



Data to Inform Honest Conversations

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Employer Coalition of Louisiana
Webinar
June 13, 2023

ABOUT THE EMPLOYERS' FORUM OF INDIANA

Employer-Led Healthcare Coalition Founded in 2001

Executive Committee Comprised of non-provider employers

Non-Profit 501(c)(3)

Aim: To improve the value employers and patients receive for their healthcare expenditures

<https://employersforumindiana.org/>



Employers' Forum of Indiana Members

** Forum Executive Committee Members*

Individual Members

1. Allison Transmission*
2. American Health Network
3. Anthem BCBS
4. Aon
5. ApexBenefits
6. Apollo Pain Center
7. Ashley Industrial Molding*
8. Barnes & Thornburg*
9. Cameron Memorial Community Hospital
10. Capital RX (affiliate member)
11. Carrum Health (affiliate member)
12. Central Noble Schools*
13. Certus Management Group
14. Chris Magiera, MD
15. Clear Healthcare Advocacy
16. Conner Insurance
17. Cummins*
18. Danzer Veneer Americas, Inc*
19. Deaconess Hospital
20. Delta Dental of Indiana (affiliate member)
21. Eli Lilly and Co.*
22. Encore Health Network
23. Eskenazi Health
24. Everside Health
25. Express Scripts/Cigna
26. Fiat Chrysler Automobiles*
27. Fort Wayne Medical Oncology & Hematology
28. Gibson
29. Goodman Campbell Brain and Spine
30. Gregory & Appel Insurance
31. Haynes International*
32. Healthcare Options*
33. Hylant
34. Indiana Health Information Exchange
35. Indiana Spine Group
36. Indiana State Teachers Association*
37. Indiana University*
38. Ivy Tech*
39. JA Benefits
40. LHD Benefit Advisors
41. Lutheran Health
42. Managed Health Services
43. Marathon Health
44. Merck (affiliate member)
45. Meridian Medical Services
46. Metro Plastics*
47. MJ Insurance
48. Northwest Radiology
49. OneBridge*
50. Ortho Indy
51. PatientMD (affiliate member)
52. Physicians Health Plan of Northern Indiana
53. Purdue University*
54. Qsource
55. Red Gold*
56. RE Sutton and Associates
57. Roche & Genentech*
58. Roman Catholic Archdiocese of Indianapolis*
59. Sacred Roots Birth & Wellness Center
60. Sandoz (affiliate member)
61. Sanofi Genzyme (affiliate member)
62. Schweitzer Engineering Laboratories*
63. Shery Roussarie, MHA/MBA
64. Suburban Health Organization

65. The Alliance
66. The DeHayes Group
67. TrueRx
68. UnitedHealthcare
69. University of Notre Dame*
70. VeriVita (affiliate member)
71. Weaver Popcorn*
72. Wellbridge Surgical

Group Members

73. American Physical Therapy Association, Indiana Chapter (over 1,800 members)
74. Bartholomew Consolidated School Corporation*
75. Fort Wayne Community School Corporation*
76. Indiana Manufacturers Association
77. Patoka Valley Healthcare Cooperative*
78. South Central Indiana School Trust*

OUTLINE

Problem: Employer/Worker
Healthcare Costs are Increasing
at an Alarming Rate

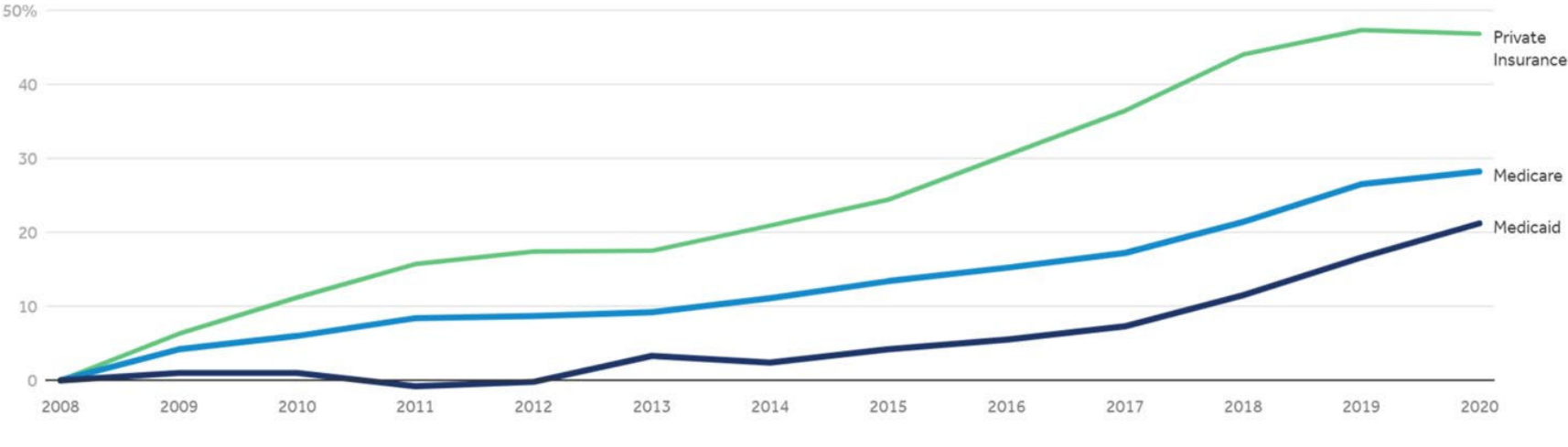
Solution: Need More
Transparency to Inform
Purchasing and Policy Decisions


$$\text{TOTAL COST TO EMPLOYER} = \text{PRICE} \times \text{UTILIZATION}$$

Private Insurance Spending (aka Total Cost) has Grown Faster than Medicare & Medicaid

On a per enrollee basis, private insurance spending has typically grown faster than Medicare and Medicaid spending

Cumulative growth in per enrollee spending by private insurance, Medicare, and Medicaid, 2008-2020



Private

Medicare

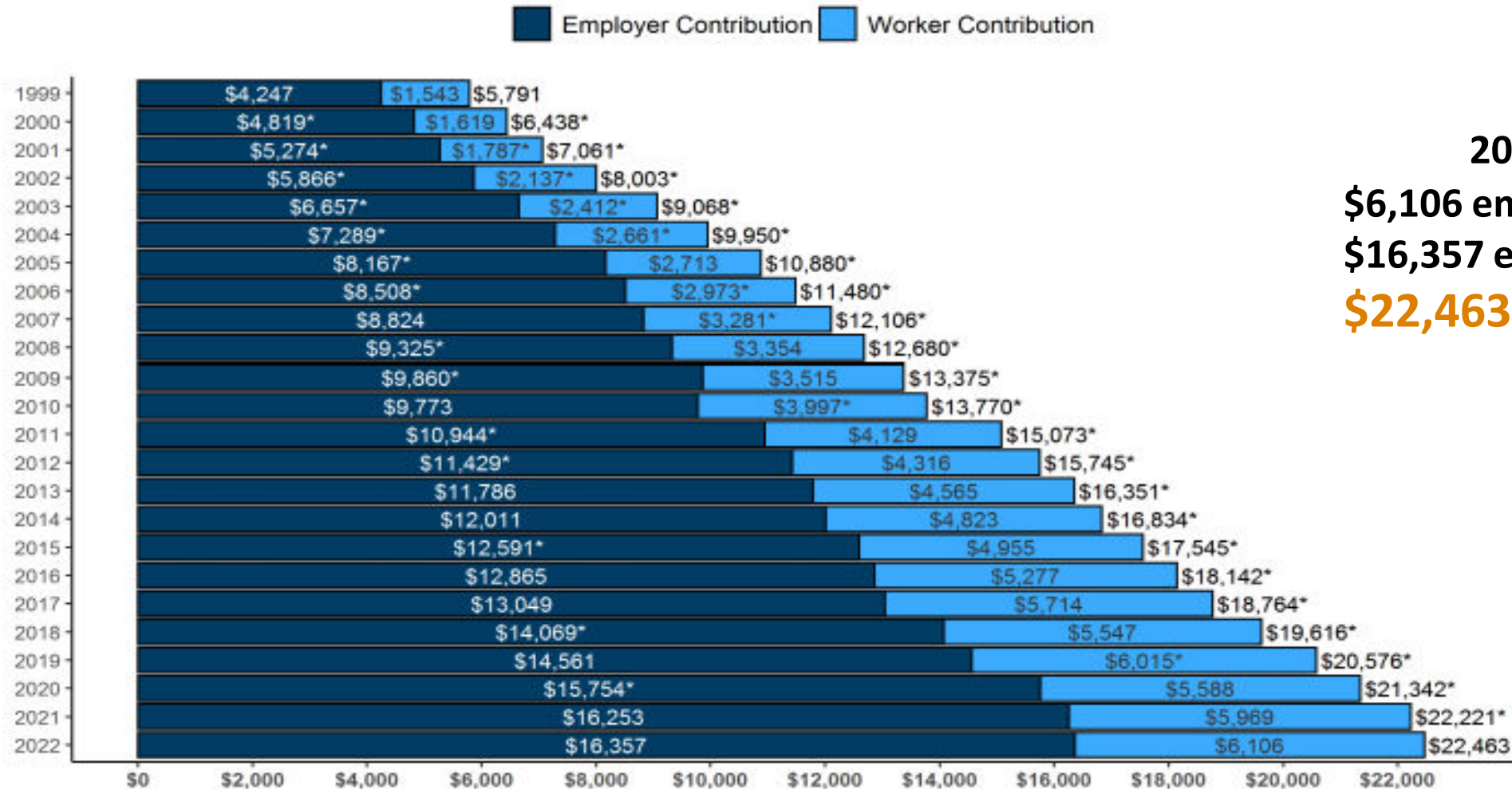
Medicaid

Source: Source: KFF analysis of CMS National Health Expenditures Accounts • Get the data • PNG

