



Employers Using Data to Inform Honest Conversations

Gloria Sachdev, Pharm.D.

President and CEO, Employers' Forum Of Indiana
gloria@employersforumindiana.org

Hendricks County Chambers
Brownsburg, IN
October 5, 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

*Executive Committee Members

Updated August 14, 2023

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 (Stellantis)*
26. Fort Wayne Medical Oncology & Hematology
27. Gibson
28. Goodman Campbell Brain and Spine
29. Gregory & Appel Insurance
30. Haynes International*
31. Healthcare Options*
32. Hylant
33. Indiana Health Information Exchange
34. Indiana Spine Group
35. Indiana State Teachers Association*
36. Indiana University*
37. Ivy Tech*
38. JA Benefits
39. LHD Benefit Advisors
40. Lutheran Health
41. Managed Health Services
42. Marathon Health
43. Merck (affiliate member)
44. Meridian Medical Services
45. Metro Plastics*
46. MJ Insurance
47. Northwest Cancer Center
48. Northwest Radiology
49. OneBridge*
50. Ortho Indy
51. PatientMD (affiliate member)
52. Physicians Health Plan of Northern Indiana
53. Purdue University*
55. Qsource
56. Red Gold*
57. RE Sutton and Associates
58. Roche & Genentech*
59. Roman Catholic Archdiocese of Indianapolis*
60. Sacred Roots Birth & Wellness Center
61. Sandoz (affiliate member)
62. Sanofi Genzyme (affiliate member)
63. Schweitzer Engineering Laboratories*
64. Shery Roussarie, MHA/MBA
65. Suburban Health Organization
66. The Alliance
67. The DeHayes Group
68. TrueRx
69. UnitedHealthcare
70. University of Notre Dame*
71. VeriVita (affiliate member)
72. Weaver Popcorn*
73. Wellbridge Surgical

Group Members

74. American Physical Therapy Association, Indiana Chapter
75. Bartholomew Consolidated School Corp*
76. Fort Wayne Community School Corporation*
77. Indiana Manufacturers Association
78. Indiana Pharmacists Association
79. Patoka Valley Healthcare Cooperative*
80. South Central Indiana School Trust*

QUESTIONS FOR THOUGHT...

