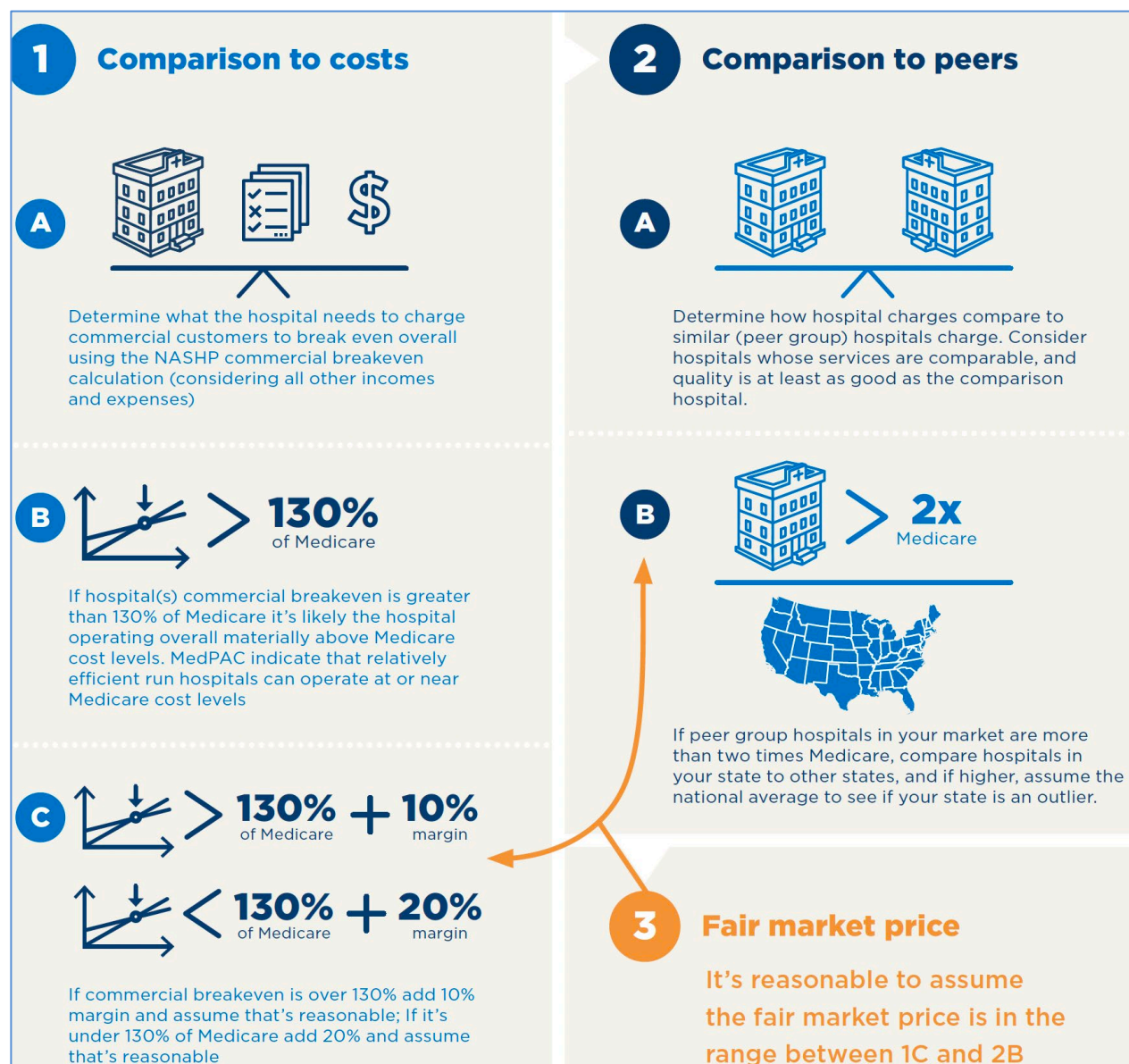


# Beyond Hospital Transparency: Getting to a Fair Price in Kentucky and Southern Indiana

## Fast Facts About the Sage Transparency Hospital Value Dashboard

- The [Sage Transparency](#) hospital value dashboard brings together public and proprietary data of hospital pricing and quality.
- Data sources include RAND 4.0, National Academy for State Health Policy, Turquoise Health, Quantros/Healthcare Bluebook, and Centers for Medicare and Medicaid Services.
- On average nationally, employers pay hospitals more than double Medicare prices. Prices vary widely among states and among hospitals within the same city and state.
- Higher prices do not correlate to higher quality.
- For many hospitals, pricing levels for plan sponsors can not be justified by their cost structures, subsidies to other public markets or uncompensated care.
- Hospital consolidation and broad undifferentiated networks has led to unchecked markets and indefensible pricing practices.