Peterson-KFF
Health System Tracker

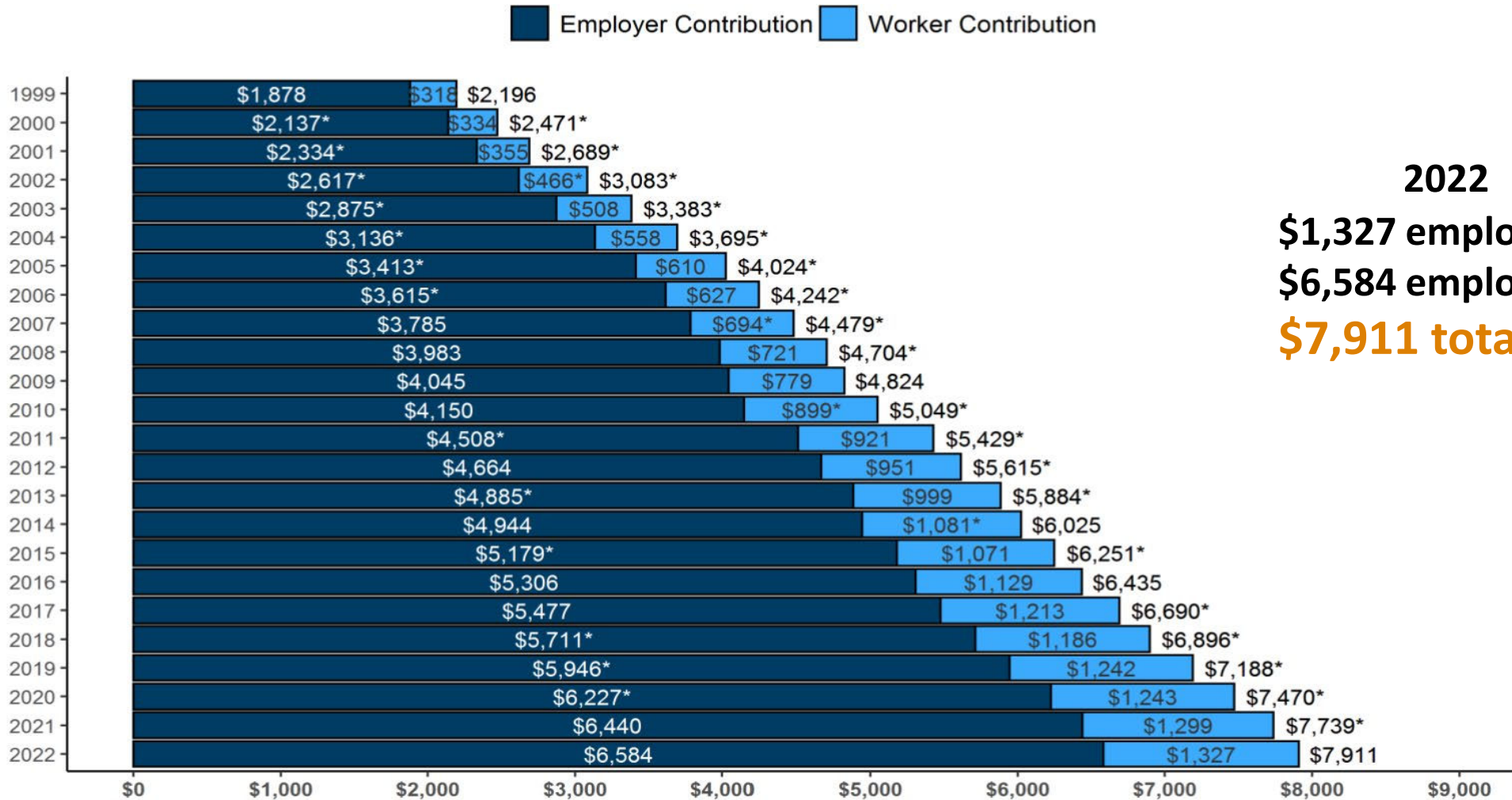
<https://www.healthsystemtracker.org/chart-collection/u-s-spending-healthcare-changed-time/#Relative%20contributions%20to%20total%20national%20health%20expenditures,%202020>

PROBLEM: U.S. Employees & Employers are Paying More for Health Insurance Premiums: FAMILY Coverage, Trend 1999-2022



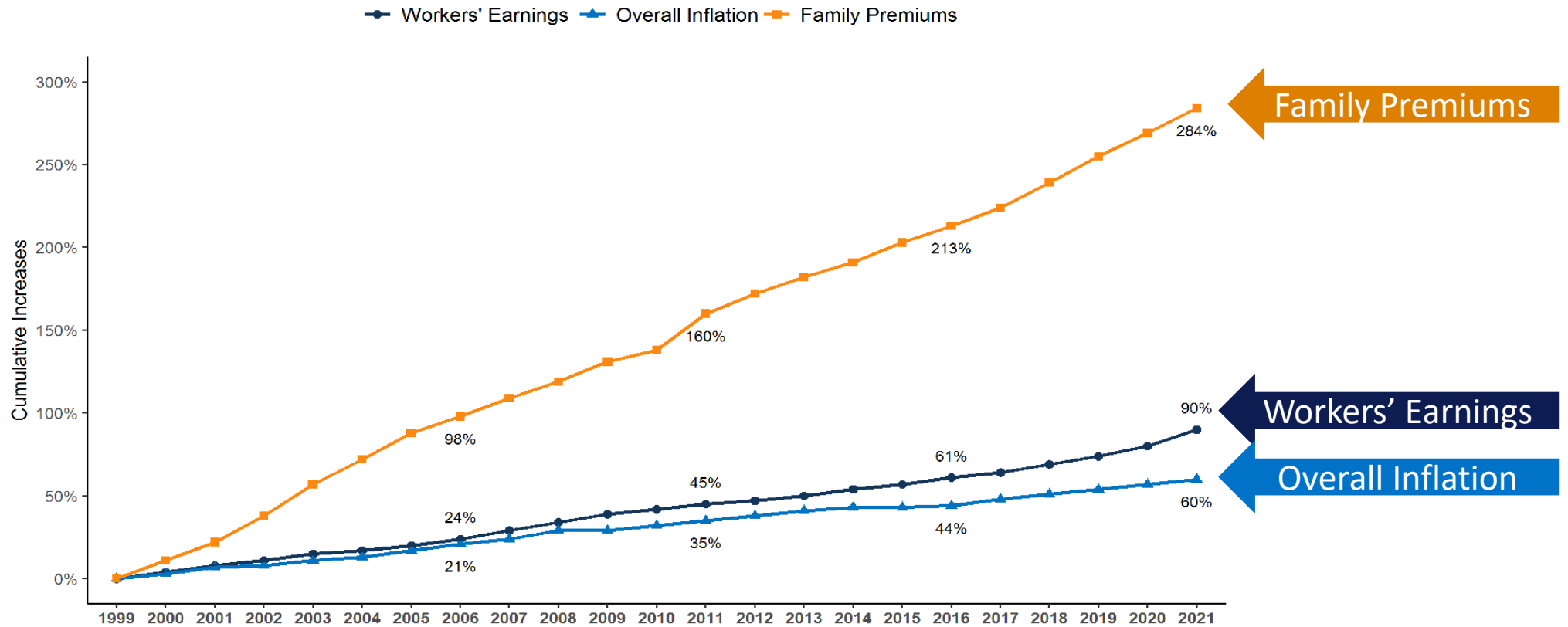
2022
\$6,106 employee +
\$16,357 employer =
\$22,463 total

PROBLEM: U.S. Employees & Employers are Paying More for Health Insurance Premiums: SINGLE Coverage, Trend 1999-2022



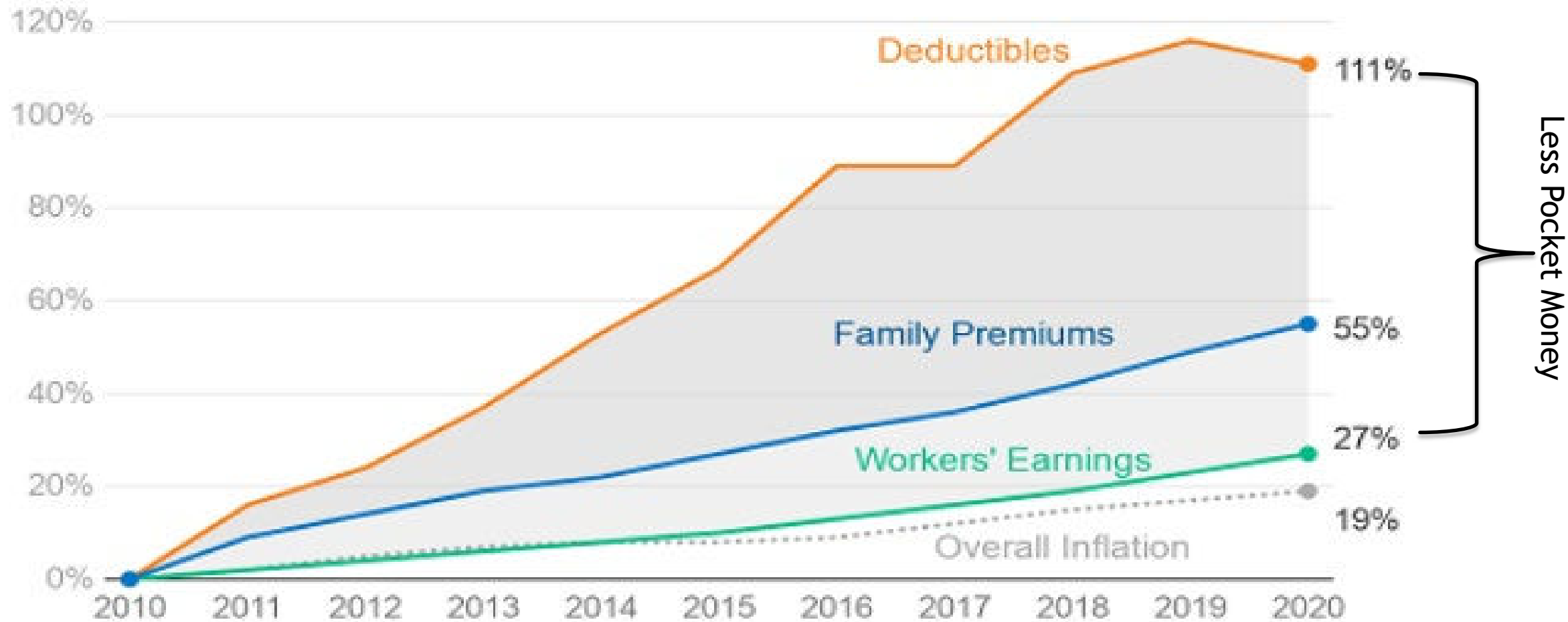
2022
\$1,327 employee +
\$6,584 employer =
\$7,911 total

PROBLEM: U.S. Family Health Insurance Premiums have Outpaced Inflation & Workers' Salaries, 1999- 2021



SOURCE: KFF Employer Health Benefits Survey, 2018-2021; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017. Bureau of Labor Statistics, Consumer Price Index, U.S. City Average of Annual Inflation, 1999-2021; Bureau of Labor Statistics, Seasonally Adjusted Data from the Current Employment Statistics Survey, 1999-2021.

