

# ANNUAL FORUM

# TEMPERATURE RISING

IGNITING CHANGE FOR A NEW ERA

**NOVEMBER 13-15, 2023**

Crystal Gateway Marriott | 1700 Richmond Highway, Arlington, VA

#NatAllForum

# Hospital Fair Price Resources

## Beyond Hospital Transparency

GETTING TO FAIR PRICE



ers and Regional Business Coalitions on Health



Hospital Price Transparency Playbook



Hospital Myths and Facts

## Employer Action to (Re)Build a Better Healthcare System

### MYTHS AND FACTS

Revealing Hospital Price Transparency Truths



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10/21

## SETTING THE RECORD STRAIGHT The Urgency of Achieving Hospital Fair Price



Setting the Record Straight:  
The Urgency of Achieving Hospital Fair Price

Revenue Focus to Value Alignment  
amilies and Businesses



# Pioneering Policies & Practices to Achieve Hospital Fair Price



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# Pioneering Policies & Practices to Achieve Hospital Fair Price



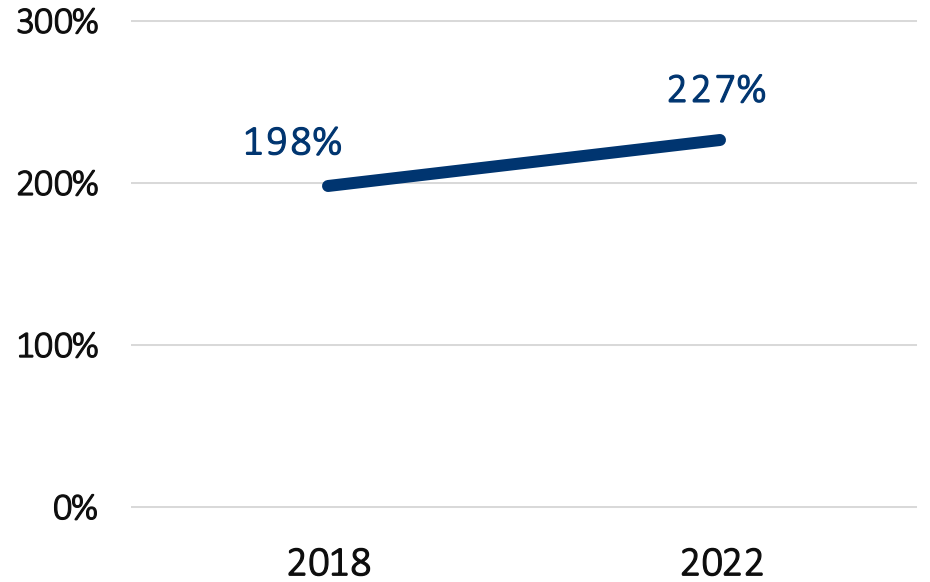
**Louise Probst**  
Executive Director,  
St. Louis Area Coalition on Health

# St. Louis Overall Health Care Prices

Metropolitan area	Price level compared to nat'l median	Price growth since 2017
Detroit, MI	20% below	+9%
St. Louis, MO	12% below	<b>+10%</b>
Chicago, IL	2% below	+9%
Indianapolis, IN	13% above	+7%
Denver, CO	16% above	+8%
San Francisco, CA	77% above	+13%

Source: Health Care Cost Institute, 2023

# St Louis Commercial Facility Spending as a % of Medicare



Source: Midwest Health Initiative, 2023

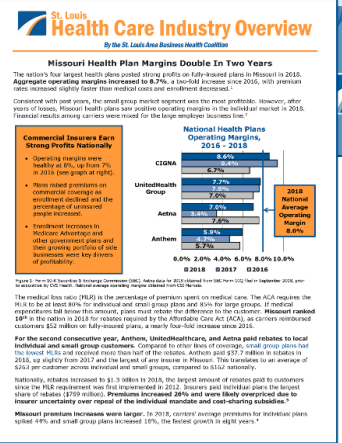
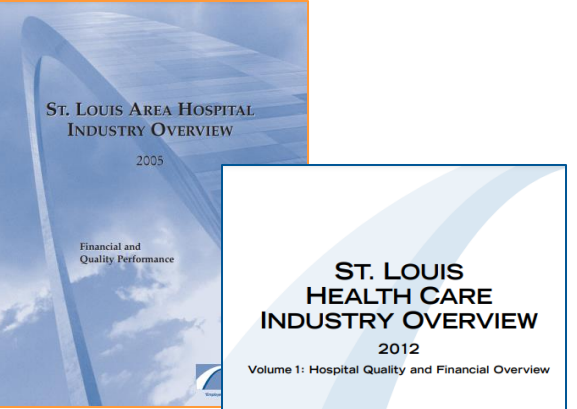