## How to Determine a Fair Price for Hospital Services



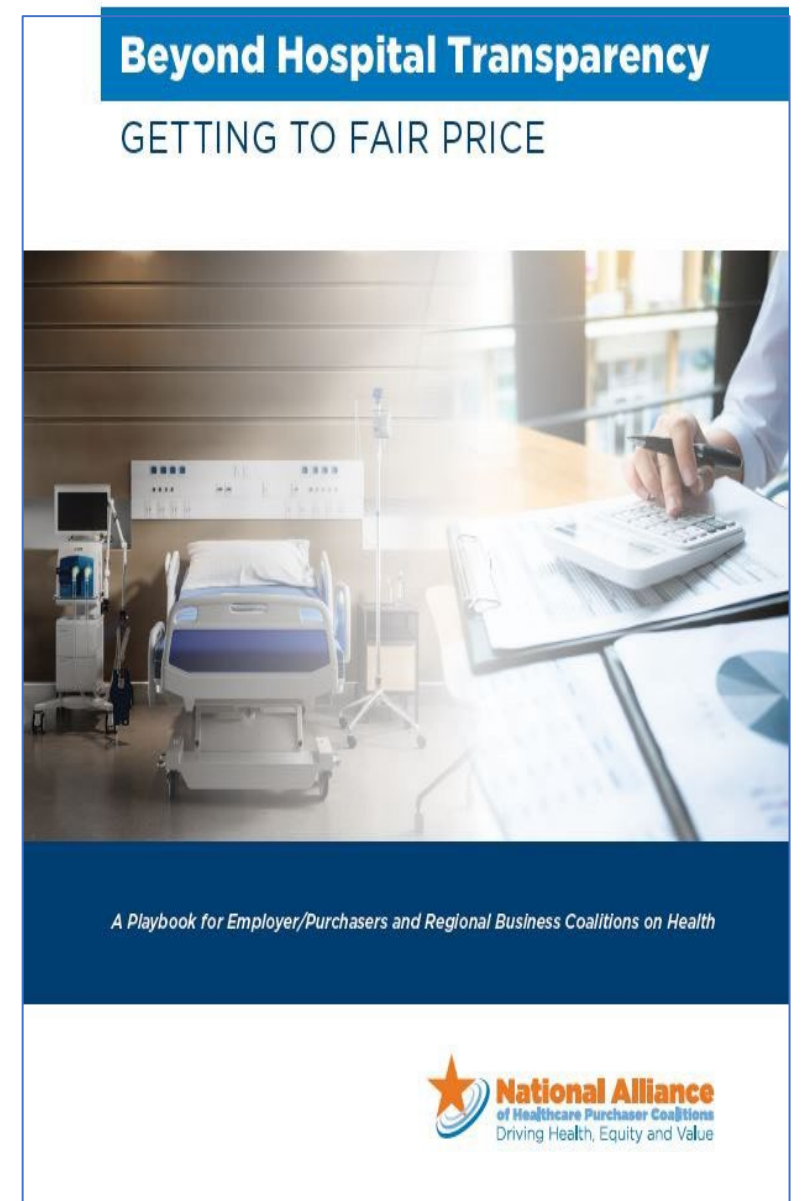
## How to Get to Fair Price for Hospital Services

### Market-based Strategies

- Reference-Based Pricing
- Contracts & Performance Guarantees tied to % Medicare
- Tiered Networks, Centers of Excellence, Episodes of Care
- Advanced Primary Care, Site of Care, Unaffiliated Providers
- Health System Engagement
- Transparency

### Policy-Based Strategies

- Rate Regulation
- Global Budgets
- Healthcare Cost Growth Caps
- Public Option
- Anti-Competitive Practices/ Anti-Trust Enforcement
- Surprise Billing



