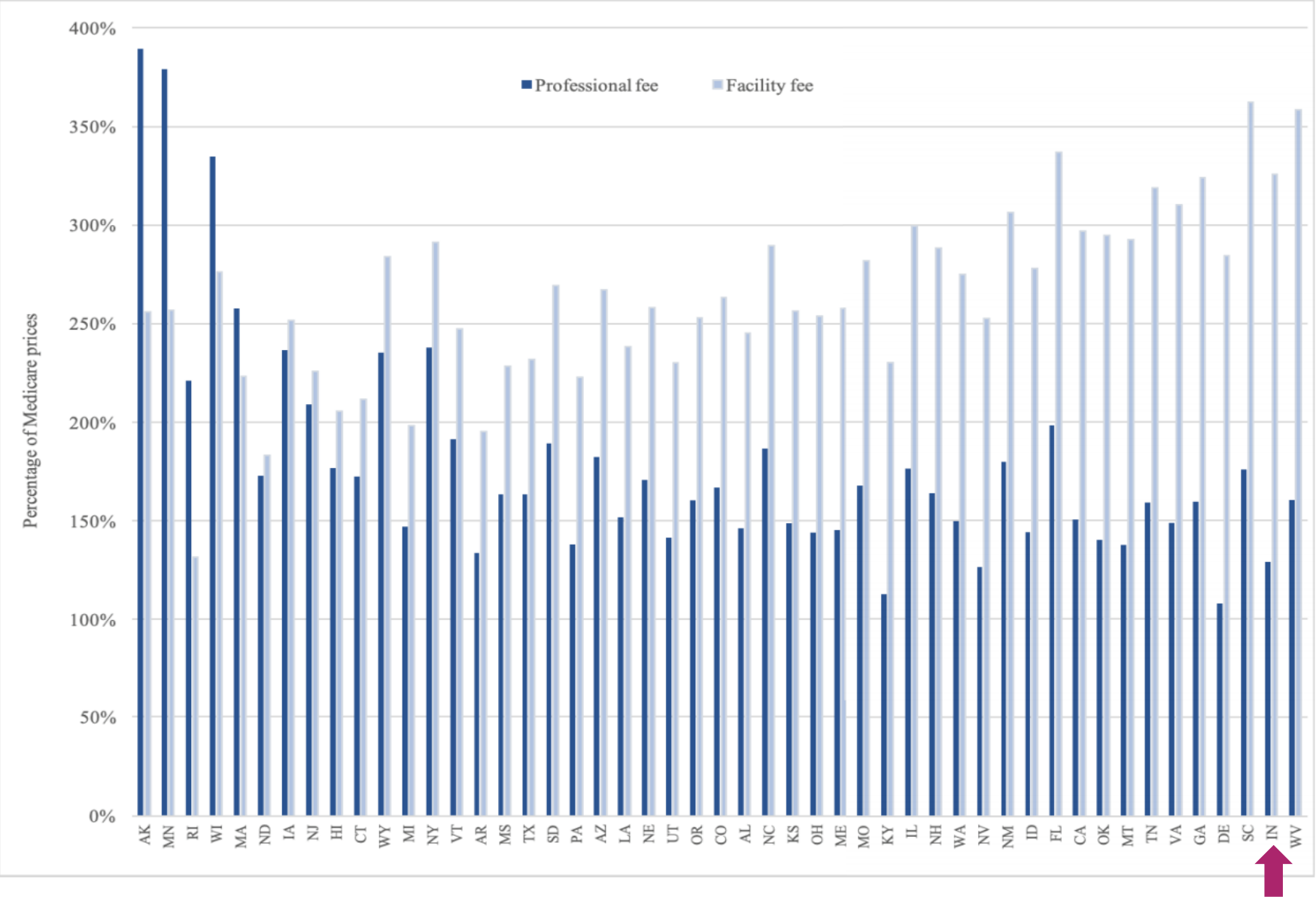
Total, Inpatient and Outpatient services to include facility and professional prices



- Indiana is the 6<sup>th</sup> highest state paying 304% of Medicare when looking at facility (hospital) payment combined with professional (physician) payment.
- Separating hospital and physician payment, we find:
- Indiana hospitals are 4<sup>th</sup> highest paid in the country at 340% of Medicare and 4<sup>th</sup> lowest for physician payment at 131% of Medicare.

NOTE: Relative prices equal the ratio of the amounts actually paid divided by the amounts that would have been paid—for the same services provided by the same hospitals—using Medicare's price-setting formulas. Prices include prices for inpatient and outpatient services and group facility and professional fees.

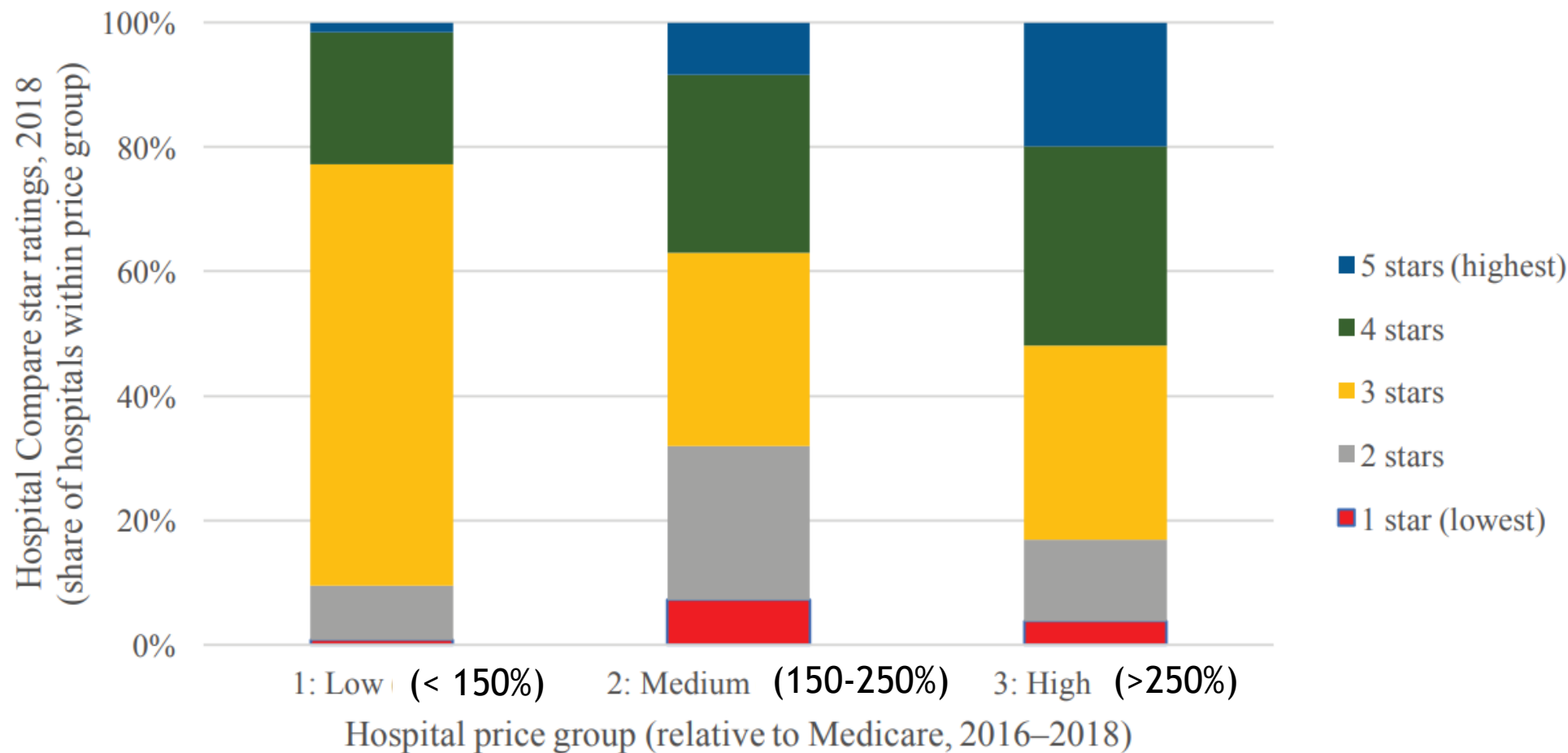
# Relative Facility and Professional Prices by State, 2016-2018