# St. Louis Hospital Industry Overview

- Annual report to track St. Louis area hospital industry finances and quality performance
- Started in 1980's, Paused 2020 – 2022

Reviving in 2023 with the goals to:

1. Analyze and document hospital quality and financial trends, providing insights to enable elevated conversations among purchasers, providers and community leaders
2. Drive competition and innovation by recognizing improvement in health care spending and care quality
3. Spur constructive and collaborative change that leads to higher value health care delivery

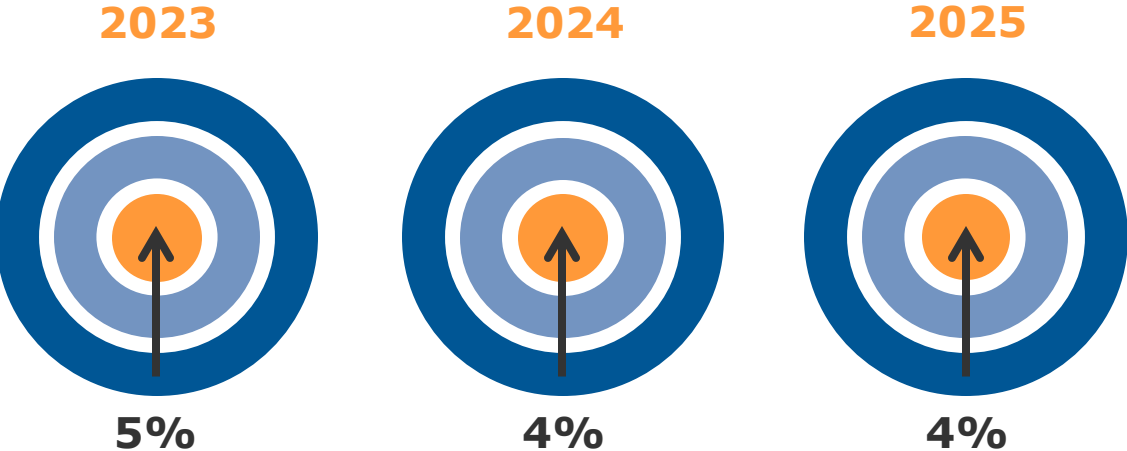


# Bending St. Louis Region's Spending Curve

REACH (Realizing Effective & Affordable Change in Health Care): Multi-stakeholder initiative which established shared commitments to:

- 1. Flatten PMPM Spending Growth
- 2. Advance Primary Care
- 3. Engage the Community via Public Reporting

Medical Groups agreed to voluntary PMPM spending growth targets over the next three years:



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Executive Director,  
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# Connecticut Compact Committee

Governor Lamont Signs Executive Orders on Reducing Healthcare Costs for Connecticut Residents

Posted on January 22, 2020



Surrounded by state legislators, healthcare advocates, and business and community leaders, Governor Ned Lamont signs two executive orders aimed at reducing healthcare costs for Connecticut residents. [Download image in high quality]

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# Connecticut's Healthcare Cost Growth Benchmark

Calendar Year	Benchmark Values
2021	3.4%
2022	3.2%
2023	2.9%
2024	2.9%
2025	2.9%

- Connecticut's cost growth benchmark is a target **annual rate-of-growth** for per person healthcare spending.
- The benchmark values are based on a blend of forecasted per capita potential gross state product (PGSP) and forecasted growth in median income.



# Connecticut's Primary Care Spend Target

Calendar Year	Target Values
2021	5.0%
2022	5.3%
2023	6.9%
2024	8.5%
2025	10.0%

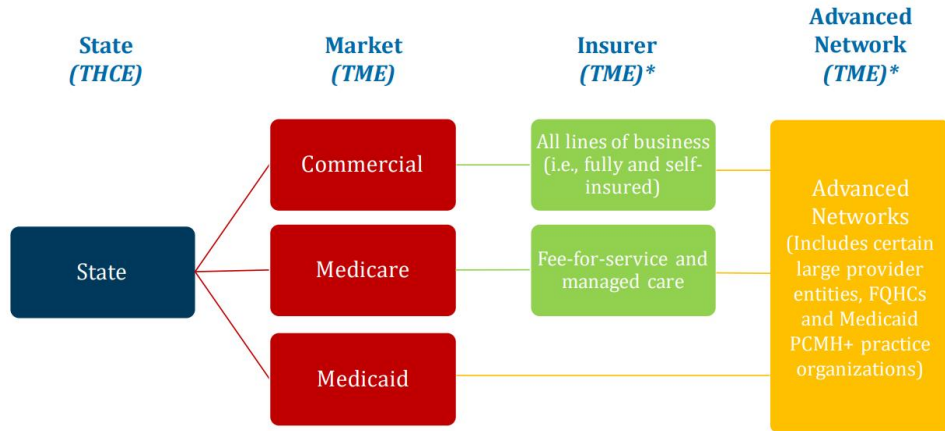
- Executive Order No. 5 and Public Act 22-118 established a target to increase primary care spending to 10 percent of total healthcare expenditures by calendar year 2025.
- The target is intended to rebalance and strengthen Connecticut's healthcare system by supporting improved primary care delivery.

