### RAND Hospital Price Transparency Project

EMPLOYER'S FORUM OF INDIANA



### Acknowledgments

- Funding provided by the Robert Wood Johnson Foundation, Arnold Ventures, and participating employers
- Study conceptualized by Employer's Forum of Indiana

#### Study team



Rose Kerber Research Programmer



Aaron Kofner Research Programmer



Brenna O'Neill Research Programmer



Brian Briscombe
Quantitative
Analyst

## Employer-sponsored plans cover half of Americans

\$1.2 trillion

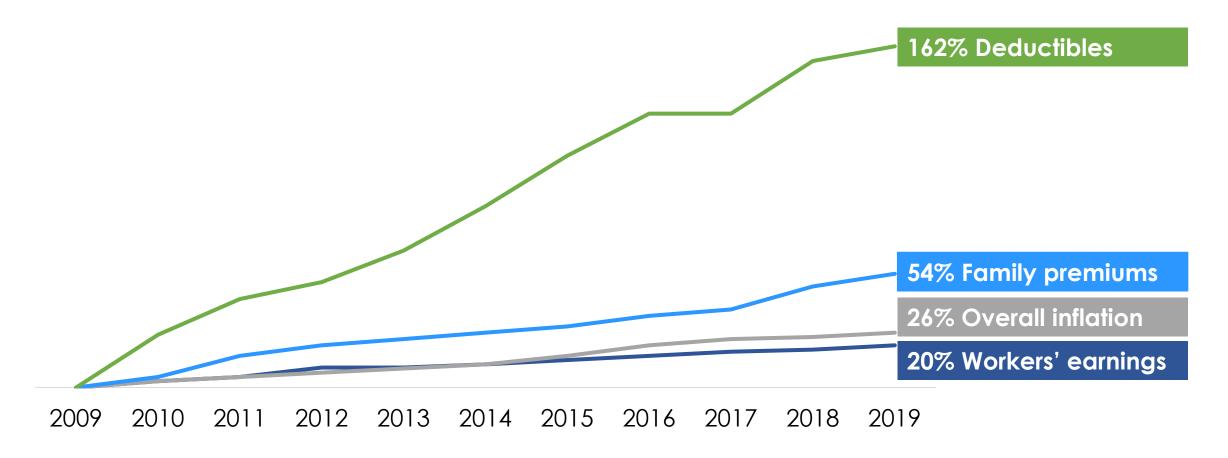
health care costs in 2018

\$480 billion

hospital costs in 2018

160 million people

# Over the past decade, premiums and deductibles have outpaced wages



SOURCE: Kaiser Family Foundation. (2019) Health Benefits Survey

# Self-funded employers have a fiduciary responsibility to monitor health care prices

Fiduciaries have a responsibility to "act solely in the interest of plan participants and their beneficiaries and with the exclusive purpose of providing benefits to them."

—Department of Labor



How can self-funded plans fulfill fiduciary obligations without knowing prices?

### Is the current system working?

### Star Press.



#### **OPINION**

Indiana's
hospital systems
committed to
health care
affordability

April 7, 2022



"The market is working, and we should let it continue in the most consumer- and business-friendly manner possible."