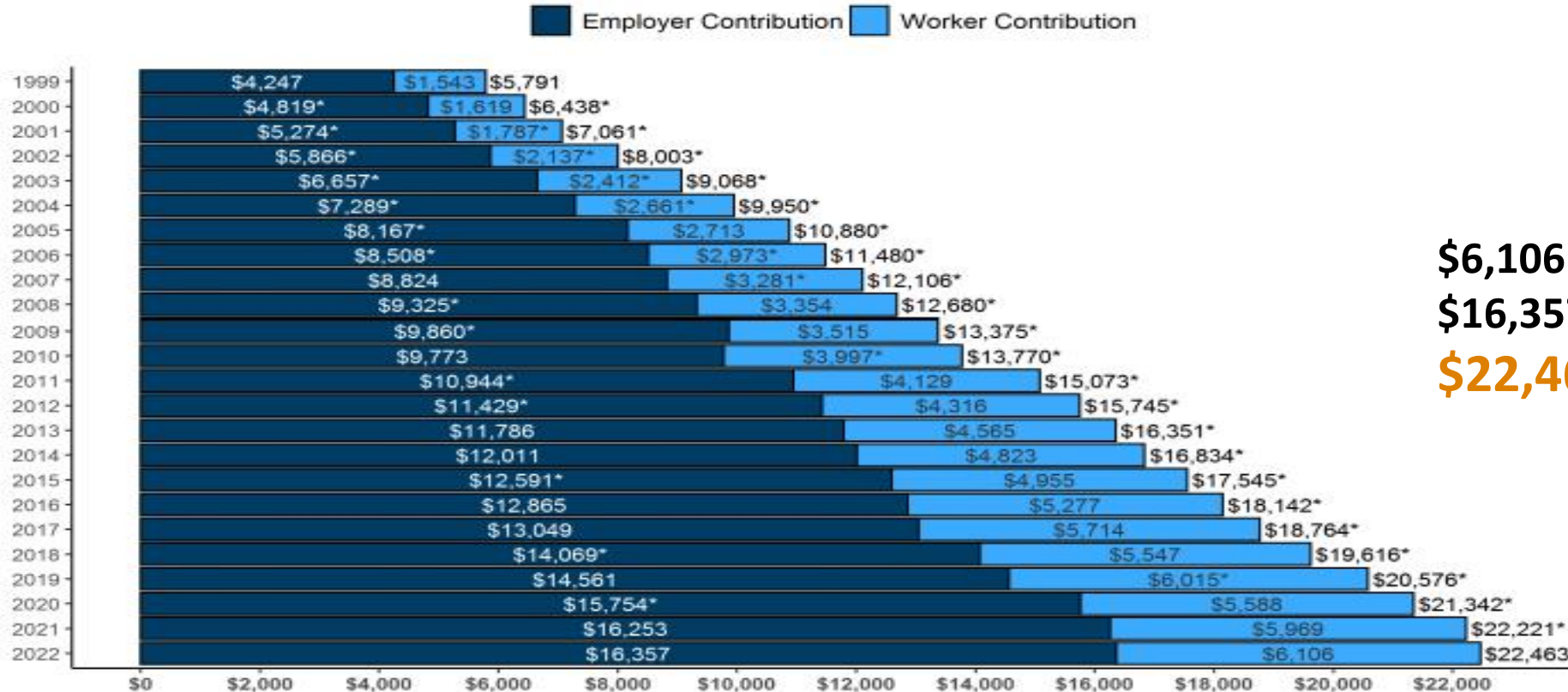
1. Are your employees getting hospital care services from the best quality at the best price?
2. Do you own your healthcare claims data, understand the data, and use your data to make evidence-based purchasing decisions?



U.S. EMPLOYEES & EMPLOYERS ARE PAYING MORE FOR HEALTH INSURANCE PREMIUMS: FAMILY COVERAGE, TREND 1999-2022

Figure 6.5

Average Annual Worker and Employer Contributions to Premiums and Total Premiums for Family Coverage, 1999-2022



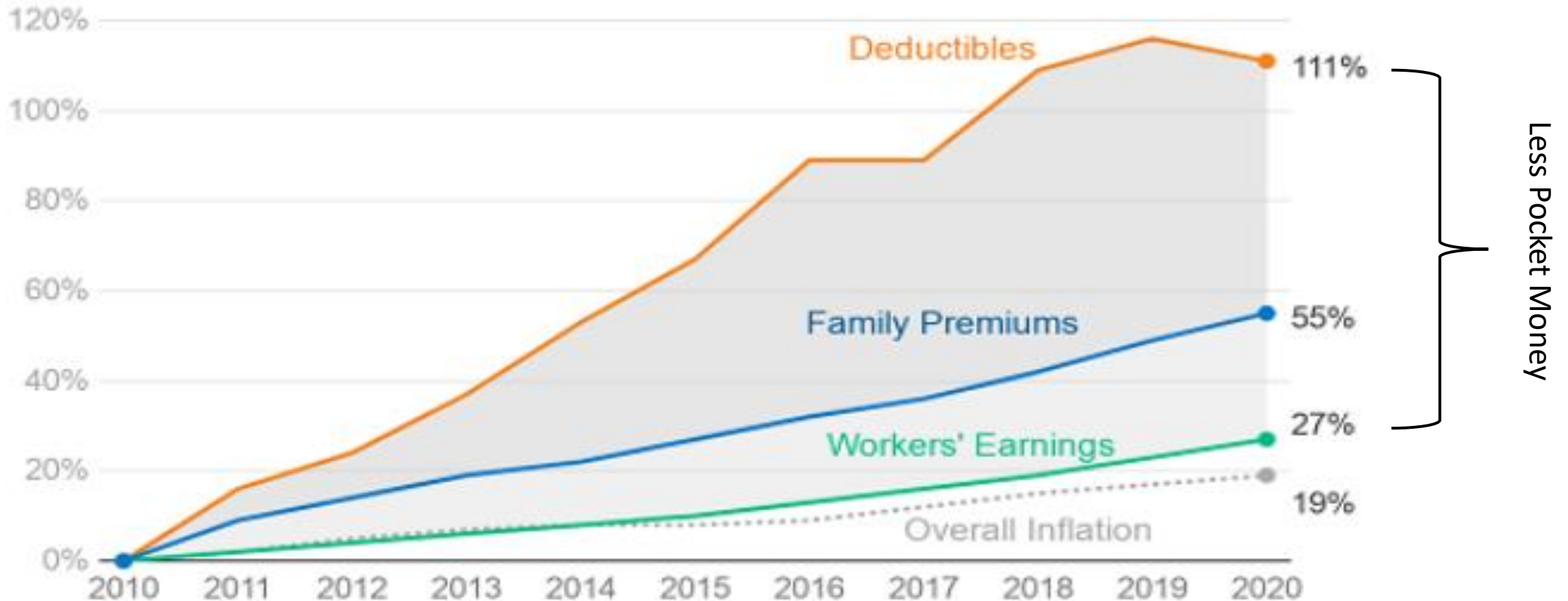
2022
\$6,106 employee +
\$16,357 employer =
\$22,463 total