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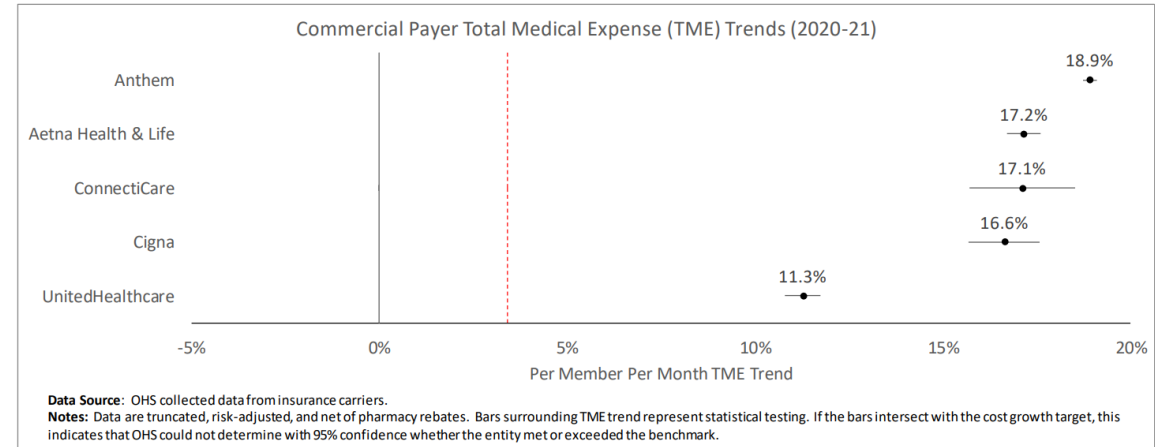
## Four Levels of Public Reporting of Performance Against the Benchmark



\* OHS will only publicly report on Insurers and Advanced Networks with a minimum of 60,000 member months per market.



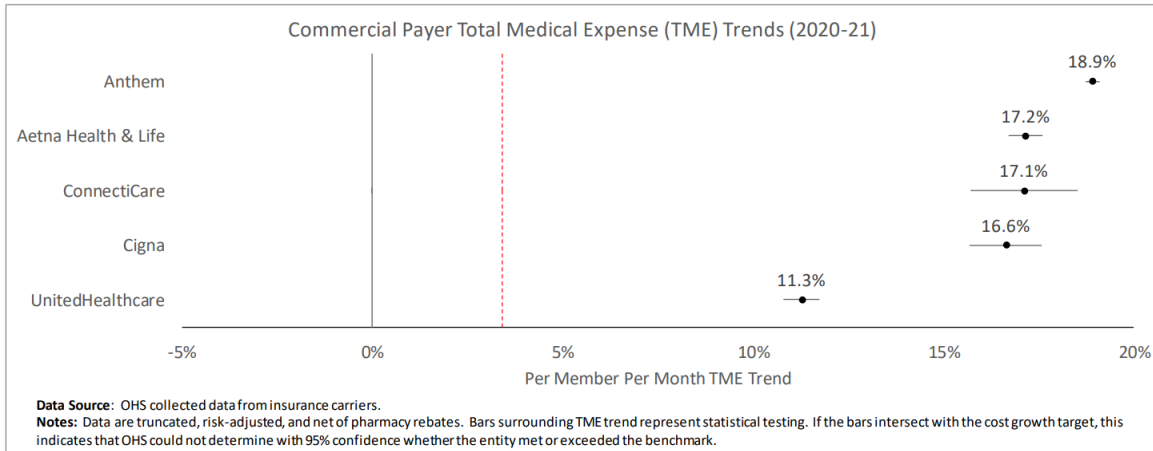
## Commercial Payer 2021 Performance Against the 3.4% Benchmark



**Data Source:** OHS collected data from insurance carriers.  
**Notes:** Data are truncated, risk-adjusted, and net of pharmacy rebates. Bars surrounding TME trend represent statistical testing. If the bars intersect with the cost growth target, this indicates that OHS could not determine with 95% confidence whether the entity met or exceeded the benchmark.