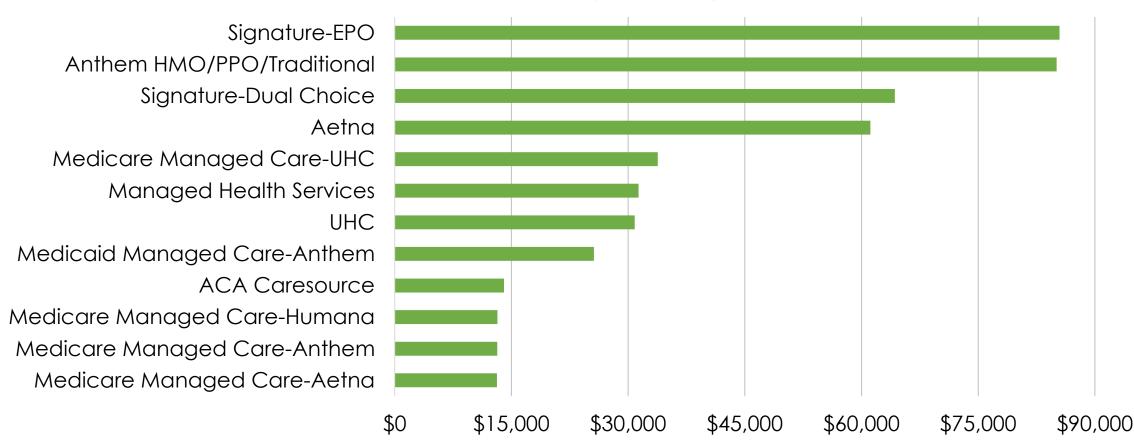


ckages that occur in the outpatient setting. H., Gross Charges: 1000/EAP: 201240002", Description: HC GENERAL AMESIN EA ADD 30 MMS. Parkview Regional medical Center: 101240010", Description: HC IV SEMATION EA ADD 30 MINS. "Parkview Regional Medical Center: 101240010", Description: HC IV SEMATION EA ADD 30 MINS. "Parkview Regional Medical Center: 101240010", Description: HC IV SEMATION EA HILLIAND INTUINAL AND SEMATION OF THE ADD SEMATION OF T CONDITIONG PLAY AUDIOMETRY-AUD", "CPT/HCPCS": "92582", "Parkview Regional Medical Center": "284"}, ("CDM/EAP": "01742587", "Description": "HC EVOKED OTOACOUSTIC EMISS UNILATERAL-AUD", "CPT/HCPCS": "92587", "Parkview Regional Medical Center": "284"}, "Description":"HC EVOKED OTOACOUSTIC EMISS-AUD", "CPT/HCPCS":"92587", "Parkview Regional Medical Center":"433"}, {"CDM/EAP":"01748068", "Description":"HC PURE TONE-THRESH-AIR ONLY-AUD", "CPT/HCPCS":"92552", "Parkview Regional Medical 18067", "Description": "HC PURE TONE-THRESH-AIR&BONE-AUD", "CPT/HCPCS": "92553", "Parkview Regional Medical Center": "416"}, ("CDM/EAP": "01748070", "Description": "HC REMOVE CERUMEN W/SAME DAY TEST", "CPT/HCPCS": "6268", "Parkview Regional Medical "01748071", "Description": "HC SCREEN-PURE TONE-AIR ONLY-AUD", "CPT/HCPCS": "92551", "Parkview Regional Medical Center": "148"}, "CDM/EAP": "01748072", "Description": "HC SCLECT PICTURE AUDIOMETRY-AUD", "CPT/HCPCS": "92583", "Parkview Regional Medical Center": "148"}, "CDM/EAP": "01748072", "Description": "HC SCREEN-PURE TONE-AIR ONLY-AUD", "CPT/HCPCS": "92583", "Parkview Regional Medical Center": "148"}, "CDM/EAP": "01748072", "Description": "HC SCREEN-PURE TONE-AIR ONLY-AUD", "CPT/HCPCS": "92583", "Parkview Regional Medical Center": "148"}, "CDM/EAP": "01748072", "Description": "HC SCREEN-PURE TONE-AIR ONLY-AUD", "CPT/HCPCS": "92583", "Parkview Regional Medical Center": "148"}, "CDM/EAP": "01748072", "Description": "HC SCREEN-PURE TONE-AIR ONLY-AUD", "CPT/HCPCS": "92583", "Parkview Regional Medical Center": "148"}, "CDM/EAP": "01748072", "Description": "HC SCREEN-PURE TONE-AIR ONLY-AUD", "CPT/HCPCS": "92583", "Parkview Regional Medical Center": "148"}, "CDM/EAP": "01748072", "Description": "HC SCREEN-PURE TONE-AIR ONLY-AUD", "CPT/HCPCS": "92583", "Parkview Regional Medical Center": "148"}, "CDM/EAP": "01748072", "Description": "HC SCREEN-PURE TONE-AIR ONLY-AUD", "CPT/HCPCS": "92583", "Parkview Regional Medical Center": "148"}, "CDM/EAP": "01748072", "Description": "HC SCREEN-PURE TONE-AIR ONLY-AUD", "CPT/HCPCS": "92583", "Parkview Regional Medical Center": "148"}, "CDM/EAP": "Description": "HC SCREEN-PURE TONE-AIR ONLY AUD", "CPT/HCPCS": "92583", "Parkview Regional Medical Center": "148"}, "CDM/EAP": "Description": "HC SCREEN-PURE TONE-AIR ONLY AUD", "CPT/HCPCS": "92583", "Parkview Regional Medical Center": "148"}, "CDM/EAP": "Description": "HC SCREEN-PURE TONE-AIR ONLY AUD", "CPT/HCPCS": "92583", "Parkview Regional Medical Center": "148"}, "Description": "HC SCREEN-PURE TONE-AIR ONLY AUD", "CPT/HCPCS": "92583", "Parkview Regional Medical Center": "148"}, "Description Tone-AIR ONLY AUD", "CPT/HCPCS": "92583", "Parkview Regional Medical Center": "92583", "Parkview Regional Medical Center": "92583", "Parkview R "01748078", "Description": "HC SP AUDIOMETRY THRESHOLD—AUD", "CPT/HCPCS": "92555", "Parkview Regional Medical Center": "158"}, {"CDM/EAP": "01748080", "Description": "HC SPEECH THRESHOLD W/RECOG—AUD", "CPT/HCPCS": "92556", "Parkview Regional Medical Center": "23 748082", "Description": "HC STENGER TEST PURE TONE-AUD", "CPT/HCPCS": "92565", "Parkview Regional Medical Center": "207"}, {"CDM/EAP": "01748084", "Description": "HC TONE DECAY TEST-AUD", "CPT/HCPCS": "92563", "Parkview Regional Medical Center": "148"}, CDM/EAP":"01742550","Description":"HC TYMPANOMETRY & REFLEX THRESH","CPT/HCPCS":"92550","Parkview Regional Medical Center":"416"},{"CDM/EAP":"01742567","Description":"HC TYMPANOMETRY UNILATERAL- AUD","CPT/HCPCS":"92567","Parkview Regional Medical Center CDM/EAP":"01748085","Description":"HC TYMPANOMETRY-AUD","CPT/HCPCS":"92567","Parkview Regional Medical Center":"170"},{"CDM/EAP":"01748088","Description":"HC VISUAL REINFORC AUDIOMETRY-AUD","CPT/HCPCS":"92579","Parkview Regional Medical Center":"328"}, CDM/EAP": "01682002", "Description": "HC AMNIOINFUSION THROUGH IUPC", "Parkview Regional Medical Center": "838"}, {"CDM/EAP": "01682003", "Description": "HC ARTERIAL LINE INSERTION", "Parkview Regional Medical Center": "838"}, {"CDM/EAP": "01682003", "Description": "HC ARTERIAL LINE INSERTION", "Parkview Regional Medical Center": "838"}, {"CDM/EAP": "01682003", "Description": "HC ARTERIAL LINE INSERTION", "Parkview Regional Medical Center": "838"}, {"CDM/EAP": "01682003", "Description": "HC ARTERIAL LINE INSERTION", "Parkview Regional Medical Center": "838"}, {"CDM/EAP": "01682003", "Description": "HC ARTERIAL LINE INSERTION", "Parkview Regional Medical Center": "838"}, {"CDM/EAP": "01682003", "Description": "HC ARTERIAL LINE INSERTION", "Parkview Regional Medical Center": "838"}, {"CDM/EAP": "01682003", "Description": "HC ARTERIAL LINE INSERTION", "Parkview Regional Medical Center": "838"}, {"CDM/EAP": "01682003", "Description": "HC ARTERIAL LINE INSERTION", "Parkview Regional Medical Center": "838"}, {"CDM/EAP": "01682003", "Description": "HC ARTERIAL LINE INSERTION", "Parkview Regional Medical Center": "838"}, {"CDM/EAP": "01682003", "Description": "HC ARTERIAL LINE INSERTION", "Parkview Regional Medical Center": "838"}, {"CDM/EAP": "01682003", "Description": "HC ARTERIAL LINE INSERTION", "Parkview Regional Medical Center": "838"}, {"CDM/EAP": "03682003", "Description": "NOTATION TO dical Center":"587"},{"CDM/EAP":"01682000","Description":"HC BLOOD PATCH","Parkview Regional Medical Center":"2072"},{"CDM/EAP":"01689212","Description":"HC CANCELED GI ENDO CAPSULE PROCEDURE BS","CPT/HCPCS":"99212","Parkview Regional Medical Center":"2072"}, 82023","Description":"HC CARDIOVERSION CHEMICAL","CPT/HCPCS":"96374","Parkview Regional Medical Center":"2480"},{"CDM/EAP":"01682024","Description":"HC CARDIOVERSION ELECTRICAL","CPT/HCPCS":"92960","Parkview Regional Medical Center":"2692"}, .682005", "Description": "HC CENTRAL LINE INSERTION", "Parkview Regional Medical Center": "838"}, {"CDM/EAP": "01682103", "Description": "HC CHANGE GASTROSTOMY TUBE", "CPT/HCPCS": "43762", "Parkview Regional Medical Center": "1117"}, {"CDM/EAP": "01682103", "Description": "HC CHANGE GASTROSTOMY