



A Fiduciary Concern for Employers? Hospital Financial Transparency & The Consolidated Appropriations Act



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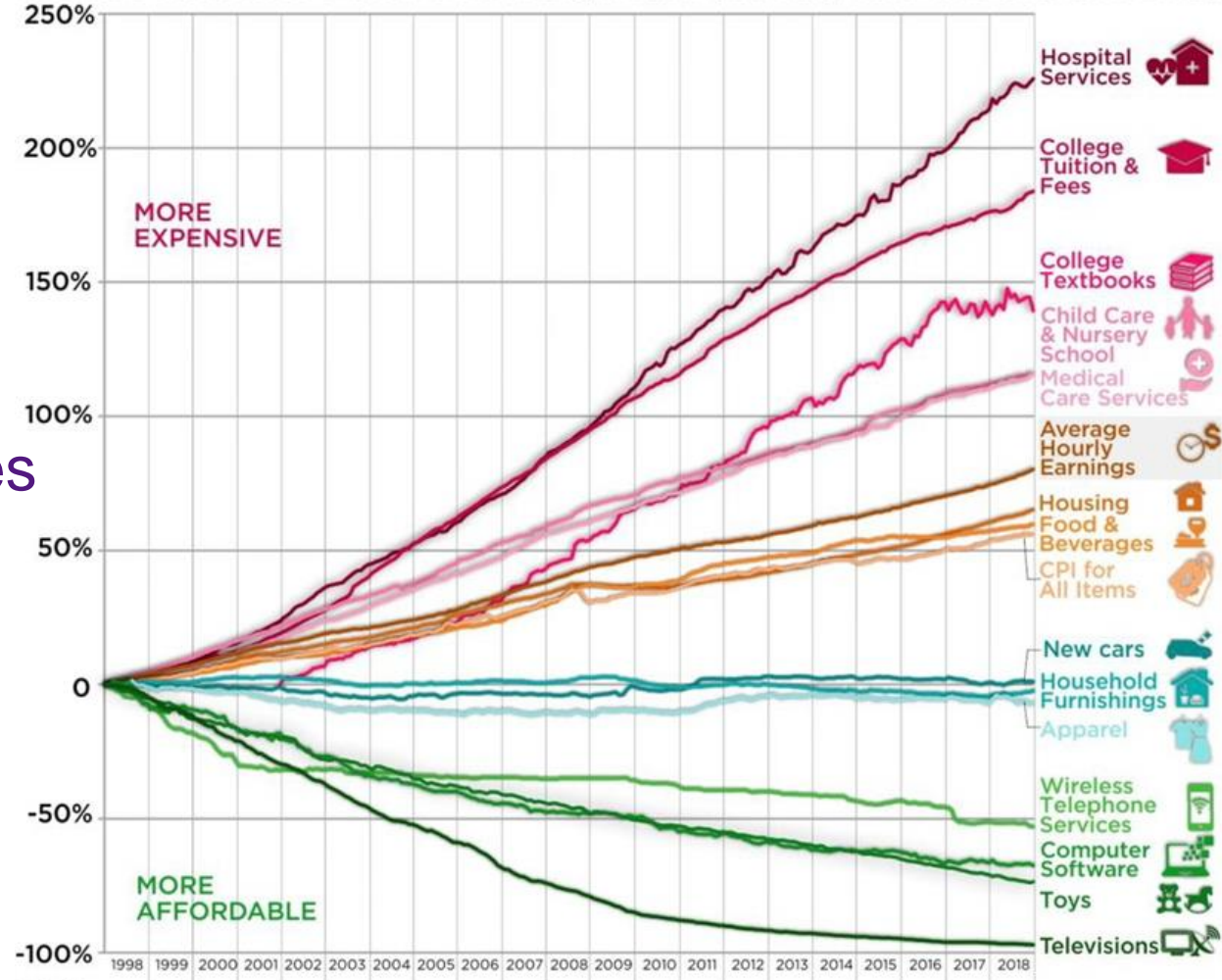


Impacts

- Business Growth
- Quality of Life
- Community Resources

20 Years of Price Changes in The United States

Selected Consumer Goods & Services, Wages (January 1998 to December 2018)



Article & Sources:
<https://howmuch.net/articles/price-changes-in-usa-in-past-20-years>
 CPI and other price indices - Bureau of Labor Statistics - <https://data.bls.gov/PDGWeb/cu>
 Average hourly earnings - Bureau of Labor Statistics - <https://data.bls.gov/timeseries/CEES0500000008>

8:30-8:45 Welcome & Opening Comments

*Chris Skisak, PhD, HBCH Executive Director
Representative James Frank*

8:45-9:30 New Transparency Tools

*Chris Whaley, PhD, RAND Corporation
Maureen Hensley-Quinn, National Academy for State Health Policy
Chris Skisak, PhD, HBCH*


9:30-9:45 Networking Break

9:45-10:30 Consolidated Appropriations Act Reporting Requirements

*Tony Sorrentino, Health Plan Fiduciary Advisors
Chris DeMeo, Seyfarth Shaw
Peter Cram, MD, UTMB*

10:30-11:30 Are Employers at Fiduciary Risk

*James Gelfand, ERISA Industry Committee (ERIC)
Tony Sorrentino, Health Plan Fiduciary Advisors
Chris DeMeo, Seyfarth Shaw
Andrea Powers, Bakers, Donelson, Bearman Caldwell & Berkowitz*



Representative James Frank

- Business Owner
- Texas House of Representatives, District 69
- Member House Select Committee on Healthcare Reform





A Fiduciary Concern for Employers? Hospital Financial Transparency & The Consolidated Appropriations Act

**Chris Whaley, PhD – Policy Researcher &
Healthcare Economist**



RAND Hospital Price Transparency Project

Houston Business
Group on Health



June 2022

Christopher Whaley | cwhaley@rand.org

Acknowledgments

- Funding provided by the Robert Wood Johnson Foundation, Arnold Ventures, and participating employers
- Study conceptualized by Employer's Forum of Indiana

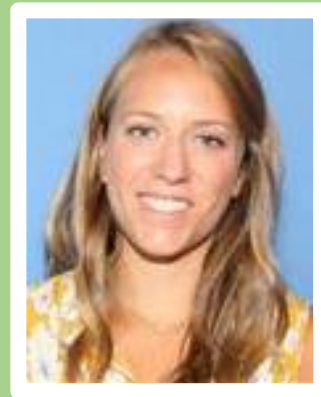
Study team



Rose Kerber
Research
Programmer



Aaron Kofner
Research
Programmer



Brenna O'Neill
Research
Programmer



Brian Briscoe
Quantitative
Analyst

Employer-sponsored plans cover half of Americans



\$1.2 trillion

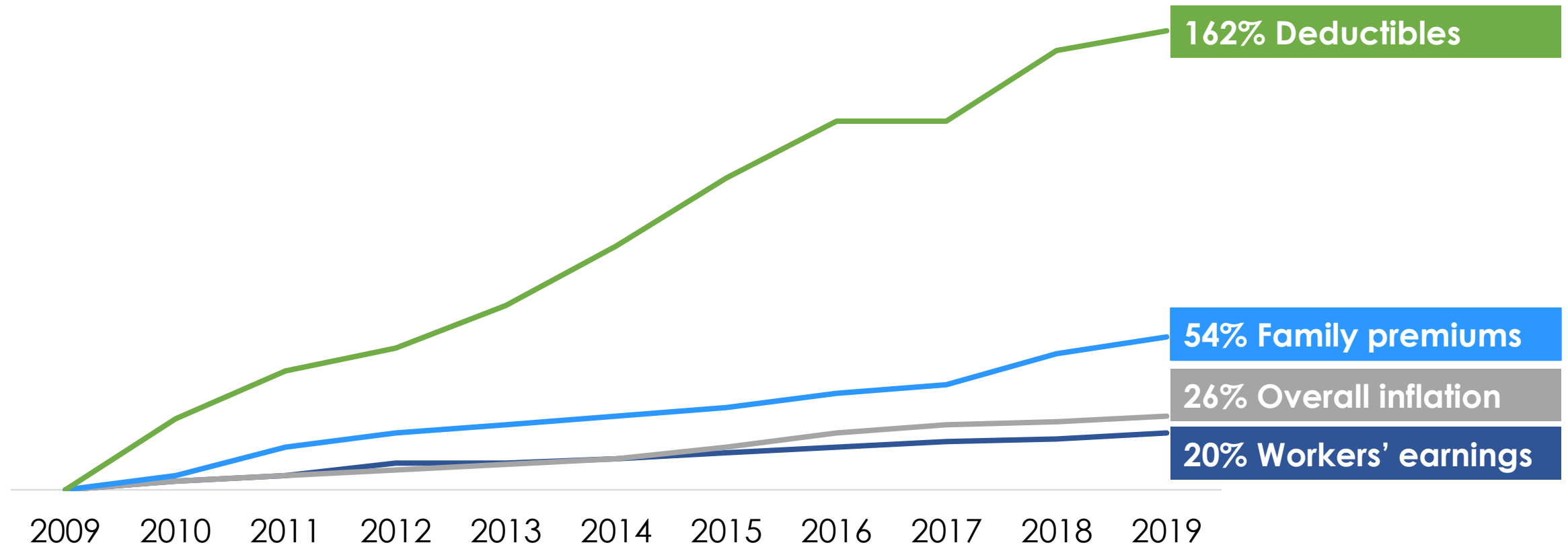
health care costs in 2018

\$480 billion

hospital costs in 2018

**160 million
people**

Over the past decade, premiums and deductibles have outpaced wages



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

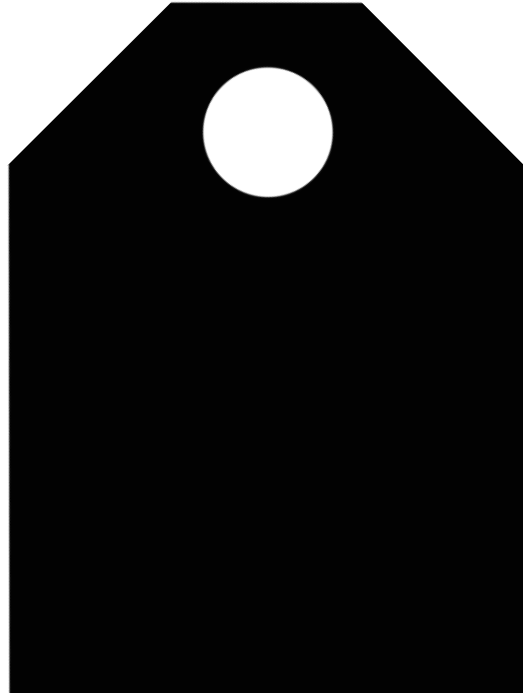
“Fiduciaries have a responsibility to “act solely in the interest of plan participants and their beneficiaries and with the exclusive purpose of providing benefits to them.”

—Department of Labor



How can self-funded plans fulfill fiduciary obligations without knowing prices?

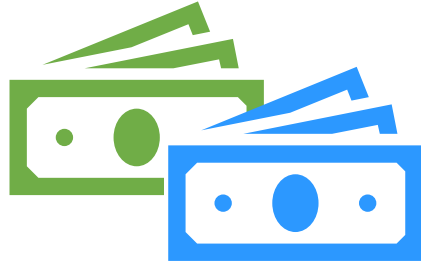
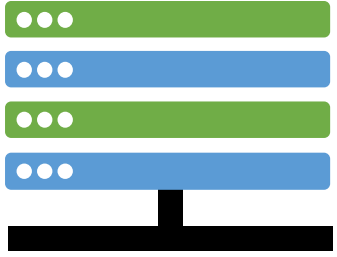
Why did RAND undertake this study?



- We do not know what the “right” price is for hospital care
- Self-funded employers cannot act as responsible fiduciaries for their employees without price information

Employers can use the information in this report—
together with knowledge of their own employee
populations—to decide if the prices they and their
employees are paying align with value

RAND 4.0



Obtain claims data from

- self-funded employers
- APCDs
- health plans

Measure prices in two ways

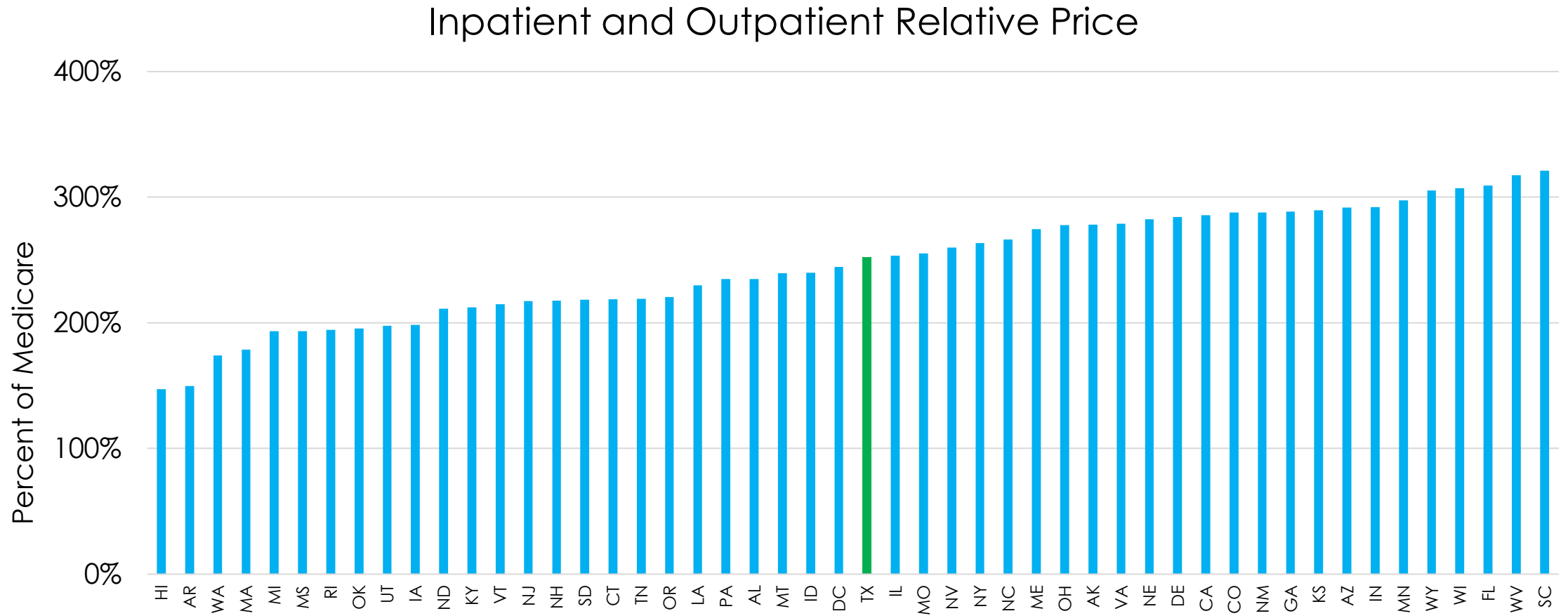
- relative to a Medicare benchmark
- price per case-mix weight

Create a *public* hospital price report

- posted online, downloadable
- named facilities & systems
- inpatient prices & outpatient prices

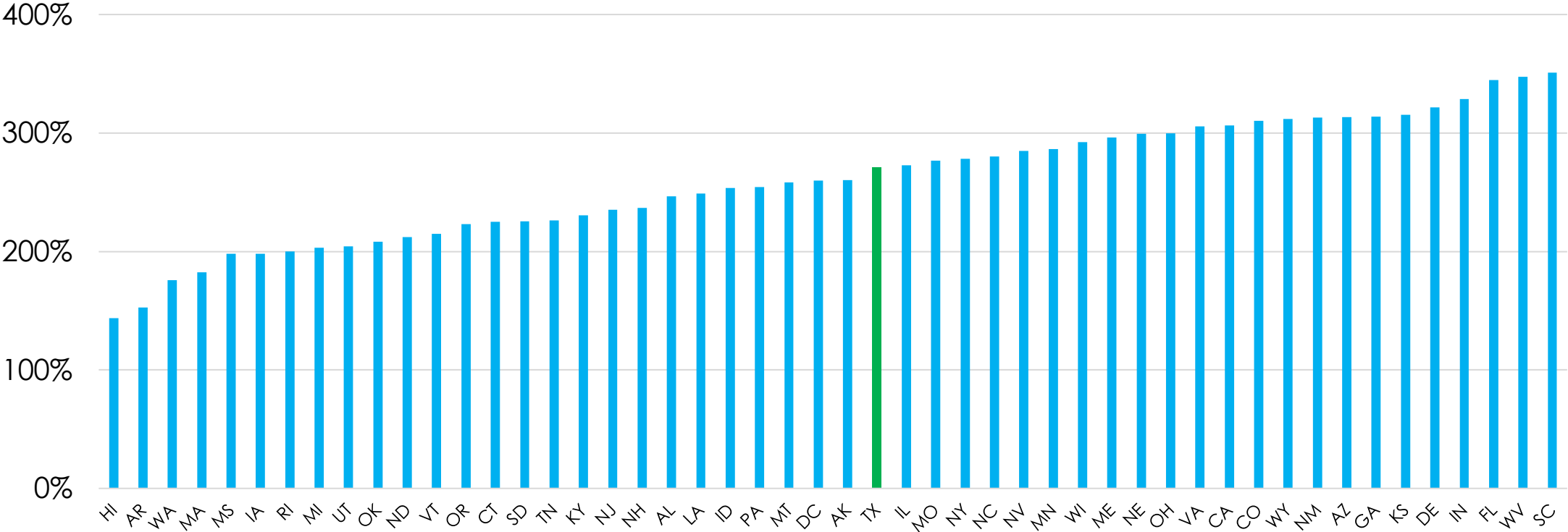
Create *private* hospital price reports for self-funded employers