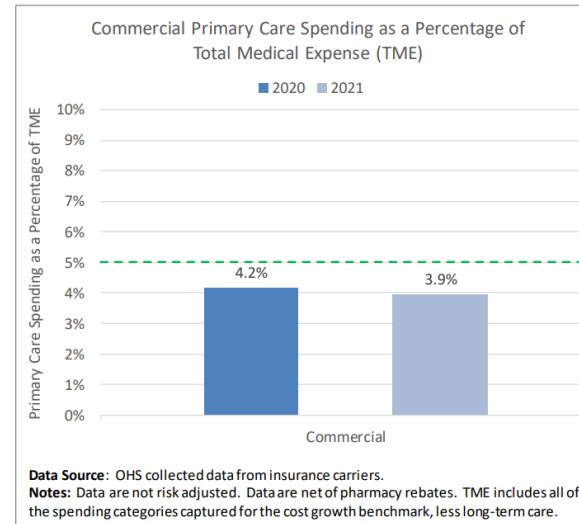
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## Connecticut Did Not Achieve the 5% Primary Care Spend Target for the Commercial Market in 2021



**Data Source:** OHS collected data from insurance carriers.  
**Notes:** Data are not risk adjusted. Data are net of pharmacy rebates. TME includes all of the spending categories captured for the cost growth benchmark, less long-term care.

2021 Aggregate Primary Care Spending	2021 Per Member Per Month Primary Care Spending	2020-21 Per Member Per Month Trend
\$494,443,719	\$25	12.1%



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**Jon Rankin**  
President & CEO,  
North Carolina Business Coalition on Health

# Hospital Fair Pricing in North Carolina - Background

- In 2018 NC Treasurer actively sought cost and spending information from non-profit and state-owned hospitals
  - Reports received were mostly redacted (full pages blacked-out).
- \$1.8 billion in tax breaks received by non-profit hospitals in 2020
  - Majority failed to justify tax breaks with equivalent (required) charity care.
- September 2023 Duke University study found NC hospitals among most litigious in the country
  - Atrium most aggressive (Non-profit began as public hospital in Charlotte, merged last year with Advocate Aurora to become multistate, \$27 billion annual revenue system)
    - Atrium announced last month they stopped filing lawsuits
- October 2023 report: NC Treasurer and Johns Hopkins Bloomberg School researchers looked at 16 common shoppable services at 140 hospitals. Report showed:
  - NC hospitals levy markups up to 1,120% on routine care and basics services.
    - Most expensive charged commercially insured patients 1,670% more than other hospitals for same service.
  - NC hospitals charge commercially insured more than 700% of Medicare for shoppable services.
    - A previously published report concluded inflated prices are unnecessary, given that most NC hospitals self-reported profiting off Medicare rates over last six years.
  - Only 51% of hospitals in NC disclosed commercial insurance prices across the 16 common services, and only 42% disclosed cash prices.
    - Just 5 hospitals (of 140) disclosed commercial prices for every service



# Hospital Fair Pricing in North Carolina - NCBCH's Fair Pricing Journey to Date

- NCBCH initiated Hospital Transparency focus in 2022
  - National Alliance Hospital Transparency Roundtables
  - 2022 statewide “Fall Forum” focused on transparency and new tools
  - 2022 saw NC’s first significant RAND participation after much negotiation with BCBS-NC to “allow” employer data to be used.
    - 2023 will see less participation as BCBS-NC is requiring \$5,000 per employer for their data
- Recent updates and what’s ahead:
  - At 2023 Fall Forum, rolled out the Fair Price Initiative with sessions from Mike Thompson, Gloria Sachdev (Employers Forum of Indiana), Maureen Hensley-Quinn (NASHP), Alex Jung, Chris Deacon, and NC Attorney General.
  - Going forward, NCBCH plans to partner further with NC Treasurer, Attorney General, Duke University, and others to further expose pricing and push for reform



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# Better Solutions for Healthcare

- Healthcare affordability will continue to drive the policy debates in Washington, D.C. and in states across the country. Businesses and health insurance providers are generally aligned on the most serious healthcare cost drivers.
- Better Solutions will build on this common alliance to develop and advocate for policy solutions that empower the private sector to prevent corporate hospital systems from gaming the system to their financial advantage.
- Four key policy pillars:
  - Address Hospital Monopoly Control
  - Enforce Federal Price Transparency
  - Rein in Hospital Price Markups
  - End Dishonest Billing

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## Legislative Overview 2023 and 2024

- The need for pay-fors for other health care spending priorities (like funding community health centers) increases the likelihood that several Better Solutions supported provisions could advance this year, including:
  - Site-neutral payment reforms that ensure Medicare beneficiaries and Medicare are paying the same rates for physician-administered drugs in off-campus hospital outpatient departments as in physician offices
  - Honest billing provisions that require each off-campus outpatient department of a Medicare provider to obtain and include a national provider identifier on billings for claims for services
  - Transparency provisions that require hospitals to make public all standard charges for all items and services through machine-readable files
  - Banning anticompetitive terms in facility and insurance contracts that limit access to higher quality, lower cost care

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