TUBE", "CPT/HCPCS": "43762", "Parkview Regional Medical Center": "1117"}, {"CDM/EAP": "01682103", "Description": "HC CHANGE GASTROSTOMY TUBE", "CPT/HCPCS": "43762", "Parkview Regional Medical Center": "1117"}, {"CDM/EAP": "01682103", "Description": "HC CHANGE GASTROSTOMY TUBE", "CPT/HCPCS": "43762", "Parkview Regional Medical Center": "1117"}, {"CDM/EAP": "01682103", "Description": "HC CHANGE GASTROSTOMY TUBE", "CPT/HCPCS": "43762", "Parkview Regional Medical Center": "1117"}, {"CDM/EAP": "01682103", "Description": "HC CHANGE GASTROSTOMY TUBE", "CPT/HCPCS": "43762", "Parkview Regional Medical Center": "1117"}, {"CDM/EAP": "01682103", "Description": "HC CHANGE GASTROSTOMY TUBE", "CPT/HCPCS": "43762", "Parkview Regional Medical Center": "1117"}, {"CDM/EAP": "01682103", "Description": "HC CHANGE GASTROSTOMY TUBE", "CPT/HCPCS": "43762", "Parkview Regional Medical Center": "1117"}, {"CDM/EAP": "01682103", "Description": "HC CHANGE GASTROSTOMY TUBE", "CPT/HCPCS": "43762", "Parkview Regional Medical Center": "1117"}, {"CDM/EAP": "01682103", "Description": "HC CHANGE GASTROSTOMY TUBE", "CPT/HCPCS": "43762", "CPT/HCPCS": "43762", "CPT/HCPCS": "43762", "CPT/HCPCS": "43762", ANULATION TISS BS","CPT/HCPCS":"17250","Parkview Regional Medical Center":"700"},{"CDM/EAP":"01682006","Description":"HC CHEST TUBE INSERTION","Parkview Regional Medical Center":"347"},{"CDM/EAP":"01682028","Description":"HC EPIDURAL INJECTION","Parkview Regional Medical Center":"347"}, "CDM/EAP":"01682018","Description":"HC FOLEY CATHETER INSERTION","CPT/HCPCS":"51702","Parkview Regional Medical Center":"482"},{"CDM/EAP":"01682025","Description":"HC FRACTURE TREATMENT/CASTING","Parkview Regional Medical Center":"407"} DM/EAP":"01680819","Description":"HC FRENULECTOMY","CPT/HCPCS":"40819","Parkview Regional Medical Center":"768"},{"CDM/EAP":"01681110","Description":"HC GI TRACT CAPSULE ENDOSCOPY BS","CPT/HCPCS":"91110","Parkview Regional Medical Center":"3086"} .{"CDM/EAP":"01683503","Description":"HC INS SWAN GANZ BEDSIDE","CPT/HCPCS":"93503","Parkview Regional Medical Center":"843"}, ("CDM/EAP":"01682020","Description":"HC IV SEDATION INITIAL HOUR", "Parkview Regional Medical Center":"640"} CDM/EAP":"01682017", "Description":"HC LACERATION REPAIR", "Parkview Regional Medical Center":"587"}, {"CDM/EAP":"01682010", "Description":"HC LIVER BIOPSY", "Parkview Regional Medical Center":"838"}, {"CDM/EAP":"01682011", "Description":"HC LUMBAR ,{"CDM/EAP":"01682013","Description":"HC OROGASTRIC TUBE INSERTION","Parkview Regional Medical Center":"838"},{"CDM/EAP":"01682014","Description":"HC PARACENTESIS","Parkview Regional Medical Center":"838"},{"CDM/EAP":"01682015","Description":"HC PARACENTESIS","Parkview Regional Medical Center":"838"},{"CDM/EAP":"01682015","Description":"HC PARACENTESIS","Parkview Regional Medical Center":"838"}, ERICARDIOCENTESIS", "Parkview Regional Medical Center": "838"}, {"CDM/EAP": "01682016", "Description": "HC PLEURAL TAP", "Parkview Regional Medical Center": "838"}, {"CDM/EAP": "01682026", "Description": "HC RECTAL BIOPSY", "Parkview Regional Medical Center": "58" CDM/EAP":"01682008","Description":"HC RECTAL TUBE INSERTION","Parkview Regional Medical Center":"587"},{"CDM/EAP":"01682102","Description":"HC THORACENTESIS","Parkview Regional Medical Center":"842"},{"CDM/EAP":"01682019","Description":"HC TRANSC PACING", "CPT/HCPCS": "92953", "Parkview Regional Medical Center": "1557"}, {"CDM/EAP": "01689953", "Description": "HC UNLISTED BEDSIDE PROCEDURE", Parkview Regional Medical Center": "4703"}, {"CDM/EAP": "01688999", "Description": "HC UNLISTED BEDSIDE PROCEDURE" ""."Description":"HC WOUND DEBRIDEMENT","Parkview Regional Medical Center":"269"},{"CDM/EAP":"01780033","Description":"HC IOP-PER DIEM: 3+ HOURS","CPT/HCPCS":"S9480","Parkview Regional Medical Center":"463"},{"CDM/EAP" DURS","CPT/HCPCS":"90853","Parkview Regional Medical Center":"347"},{"CDM/EAP":"01672636","Description":"HC IOP-PER DIEM: C/D 3+ HOURS","CPT/HCPCS":"H0015","Parkview Regional Medical Center":"463"},{"CDM/EAP":"01780036", HOURS", "CPT/HCPCS": "90853", "Parkview Regional Medical Center": "347"}, {"CDM/EAP": "81782000", "Description": "HC PSYCHIATRIC DIAGNOSTIC EVALUATION", "CPT/HCPCS": "90791", "Parkview Regional Medical Center": "691"}, {"CDM/EAP": "01609063", "Description": "HC PSYCHIATRIC DIAGNOSTIC EVALUATION", "CPT/HCPCS": "90791", "Parkview Regional Medical Center": "691"}, {"CDM/EAP": "01609063", "Description": "HC PSYCHIATRIC DIAGNOSTIC EVALUATION", "CPT/HCPCS": "90791", "Parkview Regional Medical Center": "691"}, {"CDM/EAP": "01609063", "Description": "HC PSYCHIATRIC DIAGNOSTIC EVALUATION", "CPT/HCPCS": "90791", "Parkview Regional Medical Center": "691"}, {"CDM/EAP": "01609063", "Description": "HC PSYCHIATRIC DIAGNOSTIC EVALUATION", "CPT/HCPCS": "90791", "Parkview Regional Medical Center": "691"}, {"CDM/EAP": "01609063", "Description": "HC PSYCHIATRIC DIAGNOSTIC EVALUATION", "CPT/HCPCS": "90791", "Parkview Regional Medical Center": "697"}, {"CDM/EAP": "01609063", "Description": "HC PSYCHIATRIC DIAGNOSTIC EVALUATION", "CPT/HCPCS": "90791", "Parkview Regional Medical Center": "697"}, {"CDM/EAP": "01609063", "Description": "HC PSYCHIATRIC DIAGNOSTIC EVALUATION", "CPT/HCPCS": "90791", "Parkview Regional Medical Center": "697"}, {"CDM/EAP": "01609063", "Description": "HC PSYCHIATRIC DIAGNOSTIC EVALUATION", "CPT/HCPCS": "90791", "Parkview Regional Medical Center": "697"}, {"CDM/EAP": "697"}, {"CDM/E -36","CPT/HCPCS":"93798","Parkview Regional Medical Center":"295"},{"CDM/EAP":"01603798","Description":"HC PAD REHAI II; 37+","CPT/HCPCS":"93798","Parkview Regional Medical Center":"295"},{"CDM/EAP":"01603668","Description":"HC PAD REHAI Center":"295"}, {"CDM/EAP":"01639452","Description":"HC HEART SCAN SPECT MULTIPLE","CPT/HCPCS":"78452","Parkview Regional Medical Center":"7490"}, {"CDM/EAP":"01639451","Description":"HC HEART SCAN SPECT SINGLE","CPT/HCPCS":"78452","Parkview Regional Medical Center":"7490"}, {"CDM/EAP":"01639451","Description":"HC HEART SCAN SPECT SINGLE","CPT/HCPCS":"78452","Parkview Regional Medical Center":"01639451","Description":"HC HEART SCAN SPECT SINGLE","CPT/HCPCS":"01639451","Description":"HC HEART SCAN SPECT SINGLE SING Center":"5235"}, {"CDM/EAP":"01635251", "Description":"HC HEART SCAN SPECT SNGL CANCELED", "CPT/HCPCS":"78451", "Parkview Regional Medical Center":"1183"}, {"CDM/EAP":"01158137", "Description":"HC CARDIOVERSION ELECTRICAL", "CPT/HCPCS":"92960", "Parkview Regional Medical Center":"1183"}, {"CDM/EAP":"01158137", "Description":"HC