



*Building a Bridge to Better Health, Better Care and Better Value*

# Translating Hospital Price Transparency Data into Your Benefits

## KHC Employer Roundtable

January 26, 2021

# Agenda

- Overview of Rand 3.0 Study – Kentucky’s results
- Review of new hospital transparency requirements
- Intersection between cost and quality
- Translating data to benefit design strategies
- Applying employer specific data



**Randa Deaton, MA**

President & CEO, Kentuckiana Health Collaborative



**Jenny Goins, MA, SPHR**  
Leadership & Healthcare Consultant

# The 2020 Study: What Has Changed in Kentucky, What Hasn't

Stephanie Clouser, MS

Data Scientist, Kentuckiana Health Collaborative



# Hospital Transparency – New Reporting Requirements

- Effective January 1, 2021
- Publish in consumer-friendly manner
  - Service descriptions and standard, discounted, and payer-negotiated rates
  - At least 300 common medical services – 70 identified by CMS and 230 that can be selected by the hospital

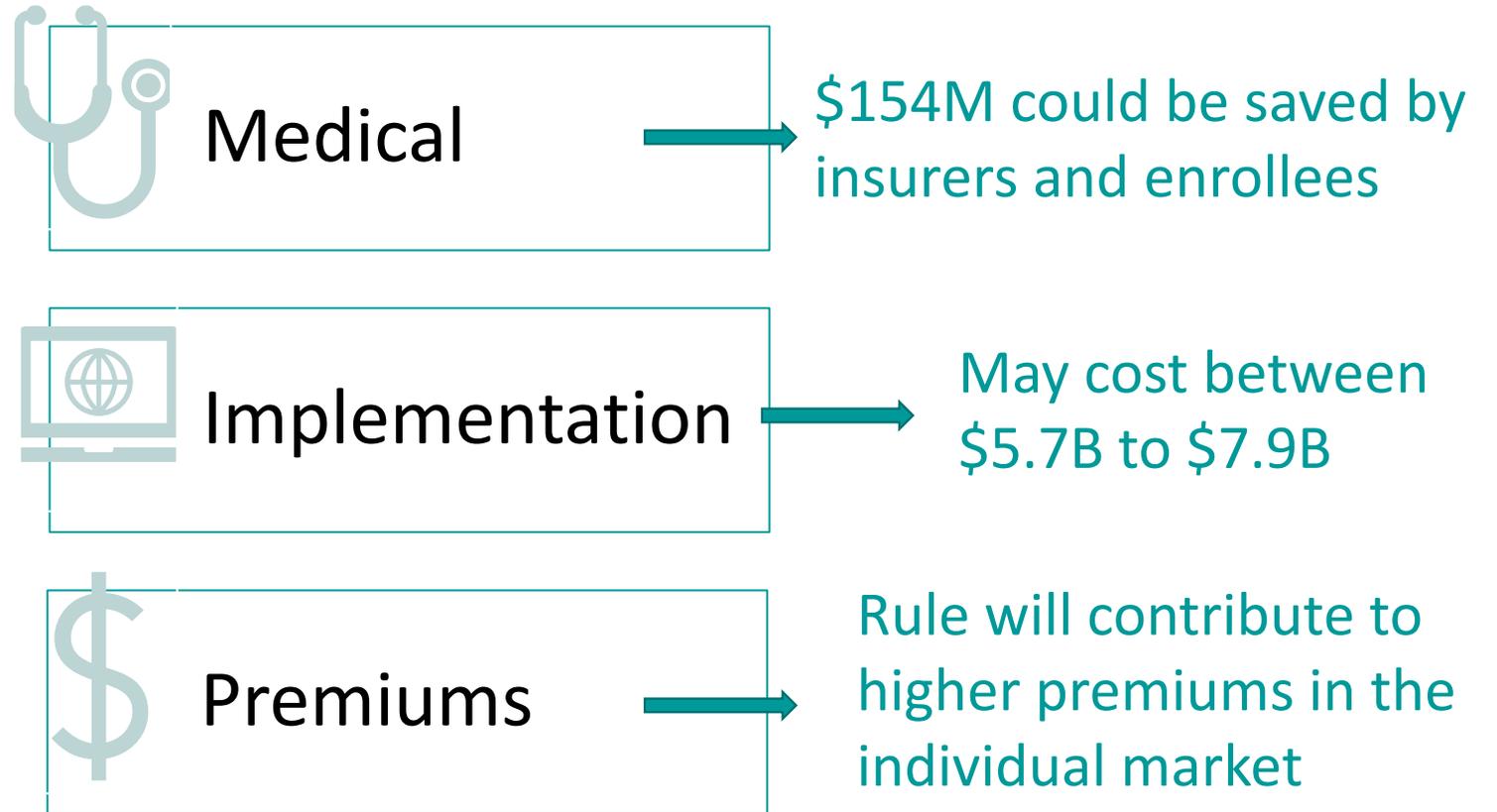


# Hospital Transparency – New Reporting Requirements

- Categories of the 70 services identified by CMS
  - Evaluation and Management
  - Laboratory and Pathology
  - Radiology
  - Medicine and Surgery

# Hospital Transparency – New Reporting Requirements

## Financial costs - estimated by Federal Government



Taken from: Price Transparency and Variation in U.S. Health Services, Peterson-KFF Health System Tracker

# Hospital Transparency – New Reporting Requirements

**Financial costs** – historical increases to employers  
from 2003 - 2006

Knee Replacement  
**75% ↑**



Appendectomies  
**135% ↑**

Compared to



Economic Inflation  
**30% ↑**

Taken from: You Now Have The Right To Know Your Hospital's Prices, And Here's How Experts Hope That Will Help | KMUW

# Hospital Transparency – New Reporting Requirements

## Consumer behavior –

While some states require information to be made available and some employers have tools making price information more accessible, most people still do not shop for healthcare services.

Barriers – knowledge  
& provider  
preference.



Massachusetts survey –  
78% of consumers  
wanted to know price,  
but 54% unaware of  
existing price  
comparison tools.

Taken from: Price Transparency and Variation in U.S. Health Services, Peterson-KFF Health System Tracker