Relative prices vary widely



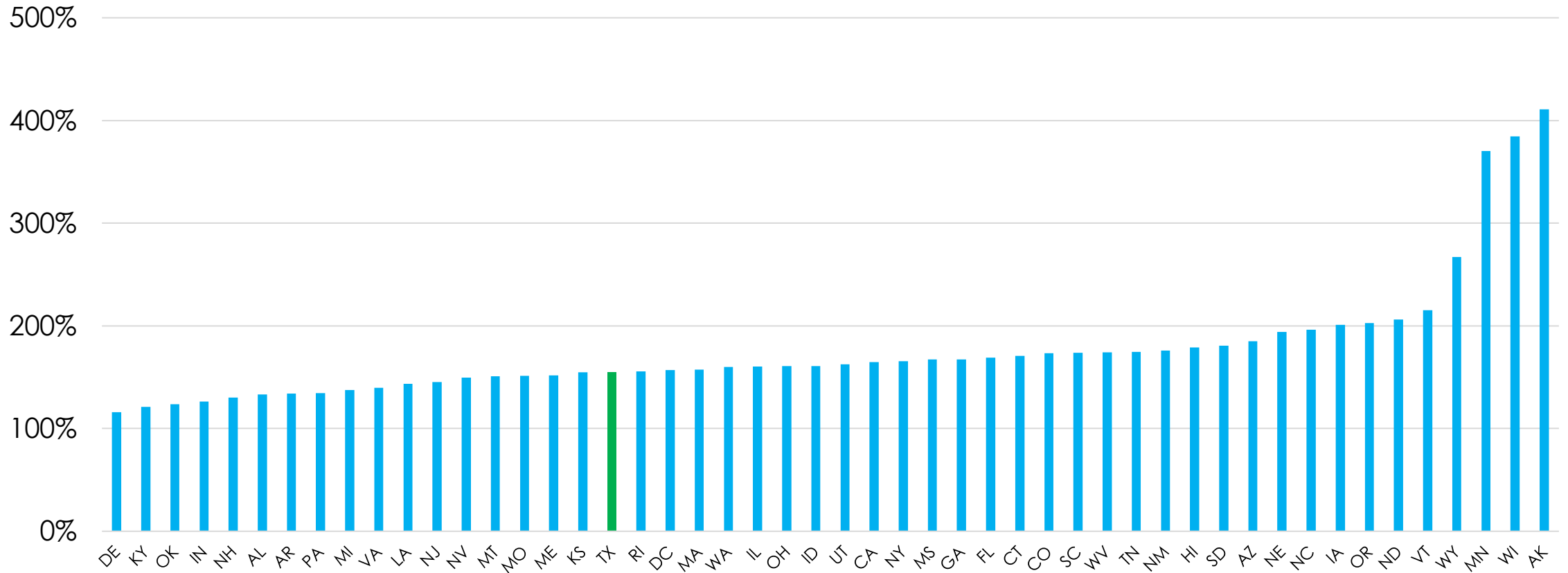
TX Facility prices are middle of the pack relative to Medicare

Inpatient and Outpatient Relative facility price



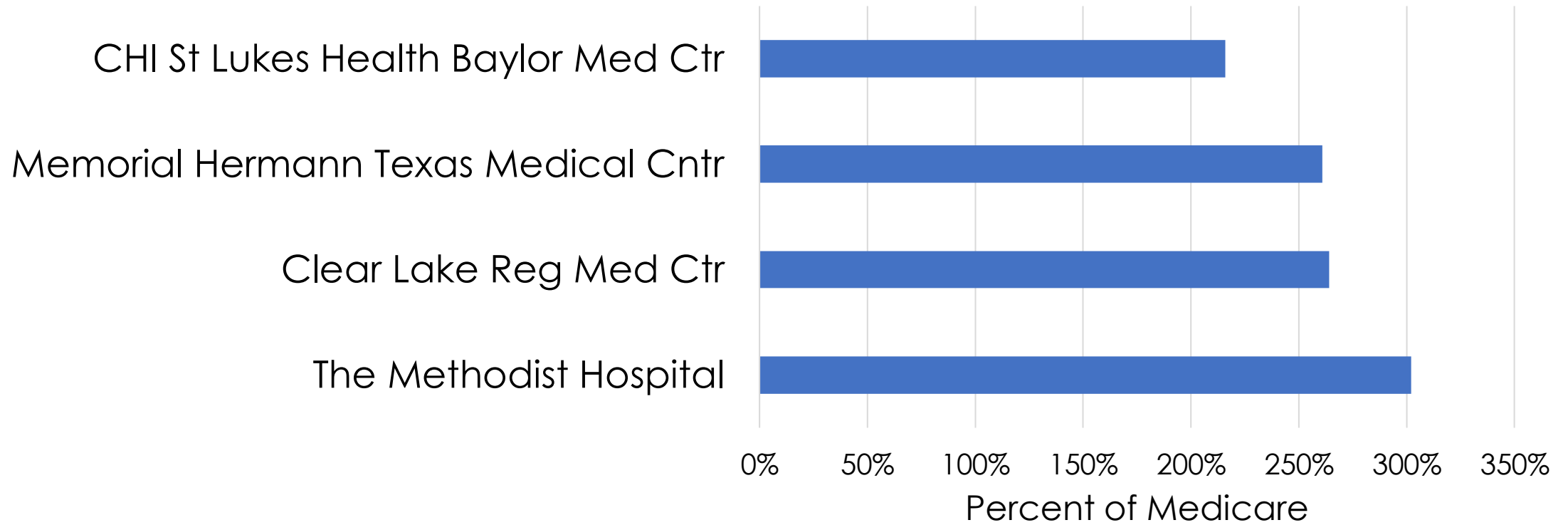
Less variation in professional fees

Relative price, professional



Relative Prices for Houston Hospitals

Relative price for inpatient and outpatient services



How can employers and policymakers use price transparency?

Finally have information about prices



Benchmark prices



Change hospital networks



Employers are collecting information about prices

- The Colorado Business Group on Health used RAND 2.0 data to produce a report on value of Colorado hospitals
- The report proposed options for Colorado employers to address prices in their specific markets



Employers are using data to benchmark prices

Modern Healthcare

Self-insured employers go looking for value-based deals



“

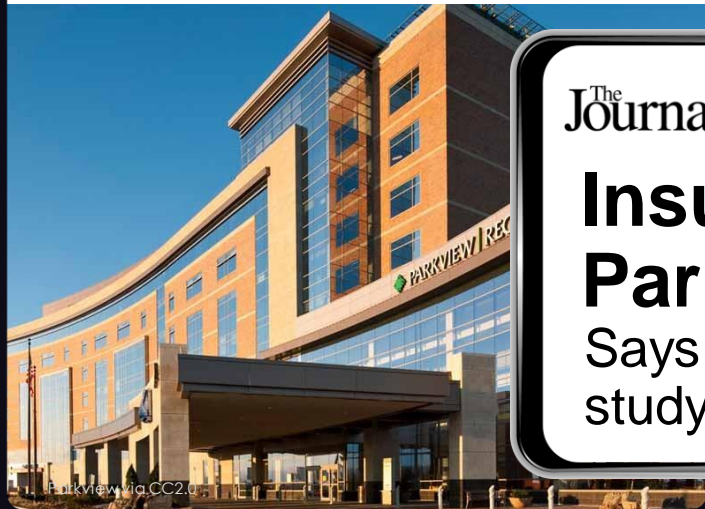
A similar RAND study commissioned by self-insured employers in Indiana spurred action...In response, 12 self-insured companies asked Anthem Blue Cross and Blue Shield to develop new health plan options.

”

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



Employers need to demand transparent information on the prices they—and their employees—are paying



Employers need to use transparency to inform benefit strategy and to advocate for policies that ensure competitive health care markets

Christopher Whaley
cwhaley@rand.org





A Fiduciary Concern for Employers? Hospital Financial Transparency & The Consolidated Appropriations Act

**Maureen Hensley-Quinn – Senior Project
Developer for Emerging Policies, NASHP**



NASHP Hospital Cost Tool

Maureen Hensley-Quinn

Senior Program Director, NASHP

June 8, 2022



NATIONAL ACADEMY
FOR STATE HEALTH POLICY

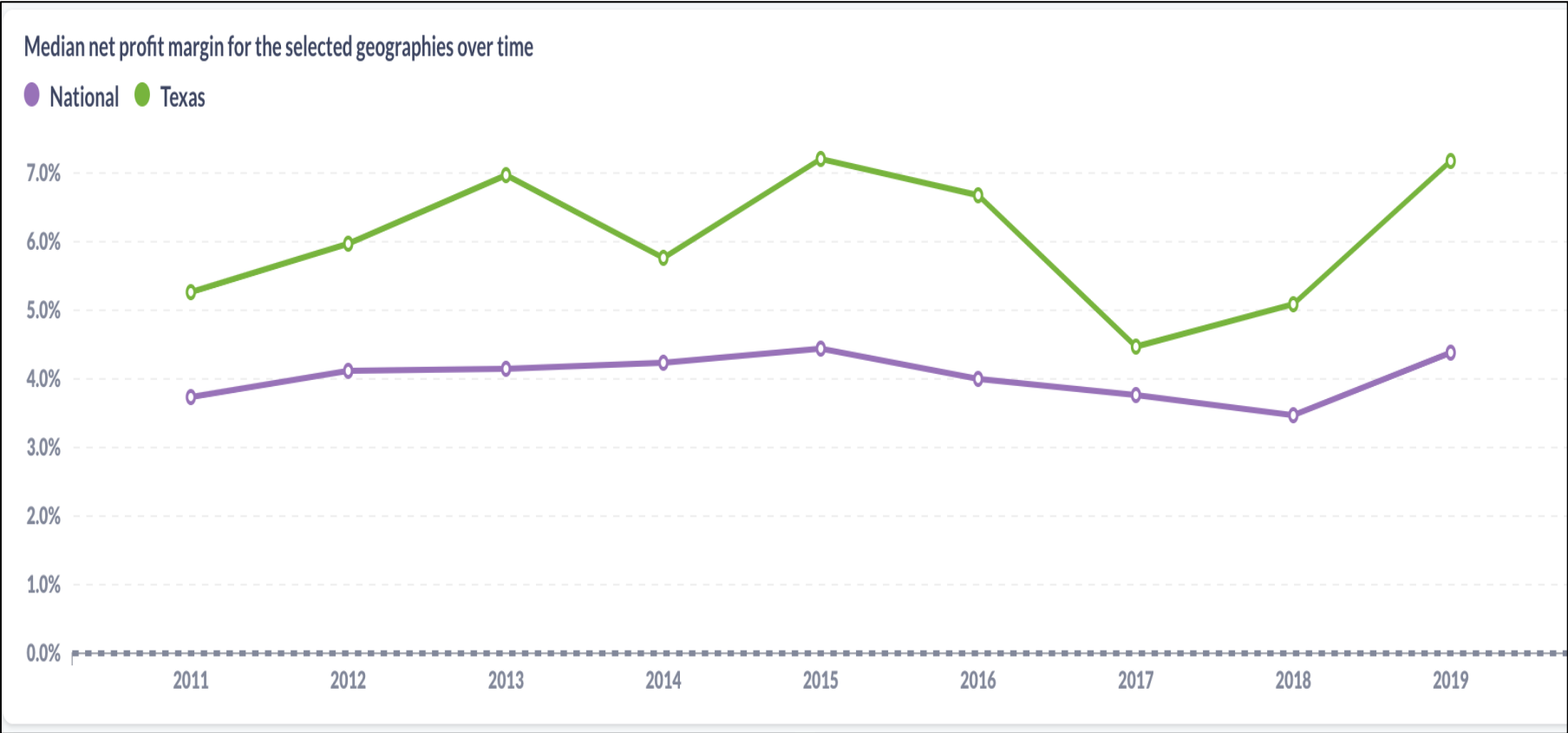
nashp.org

What is NASHP's Hospital Cost Tool?

- **Online tool health purchasers, including state officials, can use to better understand and address hospital costs**
- **Identifies financial data and benchmarks using Medicare Cost Reports**
 - Hospital specific
 - 10 years of data – 4,600 hospitals (Acute Care and Critical Access)
 - MCRs provide hospital level data and are the only national, public source of hospital costs
- **Developed by the National Academy for State Health Policy (NASHP) alongside Rice University, with support from Arnold Ventures. Dashboard by Mathematica.**

<https://www.nashp.org/hospital-cost-tool/>

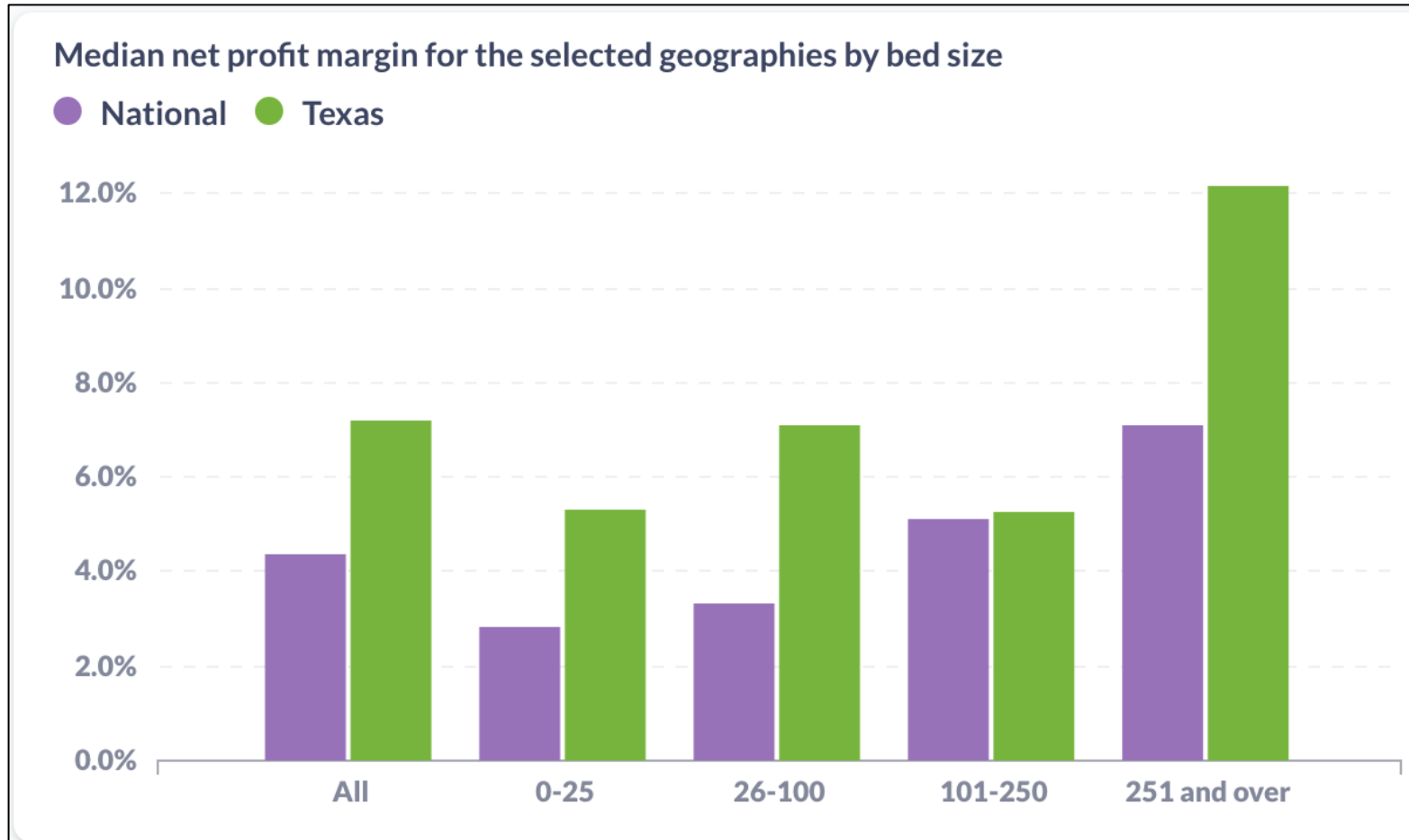
Texas– Net Profit Margin



- Median Net Profit Margin
- 368 Hospitals (2019)
- Acute Care and CAH
- Can compare to other states