CARDIOVERSION ELECTRICAL", "CPT/HCPCS":"92960", "Parkview Regional Medical Center":"1183"}, {"CDM/EAP":"01158137", "Description":"HC CARDIOVERSION ELECTRICAL", "CPT/HCPCS":"92960", "Parkview Regional Medical Center":"1183"}, {"CDM/EAP":"01158137", "Description":"HC CARDIOVERSION ELECTRICAL", "CPT/HCPCS":"92960", "Parkview Regional Medical Center":"1183"}, {"CDM/EAP":"01158137", "Description":"HC CARDIOVERSION ELECTRICAL", "CPT/HCPCS":"92960", "Parkview Regional Medical Center":"1183"}, {"CDM/EAP":"01158137", "Description":"HC CARDIOVERSION ELECTRICAL", "CPT/HCPCS":"92960", "Parkview Regional Medical Center":"1183"}, {"CDM/EAP":"01158137", "Description":"HC CARDIOVERSION ELECTRICAL", "CPT/HCPCS":"92960", "Parkview Regional Medical Center":"1183"}, {"CDM/EAP":"01158137", "Description":"HC CARDIOVERSION ELECTRICAL", "CPT/HCPCS":"92960", "Parkview Regional Medical Center":"1183"}, {"CDM/EAP":"01158137", "Description":"HC CARDIOVERSION ELECTRICAL", "CPT/HCPCS":"92960", "Parkview Regional Medical Center":"1183"}, {"CDM/EAP":"1183"}, {"CDM/EAP":"1 'CDM/EAP":"01593660","Description":"HC TILT TABLE STUDY","CPT/HCPCS":"93660","Parkview Regional Medical Center":"16522"}, 'CDM/EAP":"01653655","Description":"HC ABLATE ARRHYTHMIA ADD ON","CPT/HCPCS":"93655","Parkview Regional Medical Center":"12047"}, ("CDM/EAP":"01653641", "Description":"HC AICD TESTING", "CPT/HCPCS":"93641", "Parkview Regional Medical Center":"5514"}, CDM/EAP":"01652986","Description":"HC AORTIC VALVULOPLASTY","CPT/HCPCS":"92986","Parkview Regional Medical Center":"32836"},{"CDM/EAP":"01659001","Description":"HC BIVENTRICULAR DEFIB IMPLANT","CPT/HCPCS":"33249","Parkview Regional Medical Center":"30224"} 1653999", "Description": "HC BIVENTRICULAR DEFIB UPGRADE", "CPT/HCPCS": "33249", "Parkview Regional Medical Center": "30224"}, "CDM/EAP": "01653208", "Description": "HC BIVENTRICULAR PACER IMPLANT", "CPT/HCPCS": "3207", "Parkview Regional Medical Center": "3 "01653233","Description":"HC BIVENTRICULAR PACER UPGRADE","CPT/HCPCS":"33213","Parkview Regional Medical Center":"29462"},{"CDM/EAP":"01653600","Description":"HC BUNDLE OF HIS RECORDING","CPT/HCPCS":"93600","Parkview Regional Medical Center":"5572" 653282", "Description": "HC CARDIAC EVENT RECORDER IMPLANT", "CPT/HCPCS": "33285", "Parkview Regional Medical Center": "13489"}, {"CDM/EAP": "01653284", "Description": "HC CARDIAC EVENT RECORDER REMOVAL", "CPT/HCPCS": "33286", "Parkview Regional Medical Center": "13489"}, {"CDM/EAP": "01653284", "Description": "HC CARDIAC EVENT RECORDER IMPLANT", "CPT/HCPCS": "33286", "Parkview Regional Medical Center": "13489"}, {"CDM/EAP": "01653284", "Description": "HC CARDIAC EVENT RECORDER REMOVAL", "CPT/HCPCS": "33286", "Parkview Regional Medical Center": "13489"}, {"CDM/EAP": "01653284", "Description": "HC CARDIAC EVENT RECORDER IMPLANT", "CPT/HCPCS": "33286", "Parkview Regional Medical Center": "13489"}, {"CDM/EAP": "01653284", "Description": "HC CARDIAC EVENT RECORDER REMOVAL", "CPT/HCPCS": "33286", "Parkview Regional Medical Center": "13489"}, {"CDM/EAP": "01653284", "Description": "HC CARDIAC EVENT RECORDER REMOVAL", "CPT/HCPCS": "33286", "Parkview Regional Medical Center": "13489"}, {"CDM/EAP": "01653284", "Description": "HC CARDIAC EVENT RECORDER REMOVAL", "CPT/HCPCS": "33286", "Parkview Regional Medical Center": "13489"}, {"CDM/EAP": "01653284", "Description": "HC CARDIAC EVENT RECORDER REMOVAL", "CPT/HCPCS": "33286", "Parkview Regional Medical Center": "13489"}, {"CDM/EAP": "01653284", "Description": "HC CARDIAC EVENT RECORDER REMOVAL", "CPT/HCPCS": "33286", "Parkview Regional Removal L650774", "Description": "HC CARDIOVERSION CHEMICAL", "CPT/HCPCS": "96374", "Parkview Regional Medical Center": "2480"}, "CDM/EAP": "01652960", "Description": "HC CARDIOVERSION ELECTRICAL", "CPT/HCPCS": "92960", "Parkview Regional Medical Center": "2692"}, 'CDM/EAP":"01653454","Description":"HC CATH CORONARY ART ANGIO S&I","CPT/HCPCS":"93454","Parkview Regional Medical Center":"20728"},{"CDM/EAP":"01653455","Description":"HC CATH CORS/GFTS","CPT/HCPCS":"93455","Parkview Regional Medical Center":"24416"}, 'CDM/EAP":"01653458", "Description":"HC CATH LC W/ CORONARY ANGIO", "CPT/HCPCS":"93458", "Parkview Regional Medical Center":"2703 CDM/EAP":"01653459","Description":"HC CATH LC/CORS/GFTS","CPT/HCPCS":"93459","Parkview Regional Medical Center":"21522"} 'CDM/EAP":"01653457","Description":"HC CATH RC/CORS/GFTS","CPT/HCPCS":"93457","Parkview Regional Medical Center":"22143"},{"CDM/EAP":"01653456","Description":"HC CATH RIGHT HEART/CORS","CPT/HCPCS":"93456","Parkview Regional Medical Center":"20927"}, CDM/EAP":"01653453","Description":"HC CATH RL W/O CORONARY ANGIO","CPT/HCPCS":"93453","Parkview Regional Medical Center":"25522"},{"CDM/EAP":"01653460","Description":"HC CATH RLC/CORS","CPT/HCPCS":"93460","Parkview Regional Medical Center":"35944"}, CDM/EAP":"01653461","Description":"HC CATH RLC/CORS/GFTS","CPT/HCPCS":"93461","Parkview Regional Medical Center":"121290"},{"CDM/EAP":"01653622","Description":"HC COMP EP EVAL W LV RECORDING","CPT/HCPCS":"93622","Parkview Regional Medical Center":"11918"} CDM/EAP":"01651153","Description":"HC DEFIB THRESHOLD EVALUATION","CPT/HCPCS":"93642","Parkview Regional Medical Center":"30224") '01653223","Description":"HC DEFIBRILLATOR RELOCATION","CPT/HCPCS":"33223","Parkview Regional Medical Center":"9028"},{"CDM/EAP":"01653241","Description":"HC DEFIBRILLATOR REMOVAL","CPT/HCPCS":"33241","Parkview Regional Medical Center":"8022"}, CDM/EAP":"01653463","Description":"HC DRUG ADMIN & HEMODYNMIC MEAS","CPT/HCPCS":"93463","Parkview Regional Medical Center":"1192"},{"CDM/EAP":"01653952","Description":"HC ECMO INITIATION","CPT/HCPCS":"33952","Parkview Regional Medical Center":"33928"}, "01656499","Description":"HC END VASC REPAIR ANEURYSM","CPT/HCPCS":"76499","Parkview Regional Medical Center":"10516"},{"CDM/EAP":"01651146","Description":"HC ENDOMYOCARDIAL BIOPSY","CPT/HCPCS":"93505","Parkview Regional Medical Center":"11944"}, CDM/EAP":"01654653","Description":"HC EP & ABLATE PVC","CPT/HCPCS":"93653","Parkview Regional Medical Center":"30118"}, ("CDM/EAP":"01653653","Description":"HC EP & ABLATE SUPRAVENT ARRHYT", "CPT/HCPCS":"93653", "Parkview Regional Medical Center":"30118"}, CDM/EAP":"01653654","Description":"HC EP & ABLATE VENTRIC TACHY","CPT/HCPCS":"93654","Parkview Regional Medical Center":"30118"},{"CDM/EAP":"01654654","Description":"HC EP & ABLATE VENTRIC TACHY W3D","CPT/HCPCS":"93654","Parkview Regional Medical Center":"4