PROBLEM: Employee Deductibles & Premiums have Risen Much Faster than Wages, 2010-2020



NOTE: Average general annual deductibles are for single coverage. Workers in plans without a general annual deductible for in-network services are assigned a value of zero. Source: KFF Employer Health Benefits Survey, 2020; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2010 and 2015: <https://www.kff.org/health-costs/report/2020-employer-health-benefits-survey/>

PROBLEM: DEBT IN AMERICA: AN INTERACTIVE MAP

Last updated June 23, 2022; credit data from February 2022

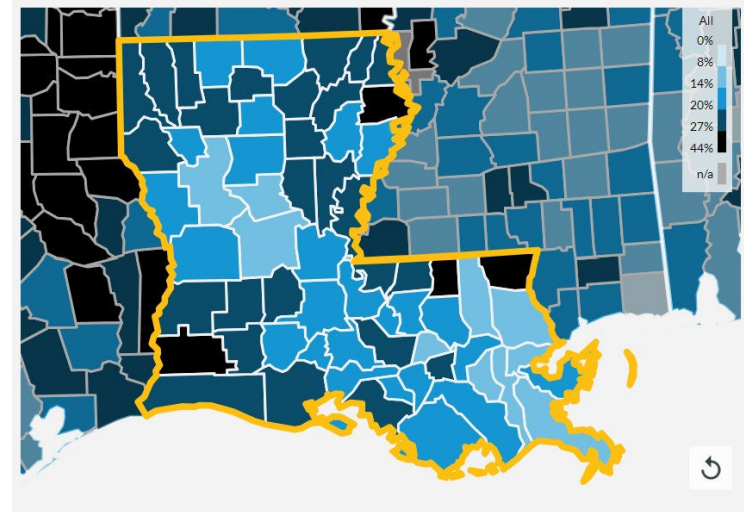
Interactive map noting **“Share of medical debt in collections”** and Median amount in collections per country, state, national levels

- Conducted by Urban Institute, non-profit research organization
- Includes 10 million lives
- Provides demographic information at county level including: white vs communities of color, share without insurance, avg household income
- Downloadable Excel Spreadsheets for country, state, and national level data available

PROBLEM: Medical Debt in Louisiana

Louisiana

- **18%** of the adult population have medical debt in collections. This includes all 64 counties.
RANGE = 10% to 30%.
- Counties with the highest medical debt:
 - Calcasieu = 30%
 - St. Helena = 29%
 - Madison = 28%
 - Washington = 27%,
 - De Soto = 27%



Neighboring States

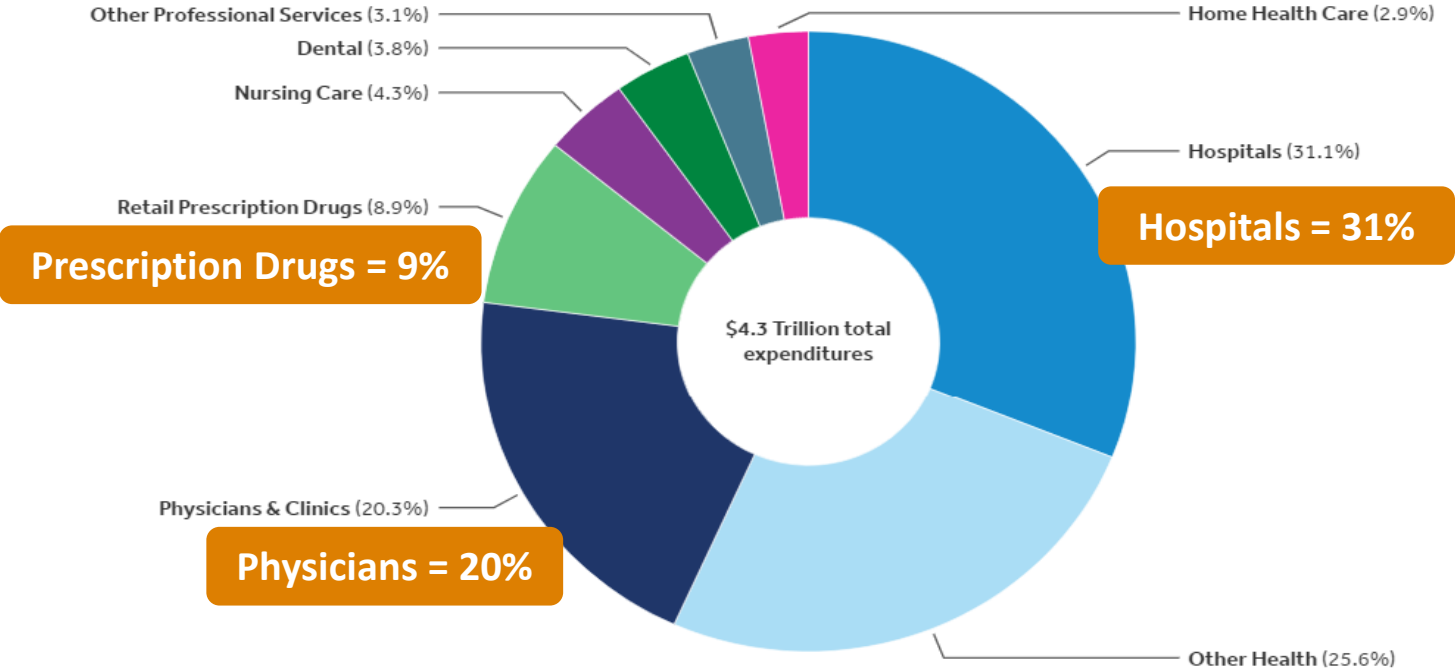
- Texas = 19%
- Arkansas = 18%
- Mississippi = 16%

NATIONAL AVERAGE = 13%

Where are We Spending Healthcare Dollars?

Hospital & Physician Services Represent Half of Total Spend, 2021

Relative contributions to total national health expenditures, by service type, 2021



Note: 'Other Health' includes spending on durable and non-durable products; residential and personal care; administration; net health insurance; and other state, private, and federal expenditures. 'Other professional services' includes spending for services provided by chiropractors, optometrists, physical, occupational, and speech therapists, podiatrists, private-duty nurses, and others. Nursing care represents expenditures for nursing care facilities and continuing care retirement communities.

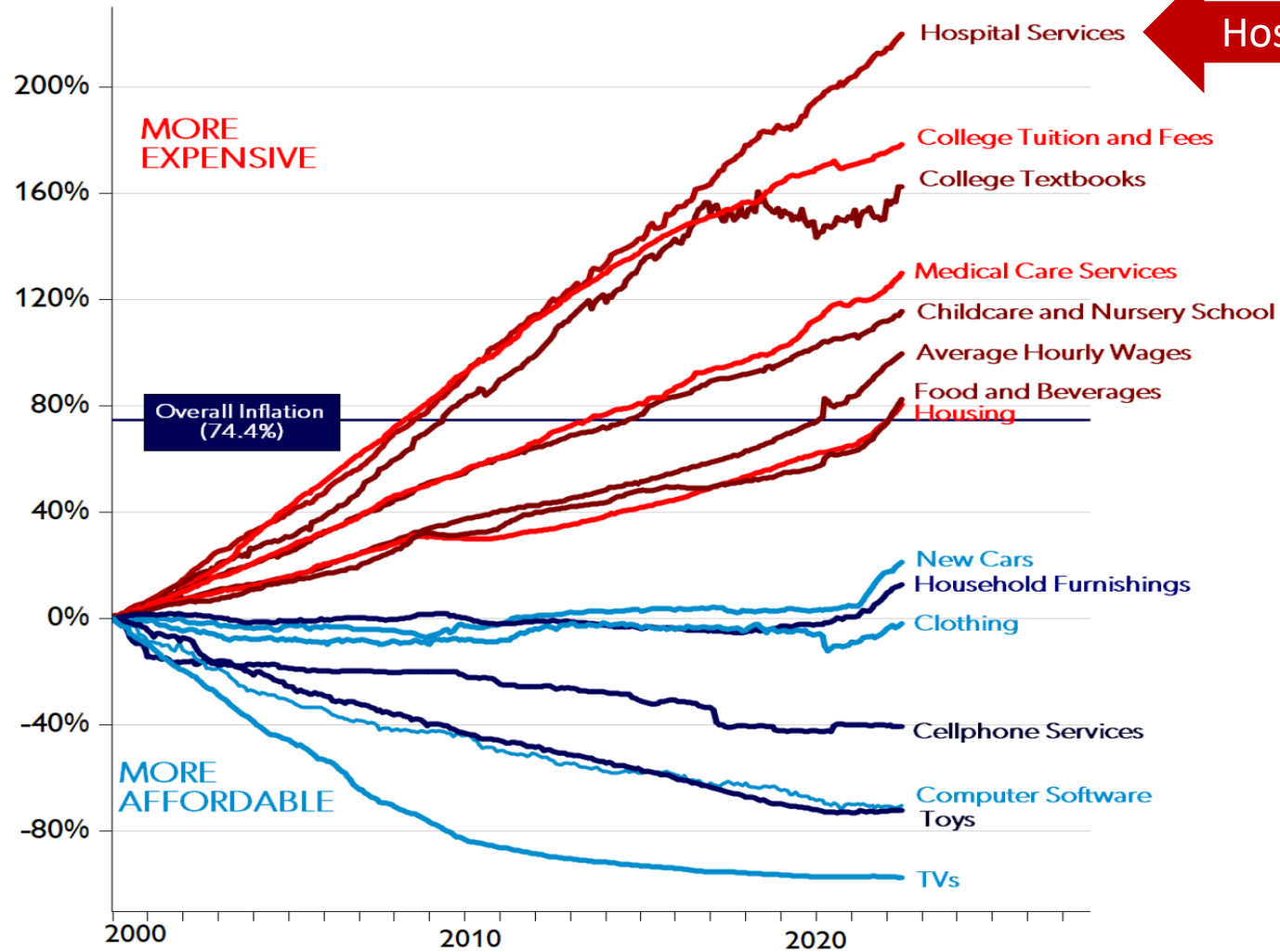
Source: [KFF analysis of National Health Expenditure \(NHE\) data](#) • [Get the data](#) • PNG

Peterson-KFF
Health System Tracker

<https://www.healthsystemtracker.org/chart-collection/u-s-spending-healthcare-changed-time/#Relative%20contributions%20to%20total%20national%20health%20expenditures,%20by%20service%20type,%202021>