Note: Relative prices equal the ratio of the amounts actually paid divided by the amounts that would have been paid—for the same services provided by the same hospitals—using Medicare’s price-setting formulas.

For each state, this figure denotes relative prices for facility and professional payments. States are sorted by the percentage point difference between facility and professional relative prices.

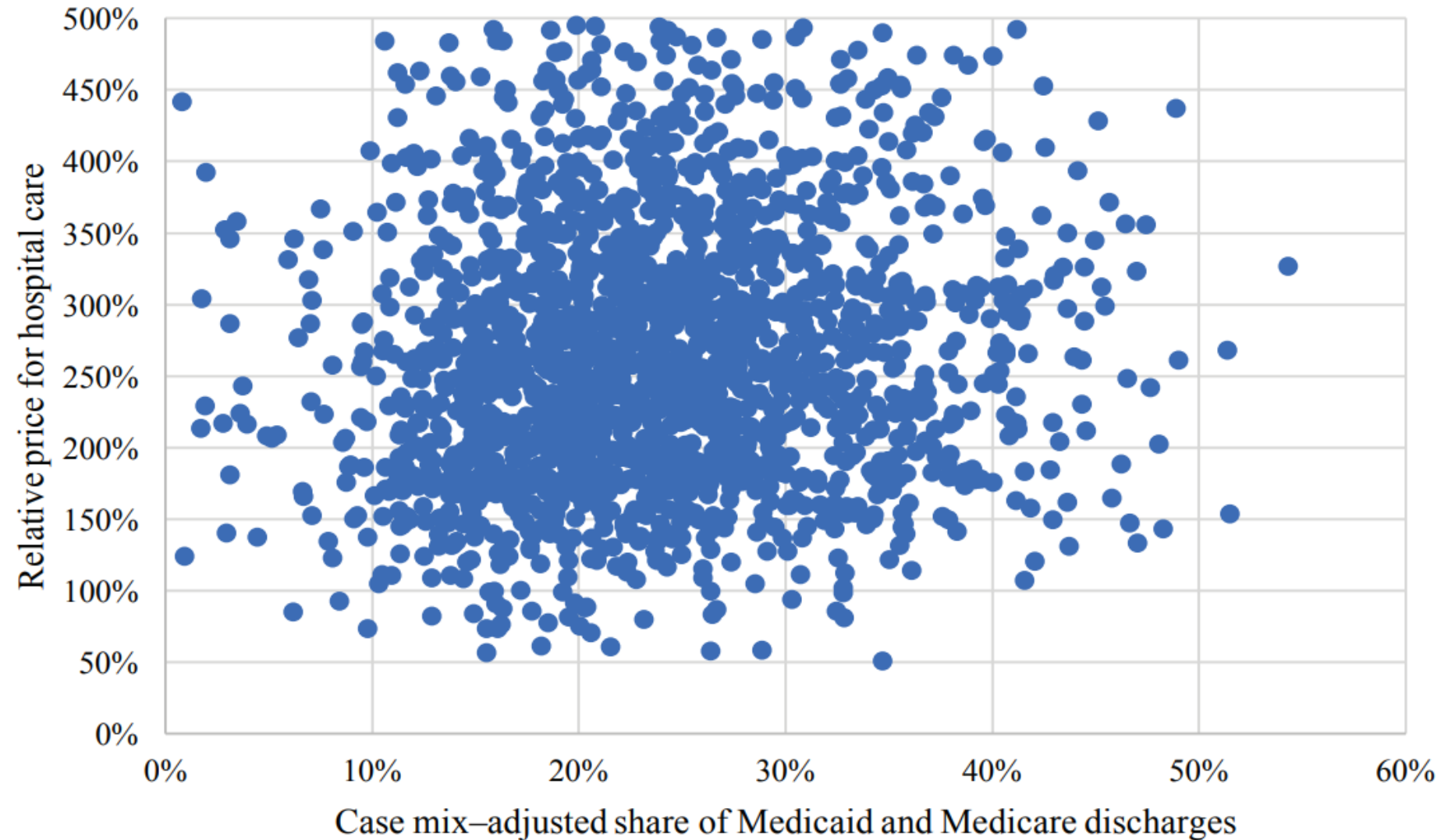
# Proportion of Hospitals In U.S. Receiving 1-5 Stars from CMS, by Price Group



NOTE: Relative prices equal the ratio of the amounts actually paid divided by the amounts that would have been paid—for the same services provided by the same hospitals—using Medicare’s price-setting formulas. Hospitals are categorized as those with prices below 1.5 times Medicare rates, between 1.5- and 2.5-times Medicare rates, and 2.5 times or above Medicare rates. Prices include facility and professional payments. Each price category contains the share of hospitals in that category with each CMS Hospital Compare star category.

# U.S. Hospitals Total Relative Prices and Case-Mix-Adjusted Share of Discharges Attributed to Medicaid & Medicare Patients

This scatter plot of 3,112 hospitals shows that there is **NO Correlation** between prices paid and how many Medicaid and Medicare patients are seen by a hospital



# Thank You!

## NEXT

# RAND 3.0 Study Findings: Indiana

Gloria Sachdev

President and CEO, Employers' Forum of Indiana

# RAND 3.0 Study - Indiana data

<https://employerptp.org/rand-hospital-price-studies/>

Download Supplement  
-Hospitals Tab: 115 hospitals  
-INDIANA Tab: health-systems



PRESS RELEASE (9/18/20)