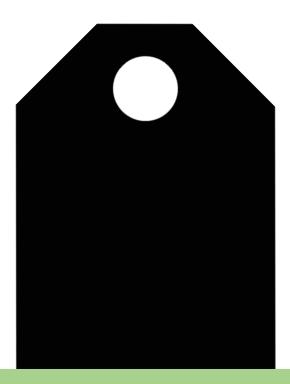
Source: Analysis of Parkview Regional Medical Center & Parkview Hospital Randallia Comprehensive Machine-Readable Files.

#### Prices should make sense



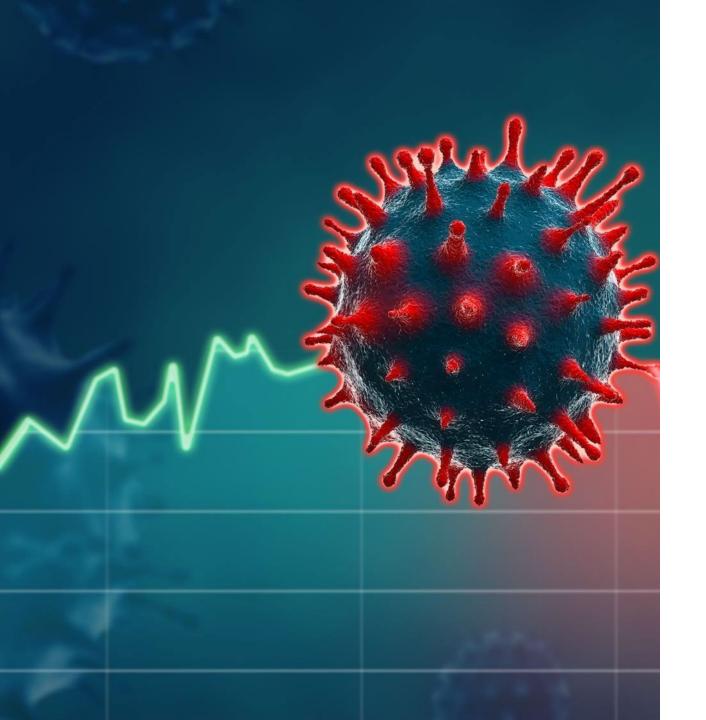


### Why did RAND undertake this study?



- We do not know what the "right" price is for hospital care
- Self-funded employers cannot act as responsible fiduciaries for their employees without price information

Employers can use the information in this report—together with knowledge of their own employee populations—to decide if the prices they and their employees are paying align with value



### Hospital prices in the time of COVID-19

- COVID-19 is placing enormous financial pressure on both hospitals and employers
- Hospitals and health professionals are critical members of their communities
- Health benefits are one of the largest expenses for employers
- Now more than ever, employers need transparent information about hospital prices

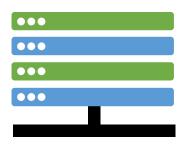
### RAND's hospital study journey

Phase 1	Phase 2	Phase 3
Indiana	25 states	49 states (not Maryland)
Employers	Plus health plans and 2 APCDs	Plus 4 APCDs
Facility fees	Plus inpatient/outpatient fees	Plus professional fees
Relative prices	Plus standardized prices	Plus service-line prices

### RAND 4.0

Phase 1	Phase 2	Phase 3	Phase 4
Indiana	25 states	49 states (not Maryland)	Plus DC
Employers	Plus health plans and 2 APCDs	Plus 4 APCDs	Plus 5 more APCDs
Facility fees	Plus inpatient/outpatient fees	Plus professional fees	
Relative prices	Plus standardized prices	Plus service-line prices	Plus ASC prices and COVID hospitalizations

#### RAND 4.0





- self-funded employers
- APCDs
- health plans



### Measure prices in two ways

- relative to a Medicare benchmark
- price per case-mix weight



## Create a *public* hospital price report

- posted online, downloadable
- named facilities& systems
- inpatient prices & outpatient prices



Create private hospital price reports for self-funded employers

### Comparing prices can be challenging

- Every hospital is different and performs different services
- The Medicare system can help us standardize and make an "apples-to-apples" comparison

We make an apple pie—but with two recipes



### Recipe #1: Percent of Medicare

- What do employers pay relative to what Medicare would have paid at the exact same hospitals?
- Easy to interpret and compare across hospitals
- Medicare adjusts for cost of living and wage differences

### Recipe #2: Standardized prices

 Medicare has figured out how much more to pay for different services

For example: Medicare pays 34.65 times for a heart transplant (DRG 103) than for chest pains (DRG 143)

We can use these weights to

- Make comparisons across hospital services
- Compute average "walk out the door" amount

• Don't have to worry about teaching, DSH, etc. payments

### Comparison to Medicare



- We leverage the Medicare payment system as a benchmark, not as a price endpoint
- Medicare prices and methods are empirically based and transparent
- Benchmarking to Medicare allows employers to compare prices between hospitals, relative to the largest purchaser in the world

### Main findings

Over 4,000 hospitals and 4,000 ASCs

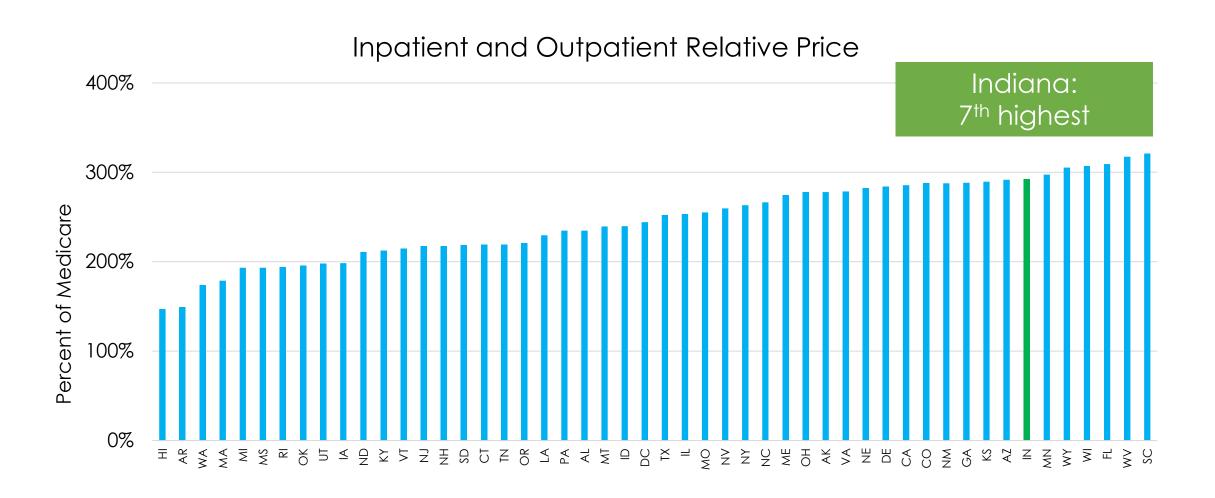
Wide variation in hospital prices across states