Price Changes: January 2000 to June 2022

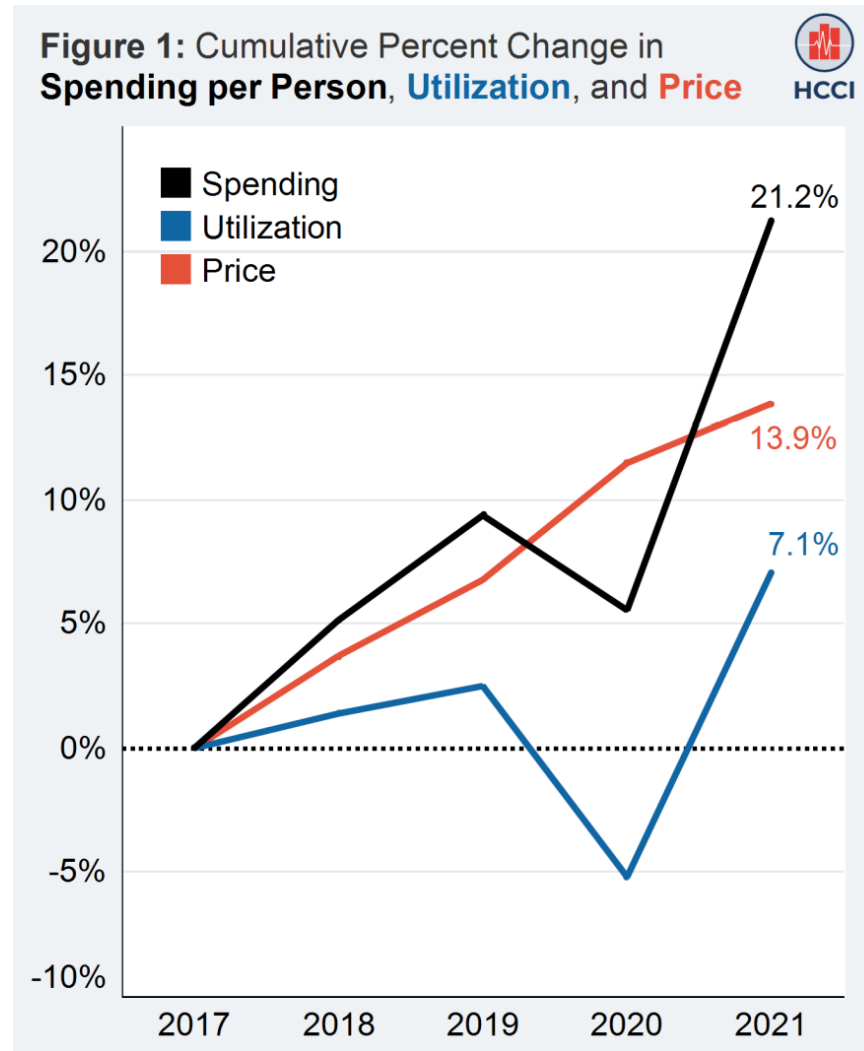
Selected US Consumer Goods and Services, Wages



Source: Bureau of Labor Statistics

Carpe Diem **AEI**

PRICE is the Main Driver of Healthcare Spending



https://healthcostinstitute.org/images/pdfs/HCCI_2021_Health_Care_Cost_and_Utilization_Report.pdf

Solution: Need More Transparency to Inform Purchasing and Policy Decisions



RAND HOSPITAL PRICE TRANSPARENCY STUDIES

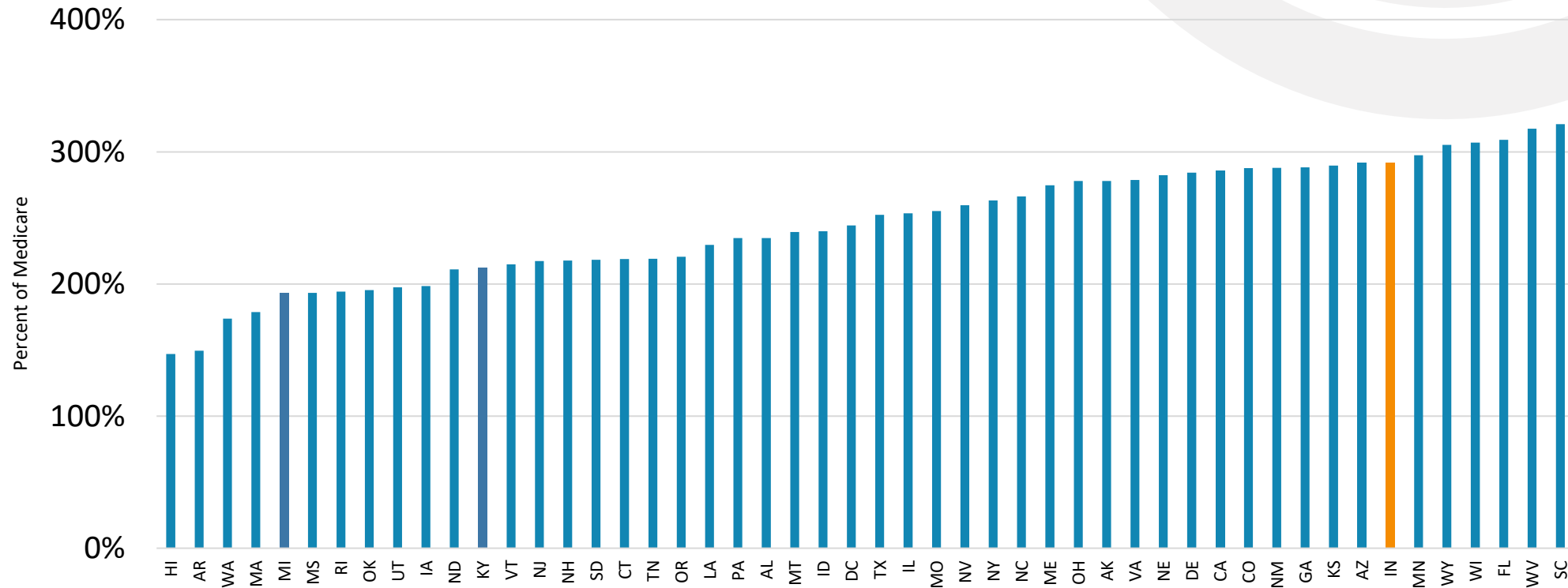
- First-of-its-kind study in the country to **publish negotiated prices by hospitals name**, noted as Percent of Medicare & Standardized Prices
- Conceived and commissioned by the Employers' Forum of Indiana
- Analysis and published report conducted independently by RAND Corporation
- Funded by Employers, Robert Wood Johnson Foundation, & Arnold Ventures (no funding accepted from insurers or hospitals)
- Does not include Rx drug prices



TOTAL HOSPITAL COMMERCIAL PRICES RELATIVE TO MEDICARE

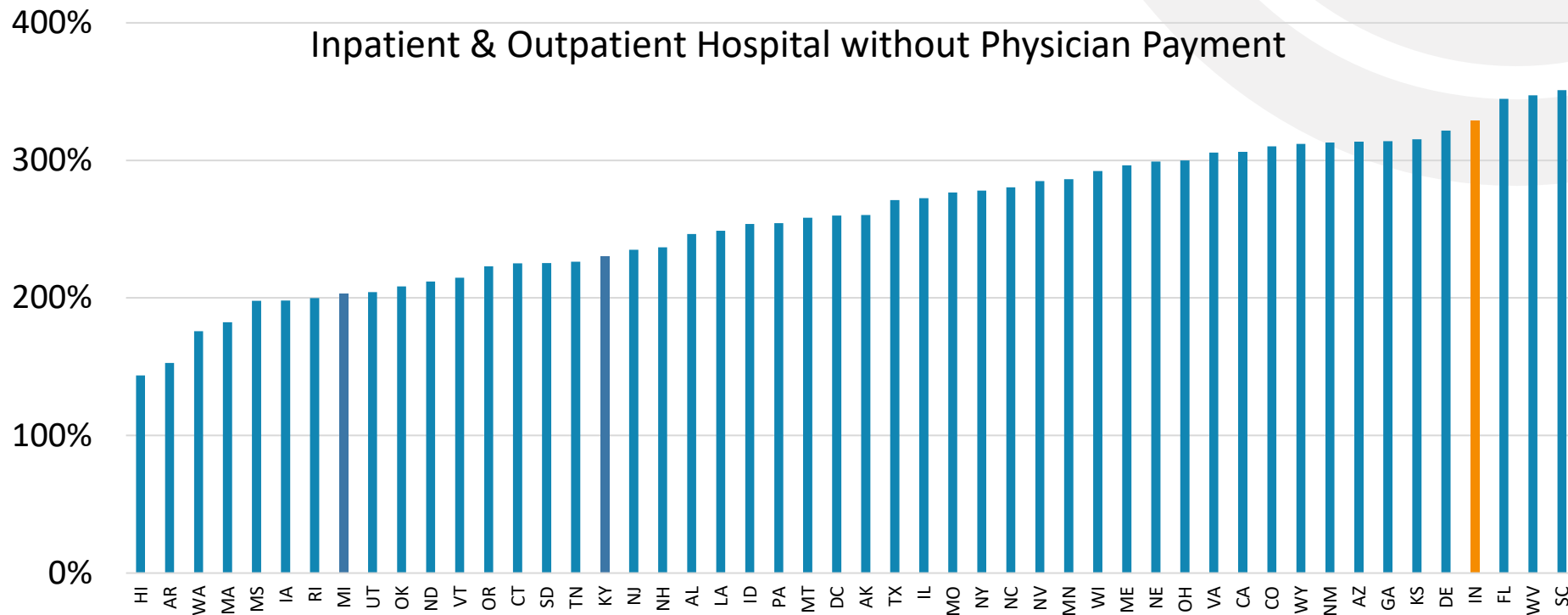
Indiana is 7th highest = 292%
Median of states = 248%

Inpatient & Outpatient Hospital plus Physician Payment



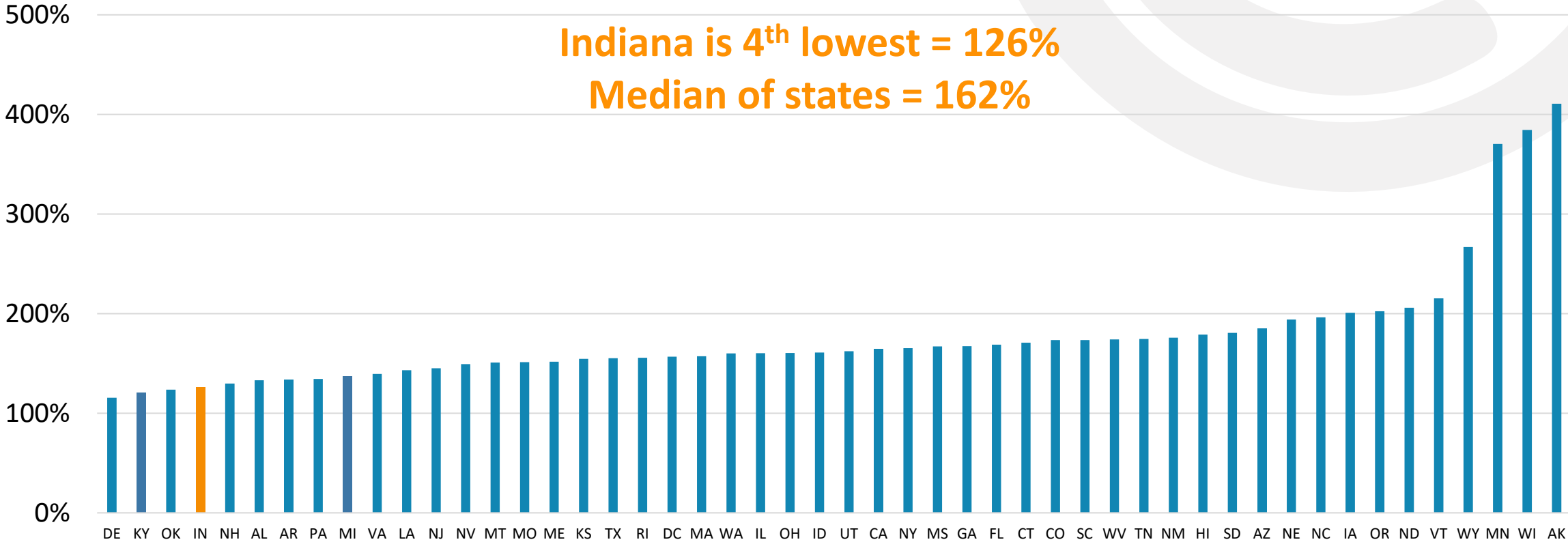
FACILITY PRICES RELATIVE TO MEDICARE

Indiana is 4th highest = 329%
Median of states = 260%



PROFESSIONAL FEES RELATIVE TO MEDICARE

Inpatient & Outpatient Physician Payment without Hospital Payment



Employers' Forum of Indiana's Response



Market
Solutions



Legislative Policy
Solutions

Trying to Fix Health Care

Functional Market Foundation

1. Must have **CHOICE**.
2. Employers & people can't make choices if they don't have price & quality **transparency** AND provider **competition**.
3. Either we have both or consider alternates, such as payment regulation & public option.