# Local hospital examples – Norton references AHA’s continued work to have the new ruling overturned or cancelled by the Biden administration.

← → ↻ 🏠 🔒 https://nortonhealthcare.com/patient-resources/standard-hospital-charges/

 Find Care ▾ Services Conditions Patient Resources ▾ I Want To... ▾ Careers ▾

Hospital charges may include bundled procedures, personnel, services and supplies. An example would be room rates that include the space, equipment, nursing personnel and supplies.

*We intend to meet the new requirements set by CMS regarding the posting of negotiated prices. However, given the ongoing uncertainty surrounding enforcement of the requirements, we have determined that the best course of action is to await a final ruling in this matter.*

*We understand that the American Hospital Association (AHA) is currently reviewing the federal Court of Appeals ruling against their legal challenge to the CMS final rule mandating that hospitals disclose their privately negotiated charges with commercial health insurers. The AHA is determining whether to appeal the case to the United States Supreme Court and has urged the incoming Biden administration to review the CMS rule. It is the AHA’s position that the disclosure of these rates will not help patients understand what they will actually pay for treatment and may actually cause greater confusion.*

*When a patient has the opportunity to shop for medical services, we encourage them to contact their insurer to understand the costs covered by their insurance company and what cost will be their responsibility. Prior to any procedure or service, Norton Healthcare offers patients the services of financial counselors to help them estimate their out-of-pocket expenses, dependent on the specific insurance information they provide. We also have multiple ways to financially assist patients, including helping them understand what resources are available and how to access those resources.*

You can [check our standard charges here](#).

Patients should contact Norton Healthcare directly for any further details.

For hospital procedure price quotes: Call **(502) 272-5330**.

You will be asked to provide the five-digit Current Procedural Terminology (CPT) code for the procedure you are asking about.