INTERACTIVE MAP



READ RAND 3.0 REPORT

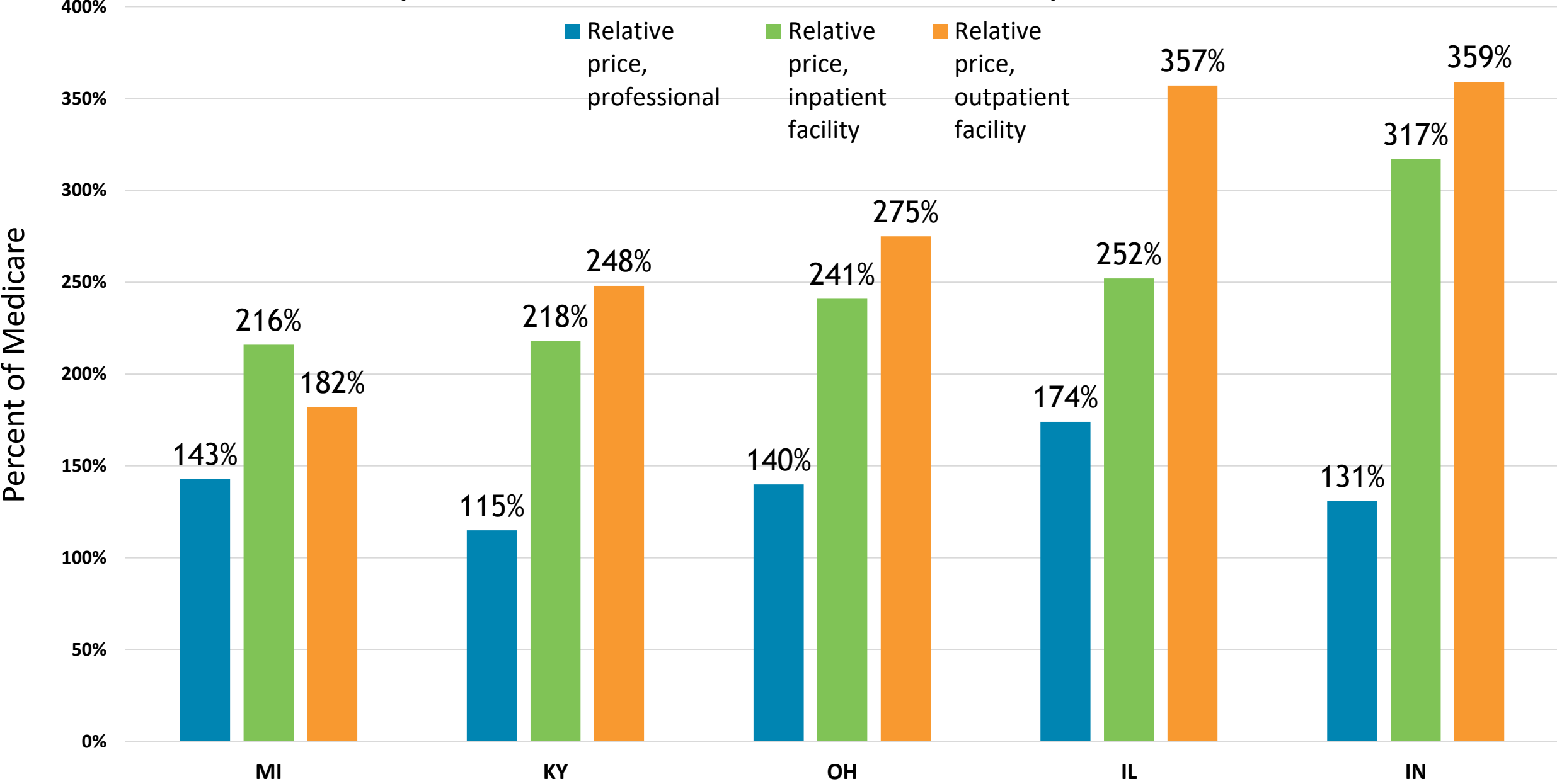


DOWNLOAD SUPPLEMENT



2020 CONFERENCE PRESENTATIONS

# Hospital Prices Relative to Medicare by State, 2018

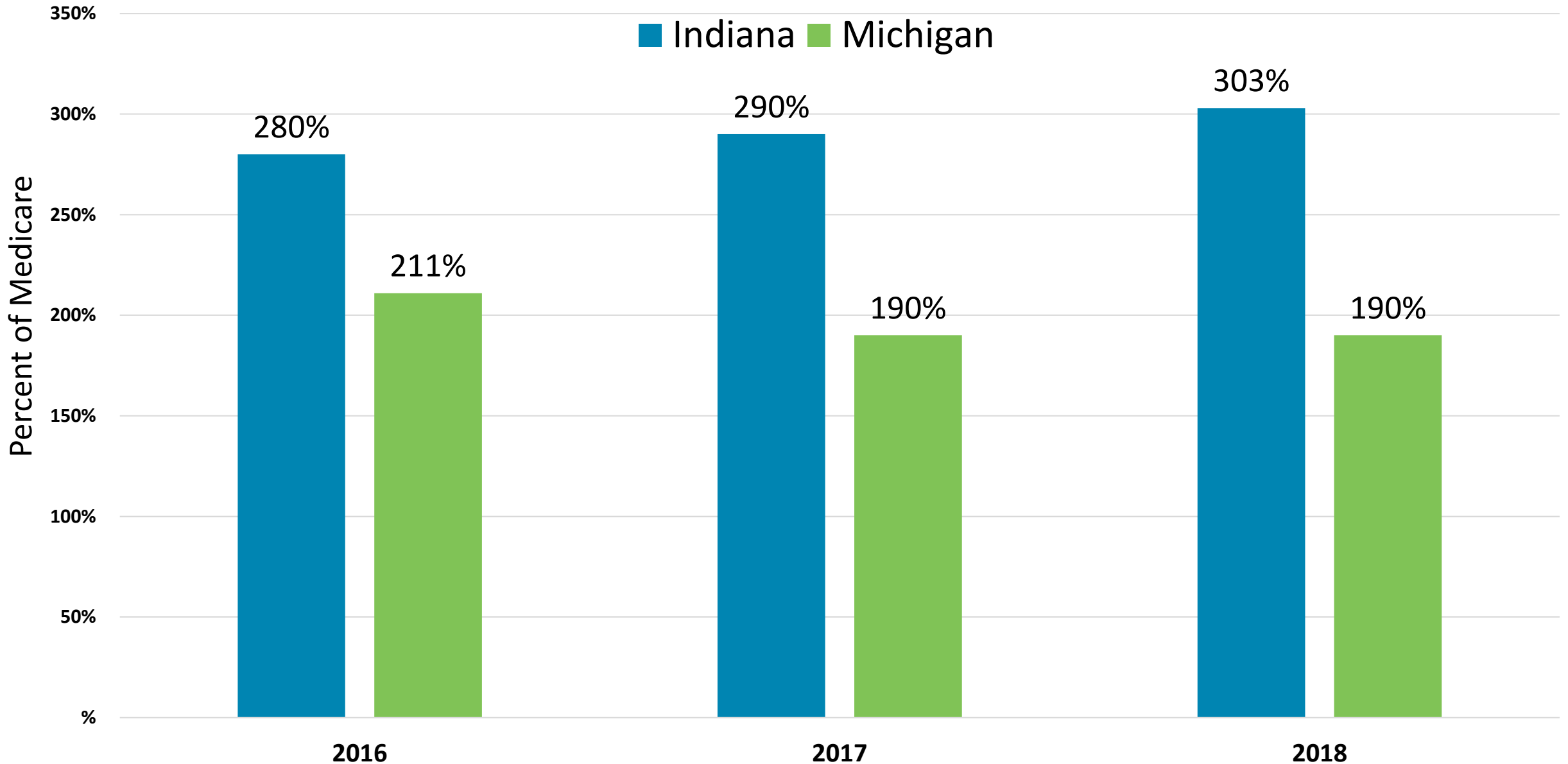


Source: Whaley, 2020, Nationwide Evaluation of Health Care Prices Paid by Private Health Plans findings from Round 3 of an Employer-Led Transparency Initiative