* Estimate is statistically different from estimate for the previous year shown (p < .05).

SOURCE: KFF Employer Health Benefits Survey, 2018-2022; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017

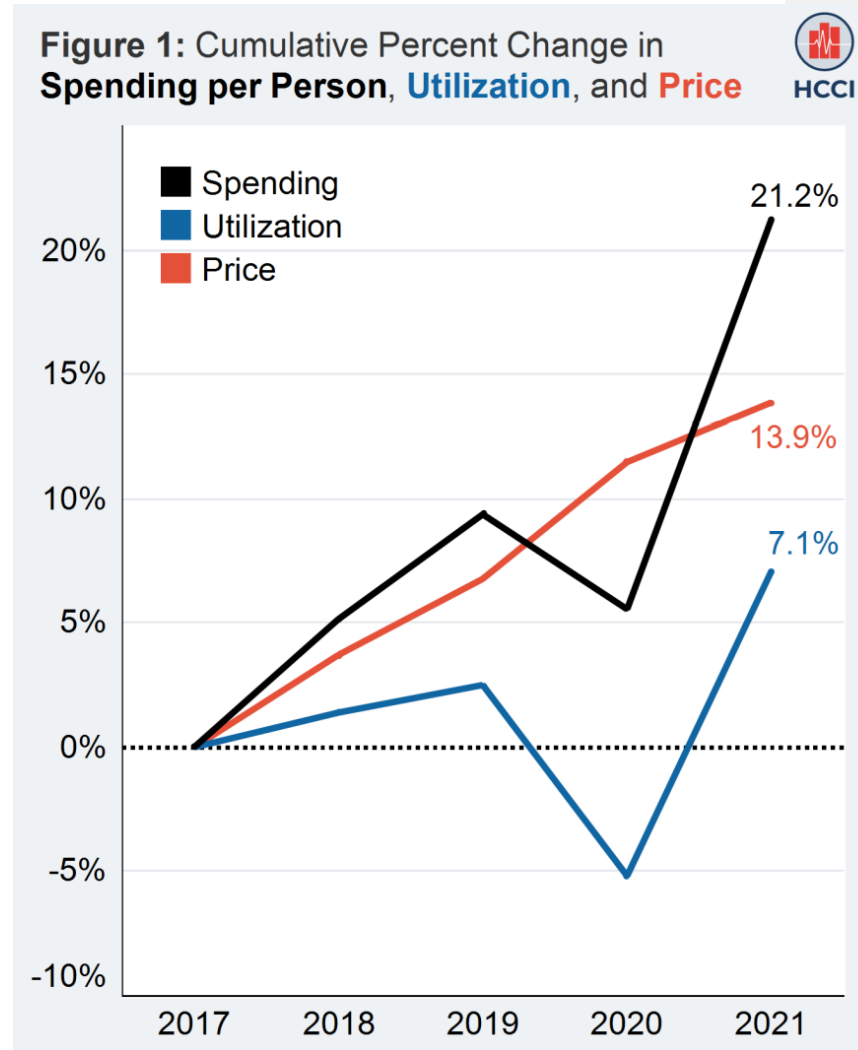
<https://www.kff.org/report-section/ehbs-2022-section-6-worker-and-employer-contributions-for-premiums/>

