



RAND 4.0 Hospital Price Transparency Study Finds Indiana Hospital Prices Among the Highest in the Nation

Employers' Forum of Indiana and RAND Corporation share preliminary findings at National Hospital Price Transparency Conference

INDIANAPOLIS (May 5, 2022) — Indiana's hospital prices are the seventh highest in the United States, according to preliminary findings of the RAND 4.0 Hospital Price Transparency Study. Findings were presented today ahead of the national release of the study at the Employers' Forum of Indiana's National Hospital Price Transparency Conference.

In 2020, Hoosier employers and insurance plans paid 292%—roughly three times higher—of the prices Medicare would charge for the same array of inpatient and outpatient hospital services at the same hospitals. Indiana's relative prices are higher than all four of its neighboring states—Michigan, Illinois, Ohio, and Kentucky. Relative total hospital price combines payments made for hospital and physician services.

The national study analyzed claims data from employers, private insurers, and 11 state all-payer-claims databases that included more than 4,000 hospitals and 4,000 additional ambulatory surgical centers across every U.S. state except Maryland.

“Year after year, independent research using real insurance claims data demonstrates that hospital care in Indiana is incredibly expensive,” said Gloria Sachdev, president and CEO of the Employers' Forum of Indiana. “Our state does not have enviable health outcomes, yet Indiana employers and health plans pay among the highest hospital fees anywhere in the country.”

While Indiana employers pay the seventh highest total hospital relative prices, this number includes both what the hospital facility was paid and what the physicians were paid. Separating the numbers into their components yields remarkable findings:

- Indiana hospital facility prices are fourth highest in the country at 329% of Medicare. This is comprised of inpatient and outpatient hospital facility fees only and does not include physician services.
 - Inpatient facility prices are fourth highest in the country at 298% of Medicare.
 - Outpatient facility prices are sixth highest at 386% of Medicare.
- Indiana hospital physician prices are ranked fourth lowest in the country at 126% of Medicare. This is comprised of physician services only and does not include hospital facility fees.

“We have two problems in Indiana: outrageously high hospital prices and very low reimbursement for physician services. We need to work on both of these issues as they are contributing to consolidation of healthcare choices in our state,” added Sachdev.

[Employers' Forum of Indiana](#), a nonprofit, employer-led, multi-stakeholder coalition, conceptualized the RAND hospital price transparency studies. The Forum aims to provide quality, price, and cost transparency across the healthcare industry to allow purchasers to make informed decisions.

“This employer-led study shines a light on the real prices that consumers and their health plans pay for healthcare, and gathering data from employer claims to compare with other available pricing data helps us



achieve some transparency in an industry that is notoriously complex and opaque,” said Sachdev. “Greater transparency is critical for a competitive market, so consumers of health care can make the choices to purchase the highest quality care at the best price.”

Before the 2022 legislative session, the leaders of the Indiana General Assembly [sent a letter](#) asking large hospitals and insurance companies to provide a plan to bring their prices in line with national averages, or else face more substantive legislative action. In their response, hospital leaders cited a number of barriers—the pandemic, supply chain costs, reduced staff, loss of patients—as to why they couldn’t immediately reduce prices.

Using data from the soon-to-be released RAND 4.0 [Hospital Price Transparency Study](#), Employers’ Forum of Indiana launched [Sage Transparency](#), a publicly accessible and customizable dashboard to demonstrate hospital price and quality, today. In addition to the RAND 4.0 study, Sage Transparency incorporates leading health data sources from the Center for Medicare and Medicaid Services, [Turquoise Health](#), [Healthcare Bluebook](#), and the [National Academy for State Health Policy](#).

Employers’ Forum of Indiana and RAND Corporation partner to recruit study participants. RAND Corporation independently collects and analyzes data as well as independently writes and publishes the final report. This study was funded by the Robert Wood Johnson Foundation and self-funded employers.

To see presentations from Gloria Sachdev and RAND report author Chris Whaley, click [here](#). To see prior RAND price transparency studies, click [here](#).

About Employers’ Forum of Indiana

The [Employers’ Forum of Indiana](#) is a not for profit employer-led multi-stakeholder coalition whose mission is to improve the value payers and patients receive for their health care expenditures. Forum members include employers, health plans, hospitals/health-systems, providers, and numerous other interested healthcare stakeholders who work collaboratively to improve health care in Indiana.