

RAND Hospital Price Transparency Studies

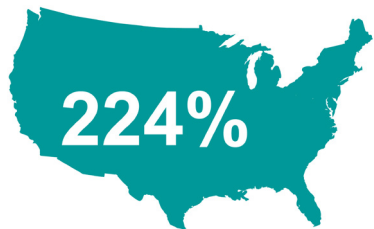
(Updated with Round 4 Study, Released 2022)

ABOUT: The RAND Hospital Price Transparency Studies are comprehensive reports that are part of an ongoing employer-led initiative to measure and report publicly the prices paid for hospital care at the hospital and service-line level. In an effort to create transparent hospital pricing, Employers' Forum of Indiana and RAND Corporation have worked together since 2017 to compile claims data and compare hospital prices across the country.

DATA SOURCES: Medical claims data from employers, health plans, state all payer claims databases (APCDs) for inpatient and outpatient services at hospitals and ambulatory surgery centers

REPORTS: Prices relative to what Medicare would have paid for the same services at the same hospital; standardized prices

National Overall Hospital Pricing Relative to Medicare

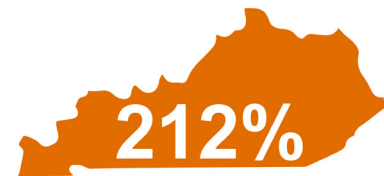


217% Inpatient | 234% Outpatient

National Key Takeaways

1. Employers pay significantly more than Medicare for the same services.
2. Relative prices continue to vary widely across states. Some states had relative prices below 175%, while other states had relative prices that were at or above 310%.
3. Very little variation in prices is explained by each hospital's share of patients covered by Medicare/Medicaid or quality, although a larger portion of price variation is explained by hospital market power.
4. Prices for ambulatory surgery centers are lower than hospital-based outpatient departments.
5. The reduction from the 247% relative price reported for 2018 in the previous study is owed to a substantial increase in the volume of claims from states with prices below the previous mean price, particularly from APCDs.

Kentucky Overall Hospital Pricing Relative to Medicare



206% Inpatient | 241% Outpatient

Kentucky Key Takeaways

1. Kentucky employers pay more than Medicare pays for the same services, but below the national average.
2. There is a wide variation of pricing in Kentucky, ranging from 88% to 286% relative to Medicare.
3. Few Kentucky hospitals have high quality, with only 25% of hospitals with above average quality according to CMS Hospital Quality Star Ratings, compared to 43% of hospitals in the study.
4. For the first time in the RAND Hospital Price studies, outpatient prices in Kentucky are higher than the national rate.
5. Prices for ambulatory surgery centers are lower than hospital-based outpatient departments.

PREVIOUS STUDIES

The RAND pilot study, released in 2017, focused on providers in Indiana. In the next two iterations of the study, the scope increased to include additional states, data sources, and fee types. Kentucky employers and health plans began submitting data in the second round of the study.

CURRENT STUDY

Released in 2022, Round 4 includes data for 4,102 hospitals in all U.S. states except Maryland. The data includes \$78.8 billion of spending on hospital-based claims. For the first time, the analysis also includes data from 4,091 ambulatory surgical centers, with \$2 billion of spending on ASC procedures.

NEXT STUDY

Employers, health plans, and APCDs are enrolling now for the next study. The data security rigor of the study meets highest privacy standards. For more information, visit <https://www.rand.org/health-care/projects/price-transparency/contact.html> or schedule a meeting with the KHC.

More information on the study: www.KHCollaborative.org/programs/national-hospital-price-transparency-study

Explore the data: Use Sage Transparency, a free, interactive dashboard to compare and print reports for states, hospitals, and health systems with data from RAND 4.0 and additional price and quality data sources. <https://dashboard.sagetransparency.com>

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