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/>

PRICE IS THE MAIN DRIVER OF HEALTHCARE SPENDING



PROBLEM: MEDICAL DEBT IN AMERICA

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

<https://apps.urban.org/features/debt-interactive-map/?type=medical&variable=medcoll>

DEBT IN AMERICA: HOOSIERS IN COLLECTIONS

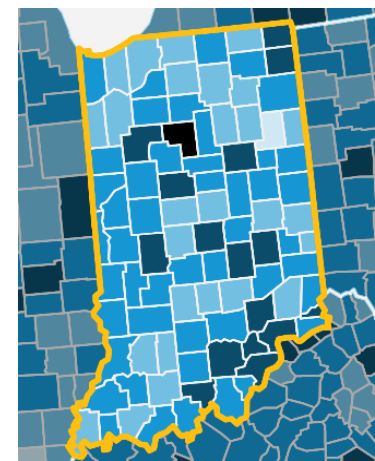
INDIANA

- **16% of population (1 in 6 Hoosiers) have medical debt in collections. RANGE = 8% - 28%**
- Ranked 18th highest in the country with median owed = \$773 and mean owed = \$2,043
- Includes data for all 92 Indiana counties with highest counties as follows:
 - Cass = 28%, Rush = 25%, Scott = 24%, Jefferson = 24% Crawford = 23%

OTHER STATES percent of population with medical debt in collections:

- Michigan = 13%
- Illinois = 14%
- Ohio = 15%
- Kentucky = 17%

NATIONAL AVERAGE percent of population with medical debt = 13%



EMPLOYER FIDUCIARY RESPONSIBILITIES

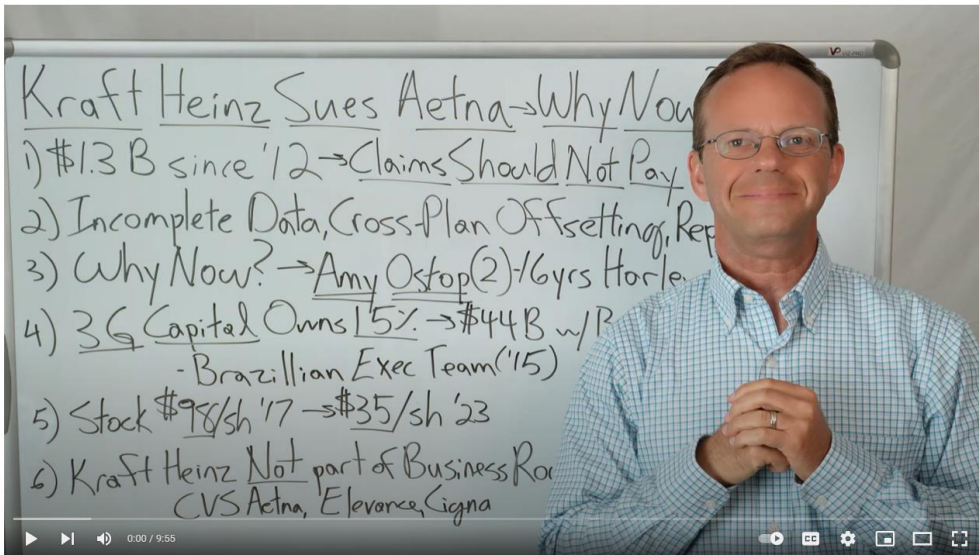
- Employer as fiduciary established by ERISA
- Fiduciary reinforced by the Consolidated Appropriations Act (CAA) of 2021
 - Ensure all gag clauses have been removed from plan contracts
 - Collect compensations disclosures from all brokers/consultants servicing the plan
 - Determine if the compensation earned by those vendors is “reasonable”
- **Submit annual attestations to the DOL**
- Prepare for detailed reporting on prescription drug usage and coverage equality for mental health vs medical conditions