# Local hospital examples – Norton information located on chargemaster.

→ ↻ 🏠 🔒 https://search.hospitalpriceindex.com/hospital/NortonHealthcare/6908?q=surgery

☆ ⌵ 📄 (Not syncing)

## HOSPITAL PRICE INDEX

All Service Items | Shoppable Items | **Chargemaster**

Last Update: 2021-01-07

# Norton Healthcare

surgery



19 of 19 results | search

Code	Description	Charge Amount
36900124	BRAIN MONITORING - MEASUREMENT OF BRAIN WAVE ACTIVITY DURING SURGERY	\$183.00
36900132	BRAIN MONITORING - MEASUREMENT OF BRAIN WAVE ACTIVITY DURING SURGERY	\$183.00
36900108	BRAIN MONITORING - MEASUREMENT OF BRAIN WAVE ACTIVITY DURING SURGERY	\$183.00
35802701	DIAGNOSTIC IMAGING - X-RAY OF BILE OR PANCREATIC DUCTS WITH CONTRAST INJECTION DURING SURGERY	\$492.00
35802693	DIAGNOSTIC IMAGING - X-RAY OF BILE OR PANCREATIC DUCTS WITH CONTRAST INJECTION DURING SURGERY	\$858.00
36900785	DIAGNOSTIC SERVICES - MEASUREMENT OF ELECTRICAL ACTIVITY OUTSIDE THE BRAIN DURING SURGERY	\$1,706.00
74700030	DIAGNOSTIC SERVICES - ULTRASOUND SCAN OF BLOOD VESSELS OF BOTH ARMS FOR EVALUATION BEFORE SURGERY	\$2,024.00
74700022	DIAGNOSTIC SERVICES - ULTRASOUND SCAN OF BLOOD VESSELS OF BOTH ARMS FOR EVALUATION BEFORE SURGERY	\$2,024.00
74700048	DIAGNOSTIC SERVICES - ULTRASOUND SCAN OF BLOOD VESSELS OF ONE ARM FOR EVALUATION BEFORE SURGERY	\$1,753.00
74700071	DIAGNOSTIC SERVICES - ULTRASOUND SCAN OF BLOOD VESSELS OF ONE ARM FOR EVALUATION BEFORE SURGERY	\$1,753.00
74700055	DIAGNOSTIC SERVICES - ULTRASOUND SCAN OF BLOOD VESSELS OF ONE ARM FOR EVALUATION BEFORE SURGERY	\$1,753.00
74700063	DIAGNOSTIC SERVICES - ULTRASOUND SCAN OF BLOOD VESSELS OF ONE ARM FOR EVALUATION BEFORE SURGERY	\$1,753.00
35921907	OPERATING ROOM - PLACEMENT OF GUIDING DEVICE FOR RADIATION THERAPY OR SURGERY	\$7,242.00
54882915	PATHOLOGY - PATHOLOGY EXAM OF TISSUE DURING SURGERY (CYTOLOGY, EACH ADDITIONAL SITE)	\$381.00
54882923	PATHOLOGY - PATHOLOGY EXAM OF TISSUE DURING SURGERY (CYTOLOGY, INITIAL SITE)	\$381.00
54800404	PATHOLOGY - PATHOLOGY EXAM OF TISSUE DURING SURGERY (EACH ADDITIONAL BLOCK WITH FROZEN SECTION)	\$288.00

# Local hospital examples – Baptist Health’s tool is located in the My Chart link and you must login or use a guest estimate.

https://mychart.baptisthealth.com/MyChart/GuestEstimates/GetEstimateDetails?&token=3uOJohiBA%2BRttnacd5rSAmRvs7UTIHNcJ...   

Serving Kentucky, southern Indiana and the surrounding region.

## Estimate for MRI BRAIN BRAIN STEM W/O W/CONTRAST MATERIAL

This is an estimate for services at Baptist Health Service Area. If you would like to schedule an appointment, or request more information, please call customer service at 502-813-7265.

Created 1/19/21, valid for 30 days

[Questions?](#)  
If you need any help or have questions about your estimate, please contact our customer service department at 502-813-7265.