Legislation

1. Policy is needed to unwind outrageous ongoing practices & place guardrails.
 2. Transparency alone will NOT reduce healthcare prices.
3. Policy makers must **USE** transparency data to make **evidence-based decisions**, not listen to stakeholder lobbyists.

Provider Solution

1. Many hospitals & Independent physician groups have stepped forward & aim to be part of the solution, so let's partner with them in a tiered network, direct contract, RBB, bundled payment, etc.
 2. This will create pressure for other providers to **compete** based on quality & price.

Employers

1. **Own & Use** your data
2. Hold entire supply chain **accountable**
3. Bring all data analyses in house or have trusted, **unbiased third-party** partner.

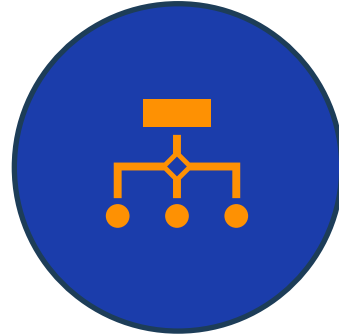


How are Employers using Price, Quality, and Cost Data to Create Market Change?



Direct Contracting, Bundled Payments/COEs

Purdue University with Franciscan Mooresville and Cummins with Ortho Indy, both for orthopedics



Narrow Network/ Tiered Networks

State of Indiana, Purdue University, and Red Gold have optional narrow network



Data Informed Decisions

Using independent vendors. Several employers partner with data analytic firms.



Performance Guarantees

On a variety of price and quality measures for TPAs, vendors, and benefit consultants = accountability. University placed Percent of Medicare performance guarantee in Insurer contract.

Indiana Healthcare Accomplishments 2023 Legislative Session



Employers' Forum of Indiana 2023 Healthcare Legislative Agenda

First Priority

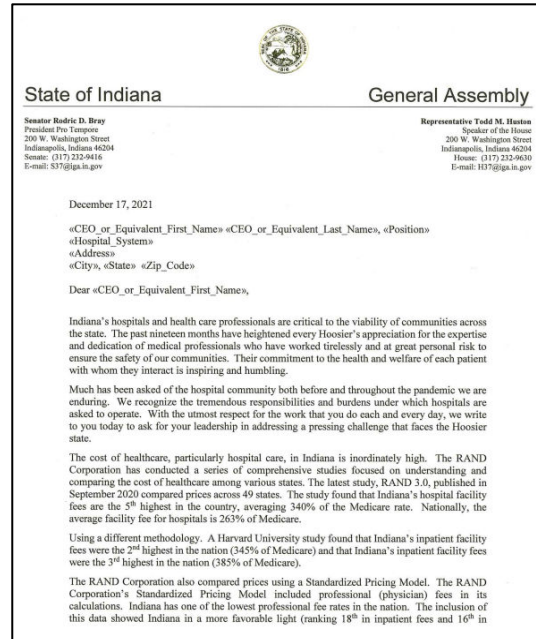
1. Eliminate Hospital Facility Fees for Services Rendered OFF a Hospital Campus
2. Physician Non-Competes
3. Pharmacy Benefit Manager(PBM) and Prescription Drug Price Transparency
4. Hospital and Insurer Price Transparency
5. Hospital Price Benchmark to National Average
6. Hospital Not-for-Profit Status

Second Priority

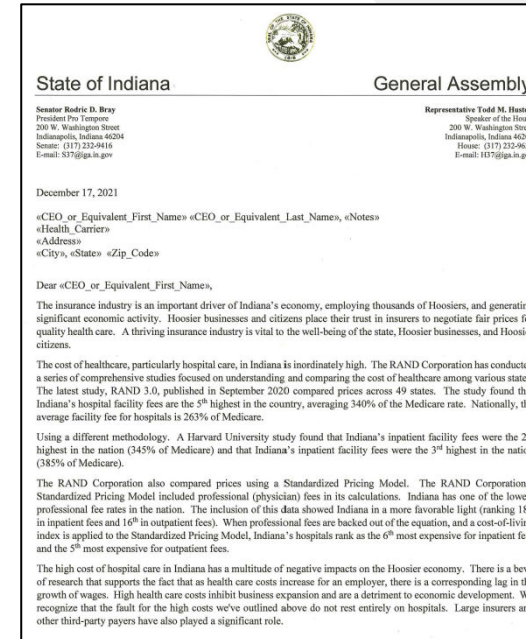
7. Funding Public Health
8. Prohibit Anti-Competitive Contract Language Between Providers and Insurers
9. Pharmacist Prescribing Contraceptive
10. Establish a State Affordability Commission

Indiana House Speaker Huston and Senate President Pro Tem Bray Sent Letters to Hospital & Insurer CEOs, 2022

By 4/1/2022 hospitals and insurers executives must submit to legislators a plan regarding how they are going to get hospital prices to the national average by 1/1/2025

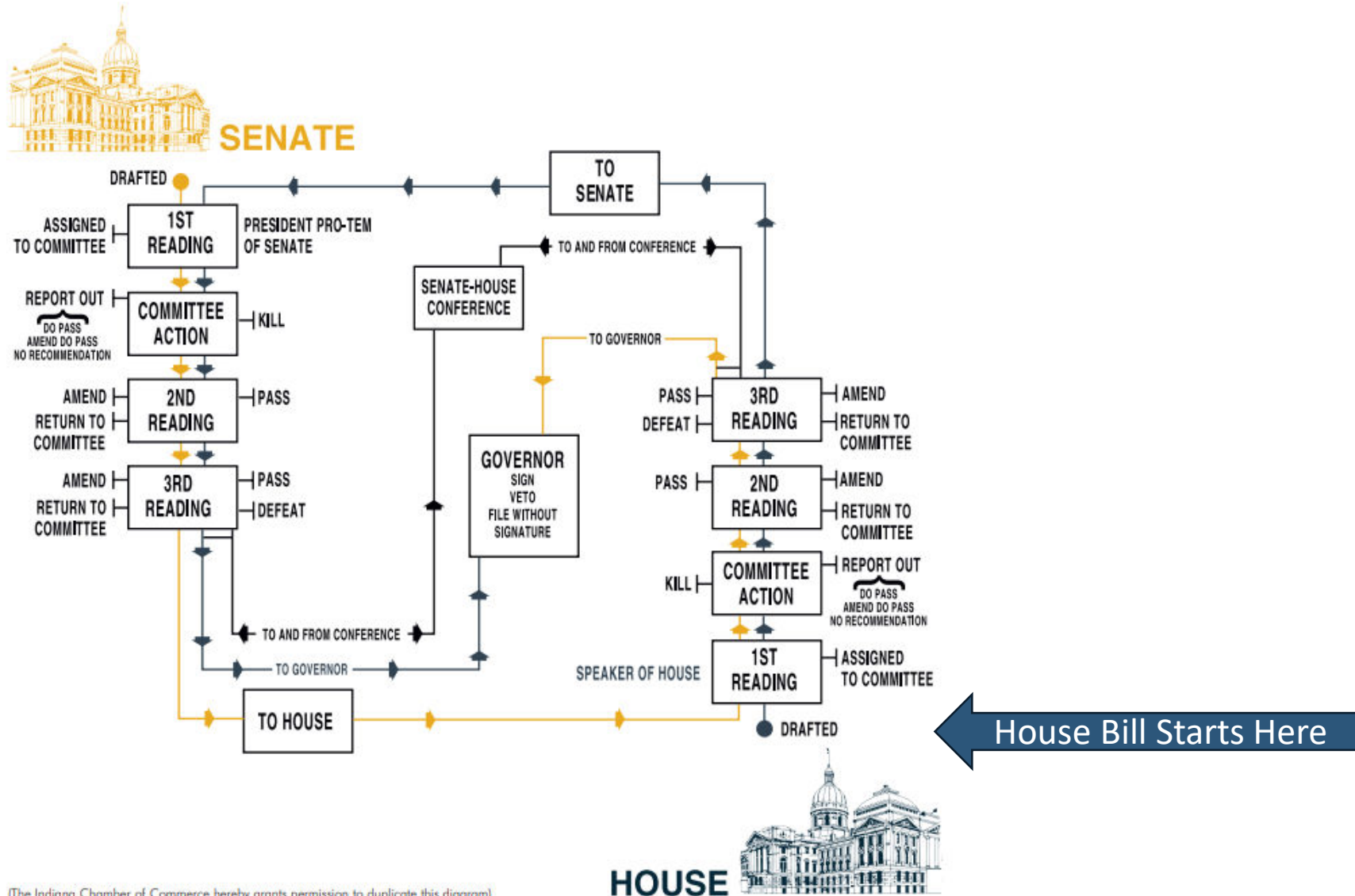


Letter to Hospitals: [Link](#)



Letter to Insurers: [Link](#)

How a Bill Becomes a Law



[The Indiana Chamber of Commerce hereby grants permission to duplicate this diagram].