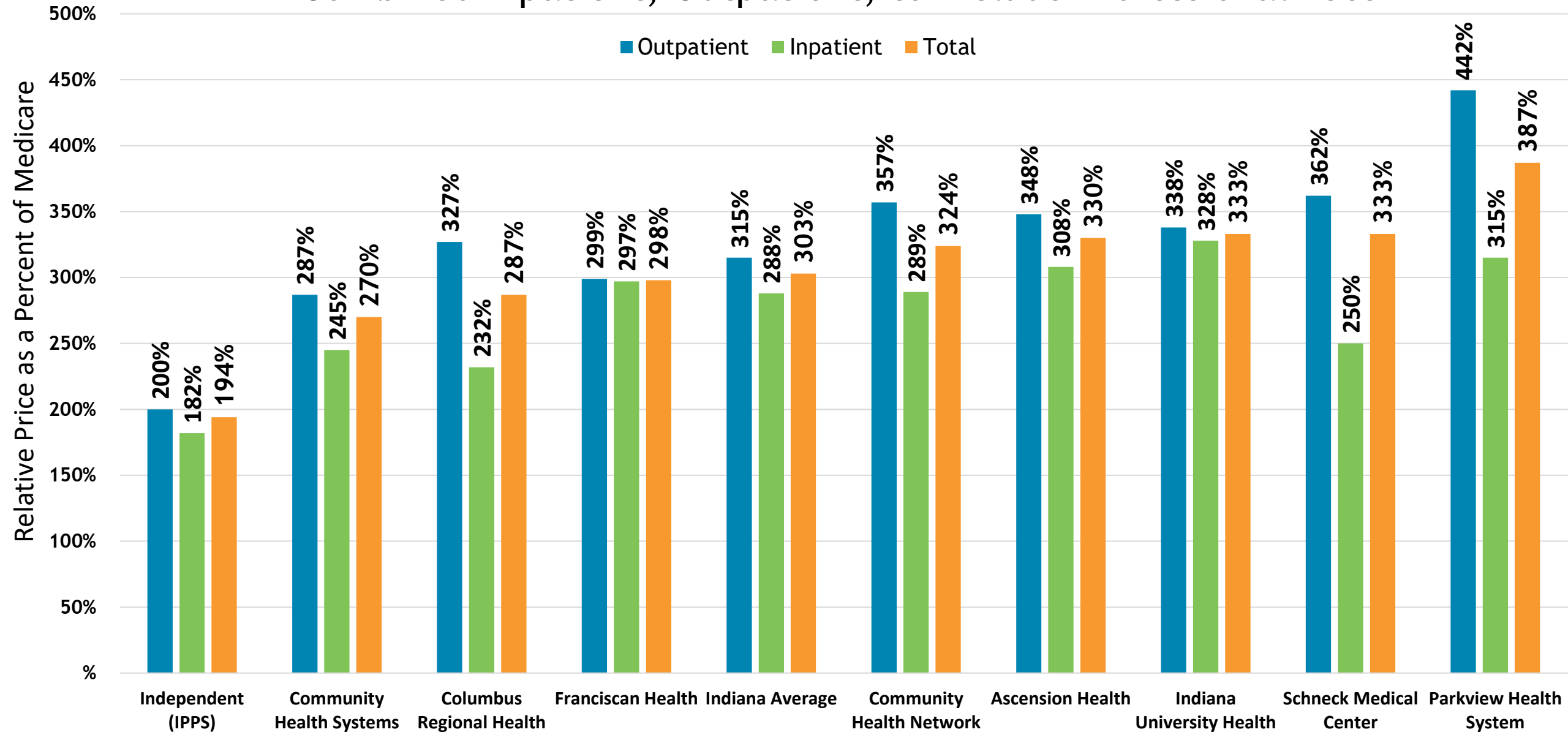
# Hospital Prices Relative to Medicare

Includes Inpatient and Outpatient Facility & Associated Professional Price



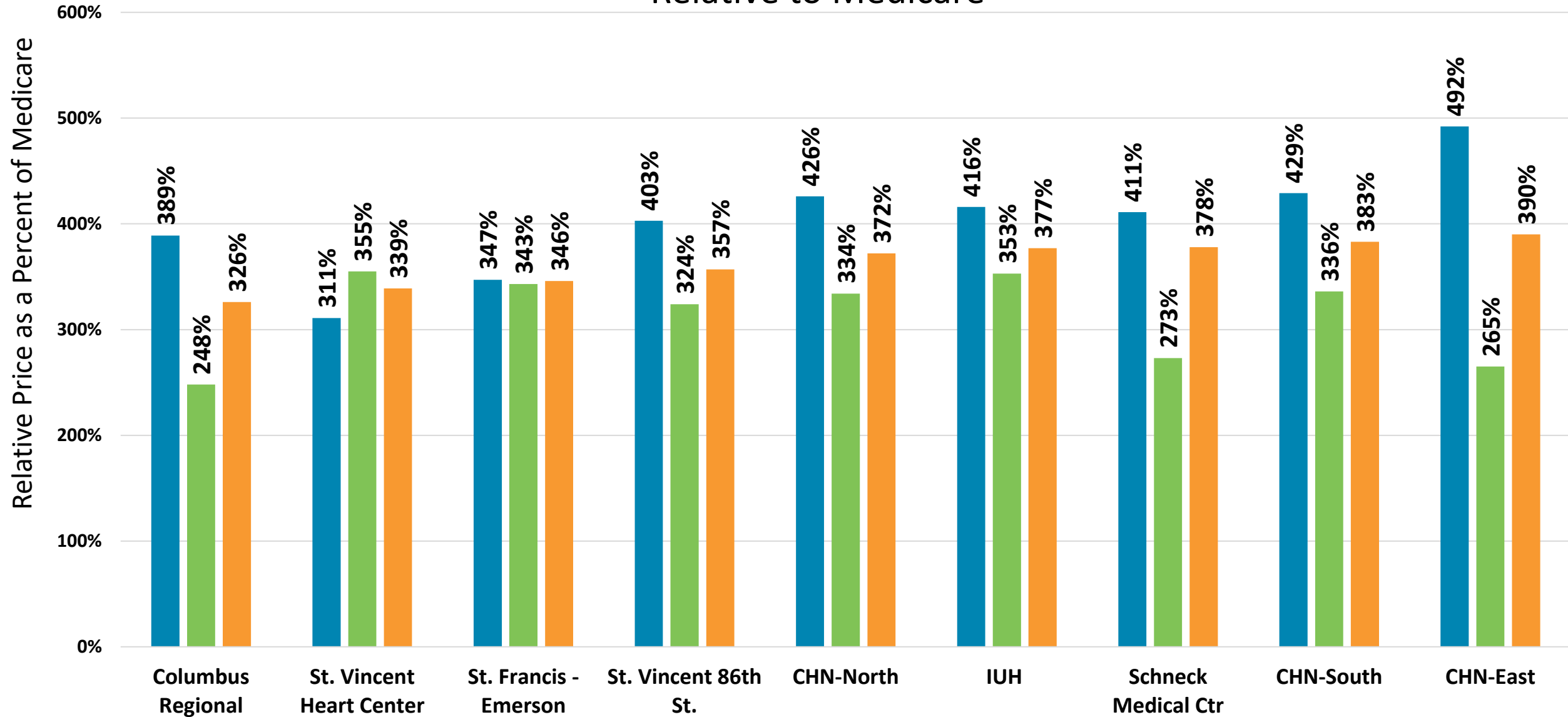
# INDIANA Hospital Prices Relative to Medicare, 2018