[Need an estimate for a different patient?](#)

[START OVER](#)

### You Pay

Reference #933287

# \$3,463

Subtotal 	\$4,617
Discount 	-\$1,154

### Details

**\$4,617**

\$4,280  — ● \$15,045 

Low      Estimated Fees      High

Total Fees 	\$4,617
Hospital Fees	\$4,617
Discount (25%) 	-\$1,154
<b>You Pay </b>	<b>\$3,463</b>

 Coverage Information  
 **No insurance (self-pay)**

# Local hospital examples – UofL’s cost estimator opens an excel spreadsheet.

U of L Health - University of Louisville Hospital										
File Updated: 12/30/2020										
Facility Name	Description	CPT®	Alternate HCPCS	Service Location	Gross Charge/Unit	Cash Price	Minimum Allowable	Maximum Allowable	ULH   Encore Inpatient/Outpatient	ULH   Health Corp Inpatient/Outpatient
Univ of Louisville Hosp (T)	MRI UPPER EXTREMITY W CONT RT	73219RT		IP/OP	\$4,254.00	\$1,020.96	\$1,382.55	\$4,041.30	\$2,977.80	\$3,000.00
Univ of Louisville Hosp (T)	MY MR GD BR BX ADDTL LESION			IP/OP	\$3,478.00	\$834.72	\$1,130.35	\$3,304.10	\$2,434.60	\$2,500.00
Univ of Louisville Hosp (T)	MY MR GUIDED BREAST BIOPSY			IP/OP	\$5,760.00	\$1,382.40	\$1,872.00	\$5,472.00	\$4,032.00	\$4,000.00
Univ of Louisville Hosp (T)	MR BRAIN W/WO PERFUSION	70553		IP/OP	\$5,118.00	\$1,228.32	\$1,663.35	\$4,862.10	\$3,582.60	\$3,500.00
Univ of Louisville Hosp (T)	MRI BRAIN FUNCT IMG	70554		IP/OP	\$2,875.00	\$690.00	\$934.38	\$2,731.25	\$2,012.50	\$2,000.00
Univ of Louisville Hosp (T)	MRI BRAIN FUNCT IMG	70554		IP/OP	\$2,875.00	\$690.00	\$934.38	\$2,731.25	\$2,012.50	\$2,000.00
Univ of Louisville Hosp (T)	MRI BRAIN W CONTRAST	70552		IP/OP	\$4,600.00	\$1,104.00	\$1,495.00	\$4,370.00	\$3,220.00	\$3,200.00
Univ of Louisville Hosp (T)	MRI BRAIN WO CON VARIAN PROT.	76498		IP/OP	\$3,955.86	\$949.41	\$1,285.65	\$3,758.07	\$2,769.10	\$2,700.00
Univ of Louisville Hosp (T)	MRI BRAIN WO CONTRAST	70551		IP/OP	\$4,497.00	\$1,079.28	\$1,461.53	\$4,272.15	\$3,147.90	\$3,100.00
Univ of Louisville Hosp (T)	MRI BRAIN WO CONTRAST	70551		IP/OP	\$4,497.00	\$1,079.28	\$1,461.53	\$4,272.15	\$3,147.90	\$3,100.00
Univ of Louisville Hosp (T)	MRI BRAIN WWO CONTRAST	70553		IP/OP	\$5,118.00	\$1,228.32	\$1,663.35	\$4,862.10	\$3,582.60	\$3,500.00
Univ of Louisville Hosp (T)	MRI BRAIN WWO CONTRAST	70553		IP/OP	\$5,118.00	\$1,228.32	\$1,663.35	\$4,862.10	\$3,582.60	\$3,500.00
Univ of Louisville Hosp (T)	MRI BRAIN WWO STRYKER VARIAN	70553		IP/OP	\$5,118.00	\$1,228.32	\$1,663.35	\$4,862.10	\$3,582.60	\$3,500.00
Univ of Louisville Hosp (T)	MRI BRAIN WWO STRYKER VARIAN	70553		IP/OP	\$5,118.00	\$1,228.32	\$1,663.35	\$4,862.10	\$3,582.60	\$3,500.00
Univ of Louisville Hosp (T)	MRI FUNCTION IMG W PHYS ADMIN	70555		IP/OP	\$3,111.00	\$746.64	\$1,011.08	\$2,955.45	\$2,177.70	\$2,100.00
Univ of Louisville Hosp (T)	MRI ORBIT FACE NECK W CONTRAST	70542		IP/OP	\$5,813.00	\$1,395.12	\$1,889.23	\$5,522.35	\$4,069.10	\$4,000.00
Univ of Louisville Hosp (T)	MRI ORBIT FACE NECK W CONTRAST	70542		IP/OP	\$5,813.00	\$1,395.12	\$1,889.23	\$5,522.35	\$4,069.10	\$4,000.00
Univ of Louisville Hosp (T)	MRI ORBIT FACE NECK WO CONTR	70540		IP/OP	\$3,814.00	\$915.36	\$1,239.55	\$3,623.30	\$2,669.80	\$2,600.00
Univ of Louisville Hosp (T)	MRI ORBIT FACE NECK WO CONTR	70540		IP/OP	\$3,814.00	\$915.36	\$1,239.55	\$3,623.30	\$2,669.80	\$2,600.00
Univ of Louisville Hosp (T)	MRI ORBIT FACE NECK WWO CONT	70543		IP/OP	\$5,834.00	\$1,400.16	\$1,896.05	\$5,542.30	\$4,083.80	\$4,000.00
Univ of Louisville Hosp (T)	MRI ORBIT FACE NECK WWO CONT	70543		IP/OP	\$5,834.00	\$1,400.16	\$1,896.05	\$5,542.30	\$4,083.80	\$4,000.00