Facility fees much higher than professional fees

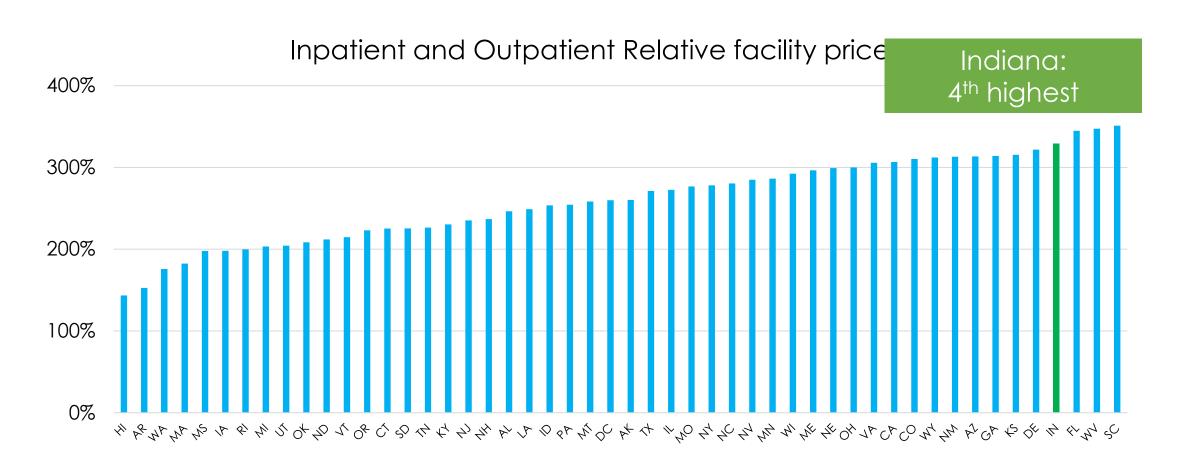
Prices for COVID hospitalizations mirror inpatient prices

Prices for ASCs lower than HOPDs

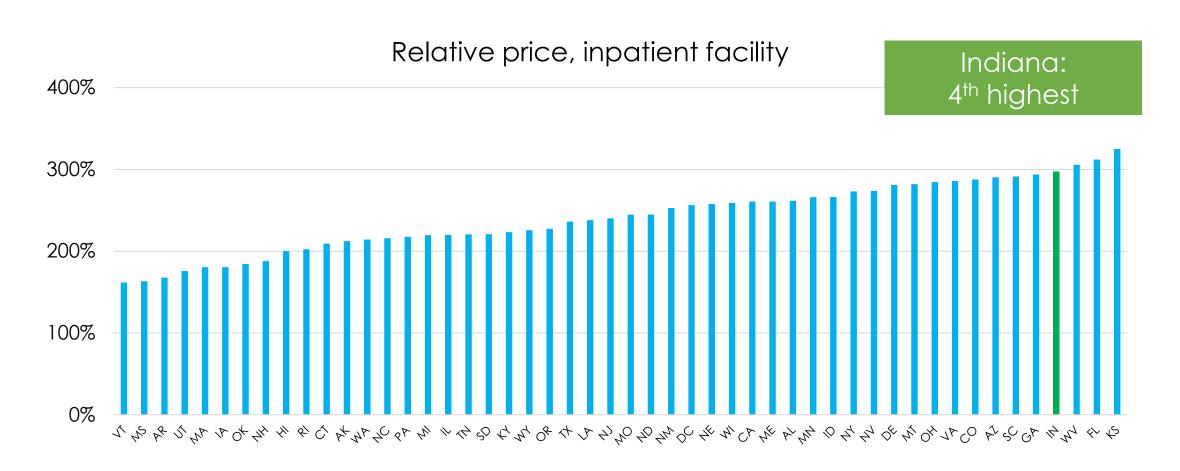
### Relative prices vary widely



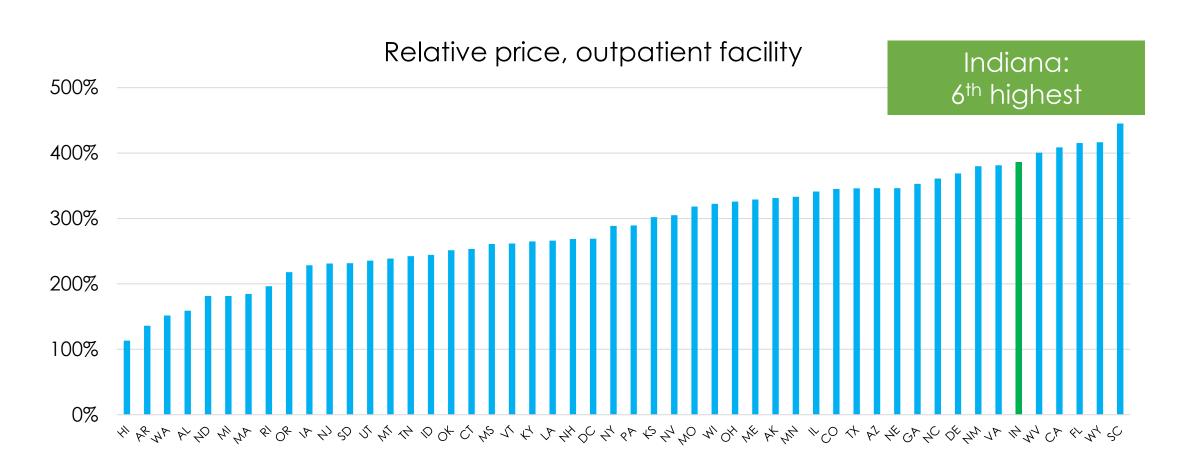
## Indiana facility prices are high relative to Medicare