## Combined Inpatient, Outpatient, to include Professional Fees



# Central Indiana 2016-2018 Facility Only Prices Relative to Medicare

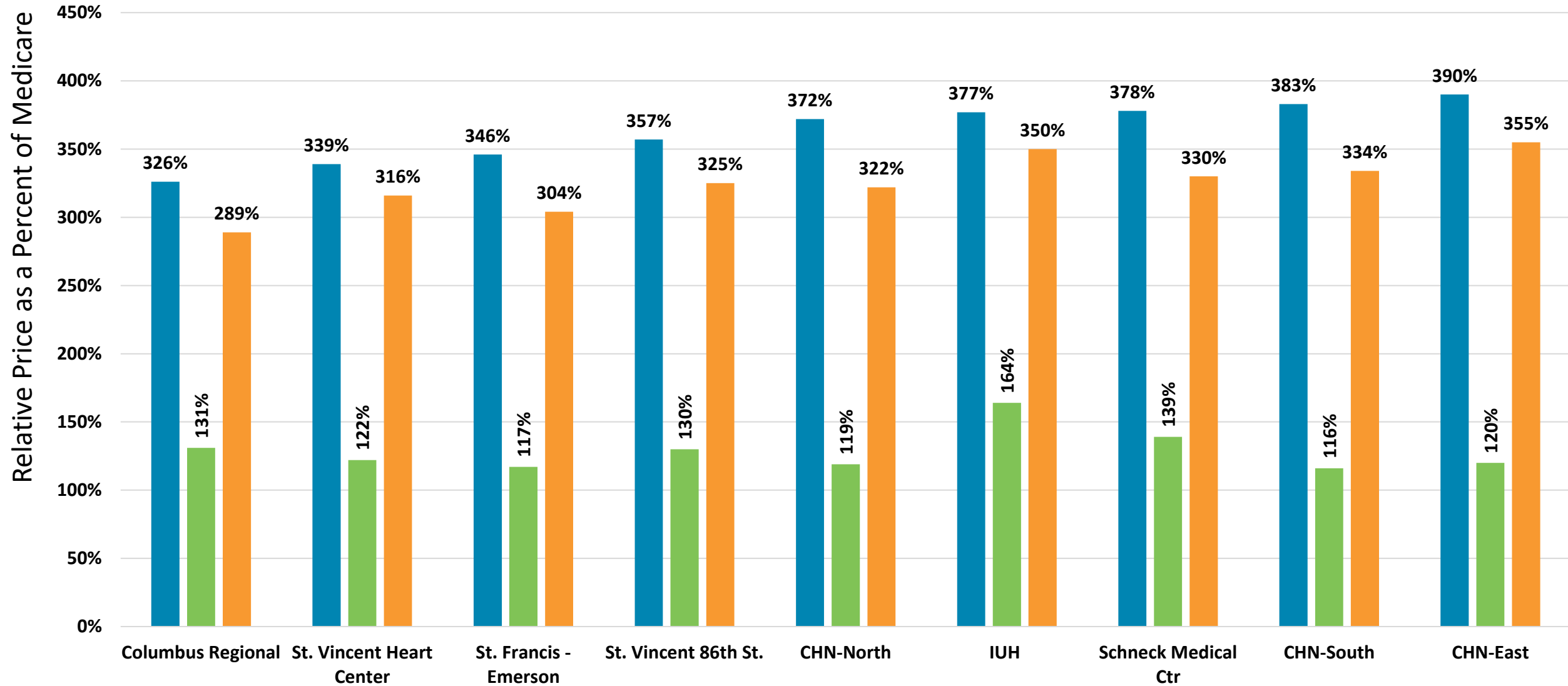
■ Outpt Hosp ■ Inpt Hosp ■ Total



Facility Professional Total w/ Prof

# Central Indiana

## 2016-2018 Facility VS Professional Prices Relative to Medicare

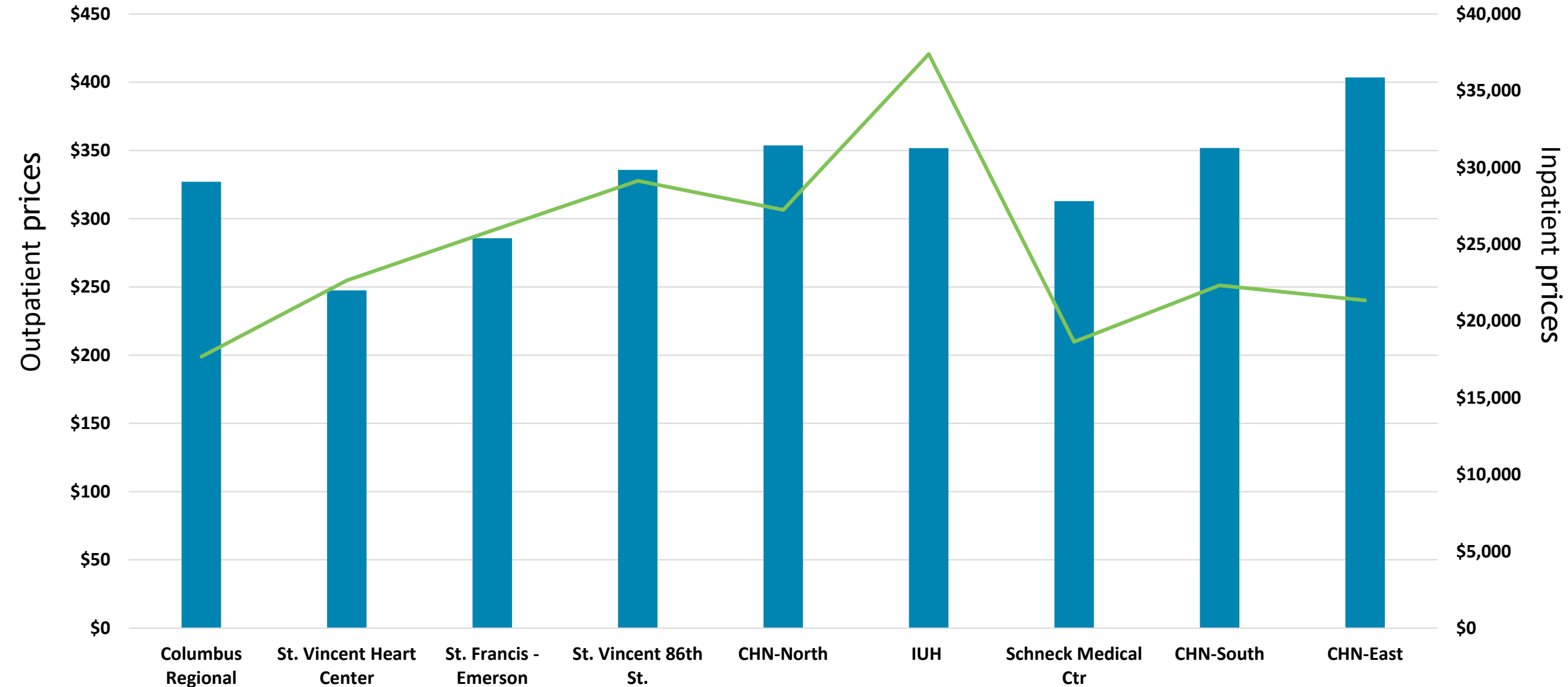


# Central Indiana

## 2016-2018 Standardized Prices

### Ordered by Relative Medicare Prices

Outpatient Inpatient