Source: NASHP Hospital Cost Tool

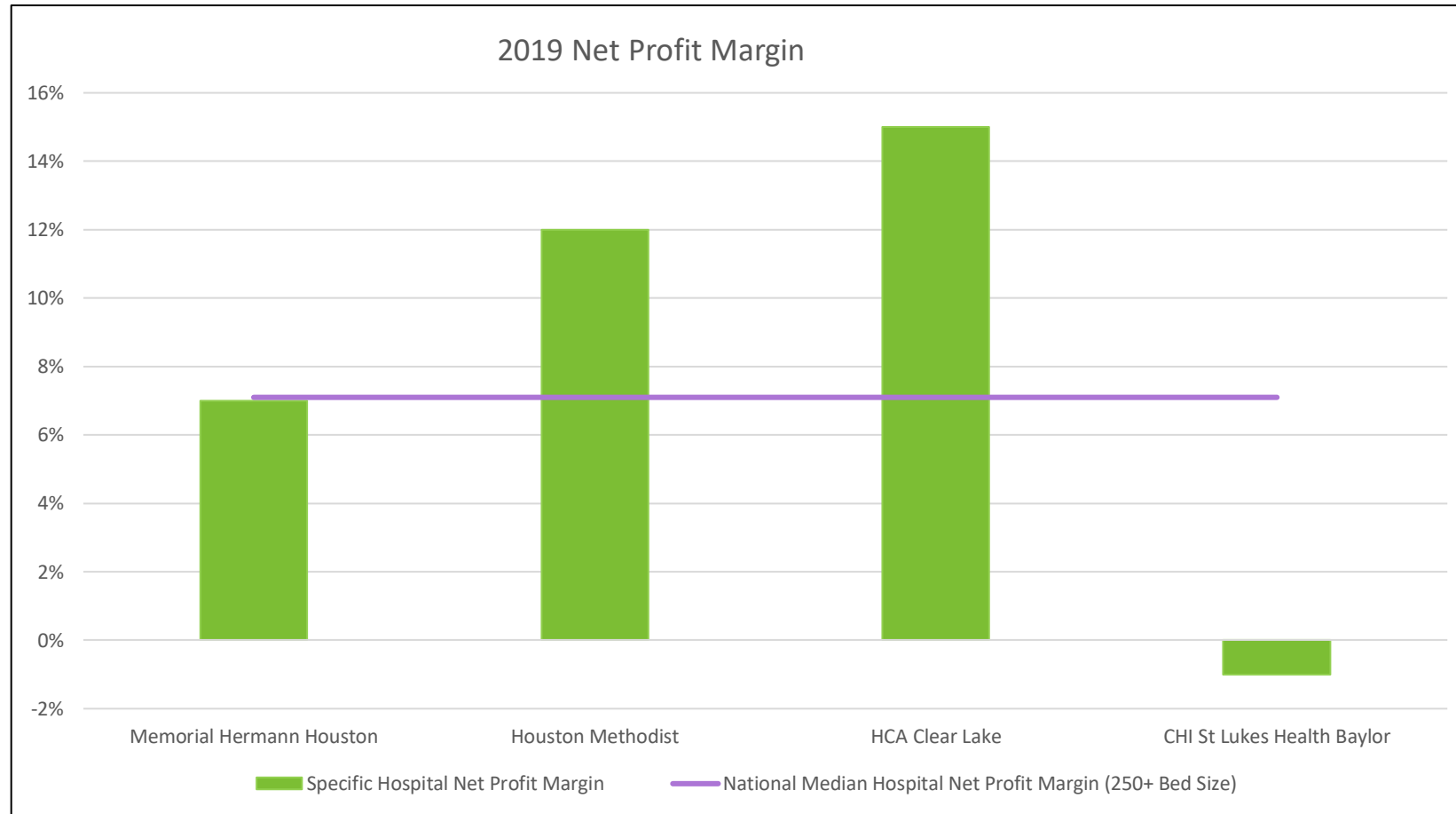
Texas – Comparing by Bed Size



- Median Net Profit Margin (2019)
- 0-25 Beds (39)
- 26-100 Beds (33)
- 101-250 Beds (31)
- 251+ Beds (16)

- Can compare to other states

4 Houston Area Hospitals



Source: NASHP Hospital Cost Tool

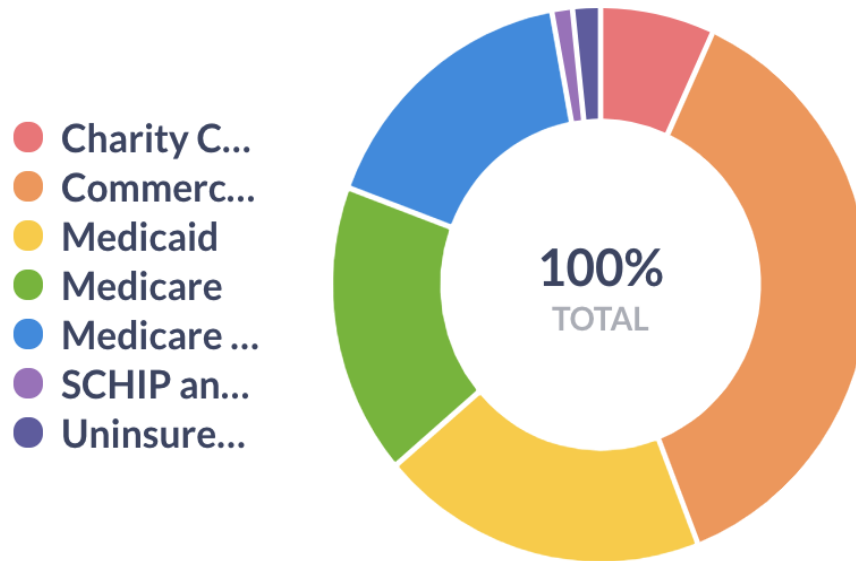
Payer Mix and Operating Profit Margin

Memorial Hermann TX Medical Center – Houston

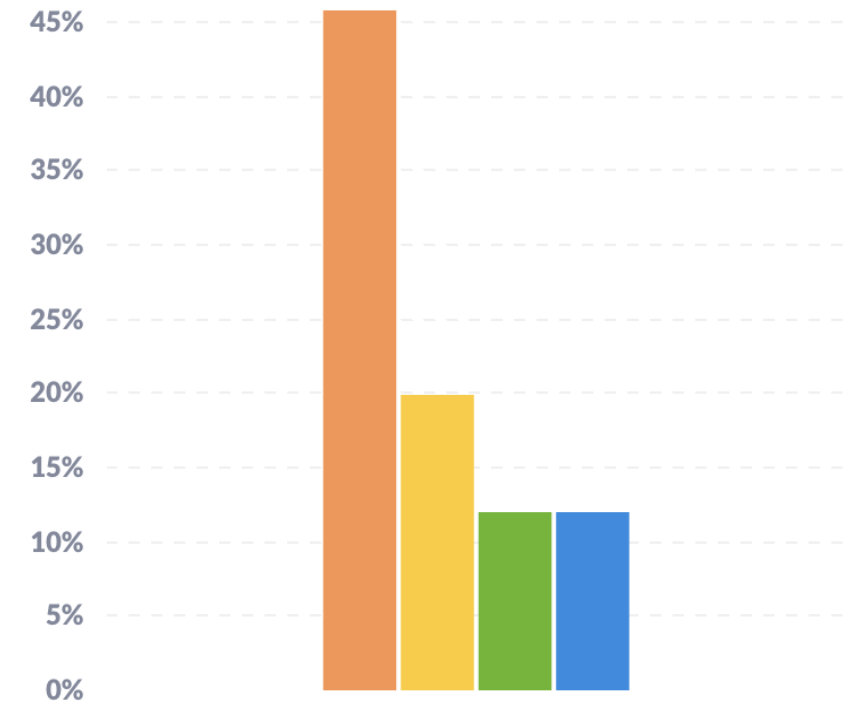
2019 Payer Mix

- 38% Commercial
- 20% Medicaid
- 17% Medicare
- 16% Medicare Adv
- 7% Charity Care
- 1% CHIP
- 1% Uninsured/Bad Debt

Payer mix for the selected year



Operating profit margin by payer type for the selected year

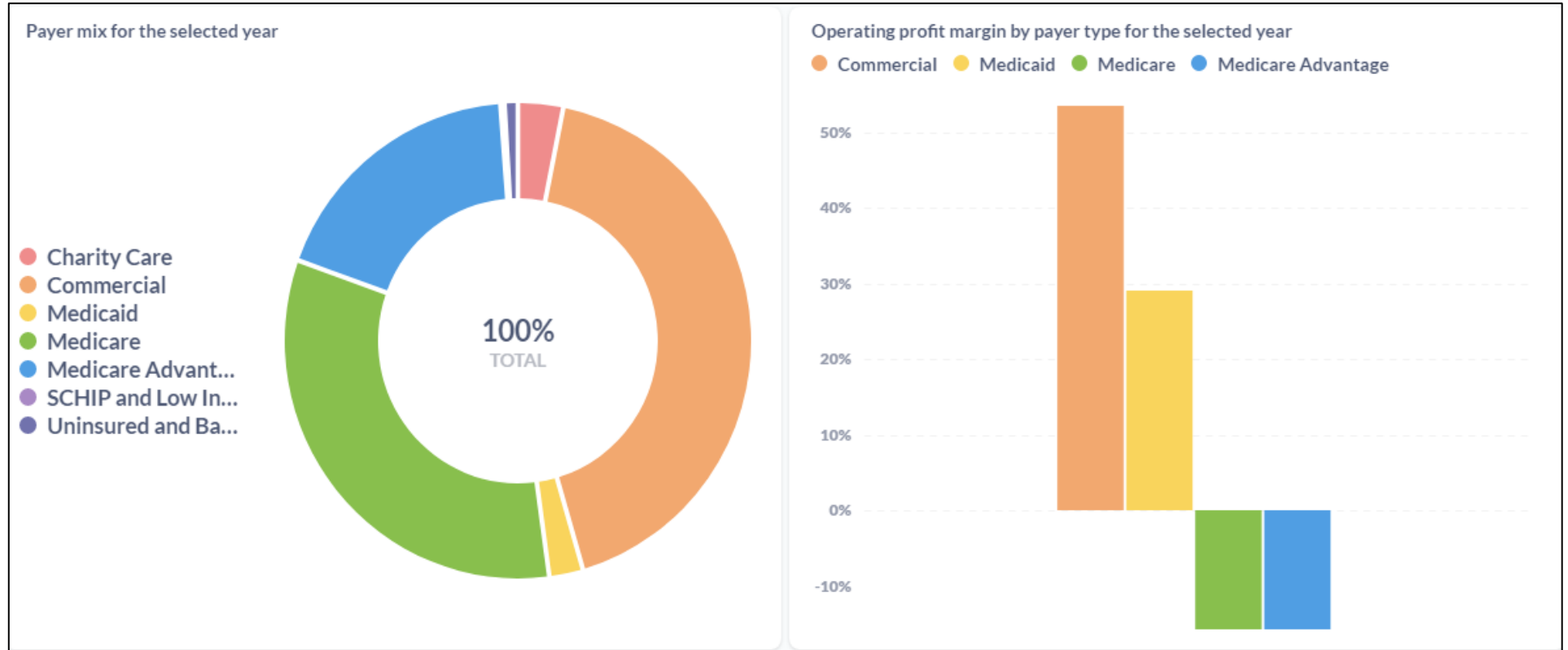


Source: NASHP Hospital Cost Tool

Payer Mix and Operating Profit Margin Methodist Hospital – Houston

2019 Payer Mix

43% Commercial
 2% Medicaid
 33% Medicare
 18% Medicare Adv
 3% Charity Care
 1% Uninsured/Bad Debt



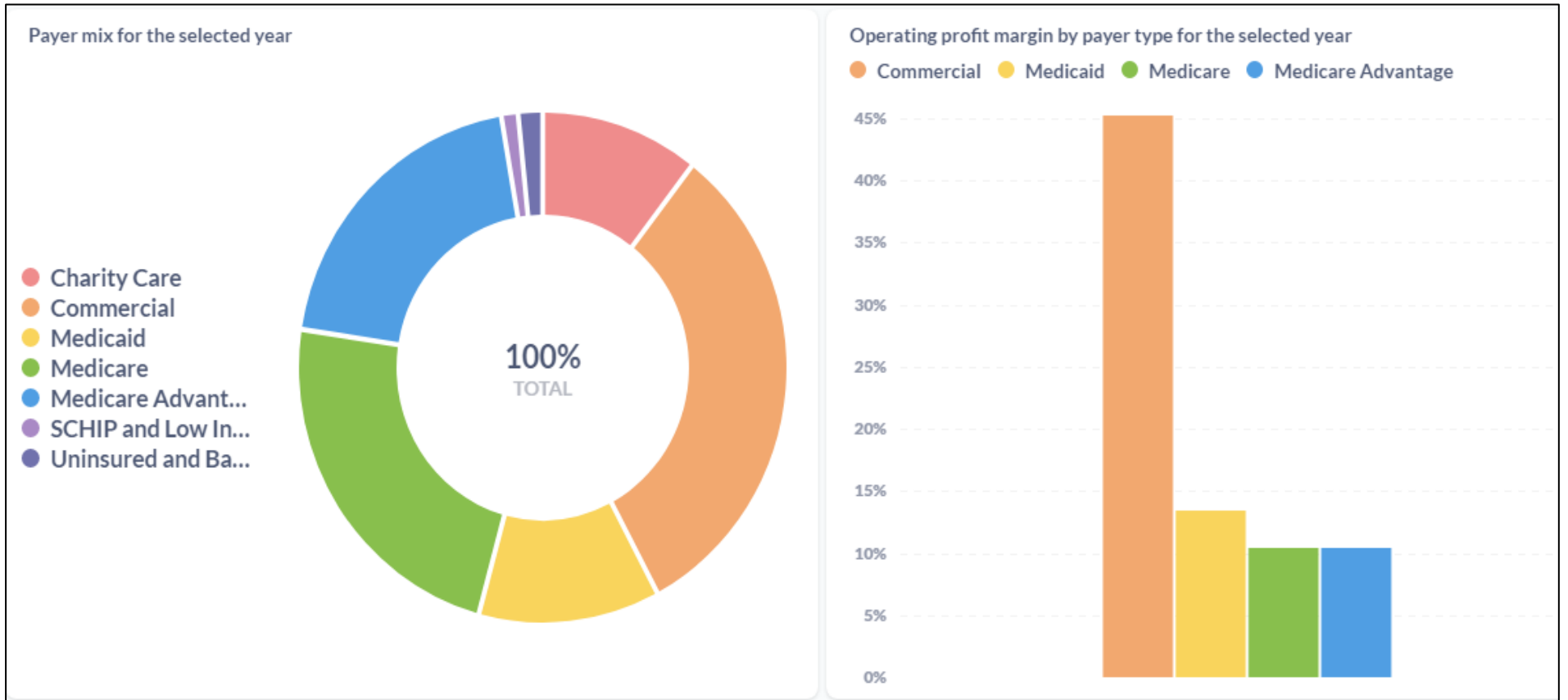
Source: NASHP Hospital Cost Tool

Payer Mix and Operating Profit Margin

HCA Clearlake – Houston

2019 Payer Mix

- 32% Commercial
- 12% Medicaid
- 23% Medicare
- 20% Medicare Adv
- 10% Charity Care
- 1% CHIP
- 2% Uninsured/Bad Debt



Source: NASHP Hospital Cost Tool

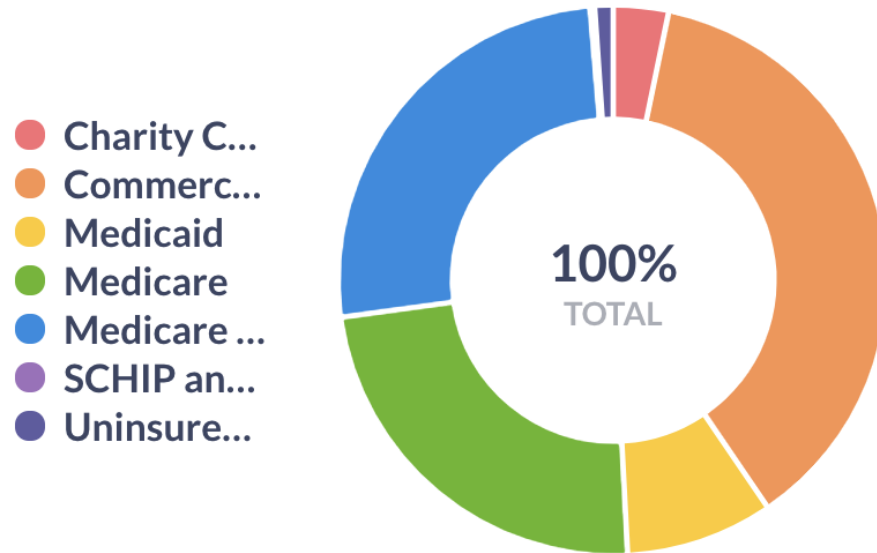
Payer Mix and Operating Profit Margin

CHI St Lukes Health Baylor Medical Center

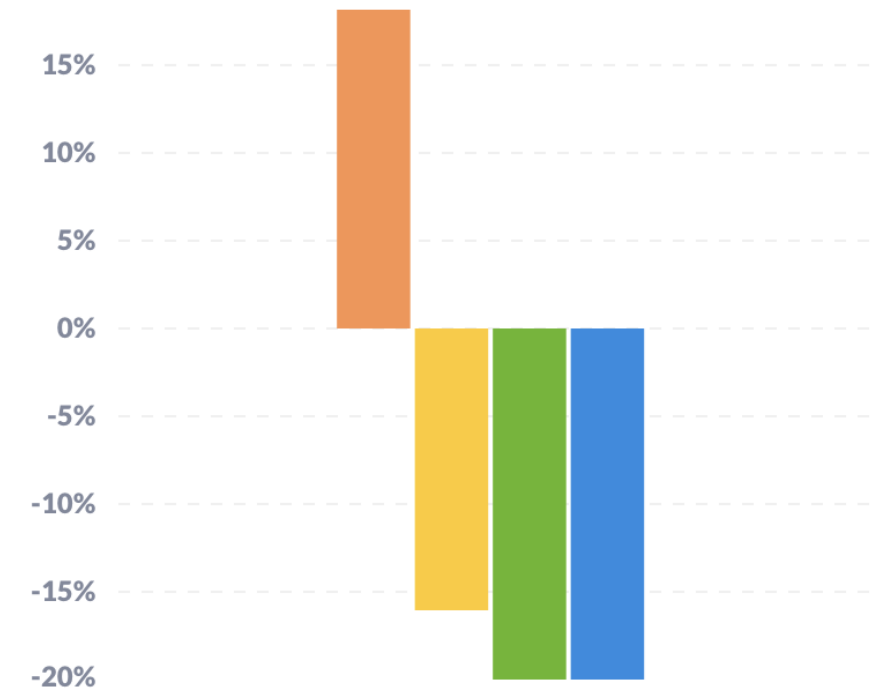
2019 Payer Mix

- 38% Commercial
- 8% Medicaid
- 24% Medicare
- 26% Medicare Adv
- 3% Charity Care
- 1% Uninsured/Bad Debt