HOUSE



INDIANA LEGISLATIVE CONFERENCE COMMITTEE, APRIL 20, 2023

Chaired By Representative Donna Schaibley



Evidence-Based Data

Indiana Legislative Policy Success, 2023

HEA 1004

<https://iga.in.gov/pdf-documents/123/2023/house/bills/HB1004/HB1004.07.ENRS.pdf>

Prohibiting Facility Fees (Site of Service)

- Requires Indiana's 5 largest non-profit hospital systems that bill for health care services (defined as health care related services or products rendered or sold by a provider within the scope of the provider's license or legal authorization. The term includes hospital, medical, surgical, and pharmaceutical services or products.)
- Applies to health services in an office setting (defined as providing examination, diagnosis, non-invasive treatment) in off-campus (defined as greater than 250 yards from main hospital owned in whole or in part by a hospital)
- Providers must submit on an individual provider form, not on an institutional, aka facility fee, form.
- Exceptions: county hospitals, CAH, RHC, FQHC, mental health or addiction disorders, and oncology treatment facilities.
- An insurer, health maintenance organization, employer, or other person responsible for the payment shall not accept a bill for the health care services that is submitted on an institutional provider form.

LAW

Indiana Legislative Policy Success, 2023

HEA 1004 Continued

Benchmark Hospital Prices

- Requires Indiana's 5 largest hospital systems submit prices to Department of insurance (DOI) for years 2021-2023 and DOI must partner with a third-party contractor to compare commercial hospital prices to 285% of Medicare beginning January 1, 2025.
- Provide report by December 1, 2024 and submit report to DOI, legislative task force, and budget committee

LAW

Hospital Price and Net Revenue Transparency

- For 2023 only
- All hospitals must provide Medicaid prices for inpatient, outpatient and professional.
 - All hospitals must provide Net Revenue on paid claims for Medicare, Medicaid, Commercial by inpatient, outpatient, facility, & professional fees. Penalty of \$1000/day if late.

LAW

More....

- Healthcare Task Force: Comprised of 6 legislators who will study a long list of items including noncompete agreements, PBM reporting, competition in the insurance market, etc.
- Health Reimbursement Arrangement (HRA) incentive
- Physician practice ownership incentive of \$20K x 3 tax credit

LAW

Indiana Legislative Policy Success, 2023

SEA 7

<https://iga.in.gov/pdf-documents/123/2023/senate/bills/SB0007/SB0007.05.ENRH.pdf>

Banning Physician Non-Competes

- Beginning 7/1/23 noncompete agreements are prohibited between a primary care physician and an employer.
- Beginning 7/1/23 a noncompete agreement is unenforceable if;
 - (1) Employer terminates physician's employment without cause
 - (2) Physician terminates the employment for cause, or
 - (3) Physician's employment contract expires and both parties have fulfilled obligations of the contract

LAW

Indiana Legislative Policy Success, 2023

SEA 8

<https://iga.in.gov/pdf-documents/123/2023/senate/bills/SB0008/SB0008.06.ENRH.pdf>

PBM Transparency

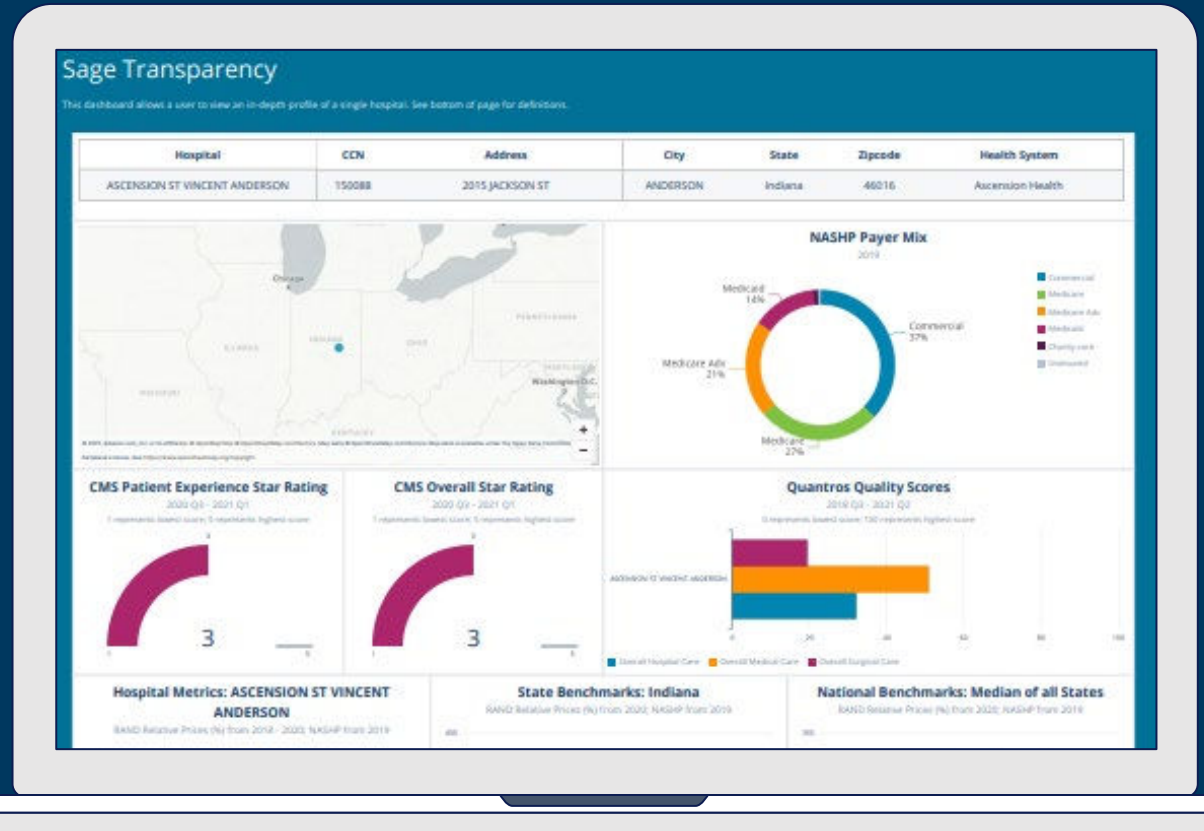
- For the individual health care plan, insurers must pass along at least 85% of the rebates they negotiate with drug manufacturers in exchange for covering their drug.
- For those who have a health plan through their employer, 100% of the rebates must be passed along but the employer decides how to apply the savings.
- Require PBMs to report every 6 months overall aggregate amounts charged to a health plan for pharmaceutical claims and paid to pharmacies for the claims they process. Includes provisions requiring certain percentages of rebates be passed on to covered individuals and plan sponsors and increases transparency in the process.

LAW

SageTransparency.com

Sage Transparency

Free, public, customizable Hospital
price, quality, and cost online tool



Sage Transparency is made up of 5 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

PROPRIETARY

Turquoise Health

Prices posted by payer

Hospitals' own websites aggregated by Turquoise Health into clinical categories

Quantros/Healthcare Bluebook

Quality ratings

Determined by Quantros



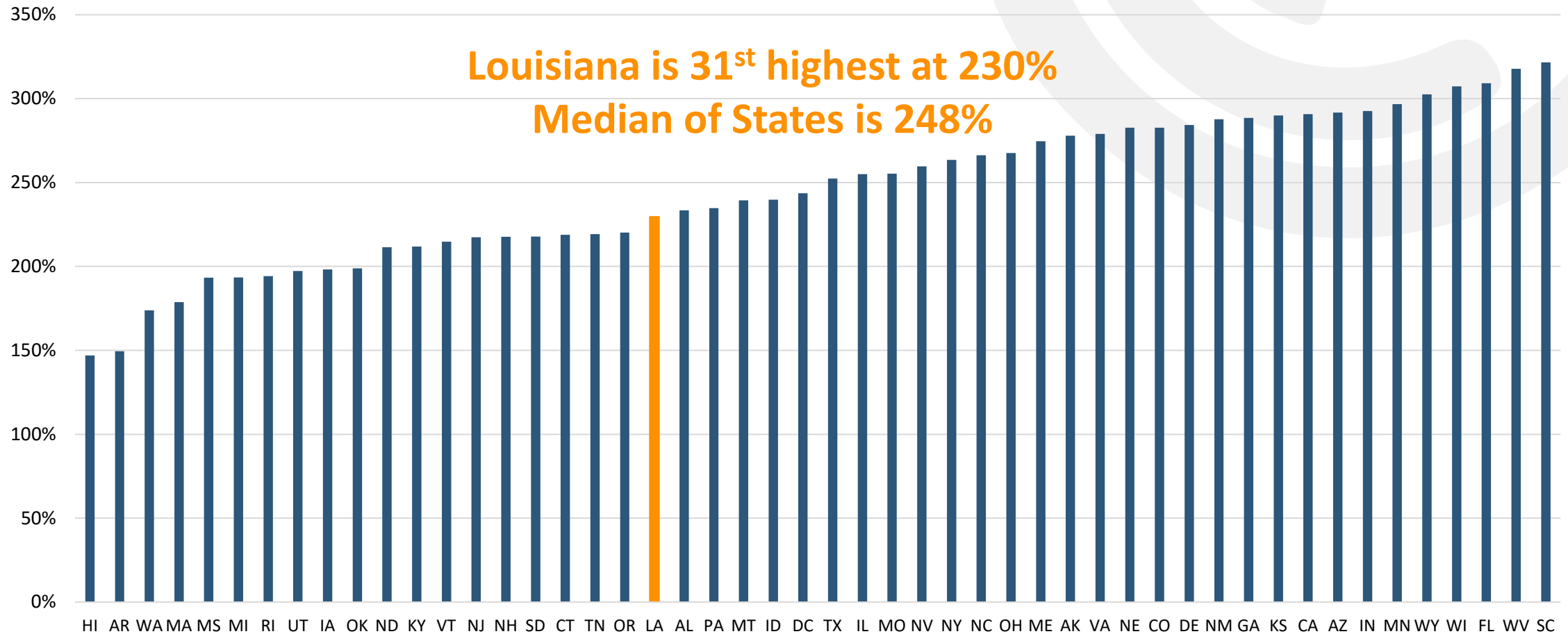


THANK YOU!