## Indiana <u>Inpatient</u> facility prices are high relative to Medicare



## Indiana <u>Outpatient</u> facility prices are high relative to Medicare

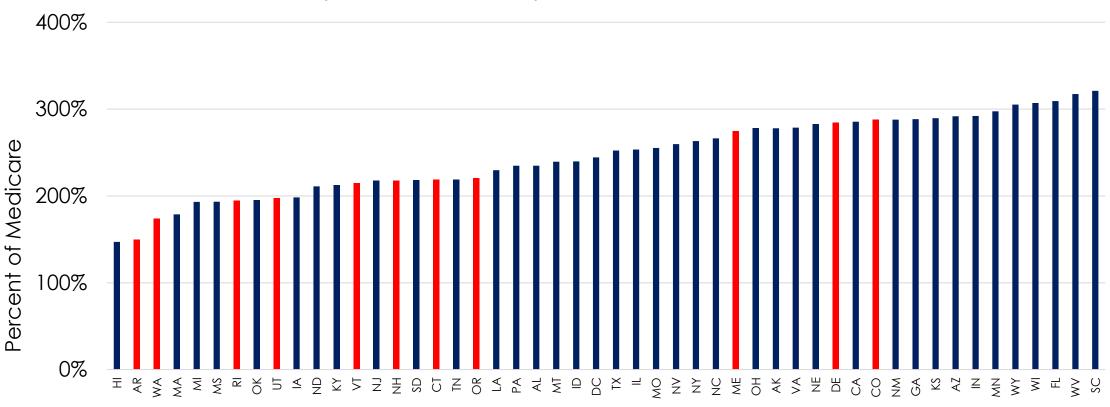


## Indiana professional fees low relative to Medicare



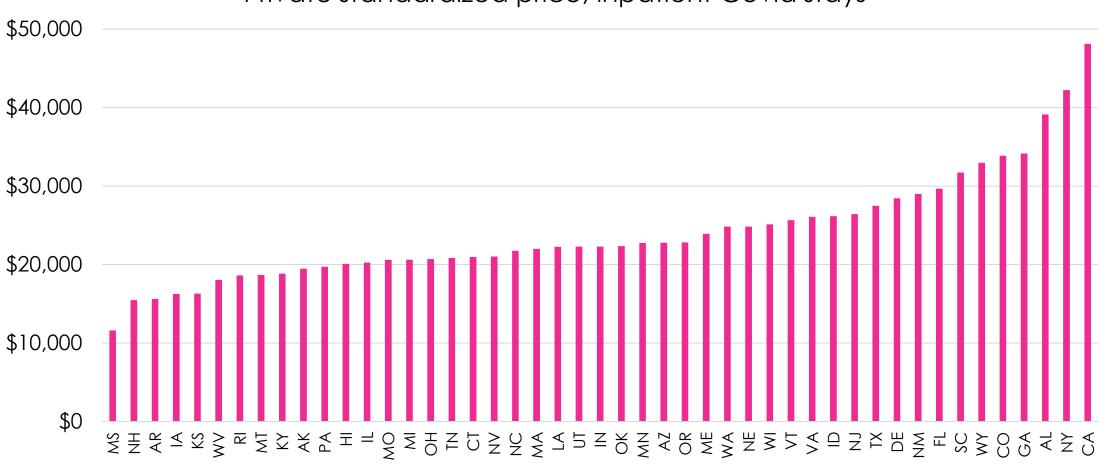
### States with APCDs have lower prices





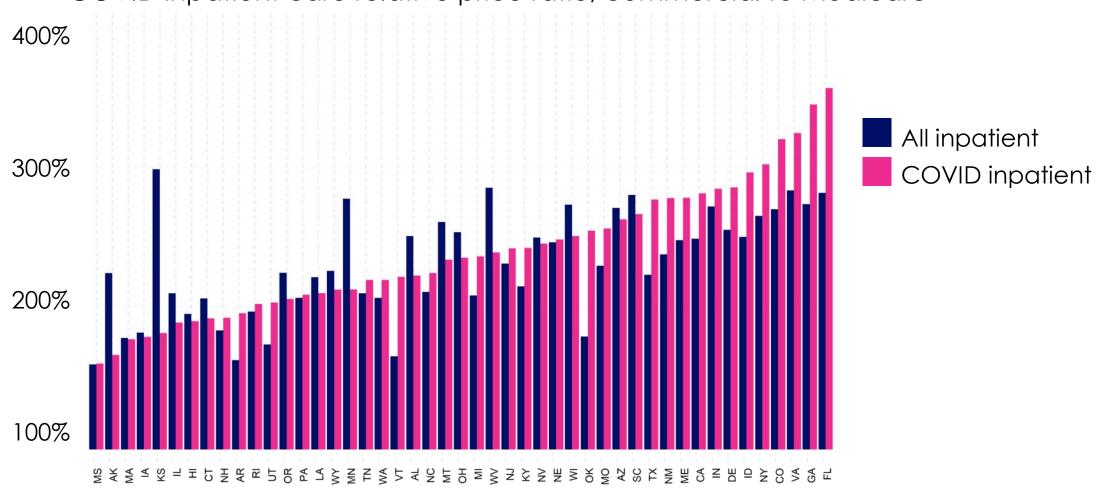
# Wide range in COVID-19 hospitalization prices

Private standardized price, inpatient Covid stays

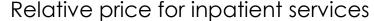


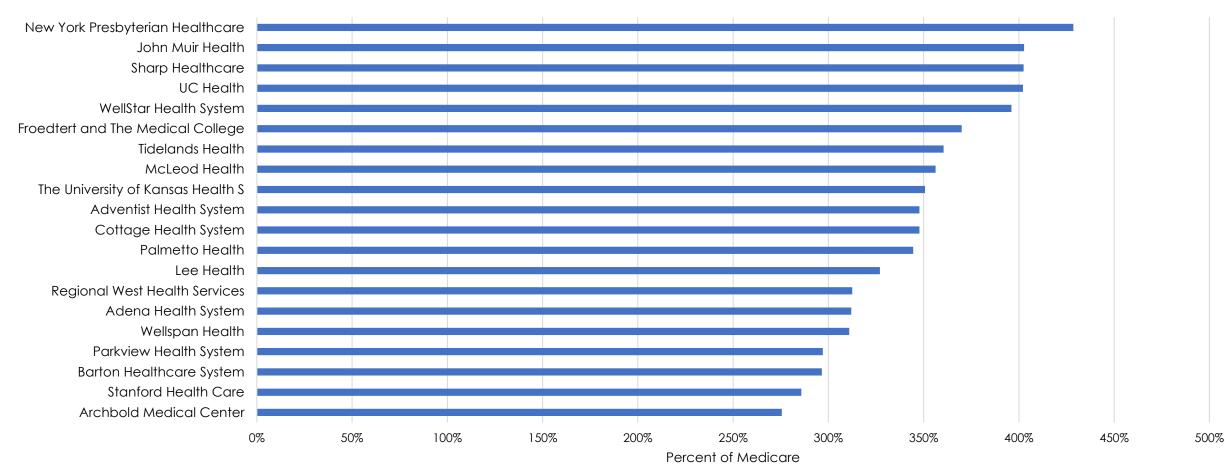
# COVID hospitalizations mirrored inpatient prices