Payer mix for the selected year



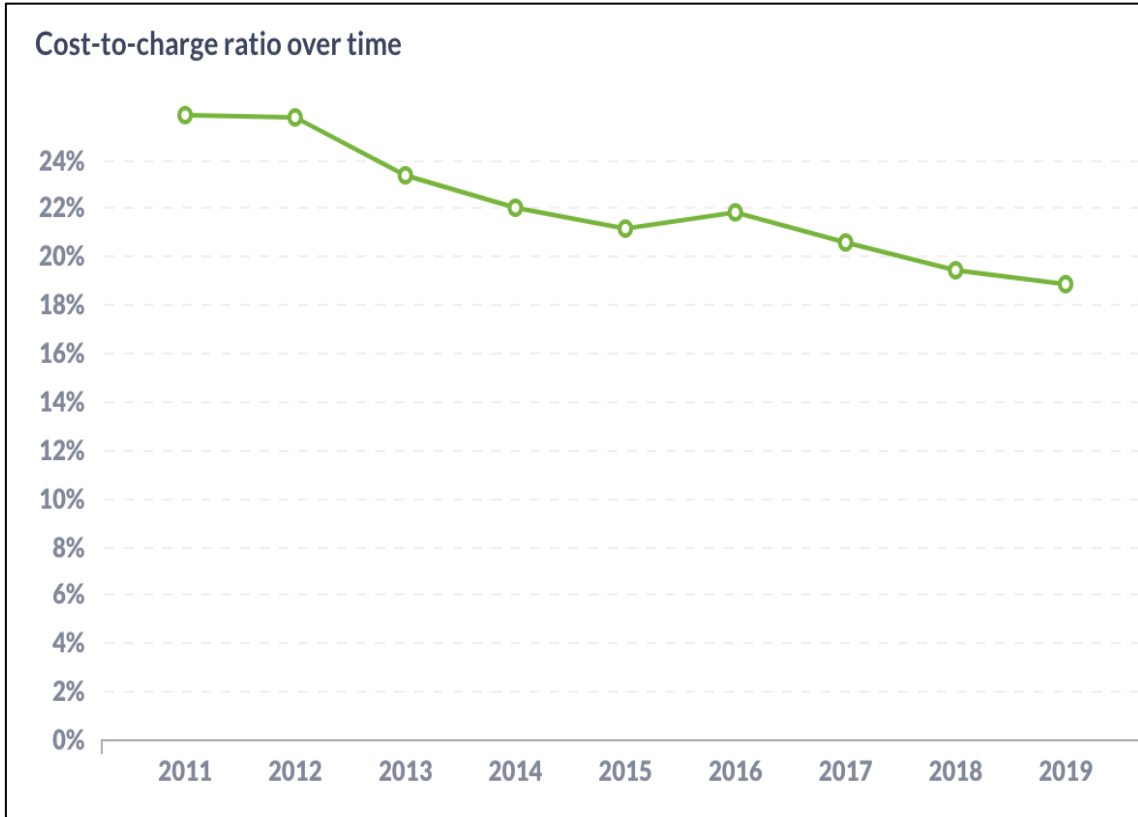
Operating profit margin by payer type for the selected year