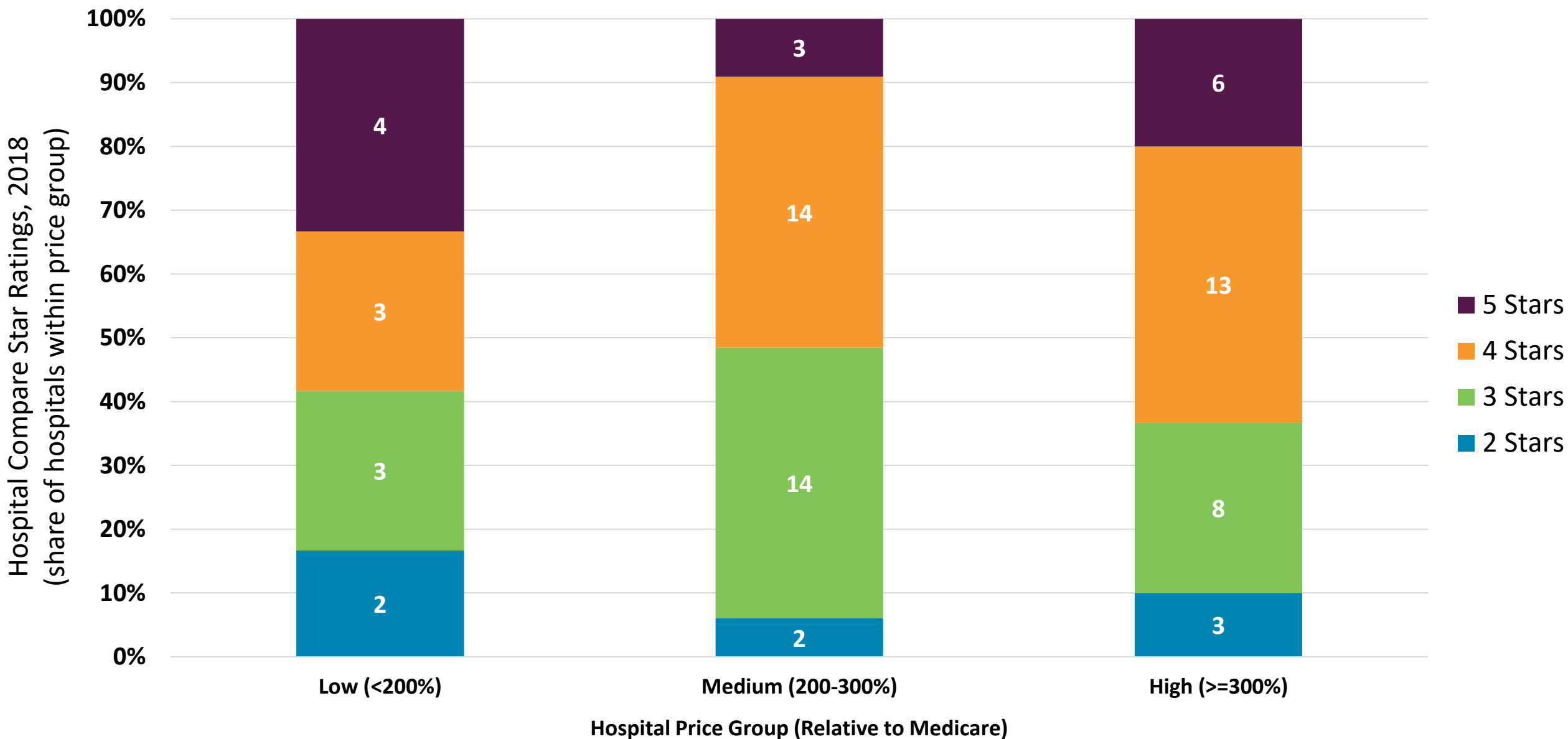


# Quality is King

- Goal is to pay for high value
- Must identify high quality services at a fair price
- Quality It is NOT all the same
- SPEND a lot of time with CMS Hospital Star Ratings, updated January 2020
  - <https://www.medicare.gov/hospitalcompare/about/hospital-overall-ratings.html>
  - CMS Hospital Compare downloadable datasets for over 4000 hospitals in U.S.
    - <https://data.medicare.gov/data/hospital-compare>