For more information, see this [slide deck](#) from Chris Deacon from a January 2023 EFI meeting

EMPLOYERS ARE SUING ELEVANCE, UNITED HEALTHCARE, AETNA...

Kraft Heinz is suing Aetna

Watch YouTube below



Kraft Heinz Sues Aetna Health Insurance Company... Why Now?



AHealthcareZ - Healthcare Finance Explained
15.6K subscribers

Subscribe

78



Share



Download



Clip



Save



Lawsuits show emerging rift between employers, health insurers

August 3, 2023 | Bloomberg News

KEYWORDS HEALTH CARE & INSURANCE

COMMENTS | PRINT | SHARE

GET THE LATEST IBJ NEWS IN YOUR INBOX

FREE NEWSLETTERS

Employers are losing trust in the companies they hire to run their health plans.

Kraft Heinz accused CVS Health's Aetna of wasting its money by paying fraudulent medical claims. Two union health insurance plans in Connecticut alleged that Indianapolis-based insurer [Elevance Health](#) routinely overpaid medical bills. And the trustees of a bankrupt trucking company accused insurer UnitedHealth Group of mismanaging millions of dollars.


[Lawsuits show emerging rift between employers, health insurers – Indianapolis Business Journal \(ibj.com\)](https://www.beckerspayer.com/payer/employers-are-increasingly-suing-their-health-plan-for-claims-data.html)

LAWYERS ARE CIRCLING THE WAGONS

Ads for Class Action Lawsuits Looking for Employees to Sue their Employers!

Schlichter Bogard
1,036 followers
Promoted

If you currently participate in State Farm's Healthcare Plan, you may have a legal claim.
...see more



Are you a current **State Farm employee who has participated in the company's healthcare plan?**


You may have a legal claim—and we'd like to speak with you.

Contact our office today for a no-obligation, confidential consultation.

Schlichter Bogard & Denton
investiaations@uselaws.com

Schlichter Bogard
1,036 followers
Promoted

If you currently participate in Target's Healthcare Plan, you may have a legal claim.
...see more



Are you a current **Target employee who has participated in the company's healthcare plan?**

You may have a legal claim—and we'd like to speak with you.

Contact our office today for a no-obligation, confidential consultation.