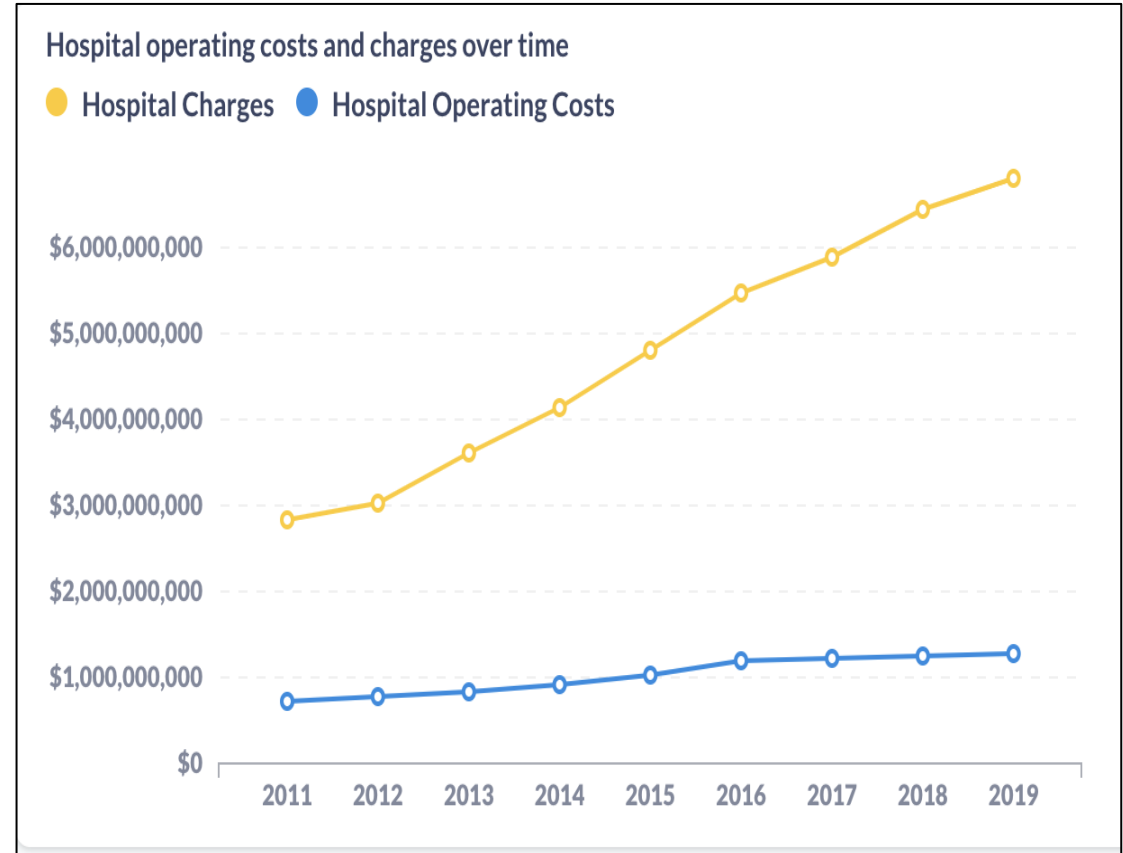
Source: NASHP Hospital Cost Tool

Cost to Charge Ratio

Memorial Hermann TX Medical Center – Houston

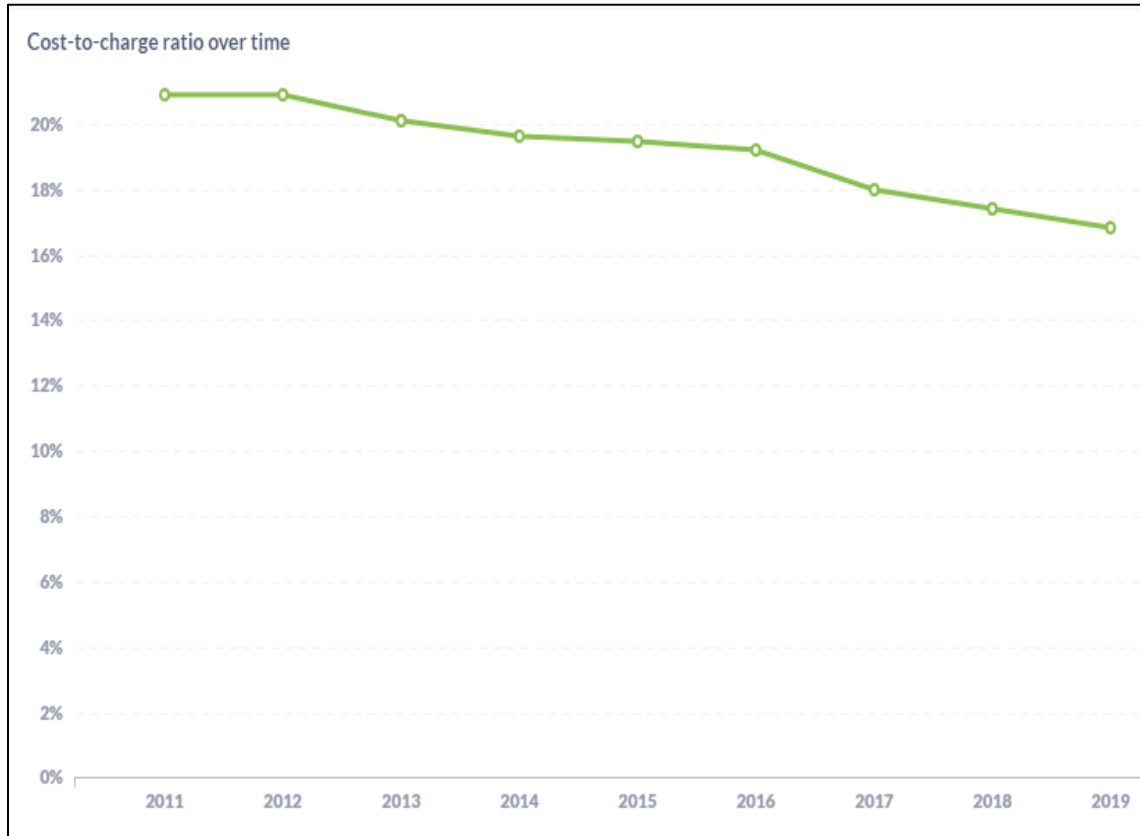


Source: NASHP Hospital Cost Tool

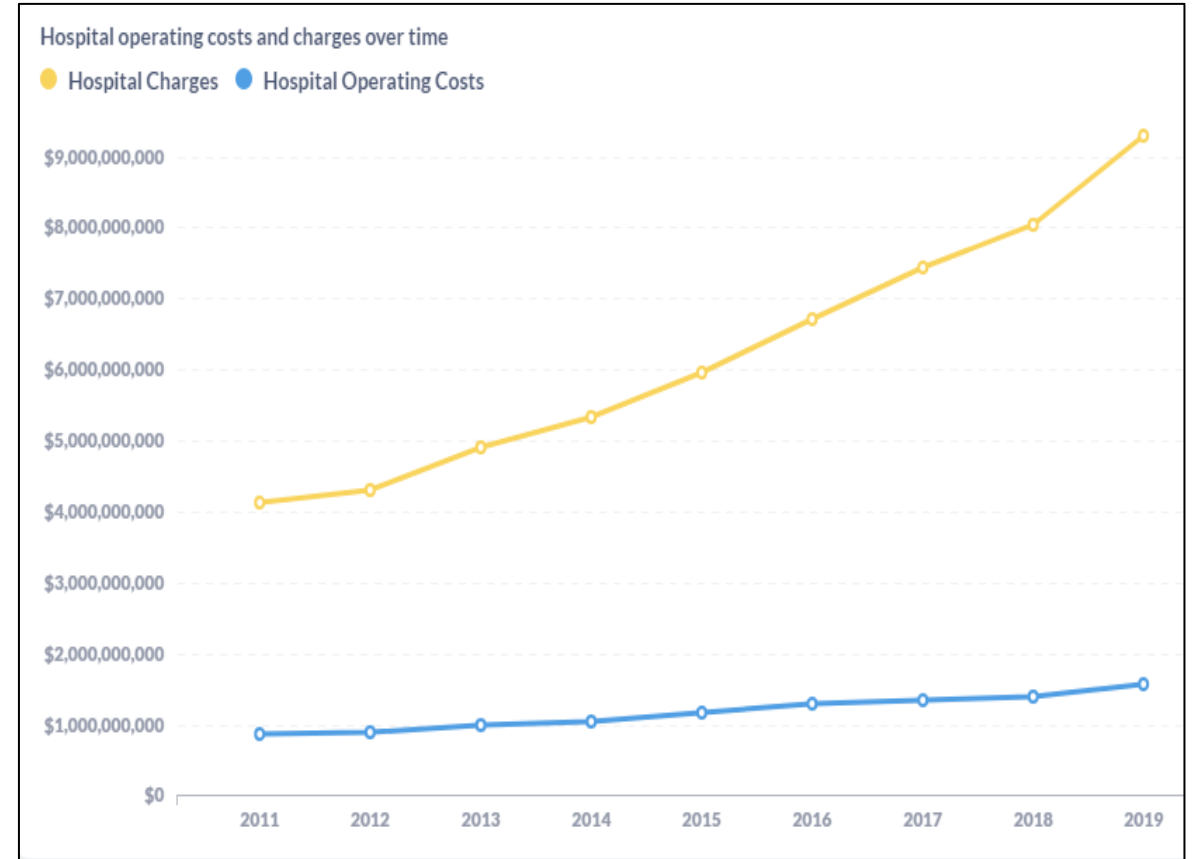


Cost to Charge Ratio

The Methodist Hospital – Houston

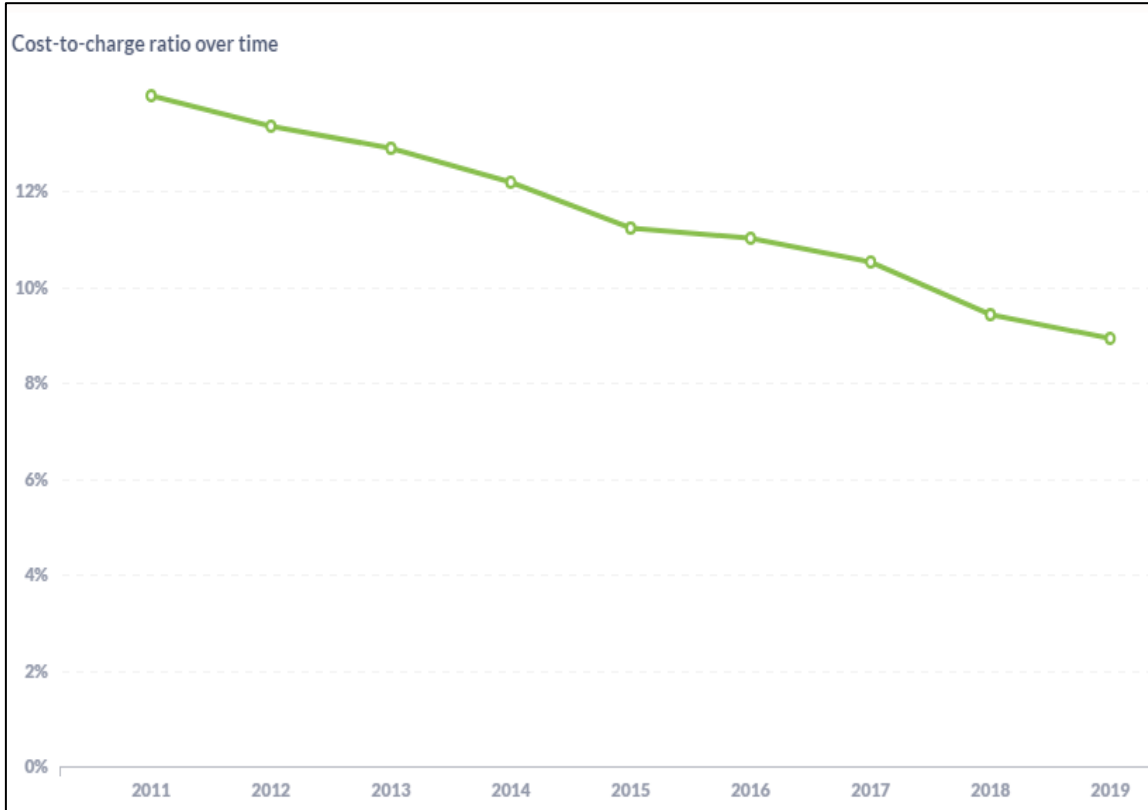


Source: NASHP Hospital Cost Tool

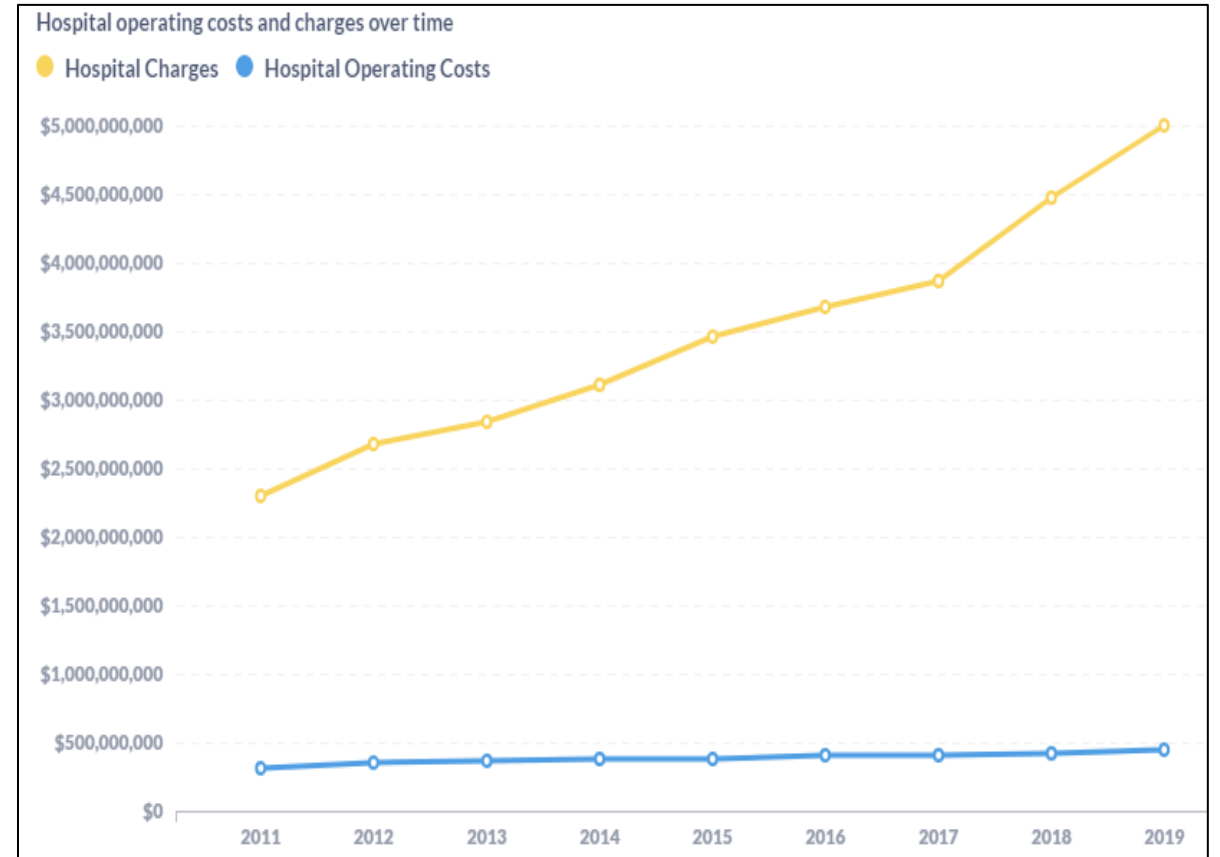


Cost to Charge Ratio

HCA Clear Lake – Houston

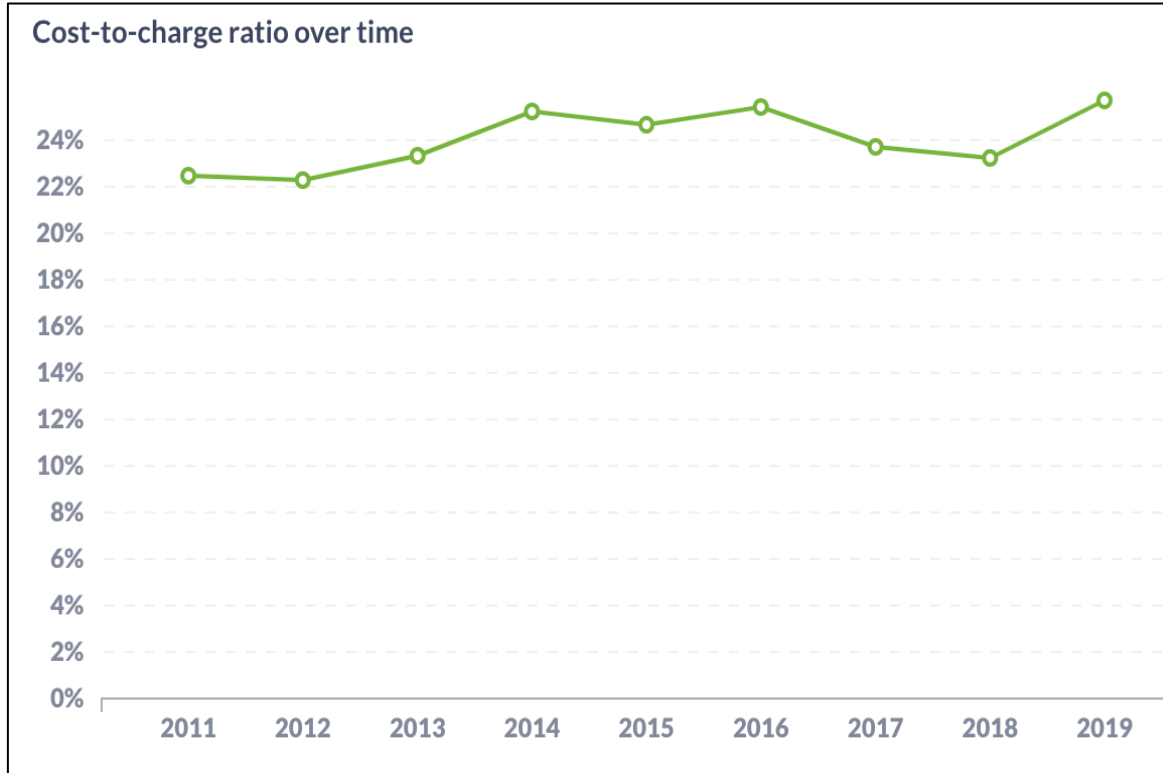


Source: NASHP Hospital Cost Tool

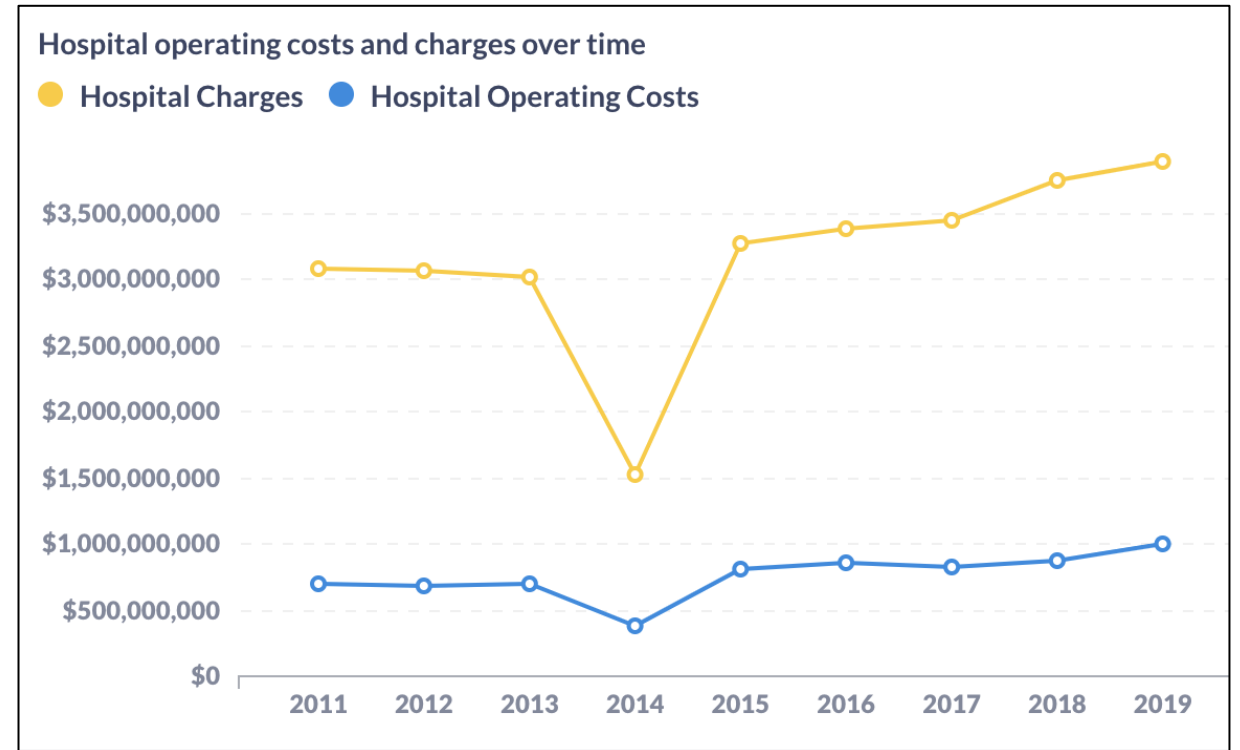


Cost to Charge Ratio

CHI St Lukes Health Baylor Medical Center



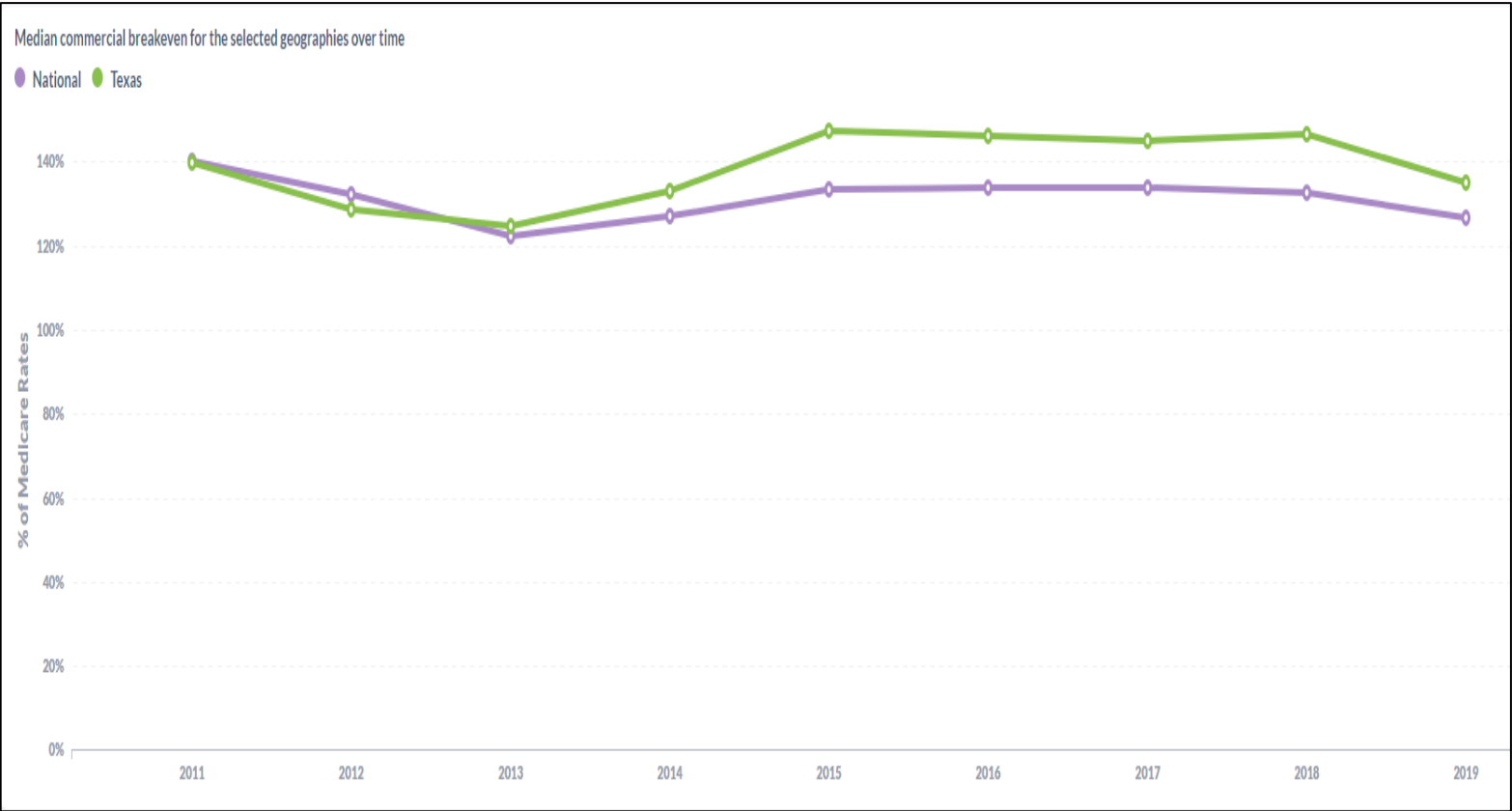
Source: NASHP Hospital Cost Tool



Breakeven Analysis

- NASHP's Hospital Cost Tool calculates a hospital's breakeven point: **Revenue = Expenses**
- **NASHP Commercial Breakeven** – how much a hospital needs to be reimbursed by commercial payers in order to cover commercial patient hospital costs, losses from other payers, charity care, uninsured, all Medicare disallowed costs, and other income/other expense.
- **RAND 3.0 Commercial Price** – how much a hospital was reimbursed by commercial payers in aggregate from 2016 to 2018 for **inpatient and outpatient** hospital services. Calculated using data from the RAND Corporation's [Nationwide Evaluation of Health Care Prices Paid by Private Health Plans](#)
- **Breakeven and Price expressed as multiples of the individual hospital's [Medicare rates](#) for comparability purchases**

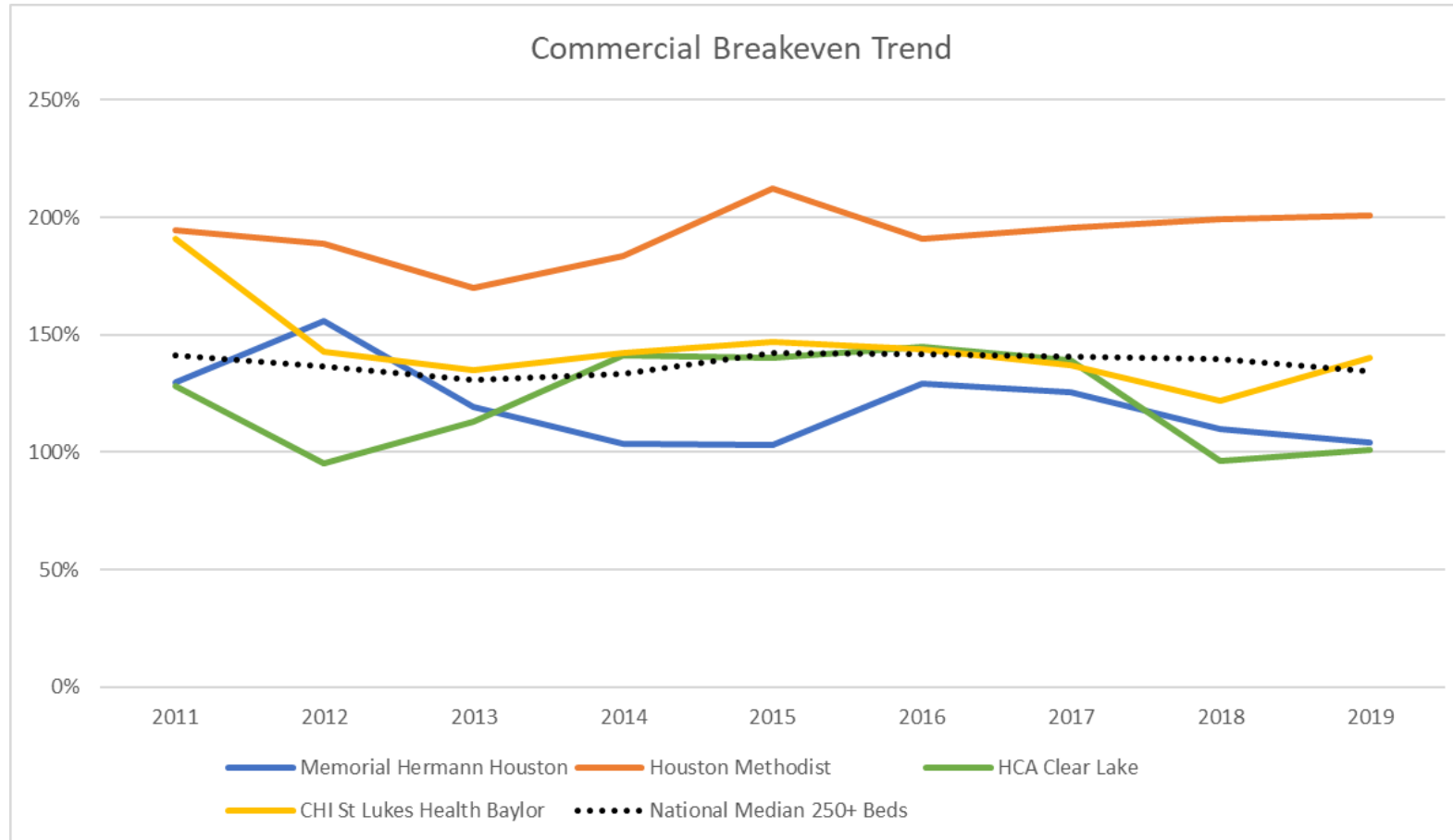
Texas Hospitals' Commercial Breakeven



- 2011-2019 Breakeven Trend
- 368 TX Hospitals
- 2019 Breakeven:
 - TX = 135%
 - National Median = 127%