CDM Standard Charges | ULH | Gateway Med Adv | ULH | Signature Med Adv | ULH | SIHO | ULH | VA CCN Med Adv

# Hospital Transparency – New Reporting Requirements

## Discussion –

- How will your employees respond?
- Will this be part of your healthcare education?

# Intersection Between Cost and Quality

## KHC Strategy – Improve Healthcare Quality

### KY Core Healthcare Measure Set (KCHMS)

- The KCHMS brings together the priorities of consumers, providers, payers, and purchasers. By focusing on everything, we focus on nothing. But by focusing on the right things, we can drive improvements.

### Community Measurement

- Consolidated Measurement Reports allow for comparison to local and state averages and benchmark scores on the quality of care patients receive on a variety of ambulatory care indicators. The KHC is the only organization that combines Commercial, Medicaid, and Medicare Advantage data for quality reporting.

### Equity

- You cannot have quality of care without equity of care. The KHC has convened a workgroup of local public health and healthcare leaders to determine what the role of healthcare measurement is in advancing health equity and how we can step into this role to drive equitable healthcare and health outcomes.



# Intersection Between Cost and Quality

## Rand, Quantros, & Leapfrog Data

- Data points for discussion
  - **Rand Hospital Price Transparency Study 3.0** - Researchers analyzed hospital claims data representing \$33.8 billion from 2016-2018 for 3,112 hospitals located in every state except Maryland. They collected data from self-insured employers, six state all-payer claims databases, and health plans across the country. [RAND Hospital Price Studies \(employerptp.org\)](https://www.employerptp.org)
  - **Quantros** – partnered with the National Alliance of Healthcare Purchaser Coalitions and the Rand Corporation to help find the intersection of cost and quality. [Hospital Transparency - National Alliance Website \(nationalalliancehealth.org\)](https://nationalalliancehealth.org).
  - **Leapfrog Safety Grades** – based on overall safety performance – accidents, inpatient injuries, infections, and medical and medication errors – totaling 27 evidenced-based measures. 2,600 general hospitals assigned a grade each year. Data comes from Leapfrog Hospital Survey (for hospitals that participate), CMS, and supplemental resources. Safety grade doesn't include critical access hospitals or specialty hospitals such as children's or cancer treatment hospitals, military and VA hospitals. [Home | Hospital Safety Grade](#)



# Intersection Between Cost and Quality

- Example - De-identified Quantros data from Greater Philadelphia Business Group on Health; which provider would you use?

