

# National Hospital Price Transparency Study Information Sheet

Commissioned by Employers' Forum of Indiana  
 Conducted by the Rand Corporation  
 Website: [www.employerptp.org](http://www.employerptp.org)

"Many Hospitals Charge Double or Even Triple What Medicare Would Pay" - New York Times  
 "Employers pay 240% More for Medicare Than for Hospital Care" - Forbes  
 "What Employers Pay Hospitals Varies Widely, Study Finds" - Wall Street Journal  
 "Market Muscle: Study Uncovers Differences between Medicare And Private Insurers" - Kaiser Health News  
 "Hospitals: RAND price study doesn't add up" - Modern Healthcare

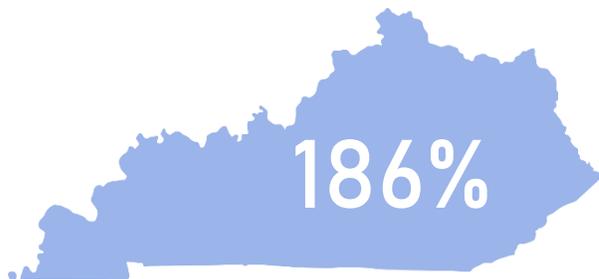
Faced with rising and unsustainable health care costs, Employers' Forum of Indiana set out to help employers contract for hospital provider services that offer the best value (best quality at best cost). They commissioned a first-of-its-kind, purchaser-led initiative using claims data from 2015 to 2017 to publicly compare hospital prices relative to a Medicare.

## National Employer Overall Hospital Pricing Relative to Medicare



204% Inpatient - 293% Outpatient

## Kentucky Employer Overall Hospital Pricing Relative to Medicare



145% Inpatient - 245% Outpatient

### National Key Takeaways

1. Employers pay significantly more than Medicare for the same services, sometimes reaching 500% more of what Medicare pay.
2. There is wide variation in pricing between and within states with little correlation to quality.
3. Pricing trends are going up.
4. Employers should consider new contracting strategies.
5. More employers are needed to participate in the next iteration of the study, planned for January 2020.

### Kentucky Key Takeaways

1. Kentucky employers pay more than Medicare pays for the same services, but well below the national average from other states.
2. Few Kentucky hospitals have high quality, with only 16% of hospitals with above average quality, compared to 45% of hospitals in the study.
3. There is wide variation in pricing in Kentucky, ranging from 166% to 543% more than Medicare, with pricing trending down.
4. More employers are needed to participate in the next iteration of the study, planned for January 2020.

STUDY 1.0 September 2017	STUDY 2.0 May 2019	STUDY 3.0 January 2020
Indiana Hospital Price Report was published with results showing Indiana employers were paying 272% of what Medicare pays.	National Hospital Price Transparency Report 2.0 expanded to nearly 1,600 hospitals in 25 states, with results showing employers nationally paid 241% of what Medicare paid, with wide variation in prices and quality among states.	Employers and health plans are enrolling now for a more extensive study. The data security rigor of the study meets highest privacy standards. Data submission is due September 2019. Visit <a href="http://employerptp.org/#enroll">employerptp.org/#enroll</a> , join a July 9 information session (information found on next page), or schedule a meeting with the KHC.

**Kentucky Hospital Pricing Workgroup** If you are an employer, healthcare purchaser, or health plan interested in joining a working group to discuss this study, its findings, and next steps, please contact the KHC.

**Study Questions**  
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