COVID inpatient care relative price ratio, commercial to Medicare

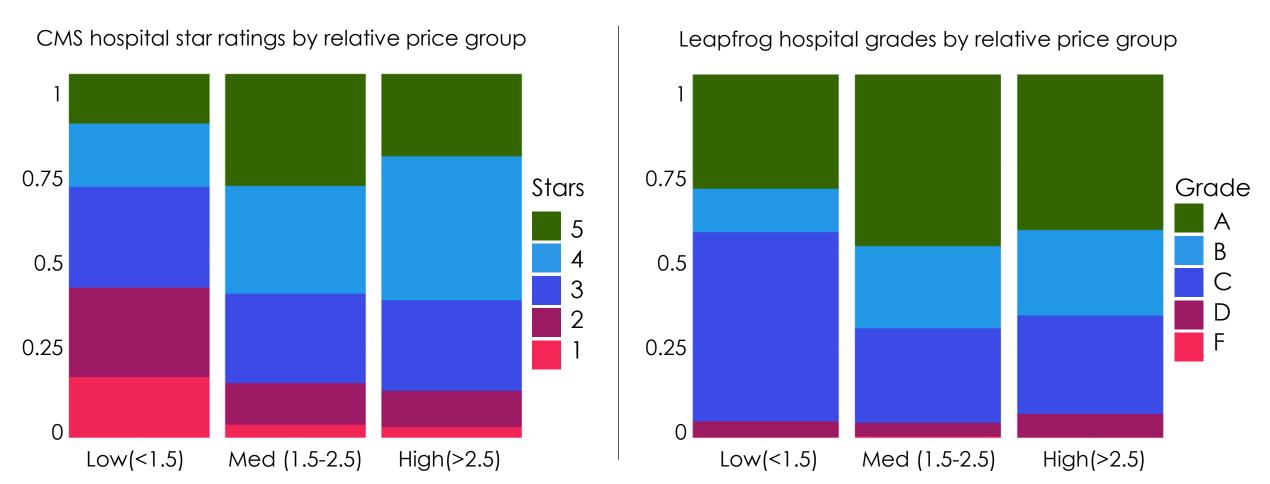


### Top 20 highest-priced hospital systems



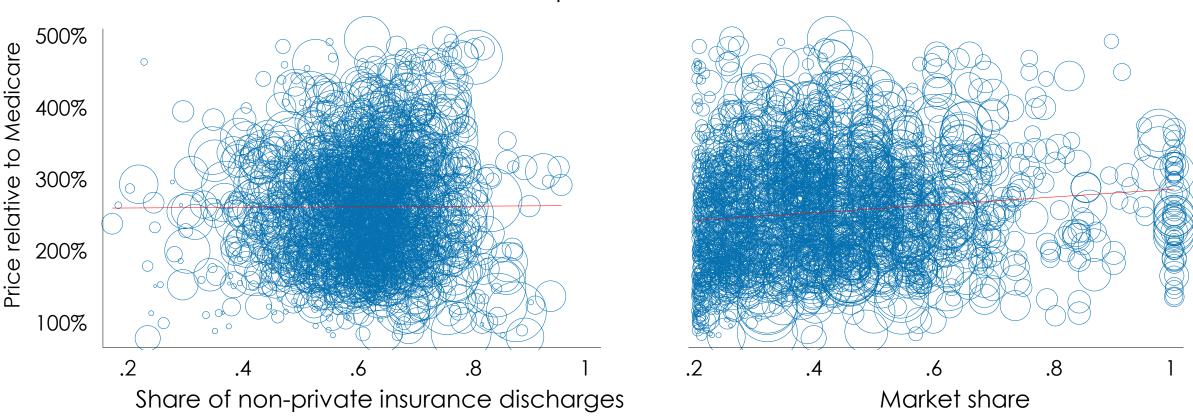


## Some link between price and quality, but there are many high-quality hospitals with low prices



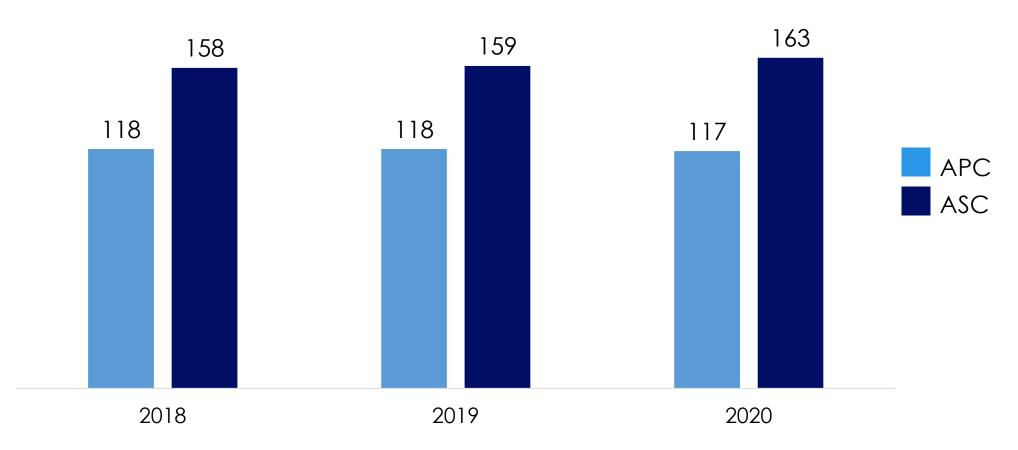
# Non-private patients doesn't explain hospital prices, but market share does

Circles represent number of beds

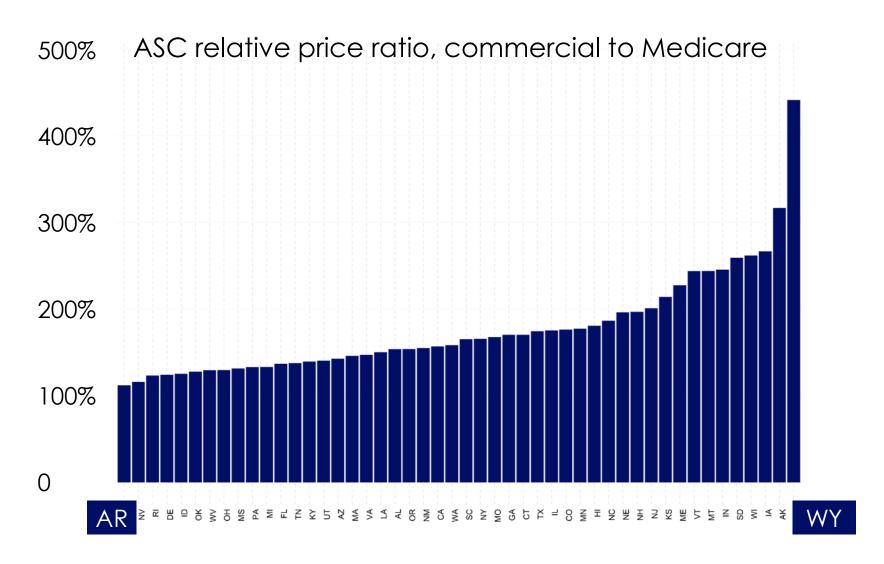


# ASC relative prices have remained stable, and lower than HOPD prices

ASC relative price ratio, commercial to Medicare



### ASC relative prices vary across states



### ASCs are lower-priced then HOPDs, and price gap is larger for Commercial than Medicare

Mean prices ASC: \$2,404

HOPD: \$6,304

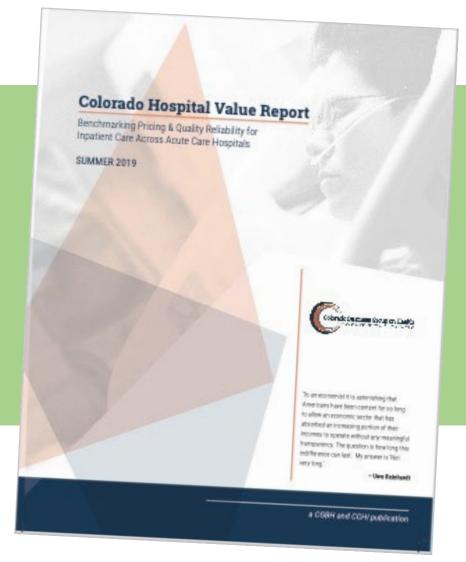


# How can employers and policymakers use price transparency?

Finally have Change information Benchmark hospital about prices prices networks

Employers are collecting information about prices

- The Colorado Business Group on Health used RAND 2.0 data to produce a report on value of Colorado hospitals
- The report proposed options for Colorado employers to address prices in their specific markets



Gerenme via Getty Image

#### Employers are using data to benchmark prices

#### Modern Healthcare

Selfinsured
employers
go looking
for valuebased
deals





A similar RAND study commissioned by self-insured employers in Indiana spurred action...In response, 12 self-insured companies asked Anthem Blue Cross and Blue Shield to develop new health plan options.



#### And they're citing our study in their negotiations

The New York Times

Many Hospitals
Charge Double or
Even Triple What
Medicare Would Pay



Insurer pushes Parkview on costs

Says charges too high, citing study hospital calls unfair



Anthem is attempting to support a core goal of the RAND study by holding hospital systems accountable for their prices, which in turn will benefit our employees' mental and physical health and their financial wellness.

—Purdue Senior Director of Benefits

#### Conclusions

Rising health care costs place pressure on employers and worker wages—especially during the COVID-19 pandemic

The wide variation in hospital prices presents a potential savings opportunity for employers

Employers need to demand transparent information on the prices they—and their employees—are paying

Employers need to use transparency to inform benefit strategy

## Christopher Whaley cwhaley@rand.org