Source: NASHP Hospital Cost Tool

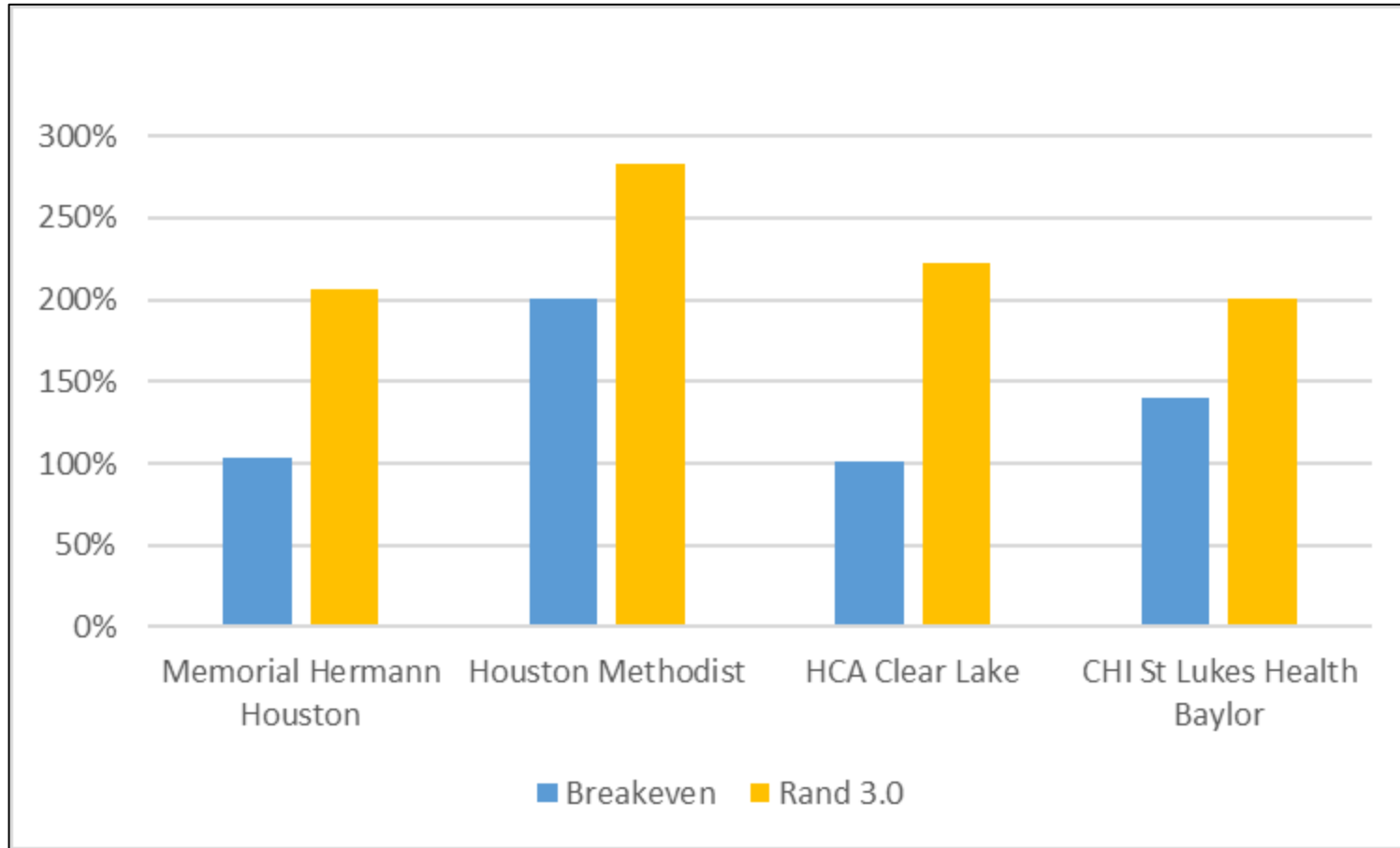
4 Houston Area Hospitals



Comparing to National Trend
for 250+ Bed Hospitals

Source: NASHP Hospital Cost Tool

3 Houston Area Hospitals



- 2019 Commercial Breakeven
- Rand 3.0 Commercial Price
- Inpatient and Outpatient Services

Factors That May Impact Breakeven

- **Medicare Payment rate** – A hospital's Breakeven is based on its own Medicare reimbursement rates. If a hospital makes a profit on Medicare patients, Breakeven would be lower.
- **Hospital Other Income** – If a hospital receives significant other income (e.g., return on investments, federal relief payments), Breakeven would be lower.
- **Reimbursement from Other Payers** – Profits and losses from other payers (Medicaid, Medicare, CHIP and other local/state programs, Medicare Advantage) are reflected in the commercial payer Breakeven calculation.
- **Reporting Error** – Medicare Cost Reports are completed by the hospital or their contractor and may contain reporting errors, impacting Breakeven calculations.

Hospital Cost Tool as a Resource

Employer Coalitions and Employer Self-Funded Health Plans

States

Health Policy

State Agencies – As Regulator and Purchaser

Researchers

Education

Next Steps...

Release 2.0 – October 2022

- Updated with 2020 Medicare Cost Report Data and Rand 4.0
- Enhancements

Thank you!

Hospital Cost Tool and Calculator

<https://www.nashp.org/policy/health-system-costs>

<https://www.nashp.org/hospital-cost-tool/>

Contact Info for TA support:

Maureen Hensley-Quinn

mhq@nashp.org



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FOR STATE HEALTH POLICY

nashp.org



@NASHPhealth



@NASHP



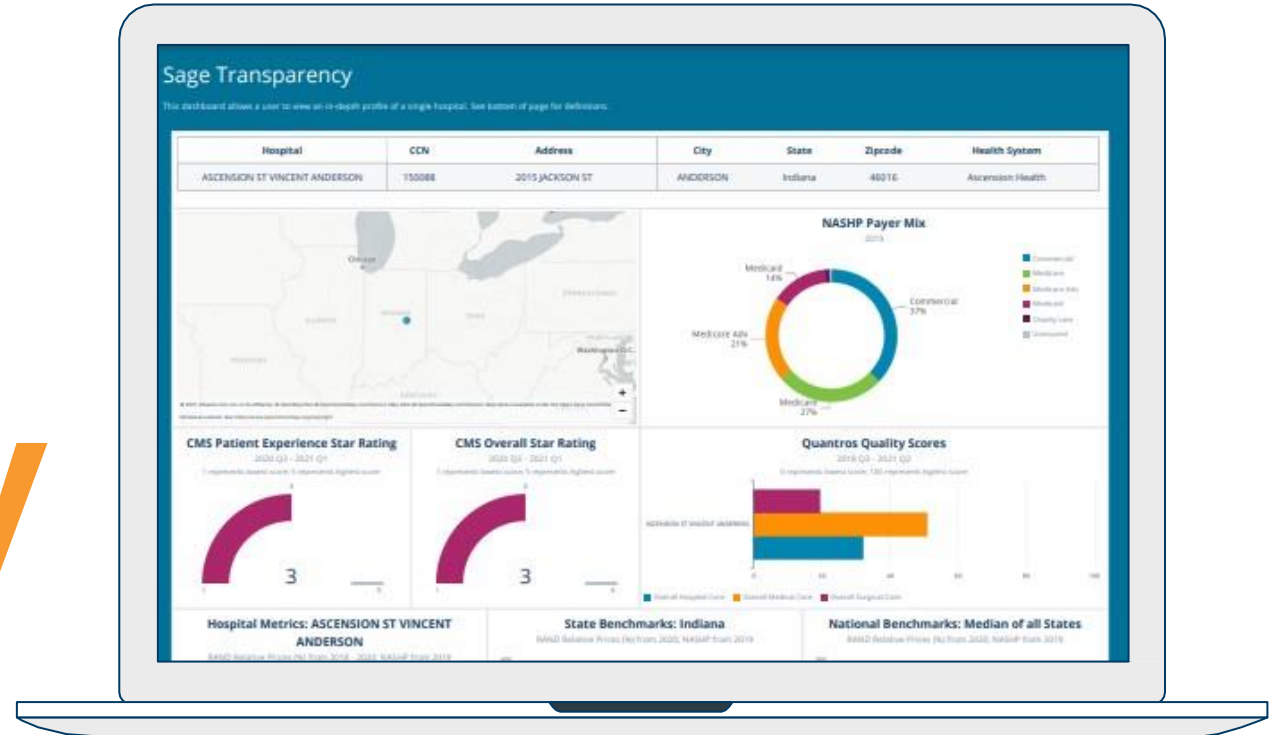
A Fiduciary Concern for Employers? Hospital Financial Transparency & The Consolidated Appropriations Act

**Chris Skisak, PhD – Executive Director,
HBCH**



INTRODUCING

Sage Transparency



Sage Transparency Data Sources

PUBLIC

RAND 4.0
Prices paid by employers & insurers

Claims data from employers, insurers, and APCDs

NASHP Hospital Cost Tool
Commercial breakeven price

Federal government data submitted by hospital

CMS Hospital Star Rating
Quality ratings

Posted by the federal government

PROPRIETAR

Turquoise Health
Prices posted by payer

Hospitals' own websites aggregated by Turquoise Health into clinical categories

Quantros/Healthcare Bluebook
Quality ratings

Determined by Quantros



Special Thank You to



**Arnold
Ventures**



Mathematica®
Progress Together



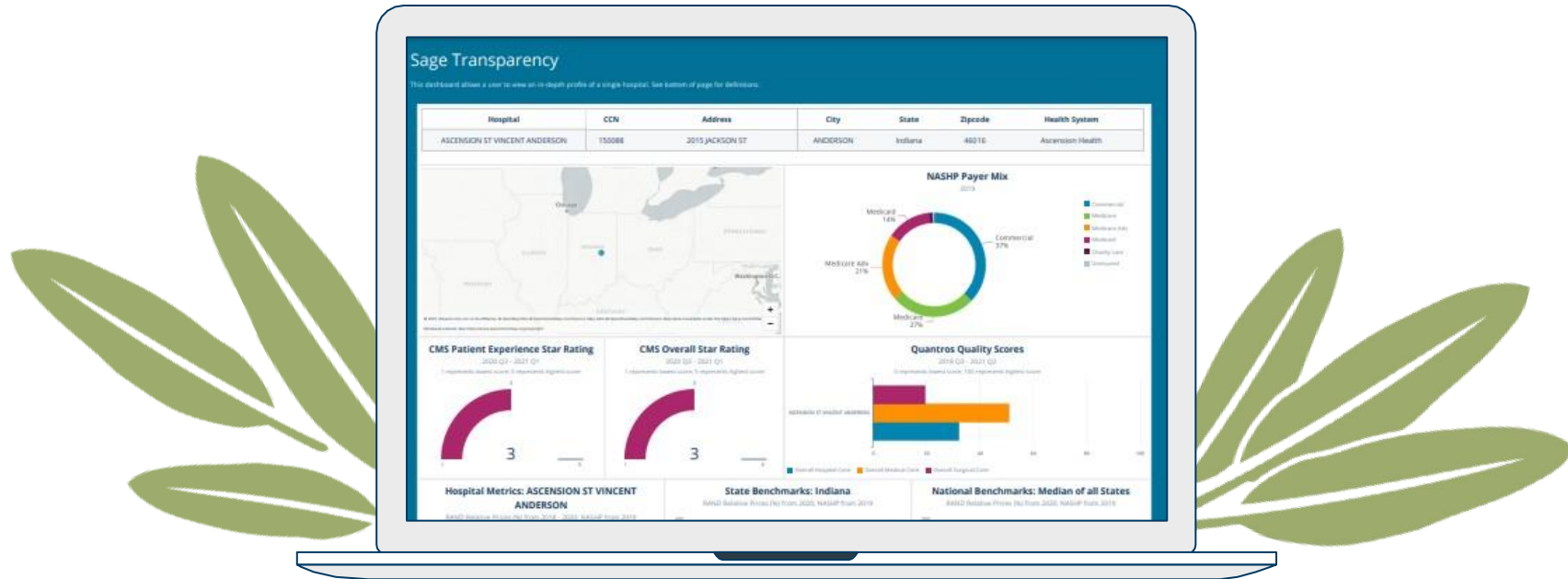
EMPLOYERS' FORUM OF INDIANA
Addressing the challenges of the local healthcare marketplace

For their generous support in the development of Sage Transparency



Sage Advice brought to you by ...

Sagetransparency.com





A Fiduciary Concern for Employers? Hospital Financial Transparency & The Consolidated Appropriations Act

THE NETWORKING BREAK





A Fiduciary Concern for Employers? Hospital Financial Transparency & The Consolidated Appropriations Act

**Tony Sorrentino, JD, CPA – Principal, Health
Plan Fiduciary Advisors**





Helping Benefit Advisors & Plan Sponsors Win with Innovation

HBGH: CAA...A Fiduciary Concern for Employers?

A Plan Sponsor's Perspective

Tony Sorrentino JD CPA CEBS
President, Chief Compliance Officer- Hpfid

tsorrentino@hpfid.com

Agenda

- Assembling the CAA Team
- Solicitation of Information Regarding Compensation from Third-Party Service Providers
- Comply with the Mental Health Parity and Addictions Equity Act (MHPAEA)
- Prohibition Against Gag Clauses
- Prescription Drug Benefit Reporting
- Plan Attestation



Assembling the CAA Team

Assembling the CAA Team

Best practice for establishing and maintaining a fiduciary process starts with assembling a team of associates who:

- Are trained in the requirements of the CAA
- Understand the duties and responsibilities of acting in a fiduciary capacity, especially all aspects of personal liability
- Have familiarity with, and access to, third parties that will be crucial to the procurement of data required under the law
- Have similar roles within the plan sponsor organization that require the procurement and use of confidential data
- Will work within the current organizational structure established for other requirements such as HIPAA and GINA



Solicitation of Information Regarding Compensation from Third-Party Service Providers

Fiduciary Process Action Steps

Plan fiduciaries should consider taking the following actions:

- Identifying the service providers who are subject to the new rules.
- Identifying and assigning internal CAA team responsibility for soliciting, evaluating and documenting required information.
- Revising RFP parameters to include contractual obligations on service providers to provide the required information and establishing deadlines for the provision of the required information.

Fiduciary Process Action Steps (cont.):

- Developing a benchmarking process to evaluate third party service provider compensation, both in terms of completeness and reasonableness for the service provided by each vendor.
- Properly **documenting** the fiduciary's assessment of the reasonableness of the compensation.



Comply with the Mental Health Parity and Addictions Equity Act (MHPAEA)

Fiduciary Process Action Steps

Plan sponsors should consider the following actions:

- Determine the internal and external resources that they will need to conduct and document the required comparative analysis and the support that they can expect from a plan's third-party claims and network administrators.
- For fiduciaries of **insured health plans**, confirm that their insurers have documentation in place that is applicable to their plans and that their insurers are in compliance with MHPAEA requirements.
- For fiduciaries of **self-funded health plans**, determine whether TPAs, and other administrators or plan vendors will conduct the comparative analysis and, if not, obtain their commitment to provide relevant information and cooperation.
- Identify who has conducted or will conduct and document the comparative analysis.

Fiduciary Process Action Steps (cont.)

- Locate and engage vendors to assist or complete the comparative analysis and provide updates on a regular basis.
- Address the different elements of the comparative analysis, including the factors and sources of information that form the basis for NQTLs in plan design, the application of those NQTLs in plan administration, and differences that emerge between mental health and substance use disorder benefits and medical and surgical benefits.
- Coordinate the NQTL comparative analysis with the numerical testing for the quantitative treatment limitations.
- **Document** comparative analysis.



Prohibition Against Gag Clauses

Fiduciary Process Action Steps

Plan sponsors should consider taking the following actions:

- Identifying contracts that include restrictions on access to and the disclosure of provider-specific information (as proprietary, confidential, or otherwise).
- For contracts entered into on, or after December 27, 2020, request a new contract, a revised contract, or draft an amendment to the current contract that complies with the provision of the CAA, and require the vendor to abide by its provisions.
- Consider applying those same restrictions contracts that were entered into before these anti-gag rules were enacted.



Prescription Drug Benefit Reporting

Fiduciary Process Action Steps

Plan sponsors should consider the following actions:

- Identify plan vendors that administer claims for prescription drugs and confirm that a data warehouse vendor has the information necessary to meet the reporting requirements.
- For contracts entered into on, or after December 27, 2020, request a new contract, a revised contract, or draft an amendment to the current contract that complies with the provision of the CAA, and require the vendor to abide by its provisions (expected to be December 27, 2022, for 2020 and 2021).
- Identify the data that the plan will need to provide to any vendor to which the plan has assigned this duty (or, if the plan sponsor is self-reporting, the information that applicable vendors will need to provide).



Plan Attestation

What is Required

An annual signed plan attestation will be required to be filed on behalf of each “health plan” which is subject to the CAA.

The attestation functions as a statement by the plan fiduciary that all facets of the CAA have been applied to the applicable plans, that the guidelines have been adhered to, and that the plan has made a good faith effort to expend plan assets in a prudent manner on behalf of the plan participants and their beneficiaries.

At present, the exact format remains unclear. For large group health plans, the attestation could take the form of an additional Schedule added to the Form 5500. For plans not required to file a Form 5500, it is anticipated that some “template” will be available to plan sponsors.

The first attestation is due by December 27, 2022, for plan years 2020 and 2021.



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**Chris DeMeo – Partner, Seyfarth Shaw,
Houston**





Hospital Price Transparency

Chris DeMeo

June 8, 2022

Seyfarth Shaw LLP

"Seyfarth" refers to Seyfarth Shaw LLP (an Illinois limited liability partnership).
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Hospital Price Transparency

- 42 U.S.C. § 300gg-18(e) requires hospitals to publish a list of their “standard charges.”
- Applies to almost every hospital in the United States.
- Originally chargemaster.
- Transparency in Coverage regarding payers’ disclosure obligations and new disclosures under the No Surprises Act.

Hospital Price Transparency

45 C.F.R. Part 180

- June 24, 2019 – Executive Order: “Improving Price and Quality Transparency in American Healthcare to Put Patients First.” Exec. Order No. 13,877, 84 Fed. Reg. 30,849 (June 24, 2019).
 - “propose a regulation, consistent with applicable law, to require hospitals to publicly post standard charge information, including charges and information based on negotiated rates and for common or shoppable items and services.” Id. at 30,850.
- August 9, 2019 – NPRM: Proposed Requirements for Hospitals to Make Public a List of Their Standard Charges, 84 Fed. Reg. 39,398, 39,571, 39,574 (Aug. 9, 2019).
- September 27, 2019 – deadline to submit comments.
- November 27, 2019 – Final Rule Price Transparency Requirements, 84 Fed. Reg. 65,524, 65,540 (Nov. 27, 2019).
 - 4,000 comments.
 - “The payer-specific negotiated charge that applies to each shoppable service (and to each ancillary service, as applicable).” 45 C.F.R. 180.60(b)(3).