Joint Replacement Surgery: Quantros Data* - Periods Measured: Q2 2017 - Q1 2020						Spring 2020 Leapfrog Hospital Safety Grade**
Delaware Hospitals	# of Cases	Composite Quality Score Percentile	Rank	Clinically Adjusted Cost - National Avg: \$18,507	Rank	
	679	5.5	5	\$23,315.00	5	B
	513	3.2	6	\$23,963.00	6	B
	1788	96.3	2	\$18,516.00	3	A
	5102	99.1	1	\$13,762.00	1	A
	349	85.2	3	\$16,553.00	2	A
	139	38.5	4	\$20,970.00	4	Not Rated



Excellent	90 - 100
Good	75 - 89
Average	25 - 74
Poor	10 - 24
Very Poor	0 - 9

\*Quantros Data: Most common procedure performed was MS-DRG 470: Major joint replacement or reattachment of lower extremity (knee & hip). Composite Quality Score includes mortality, complications, readmissions, patient safety, inpatient

## Leapfrog Safety Grade

Grade	Safety Grade Criteria (at or above cut-point)	Count of Hospitals	Percentage of Hospitals
A	≥ 3.159	895	34%
B	≥ 2.972	631	24%
C	≥ 2.506	910	35%
D	≥ 2.040	170	7%
F	< 2.040	16	<1%

# Intersection Between Cost and Quality

Leapfrog Safety  
Data Shows KY  
Has Improved

Fall 2020 Ranking	State	% A Hospitals	Fall 2019 Ranking	% A Hospitals Fall 2019
1	Maine	62.50%	1	58.82%
2	Idaho	58.33%	7	45.45%
3	Delaware	57.14%	23	33.33%
4	Massachusetts	56.90%	12	42.37%
5	Oregon	54.84%	4	48.39%
6	Virginia	52.94%	3	55.88%
7	North Carolina	51.85%	5	46.84%
8	Vermont	50.00%	23	33.33%
9	Colorado	47.62%	20	35.90%
10	Pennsylvania	47.11%	6	45.53%
11	Utah	45.83%	2	56.00%
12	Hawaii	45.45%	35	25.00%
13	Texas	42.73%	16	38.03%
14	Michigan	42.67%	13	41.03%
15	Washington	40.43%	23	33.33%
16	Maryland	38.10%	38	22.73%
17	New Jersey	37.31%	8	44.93%
18	Ohio	37.27%	14	39.45%
19	Florida	36.26%	19	36.78%
20	California	35.85%	21	35.41%
21	Kentucky	35.56%	33	26.00%



# Translating Data to Benefit Design Strategies

- National Alliance of Healthcare Purchaser Coalitions Action Brief [Hospital Payment Strategies](#), January 2020

*“The main reason for high hospital costs in the United States, economists say, is fiscal, not medical: Hospitals are the most powerful players in a healthcare system that has little or no price regulation in the private market.”*

Elizabeth Rosenthal, MD Editor-in-Chief, Kaiser Health News

# Translating Data to Benefit Design Strategies



January 2020

## Action Steps for Employers

1. Understand price relative to the local market and benchmarked against Medicare.
2. Learn what “paying for value” means.
3. Pool purchasing power.
4. Demand reasonable pricing and alternative payment models.
5. Educate and involve employees.

**Not every employer can do everything.**

# Value-Based Care Model

Dariusz “Derek” Mydlarz, MD, MPH  
Global Medical Director, GE Appliances, a Haier Co.