Gloria Sachdev
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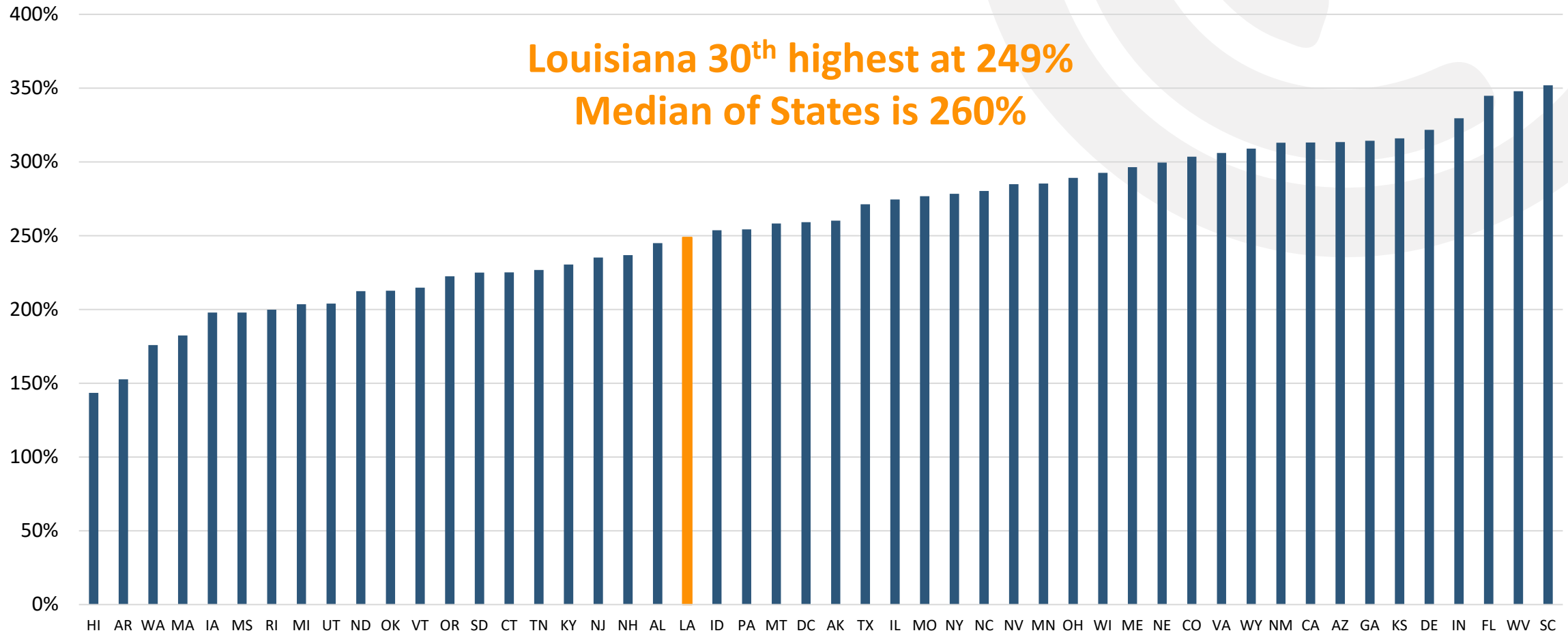
TOTAL HOSPITAL COMMERCIAL PRICES RELATIVE TO MEDICARE

RAND 4.0 Study: Inpatient & Outpatient Hospital plus Physician Payment, 2020



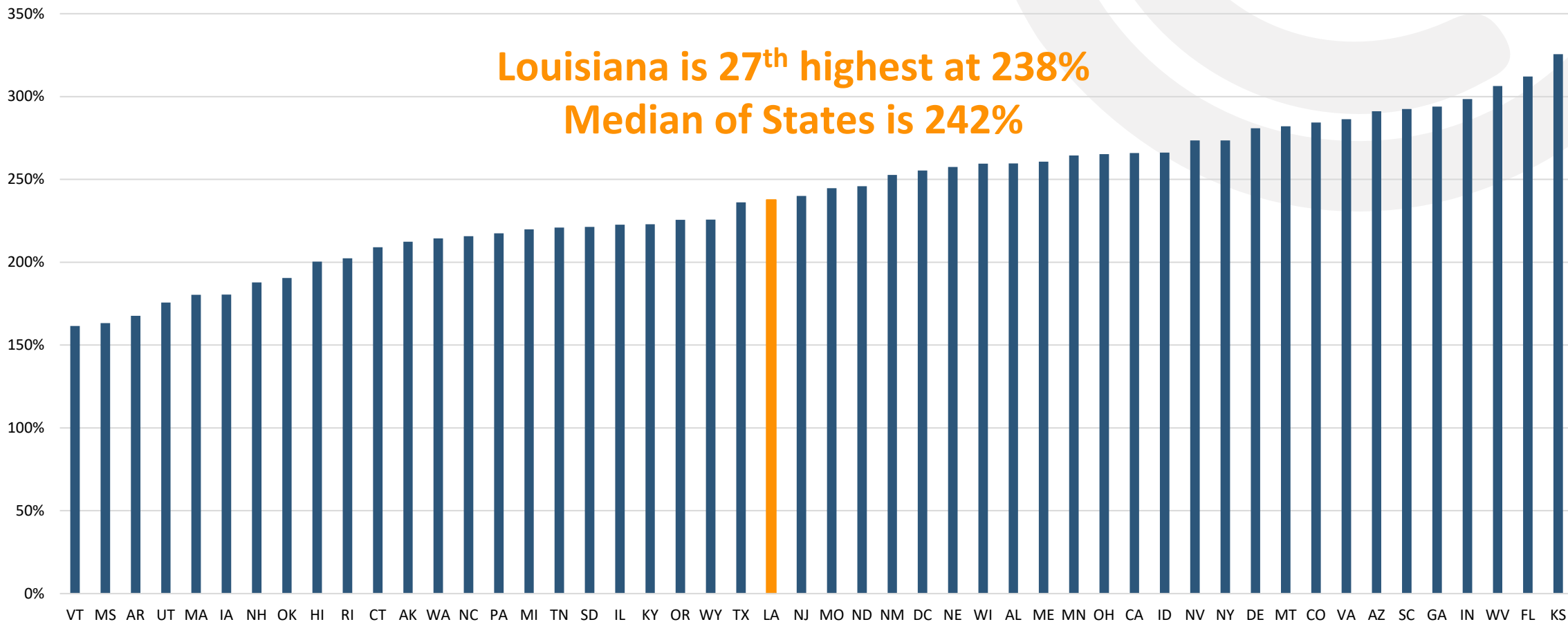
HOSPITAL FACILITY PRICES RELATIVE TO MEDICARE