Hospital Price Transparency

- Any service or package of services for which a “standard charge” has been established.
- “Standard charge” 45 C.F.R. § 180.20:
 - Gross charges.
 - Cash discount prices, or the generally applicable price the hospital would accept from a cash-paying customer.
 - The payer-specific negotiated charge, for every payer with whom the hospital has negotiated a price for the service.
 - The de-identified maximum negotiated charge.
 - The de-identified minimum negotiated charge.

Hospital Price Transparency

- Machine Readable File
 - .XML, .JSON or .CSV
- Consumer Friendly Display
- 300 “shoppable” services: 70 selected by CMS and another 230 selected by the Hospital
- “a service that can be scheduled by a health care consumer in advance.”
- Option to substitute price estimator tool for shoppable services display

Hospital Price Transparency

- “Base Rate” – contract price.
 - Does not include any variation in payment formulas, such as value-based purchasing models.
 - Not required to be and often is not the allowed amount for any particular encounter.
 - CMS emphasized “base rate” in early enforcement efforts.

Hospital Price Transparency

45 C.F.R. § 180.90(c)(2)(ii). Beginning 1/1/22

- Penalty for hospitals with ≤ 30 beds = \$300 per hospital per day.
- Penalty for hospitals with > 30 beds = \$10 per bed per day.
 - Capped at \$5,500 per day, or \$2,007,500 per year.
- Applies regardless of the number of violations.

Hospital Price Transparency

- *American Hospital Association v. Azar*, 983 F.3d 528 (D.C. Cir. 2020)
 - “. . . chargemaster rates, . . . fail[] to sufficiently inform patients of their costs. This is because, . . . patients rarely pay chargemaster rates.”
 - “. . . this lack of price transparency has contributed to an ‘upward spending trajectory’ in healthcare.” (quoting HHS).
 - “. . . . negotiated rates are not necessarily what insured patients would pay, as their out-of-pocket costs depend on their health insurance plan, which has its own rules on copays, deductibles, and coverage limits.”
 - “The rule, however, does not require hospitals to disclose all possible permutations of costs based on hypothetical additional care or any other variable factor. It simply requires disclosure of base rates for an item or service, not the adjusted or final payment that the hospital ultimately receives based on additional payment methodologies.”



...nobody knew that health care
could be so complicated,

Donald Trump, February 27, 2017



**thank
you**

contact information

For more information please contact Chris DeMeo

email: cdemeo@seyfarth.com

phone: 713-225-0292



A Fiduciary Concern for Employers? Hospital Financial Transparency & The Consolidated Appropriations Act

**Peter Cram, MD, MBA – Professor & Chair,
UTMB**



Hospital Price Transparency Reporting:

Compliance is Encouraging, Impact is Uncertain

Peter Cram, MD MBA

University of Toronto

And

UTMB

pecram@utmb.edu

June 8, 2022

Disclosures

- Grant funding from the US National Institutes of Health, CIHR
- 2020-21 Health and Aging Policy Fellow (office of Rep Doggett)
- No current or prior speakers' bureaus or consulting

Who am I?

- General internist (hospitalist)
- Health policy researcher
- Person
 - Occasional patient
 - Frequent advisor to friends and family
- US-Canadian dual citizen
 - have practiced in both the US and Canada

I've been interested in prices for a long time

ORIGINAL INVESTIGATION

ONLINE FIRST

Availability of Consumer Prices From US Hospitals for a Common Surgical Procedure

Jaime A. Rosenthal; Xin Lu, MS; Peter Cram, MD, MBA

Table 3. Pricing for Total Hip Arthroplasty

Variable	Top-Ranked Hospitals (n = 20)	Non-Top-Ranked Hospitals (n = 102)	P Value
Complete price, No.	12	64	
Mean (95% CI), \$	53 140 (37 489-68 791)	41 666 (36 923-46 409)	.07
Range, \$	12 500-105 000	11 100-125 798	
Hospital price only, No.	2	21	
Mean (95% CI), \$	74 800 (0-204 403)	35 417 (28 317-42 517)	.003
Range, \$	64 600-85 000	9000-71 200	
Physician price only, No.	3	1	
Mean (95% CI), \$	11 117 (0-25 330)	9203 (NA)	NA
Range, \$	6450-17 500	NA	

Abbreviation: NA, not available.

Why is price transparency potentially important?

HEALTH SPENDING

It's The Prices, Stupid: Why The United States Is So Different From Other Countries

Higher health spending but lower use of health services adds up to much higher prices in the United States than in any other OECD country.

by Gerard F. Anderson, Uwe E. Reinhardt, Peter S. Hussey, and Varduhi Petrosyan

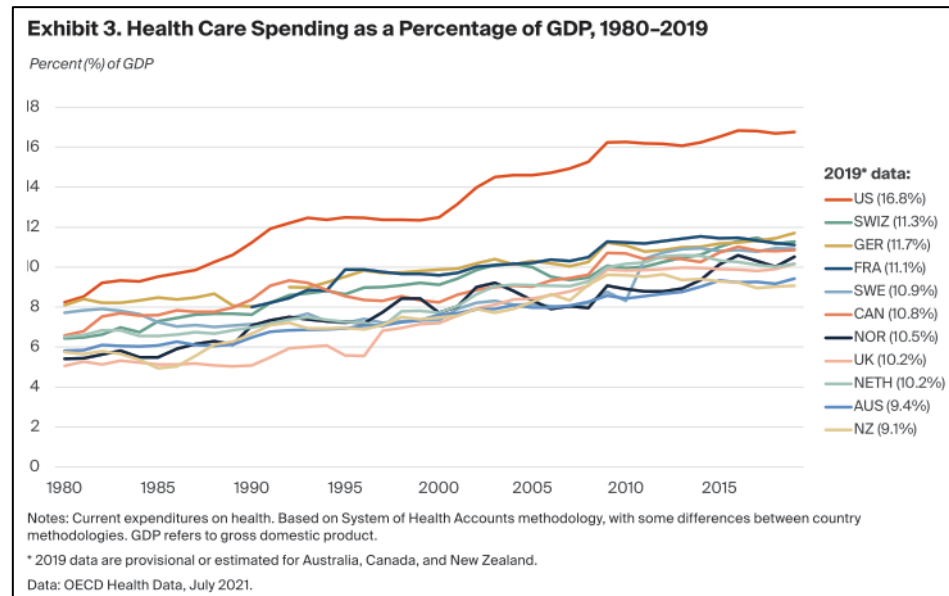
HEALTH AFFAIRS - *Volume 22, Number 3*

©2003 Project HOPE—The People-to-People Health Foundation, Inc.

Why is price transparency potentially important?

- The US is unique among high income countries
 - High utilization of the expensive stuff
 - No limits on volume
 - High per-unit costs

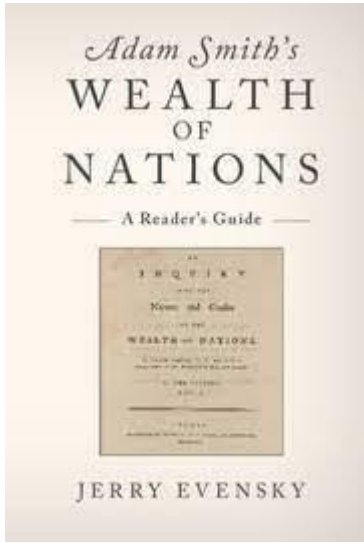
$$\text{TOTAL SPEND} = \text{PRICE} \times \text{QUANTITY}$$



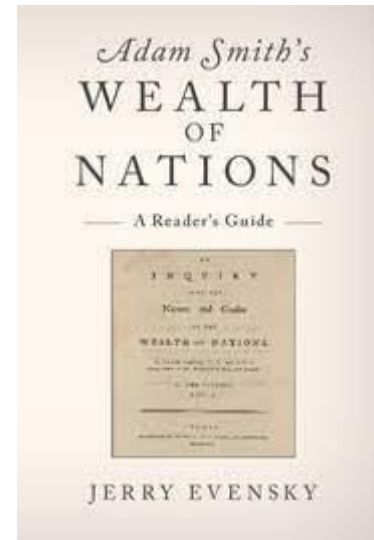
Who is to blame?

- Nobody has demanded lower prices
- Patients
 - Insulated from true costs by health insurance
 - Typical insurance designs- even with cost-sharing
- Private payers
 - Why?
- Insurers/TPAs
 - Why?
- Things are changing
 - High deductible health plans
 - Reference pricing
 - Rising out-of-pocket costs
 - 10% uninsured

If markets can not function....



If markets can not function....our only resource is to fix prices and/or quantity



Hospital Price Transparency

Empowering patients with the necessary information to make informed health care decisions.

Key Provisions



Early evaluations of hospital price transparency

Data and Trends

Taking the Pulse of Hospitals' Response to the New Price Transparency Rule

**Sayeh Nikpay¹ , Ezra Golberstein¹, Hannah T. Neprash¹ ,
Caitlin Carroll¹, and Jean M. Abraham¹**

Medical Care Research and Review
1-7

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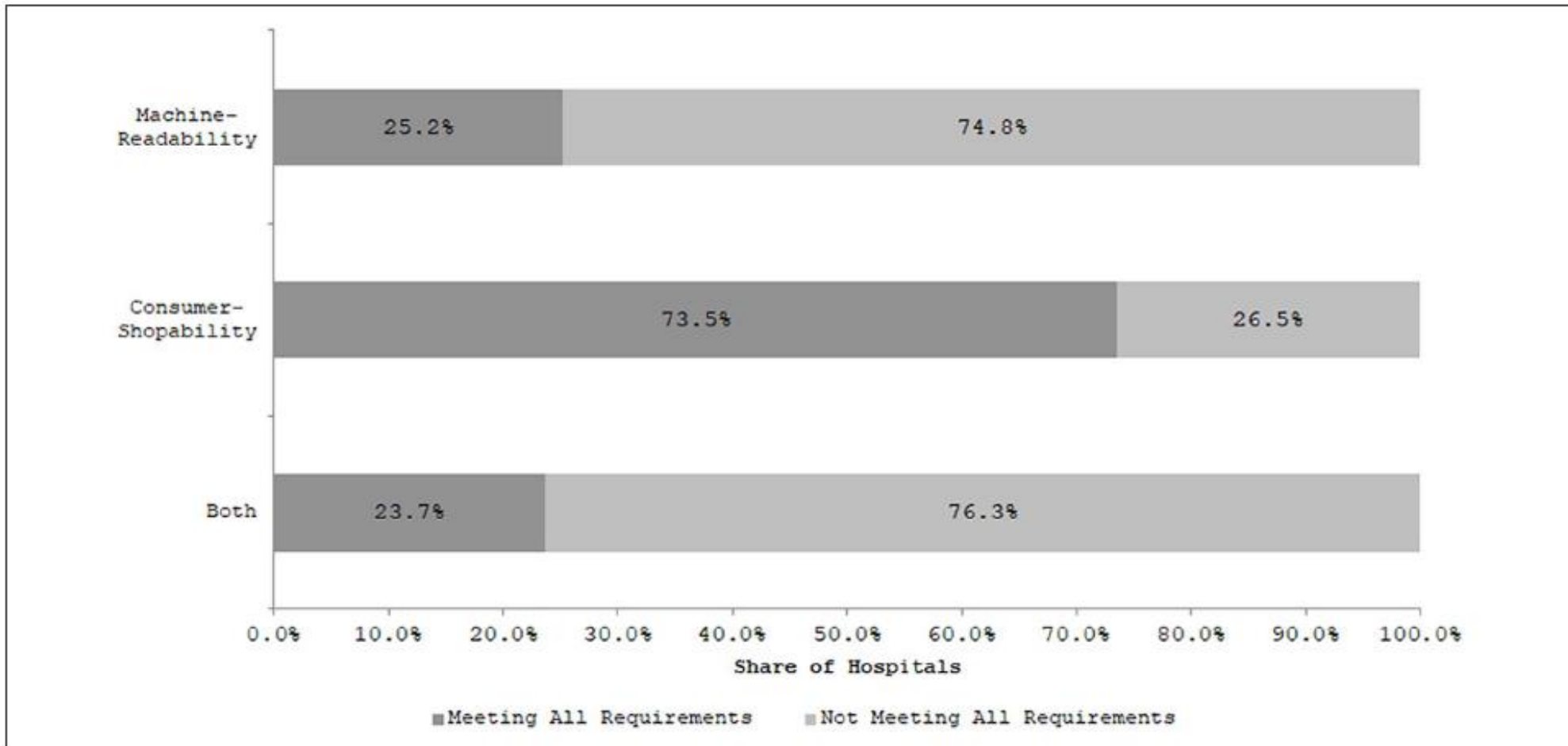


Figure 1. Share of sample hospitals meeting hospital price transparency requirements.

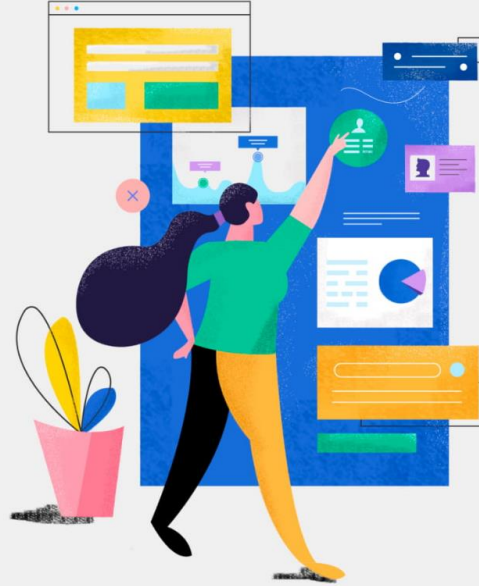
Note. A hospital was classified as meeting all machine-readability requirements if they reported the five required data elements (gross charges, discounted prices for self-pay patients, de-identified minimum and maximum negotiated rates, and payer-specific rates) in a machine-readable format. A hospital was classified as meeting all consumer-shoppable requirements if they provided pricing information in a raw data file using plain-language service descriptions or through access to an online price comparison tool.

Source. Authors' nationally representative sample of 470 general acute care hospitals.

Hospital Price Transparency + Good Faith Estimates

We do the work, so you don't have to.

Compliance takes a lot of time, energy, resources, and people. Hand it off to our team of experts, and we'll ensure your facility's compliance is maintained for the long-term.



See how we can help > Watch the Video

PAYERS

Transparency in coverage is easier than you think.

Stay ahead of CMS requirements while driving value-based care decisions for members.

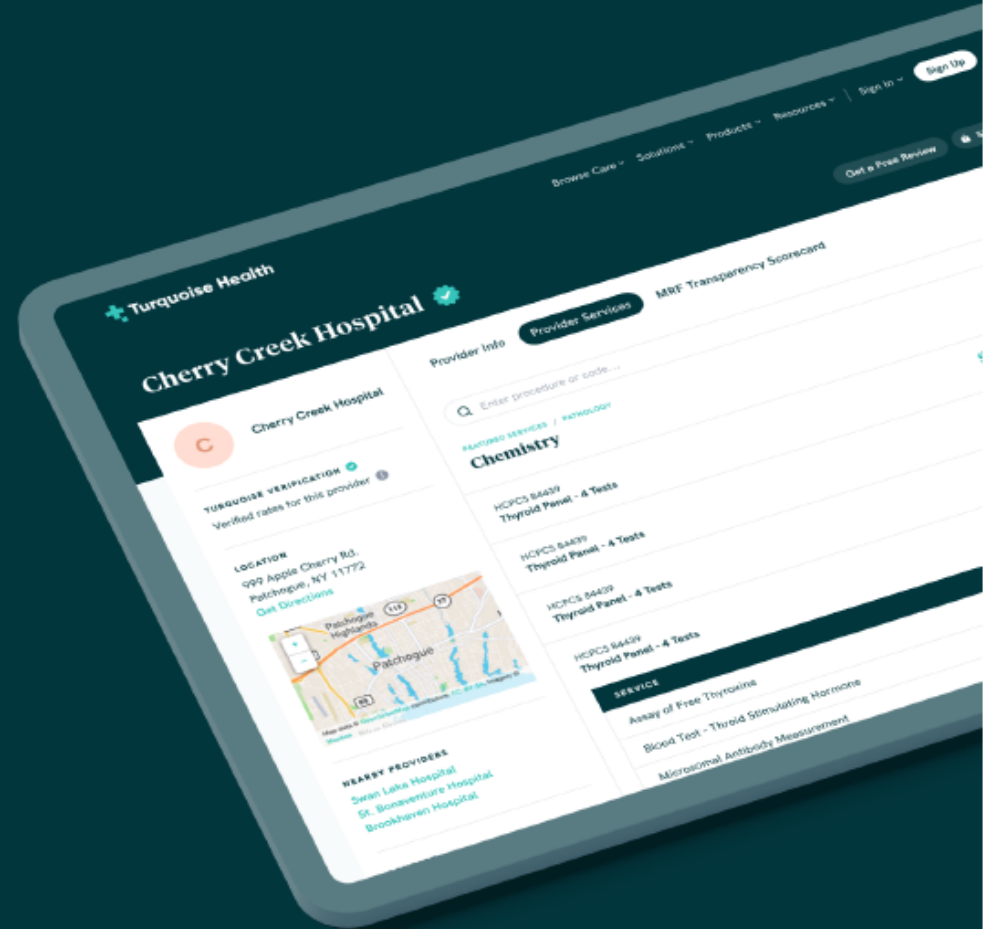
Get Started Free Request Demo

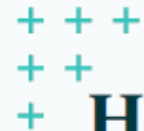
PRICE TRANSPARENCY

Deliver Compliant, Personalized Cost Estimates



Houston Hospital Transparency Scores





How the scorecard works.