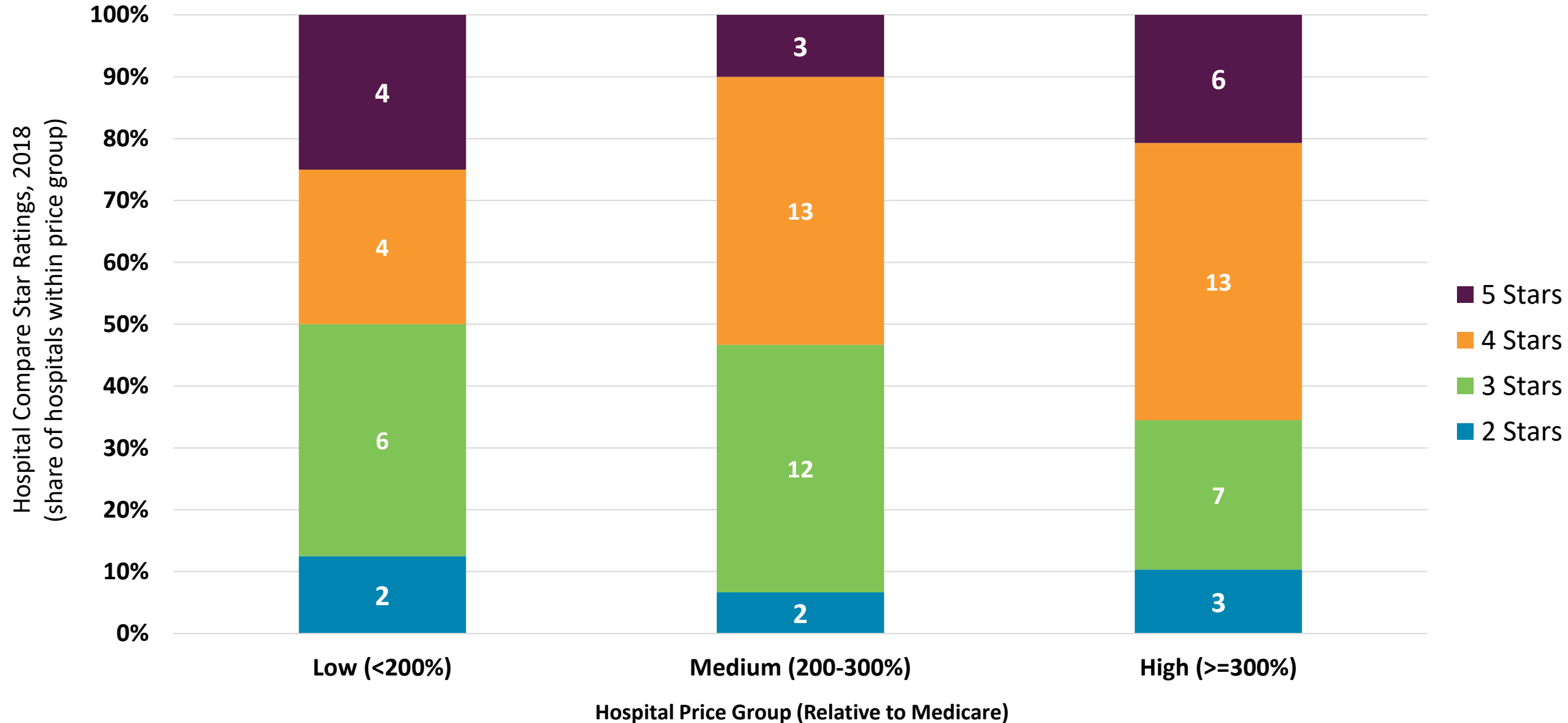
# RAND 3.0 Indiana Hospitals: Relative Price by CMS Quality Star Rating

Includes **Inpatient and Outpatient** Facility & Associated **Professional** Price (N=75)



# RAND 3.0 Indiana: Hospitals Relative Price by CMS Quality Star Rating

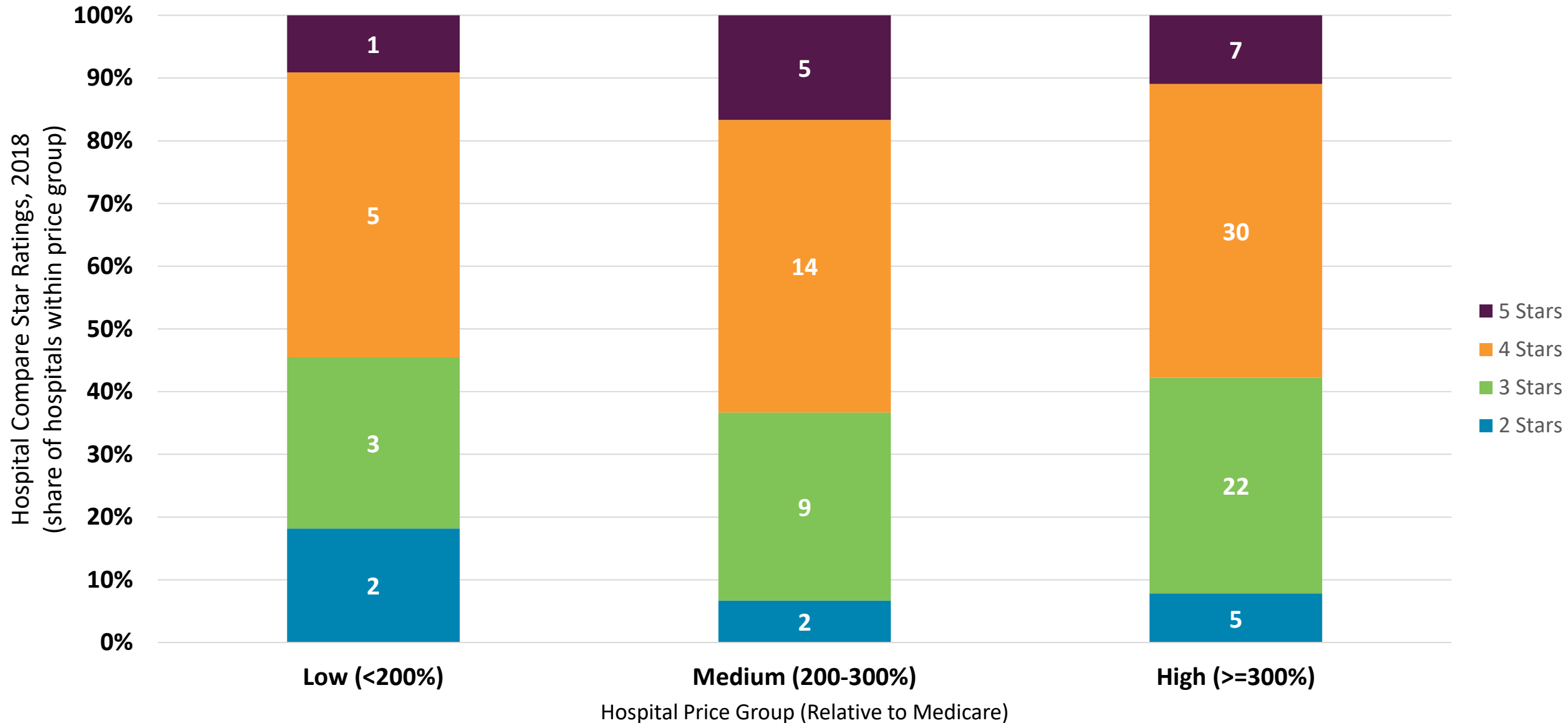
## Reflects **Inpatient Facility** Price Only (N=75)





# RAND 3.0 Indiana: Hospitals Relative Price by CMS Quality Star Rating

## Reflects **Outpatient Facility** Price Only (N=105)



# Price and Quality

## Payments Relative to Medicare

St. Vincent* 2016 to 2018	Inpatient Facility	Outpatient Facility	Facility Only Total	Professional Only	Facility Plus Professional	Medicare Star Rating
St. Vincent Anderson	338%	403%	384%	124%	334%	***
St. Vincent Carmel Hospital	308%	447%	369%	107%	309%	****
St. Vincent Evansville	372%	461%	423%	142%	370%	***
St. Vincent Fishers Hospital	307%	440%	398%	145%	341%	***
St. Vincent Hospital & HCC Indianapolis	324%	403%	357%	130%	325%	***
St. Vincent Heart Center	355%	311%	339%	124%	318%	*****
St. Joseph Hospital & Health Center	289%	406%	361%	121%	308%	****