RAND 4.0 Study: Inpatient & Outpatient Hospital without Physician Payment



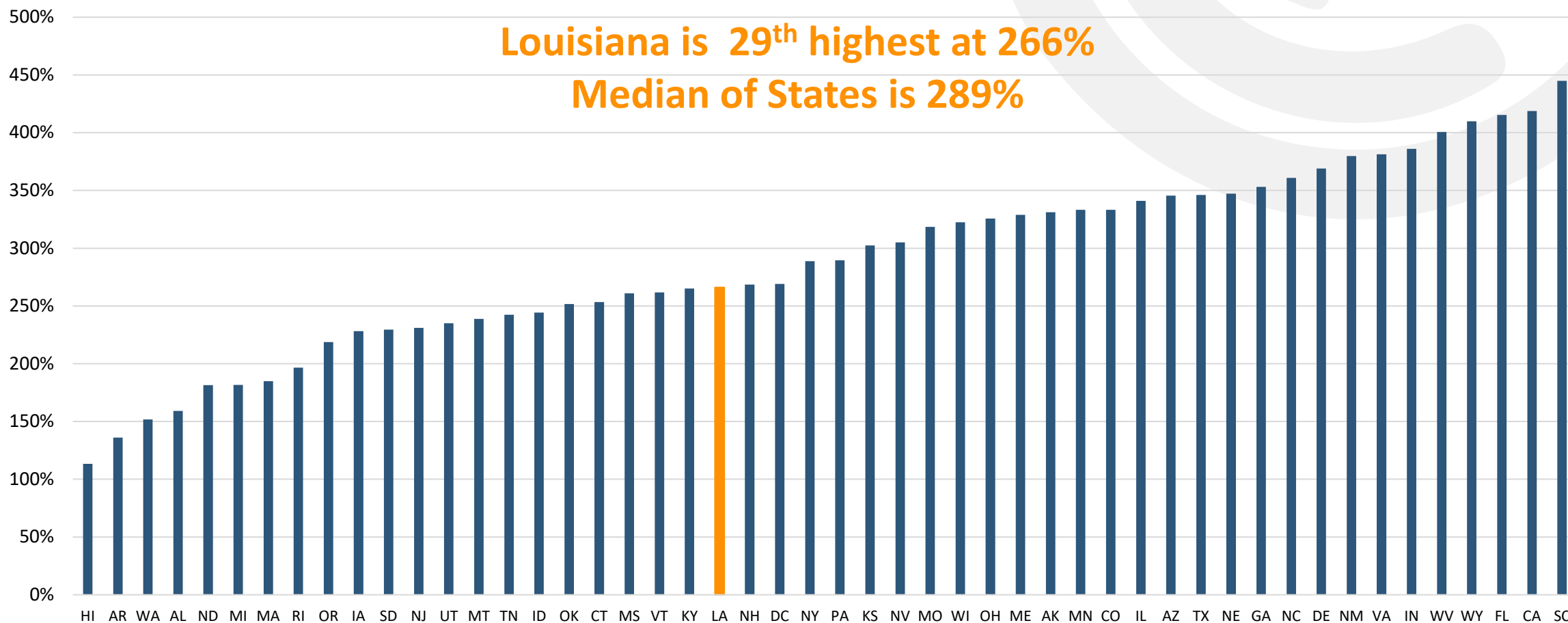
HOSPITAL INPATIENT FACILITY PRICES RELATIVE TO MEDICARE

RAND 4.0 Study: Inpatient Hospital without Physician Payment



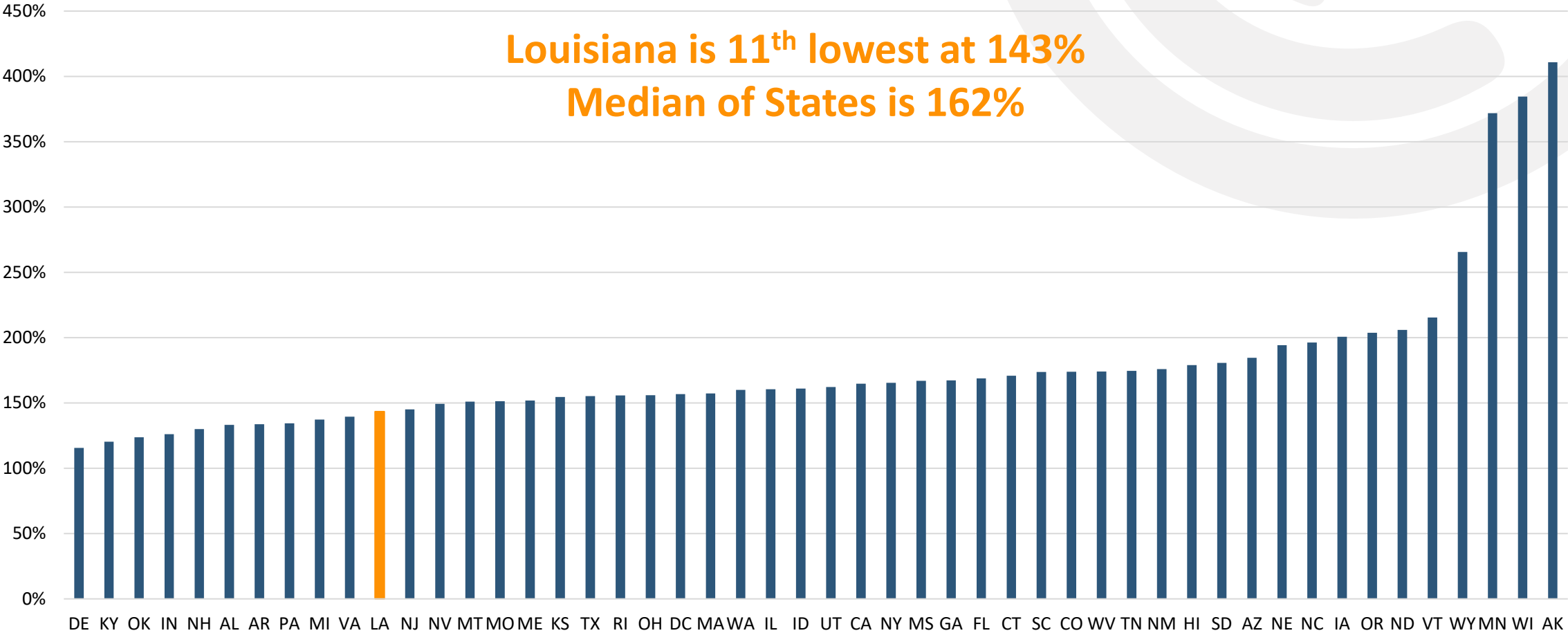
HOSPITAL OUTPATIENT FACILITY PRICES RELATIVE TO MEDICARE

RAND 4.0 Study: Outpatient Hospital without Physician Payment



HOSPITAL PROFESSIONAL FEES RELATIVE TO MEDICARE

RAND 4.0 Study: Inpatient & Outpatient Physician Payment without Hospital Facility Payment



Harvard Study Published In May 2020 Corroborates RAND 2.0 Findings

- Includes 48 states (excluding MD and SC)
- Provides state-level comparison of hospital inpatient prices, hospital outpatient prices and professional fees
- Data source is 2017 IBM MarketScan data, representing 14 million commercial employees
- Reports commercial paid relative to Medicare payment at the state level

- **Louisiana State Rankings:**

- **Outpatient Hospital: #36th highest**
- **Inpatient Hospital: #33rd highest**
- **Professional fees: #8th lowest**



The screenshot shows the top portion of a Health Affairs article. At the top left is the 'HealthAffairs' logo. Below it is a navigation bar with 'TOPICS', 'JOURNAL', 'BLOG', and 'BRIEFS'. The article is categorized as a 'RESEARCH ARTICLE' under the 'CONSIDERING HEALTH' section, specifically within the 'SPENDING' category. The article title is 'Wide State-Level Variation In Commercial Health Care Prices Suggests Uneven Impact Of Price Regulation'. The authors listed are Michael E. Chernew, Andrew L. Hicks, and Shivani A. Shah. The page also indicates it was published in May 2020 and is currently 'No Access'. A DOI link is provided at the bottom right of the article preview.

There is **NO CORRELATION** between hospital prices in a state

AND

The state's level of public health funding

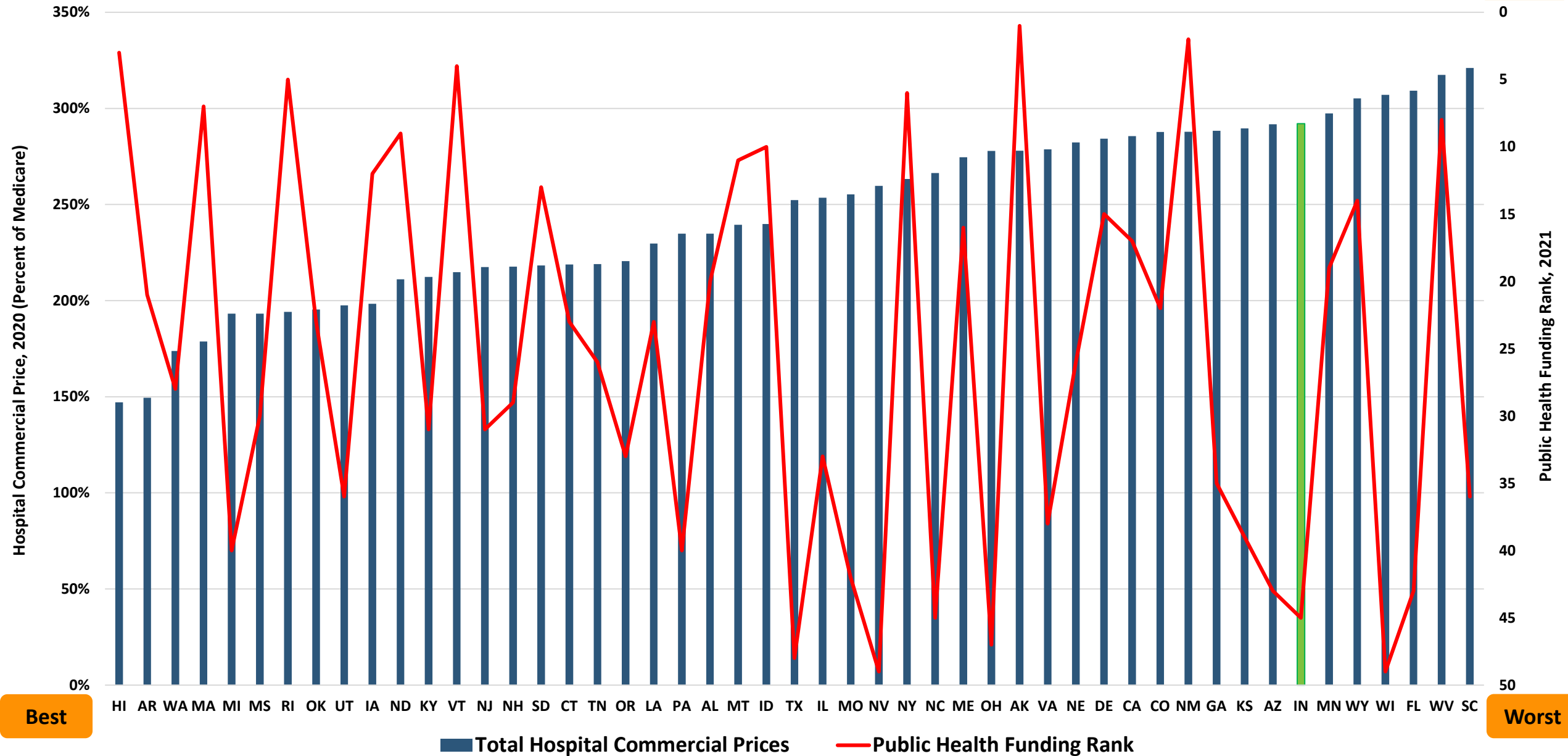
NOR

The state's health outcomes

Worst

There is **NO Correlation** between State Hospital Price Rank & State Public Health Funding Rank

Best



Best

■ Total Hospital Commercial Prices

— Public Health Funding Rank

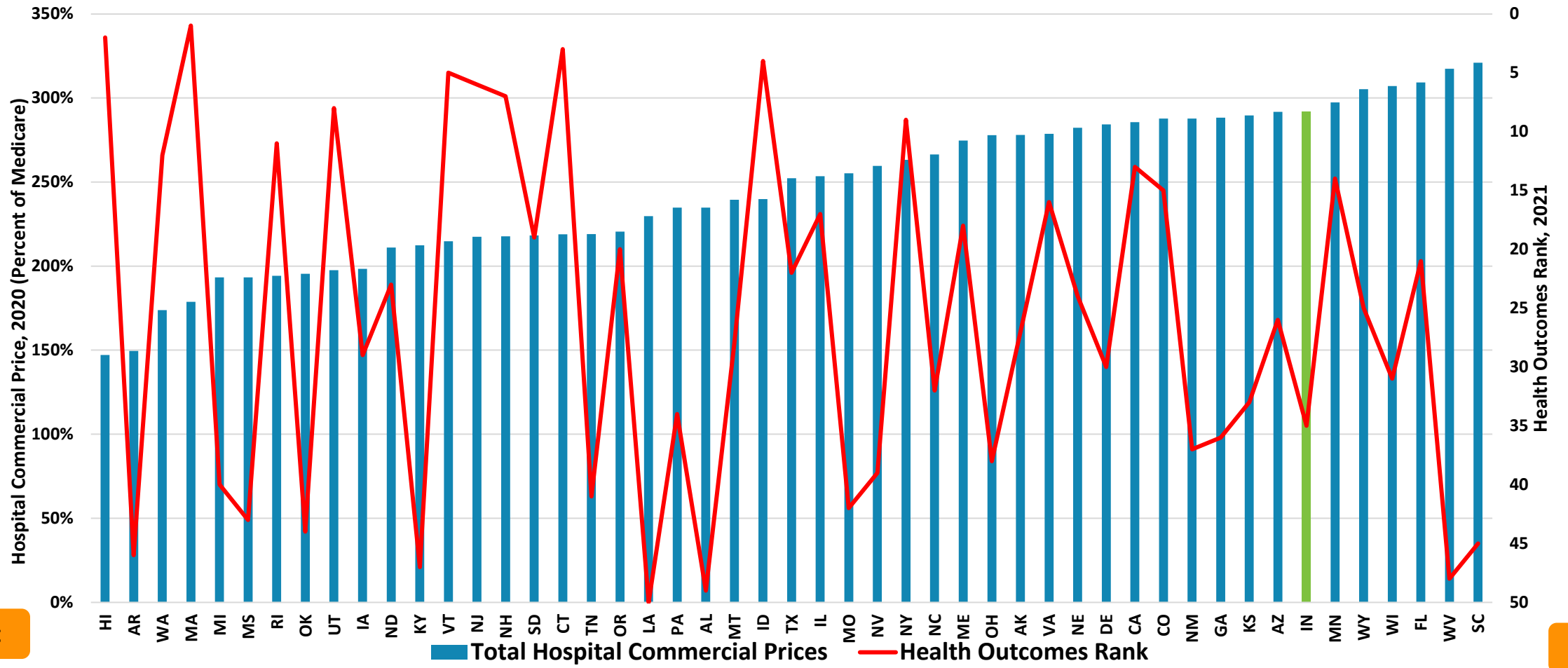
Worst

Indiana Public Health Funding Rank
2021 = 45th & 2020 = 48th

THERE IS NO CORRELATION BETWEEN STATE HOSPITAL PRICE RANK & STATE HEALTH OUTCOMES RANK

Worst

Best



Best

Worst

Indiana Health Outcomes Rank
2021 = 35th & 2020 = 36th

Health Outcomes Rank: <https://www.americashealthrankings.org/explore/annual/measure/Outcomes/state/ALL>
RAND 4.0 Hospital Price Transparency Study: <https://employerptp.org/rand/4-0/>