## Getting to Fair Price Playbook Helps Employers/Coalitions:

- Navigate the data
- Understand fiduciary rights and responsibilities
- Determine fair price for hospital services in specific markets
- Learn about market- and policy-based strategies to drive transparency and change

## Rights & Responsibilities of Plan Sponsor Fiduciaries

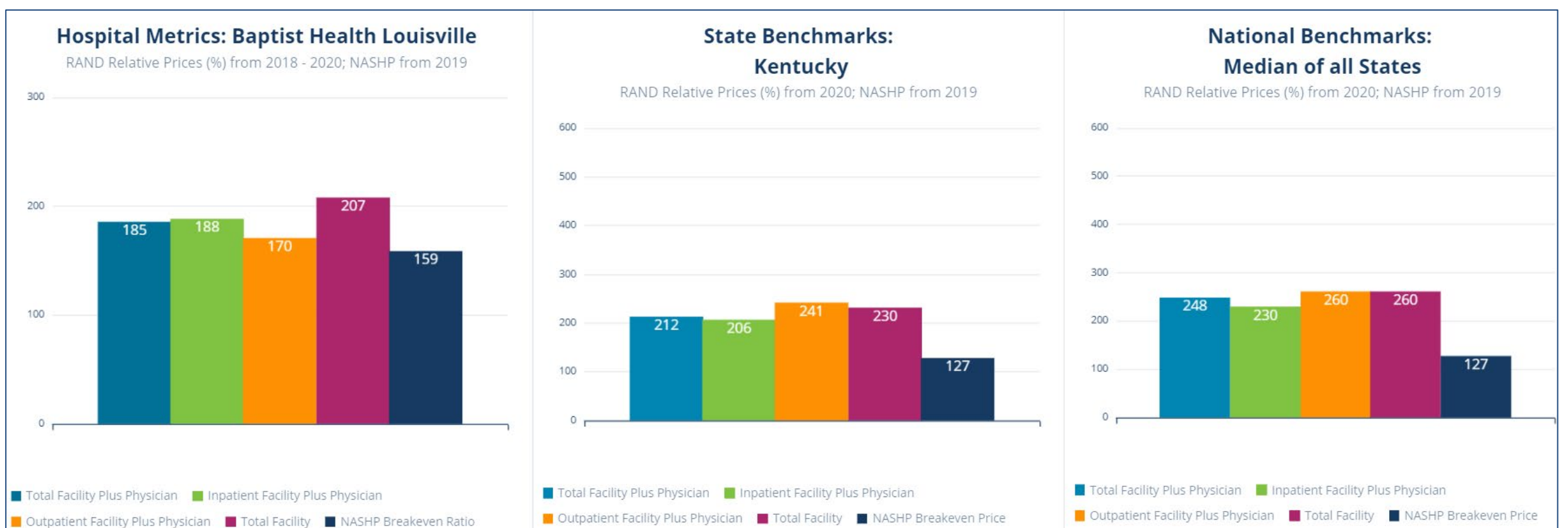
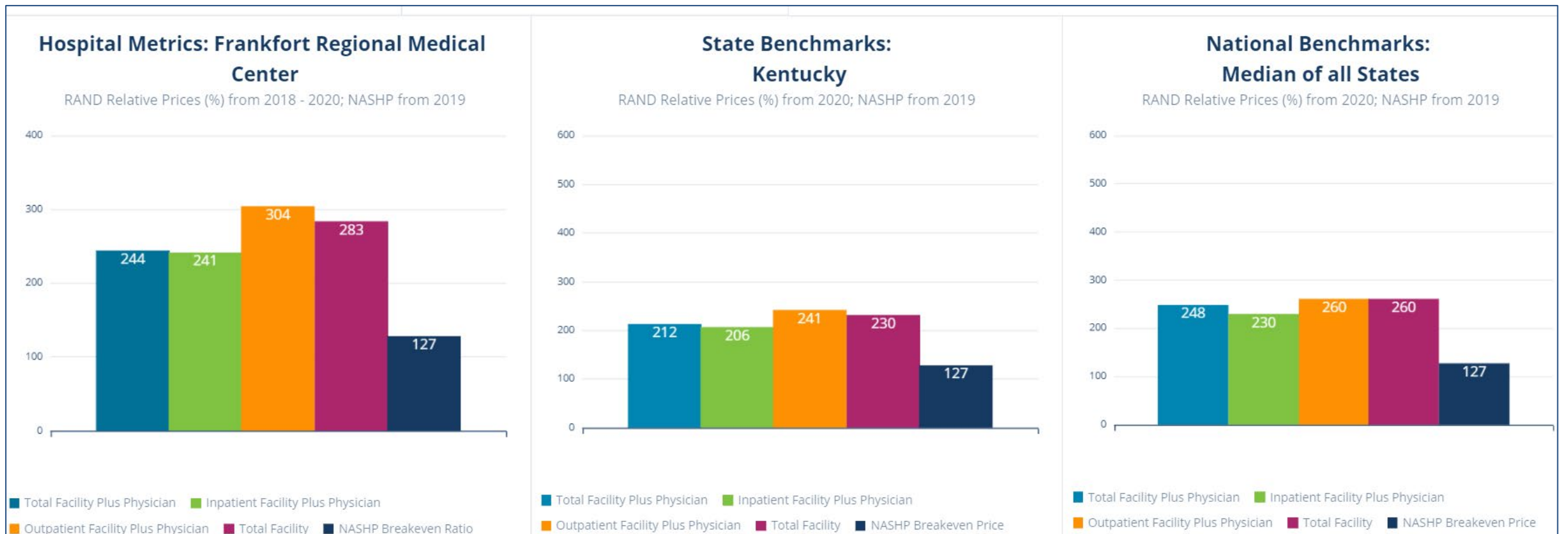
- Act *solely* and *exclusively* in the best interest of benefit plan beneficiaries
- Pay only *reasonable* plan expenses
- Carry out one's duties *prudently*