\* only hospitals with full reporting are shown above

# Price and Quality

## *Payments Relative to Medicare*

<b>IU Health* 2016 to 2018</b>	<b>Inpatient Facility</b>	<b>Outpatient Facility</b>	<b>Facility Only Total</b>	<b>Professional Only</b>	<b>Facility Plus Professional</b>	<b>Medicare Star Rating</b>
IU Health West Hospital	331%	374%	361%	142%	322%	*****
IU Health Bloomington Hospital	337%	464%	410%	117%	357%	****
IU Health North Hospital	320%	372%	343%	133%	302%	*****
IU Health Indianapolis	353%	416%	377%	164%	350%	****
IU Health Arnett Hospital	336%	292%	309%	142%	279%	***
IU Health Ball Memorial Hospital	298%	339%	317%	124%	286%	***

\* only hospitals with full reporting are shown above

# Price and Quality

## *Payments Relative to Medicare*

<b>Community Health Network 2016 to 2018</b>	<b>Inpatient Facility</b>	<b>Outpatient Facility</b>	<b>Facility Only Total</b>	<b>Professional Only</b>	<b>Facility Plus Professional</b>	<b>Medicare Star Rating</b>
Communiy Hospital Anderson	295%	354%	332%	117%	295%	***
Community Health - East	265%	492%	390%	121%	355%	****
Community Health - South	336%	429%	383%	116%	334%	****
Community Health - North	334%	426%	372%	119%	322%	***
Community Howard	283%	413%	355%	119%	317%	****

\* only hospitals with full reporting are shown above

# Price and Quality

## Payments Relative to Medicare

Franciscan Health 2016 to 2018	Inpt Facility	Outpt Facility	Total Facility	Professional	Total	Medicare Star Rating
St. Francis Carmel	303%	243%	280%	85%	236%	*****
Franciscan Health Crown Point	244%	305%	282%	153%	260%	****
Franciscan Health - Dyer	208%	366%	311%	125%	278%	***
Franciscan Health Hammond	147%	301%	235%	125%	214%	***
St. Francis Hospital Indianapolis	343%	347%	346%	117%	304%	**
Franciscan Health Lafayette	330%	302%	315%	132%	282%	****
Franciscan Health Michigan City	308%	304%	305%	118%	267%	****
St. Francis Health - Mooresville	311%	371%	346%	117%	300%	*****

\* only hospitals with full reporting are shown above

# Price and Quality

## *Payments Relative to Medicare*

<b>Parkview Health 2016 to 2018</b>	<b>Inpt Facility</b>	<b>Outpt Facility</b>	<b>Total Facility</b>	<b>Professional</b>	<b>Total</b>	<b>Medicare Star Rating</b>
Whitley Memorial Hospital	259%	592%	469%	150%	416%	****
Parkview Hospital	335%	558%	452%	125%	394%	****
Parkview Orthopedic Hospital	463%	553%	504%	80%	386%	N/A
Huntington Memorial Hospital	351%	569%	488%	125%	403%	****

\* only hospitals with full reporting are shown above

# Price and Quality

## *Payments Relative to Medicare*

	Inpt Facility	Outpt Facility	Total Facility	Professional	Total	Medicare Star Rating
Columbus Regional Hospital	248%	389%	326%	131%	289%	****
Schneck Medical Center	273%	411%	378%	138%	330%	*****

# Change is Possible!

In order to have a functional market, healthcare purchasers must demand Price and Quality Transparency

Reliable, actionable data to make informed decisions & hold the entire supply chain accountable

Benefit design with incentives for covered lives to go to high value

Payment models to provides aligned with high value

Enact legislative policy to allow for fair practices

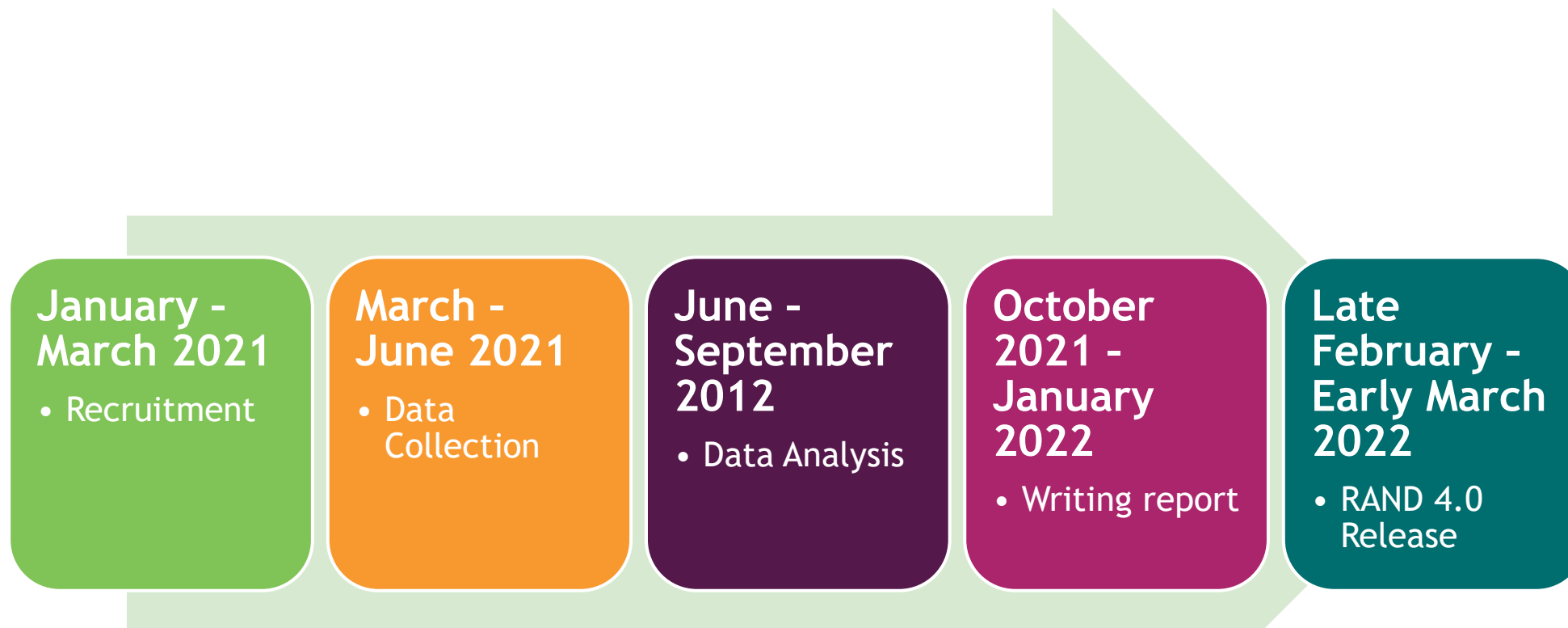
Stimulate Provider Competition around High Quality at Best Price



# RAND 4.0

Chris Whaley, PhD  
Policy Research, RAND Corp.

# RAND 4.0 Timeline



# RAND 4.0 Additional Ideas Under Consideration

- Dollars saved per employer if relative prices decreased
- How prices changed during COVID-19 in 2020
- Identify uncompensated care per hospital (charity care)
- Identify independent vs. hospital owned services for:
  - Ambulatory Surgical Care Services
  - Imaging Services
  - Laboratory Services
- Professional Fees:
  - Specialty Provider vs. Primary Care Providers
- Other ideas welcome.....

# Time for Q/A

Please note Questions  
for Chris Whaley and Gloria Sachdev  
in the chat box