

RAND Hospital Price Transparency Project

Florida Alliance for
Healthcare Value

*Study funding provided by
Robert Wood Johnson
Foundation and participating
employers*



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Employer-sponsored plans cover half of Americans

\$1.2 trillion

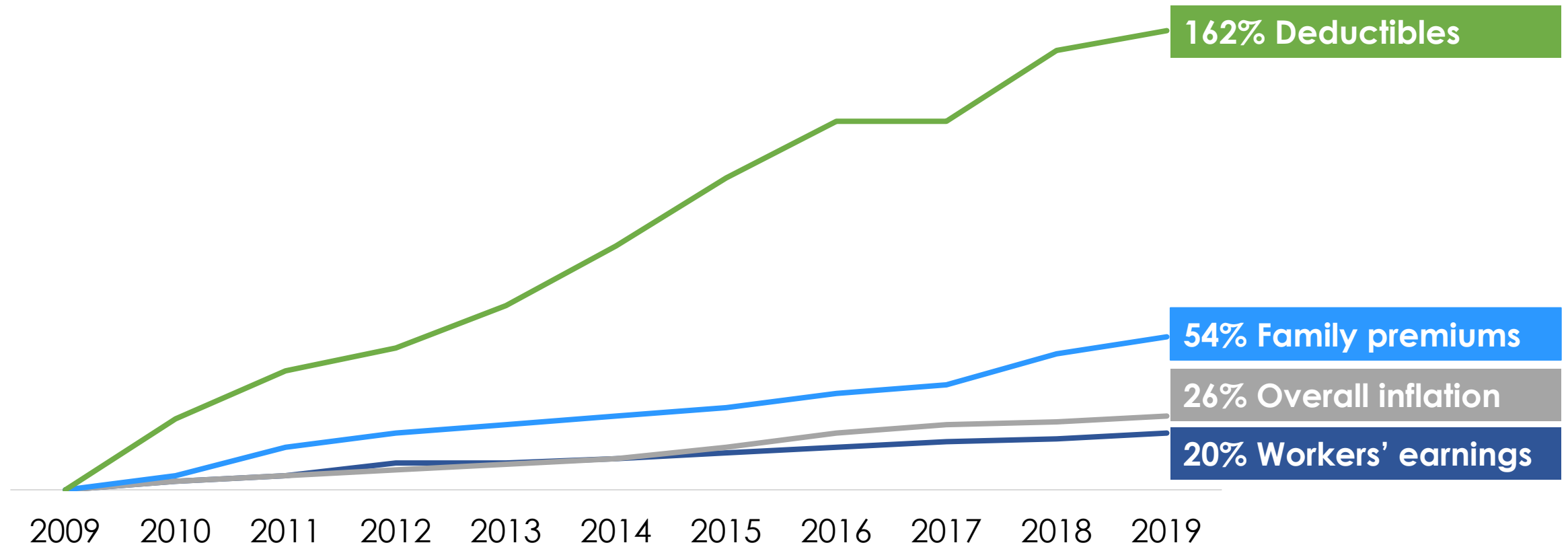
health care costs

\$480 billion

hospital costs

**160 million
people**

Over the past decade, premiums and deductibles have outpaced wages



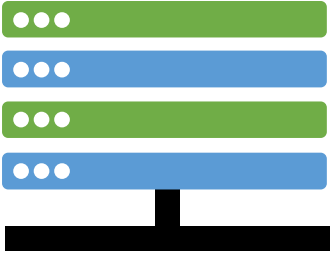
Self-funded purchasers have a fiduciary responsibility to monitor health care prices

“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?

Hospital Price Transparency Study – Round 5



Obtain claims data from

- 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

Study Timeline

Now

Sign DUAs

- Cigna
- UHC
- Anthem
- Aetna
- Etc.

**Spring
2023**

Transfer Data

- 1/1/2020 through 12/31/2022 claims
- If employer opts in, insurance company handles data transfer
- If data warehouse or other data contributor, RAND can facilitate

**May
2024**



Create a *public* hospital price report

- Free to participate, free to access
- Results specific to hospitals, states, national trend

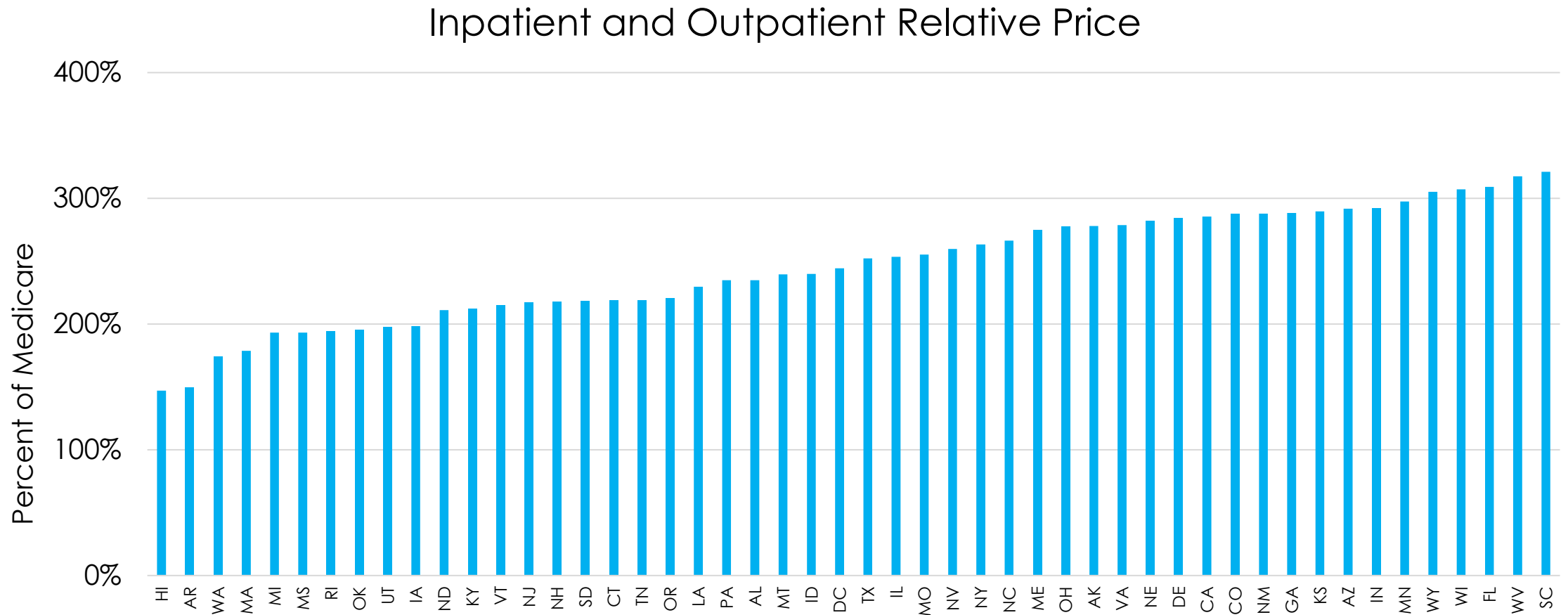
**June/July
2024**



Create *private* hospital price reports for self-funded employers

- \$1,000 minimum
- \$15,000 max
- Only employer sees results -- specific to employer's

Relative prices vary widely



How can purchasers and policymakers use price transparency?



And they're citing our study in their negotiations

The New York Times

***Many Hospitals
Charge Double or
Even Triple What
Medicare Would Pay***



The Journal Gazette

**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 and purchasers



Employers and purchasers need to demand and use transparent information on the prices they—and their workers—are paying