Step 1

**Turquoise
standardizes
hospital MRFs**

...

Step 2

**Place each
hospital into a
cohort based on
bed size and
facility type**

...

Step 3

**Measure their
MRF through
60 criteria and
score them
based on
performance in
their cohort**

...

Step 4

**Update (when
applicable) once
a quarter as
hospitals
launch new
MRFs**

Overview.

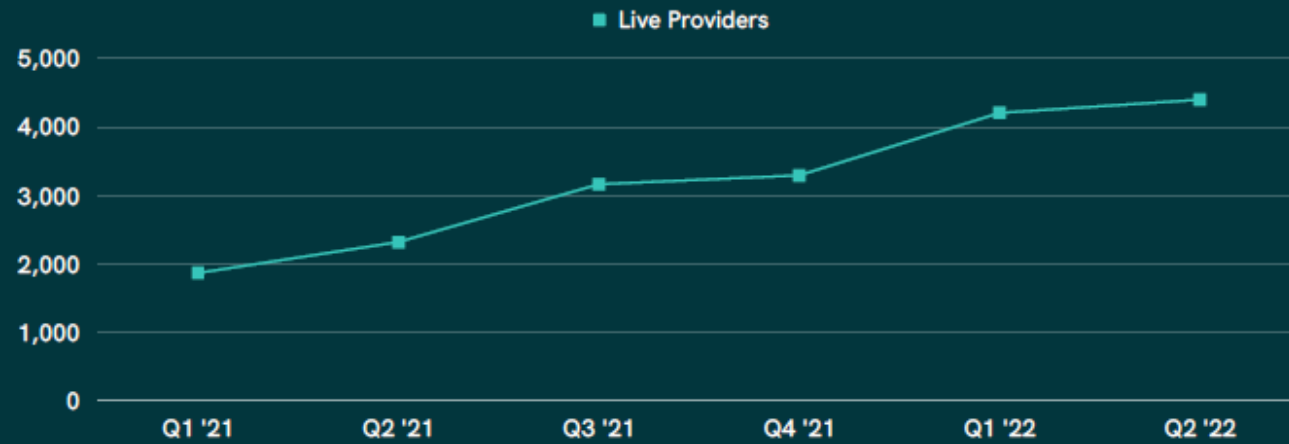
HOSPITAL RATES DATABASE

4,563

Live providers

552

Health systems



Compliance Score Breakdown



Last Updated 6/1/22

Hospital Rates Database.

4,563

hospitals in
the database

4,073

hospitals with
imaging rates

4,083

hospitals with
surgery rates

3,862

hospitals with
BUCAH rates

3,094

hospitals with
DRG rates

3,576

hospitals with
Drug rates

Last Updated 6/1/22

HCPCS 42820 Tonsil Removal (under 12yo)

Brookhaven Medical

Stonybrook Hospital

+

\$10k

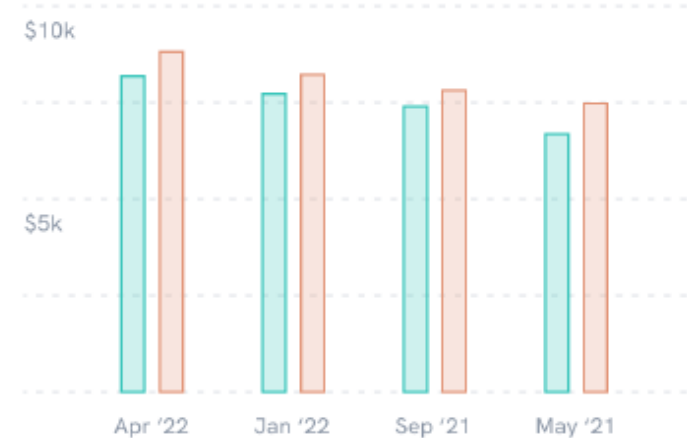
\$5k

Apr '22

Jan '22

Sep '21

May '21

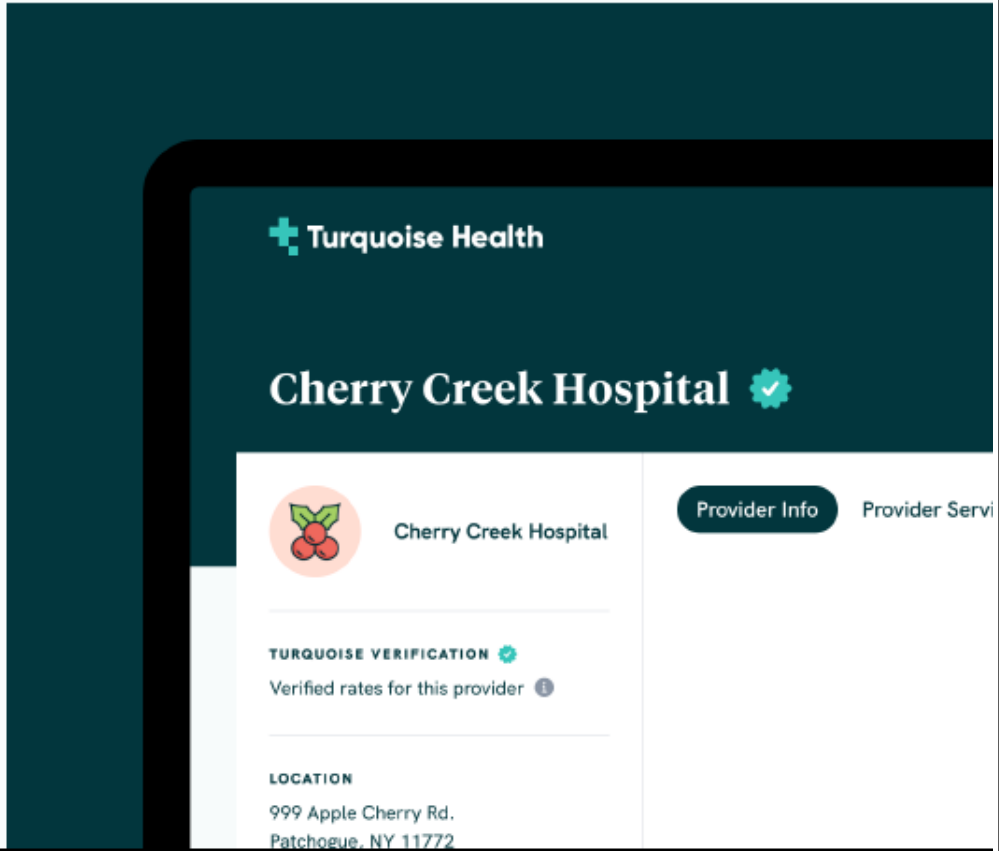




Baylor St. Luke's Medical Center


LAST UPDATED APRIL 13TH, 2022



- Percent of Records with Cash Rates: 0%
- Percent of Records with Negotiated Rates: 0%
- Percent of Records with Big 5 National Payer Rates: 0%
- Inpatient Rates: 0 listed
- Outpatient Rates: 792 CPTs listed
 - 0% Cash Rates
 - 0% Negotiated Rates
 - 100% List Rates



Turquoise Health

Cherry Creek Hospital

 **Cherry Creek Hospital** [Provider Info](#) [Provider Servi](#)

TURQUOISE VERIFICATION 
Verified rates for this provider 

LOCATION
999 Apple Cherry Rd.
Patchogue, NY 11772



HCA Houston Healthcare Clear Lake

LAST UPDATED JANUARY 17TH, 2022

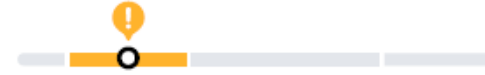
- Percent of Records with Cash Rates:
68%
- Percent of Records with Negotiated Rates: 34%
- Percent of Records with Big 5 National Payer Rates: 34%
- Inpatient Rates: 302 listed
 - 15% Negotiated Rates
 - 0% Cash Rates
 - 0% List Rates
- Outpatient Rates: 5,806 CPTs listed
 - 1% Cash Rates
 - 17% Negotiated Rates
 - 1% List Rates

The screenshot shows the Turquoise Health interface for Cherry Creek Hospital. At the top, the Turquoise Health logo is displayed. Below it, the hospital name 'Cherry Creek Hospital' is shown with a green checkmark icon. The profile includes a hospital logo (cherries), the name 'Cherry Creek Hospital', and buttons for 'Provider Info' and 'Provider Services'. A 'TURQUOISE VERIFICATION' section indicates 'Verified rates for this provider' with a checkmark and an information icon. The 'LOCATION' section lists the address: '999 Apple Cherry Rd. Patchogue, NY 11772'.

! Inpatient Rates



This hospital has posted a **partially complete** machine readable file for their Inpatient MS-DRGs.



Inpatient MS-DRGs

Hospitals may represent inpatient rates in a variety of ways. This analysis looks at MS-DRG rates. We do not currently evaluate other types of DRGs, such as AP-DRGs or APR-DRGs.

CHARGE & SERVICE INFORMATION

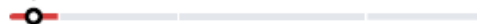
✓ Number of Distinct MS-DRGs

201



? Percent of Records with Cash Rates

0%



PAYER MIX

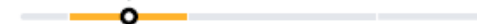
✓ Number of Distinct Plans

7



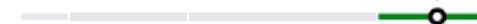
! Percent of Records with Negotiated Rates

15%



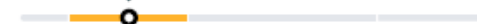
✓ Number of Distinct Big 5 National Plans

5



! Percent of Records with Big 5 National Payer Rates

20%



How the sausage gets made....

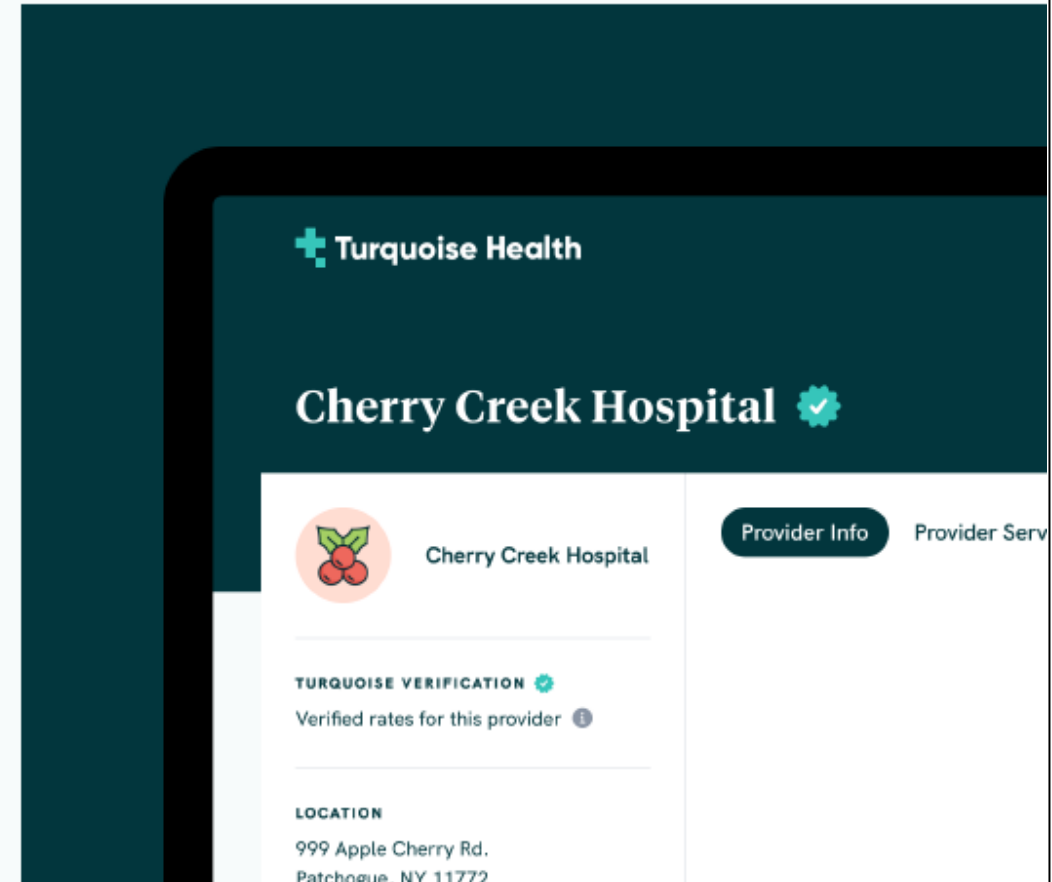
Last Full Update: 1/28/2022 11:57:58 AM Last Revision Date: 3/15/2022 4:47:33 PM

Procedure ID	HCPCS/CPT Code	Description	Gross Charge	Discounted Cash Price (Gross Charges)
	8	CATH HRT RT W SAT/CO	16457	16457
	36	CATH HRT LT/INJ L VENT	23521	23521
	43	CATH HRT R&L/INJ L VENT	27357	27357
	44	CATH PLC/INJ CORONRY ART	6086	6086
	49	CATH PLC/INJ BYPAS GRFTS	11437	11437
	54	CTH PLC/INJ CR ART W RHC	21513	21513
	56	CTH PLC/INJ GRAFT W RHC	25782	25782
	57	CTH PLC/INJ LHC & L VENT	23521	23521
	58	CTH PLC/INJ LHC W GRAFT	26597	26597
	74	CTH PLC/INJ R&LHC/L VENT	25682	25682
	83	CTH PLC/INJ R&LHC/GRAFTS	23262	23262
	84	LHC TRANS SEPTAL/APICAL	26597	26597
	89	PHARMACY AGENT ADMIN	767	767
	104	INJ SELECT LT VENT/ATRIA	936	936
	105	INJ SELECT RT VENT/ATRIA	936	936
	106	INJ SUPRAVALV AORTOGRM	2287	2287
	107	INJ PULMONARY ANGIOGRM	2287	2287

Memorial Hermann - TX Medical Center

LAST UPDATED APRIL 30TH, 2022

- Percent of Records with Cash Rates: 0%
- Percent of Records with Negotiated Rates: 0%
- Percent of Records with Big 5 National Payer Rates: 0%
- Inpatient Rates: 0 listed
- Outpatient Rates: 0 listed



The screenshot shows the Turquoise Health interface for Cherry Creek Hospital. At the top, the Turquoise Health logo is displayed. Below it, the hospital name "Cherry Creek Hospital" is shown with a green checkmark icon. A navigation bar includes "Provider Info" and "Provider Serv". The main content area features a circular logo with three red cherries, the hospital name, and a "TURQUOISE VERIFICATION" section with a green checkmark and the text "Verified rates for this provider". A "LOCATION" section lists the address: "999 Apple Cherry Rd. Patchogue, NY 11772".

The Methodist Hospital



Turquoise Verification

Unverified rates for this provider.



Health System Affiliation

Houston Methodist



Location

6565 Fannin Street, D200,
Houston, TX, 77030



Contact Info

(713) 790-2221

<https://www.houstonmethodist.org/>

MRF Transparency Scorecard

Turquoise Machine Readable File (MRF) Transparency Score



This hospital has **not posted** a machine readable file.

BETA FEATURE

[Learn more about our methodology here >](#)

Price Transparency Data Not Available

- The Methodist Hospital has either not complied with Federal Law to publish insurance rates & cash prices effective January 1st, 2021 or we were not able to locate their data.

Become More Transparent

Early days

- Tools and reports are still early in their lifecycle
 - Star ratings require judgement and simplification
 - Does not assess the shoppable services component
 - Does not evaluate usability
 - Accuracy of the posted data?
 - Inclusion of physician fees in hospital prices?



Event Panel – Are Employers at Fiduciary Risk?



**James Gelfand
(Moderator) – Senior
Vice President for
Health Policy**



**Tony Sorrentino, JD,
CPA – Principal,
Health Plan Fiduciary
Advisor**



**Andrea Powers –
Shareholder, Bakers,
Donelson, Bearman,
Caldwell & Berkowitz
PC**



**Chris DeMeo – Partner,
Seyfarth Shaw,
Houston**

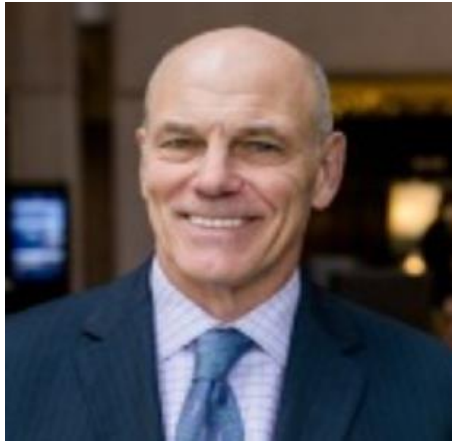


A Fiduciary Concern for Employers? Hospital Financial Transparency & The Consolidated Appropriations Act

THE AUDIENCE Q&A



Team HBCH



**Chris Skisak, PhD –
Executive Director**



**Cary Conway –
Public Relations**



**Alexis Tahara –
Social Media
Specialist**



**Sam Medina –
Operations Manager**



**Cory Owens – Sen.
Project Coordinator**



A Fiduciary Concern for Employers? Hospital Financial Transparency & The Consolidated Appropriations Act