# Translating Data to Benefit Design Strategies

**Example:**  
Maternity Care  
Payment & Care  
Redesign

- Purchaser Value Network Toolkit – Pacific Business Group on Health
- Action Guide – related to reducing C-sections
  - Meet with local hospitals to express concern with high C-section rates
  - Eliminate providers' financial incentives for C-sections in health plan contracts
  - Review benefit coverage to encourage beneficiaries' access to high value services
  - Drive beneficiaries to high value services and providers

# Translating Data to Benefit Design Strategies

## Example: Maternity Care Payment & Care Redesign

- Eliminate providers' financial incentives for C-sections in health plan contracts – ask health plans to:
  - **Deny payment for medically inappropriate care.** Successfully implemented for early elective deliveries in South Carolina, Texas, and New York, denial of payment is an effective way to ensure that your beneficiaries do not receive unnecessary care that does not adhere to clinical guidelines.
  - **Reimburse the same for C-sections and vaginal births.** A blended case rate reimburses hospitals and physicians the same amount whether a mother delivers vaginally or by C-section, removing any financial incentives that affect how the hospital and providers deliver care.
  - **Pay one bundled fee for prenatal, delivery, and postpartum care.** A comprehensive episode-based bundle reimburses one payment to facilities and providers for all prenatal, birth, and postpartum services.

# Translating Data to Benefit Design Strategies

## Discussion

- What have you found successful?
- What are you considering?
- How can KHC support you?



# Applying Employer Specific Data

## Ask questions

- Would a value benefit reduce your and your employees' costs?
  - What are high-spend areas in your plan
  - How many members impacted
  - Determine if impact of value benefit can be measured
- Example: Implement value benefit for diabetes prescriptions and supplies
  - Adherence easily measured through scripts
  - Insulin and other diabetes medications are expensive for employers and patients
  - Data shows adherence to diabetes medications lowers overall medical spend

# Applying Employer Specific Data

Remain Open  
Minded

- Don't be afraid to pilot changes before full implementation
  - Review data-driven issues
  - Are there sub-groups or areas to test the program's benefit with your population
  - Look for low-hanging fruit where even small changes show a benefit and return on the health of your employees
- Benchmark with others
  - Look within and outside your market and industry
  - What has proven successful; what can you learn from others' mistakes
  - KHC and SHRM participation are excellent examples of this



# Applying Employer Specific Data

## Strive for Transparency

- Cost awareness is a critical step to reducing costs
  - Understand your healthcare spend – all aspects through review of data
  - Engage and educate members about their healthcare costs
    - Transparency tools
    - Understanding how benefits work (deductibles, co-pays, etc.)
- Rely on data
  - Review and audit claims as much as possible
  - Understand and watch for changes



# Applying Employer Specific Data

## Discussion

- What examples do you have of reviewing your data?
- Do you have access to your data? If not, why?

# Connect with the KHC

## Survey Results

What are the top three to five health and well-being issues impacting your organization?

4 responses

Creating educated healthcare consumers, Embracing preventive care,

Keeping premiums, deductibles, MOOP affordable; Escalating drugs prices; Targeting at-risk populations (diabetes, obesity, musculoskeletal)

Chronic care, increase member engagement in health and wellness, costs of care

Diabetes, back/neck pain, asthma, depression, and cancer.

# Connect with the KHC

## Survey Results

- Which of the following health and well-being strategies is your company considering? (5 responses)

### Doing now

- Enhanced contracting
- Hospital price transparency
- Hospital quality transparency
- On-site/near-site clinics
- Advanced Primary Care
- Regional centers of excellence/Episodes of care
- Value based benefit
- Medication therapy management
- Enhanced mental health support

# Connect with the KHC

## Survey Results

- What topics would you like to learn more about? (responses ranked with a 1 or 2; 5 responses)
  - COVID-19 community impact
  - Health equity
  - Racism in healthcare
  - Healthcare affordability
  - Benefit design changes
  - Healthcare literacy
  - Employee engagement

Connect with  
the KHC



[www.twitter.com/khcollaborative](http://www.twitter.com/khcollaborative)



[www.linkedin.com/Kentuckiana-health-collaborative](http://www.linkedin.com/Kentuckiana-health-collaborative)



[www.facebook.com/khcollaborative](http://www.facebook.com/khcollaborative)



[www.khcollaborative.org/newsletters/](http://www.khcollaborative.org/newsletters/)