### Free Resources

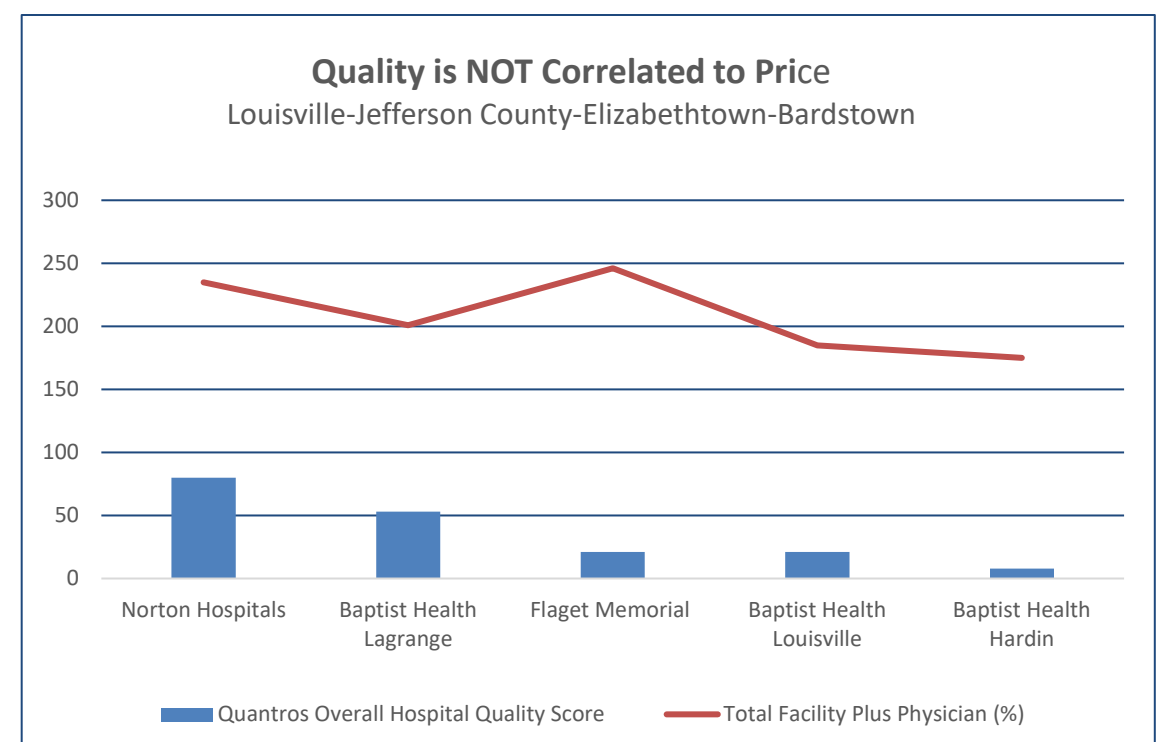
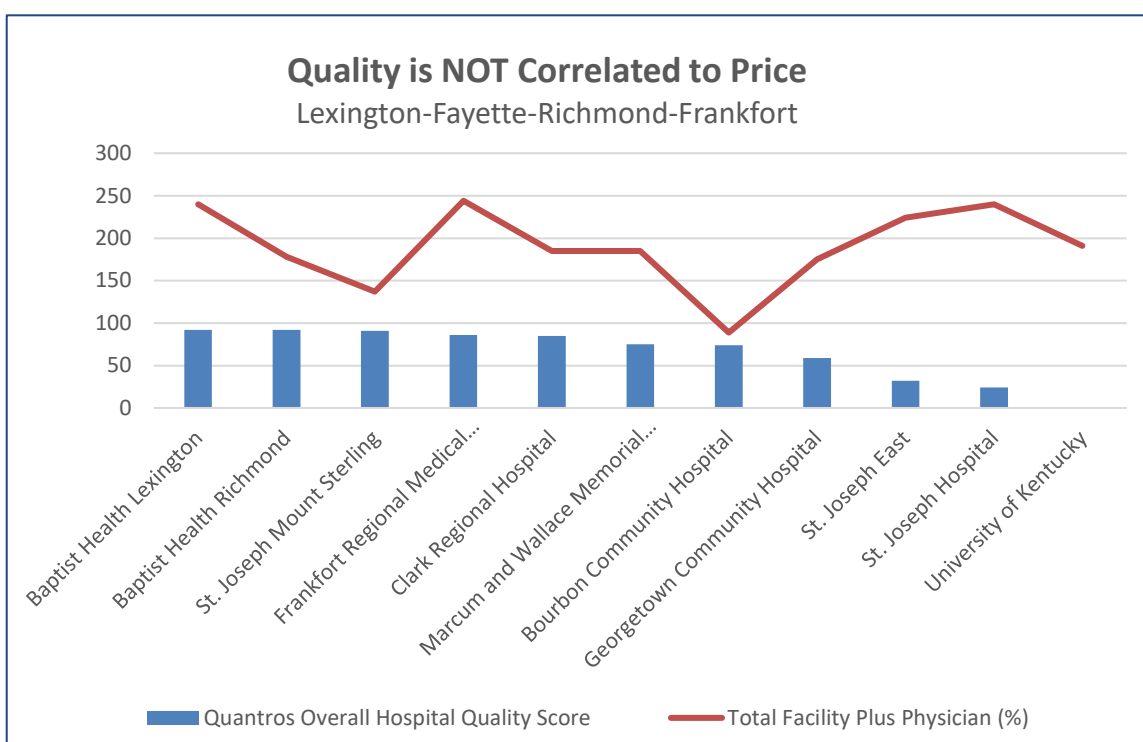
- [Getting to Fair Price Playbook](#)
- [Sage Transparency](#)
- [NASHP Hospital Cost Tool](#)
- [KHC Price Transparency Website](#)

# A Deep Dive Look at Hospital Pricing In Kentuckiana

## Hospital Prices and Commercial Break Even Calculated as Percent of Medicare



## Prices Vary Widely Even Among the Highest Quality Institutions



## Why Getting to Fair Price Matters for Healthcare Purchasers

The Consolidated Appropriations Act, 2021 (CAA) not only enabled greater transparency in healthcare but also reinforced the fiduciary responsibility to understand the reasonability of what is being paid for that service. Basically, rules like those that were implemented to improve 401(k) and other retirement benefits related to fiduciary responsibility are now applicable to health plans. The Federal Transparency in Coverage Rules and CAA consider a fiduciary as anyone who exercises discretion over plan assets such as the plan sponsor – for example employer CEOs, CFOs, COOs, VPs of HR, and Benefit Committees.