Schlichter Bogard & Denton
investigations@uselaws.com
800-873-5297 | uselaws.com

SOLUTION: Begins with More Price & Quality Transparency

Ends with Data-Informed Purchasing & Policy Decisions



RAND HOSPITAL PRICE TRANSPARENCY STUDIES

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

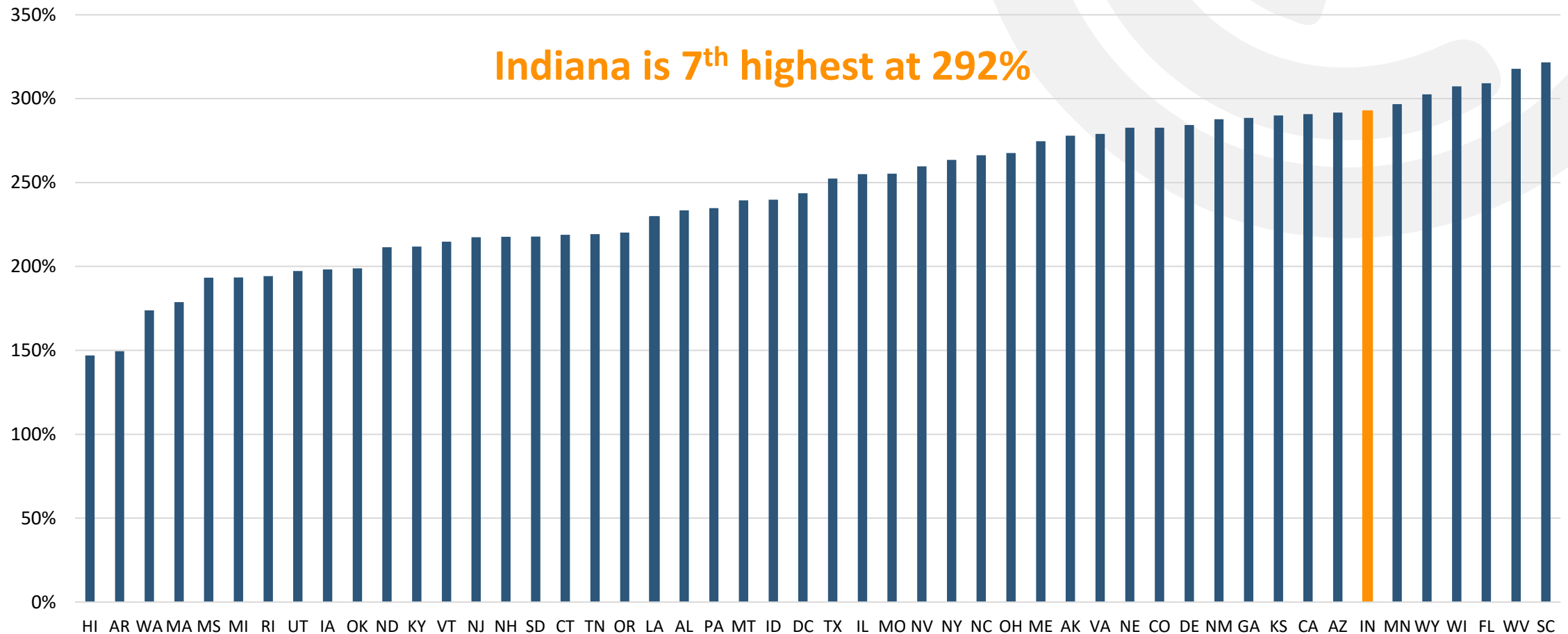


OVERVIEW: RAND HOSPITAL PRICE TRANSPARENCY STUDIES

	RAND 1.0 2017	RAND 2.0 2019	RAND 3.0 2020	RAND 4.0 2022
Services	Hospital Inpt & Outpt	Hospital Inpt & Outpt	Hospital Inpt & Outpt Fees Professional Inpt & Outpt Fees	Hospital Inpt & Outpt Fees Professional Inpt & Outpt Fees
States	IN	25 States	49 States (excludes Maryland)	49 states and the District of Columbia (excludes Maryland)
Years	2013 - 2016	2015 –2017	2016 – 2018	2018 - 2020
Hospitals	120	1,598	3,112	4,102
Claims	14,000 inpt facility stays 275,000 outpatient facility services	330,000 inpt facility stays 14.2 million outpt facility services	750,000 inpt facility stays (and professional fees) 40.2 million outpt services (and professional fees)	1.3 million inpt facility stays (and professional fees) 12.2 million outpt services (and professional fees)
Allowed Amounts (Hosp)	\$695,000 million faciltiy total: \$336 million inpt \$359 million outpt	\$12.9 billion total: \$6.3 billion inpatient \$6.6 billion outpatient	\$33.8 billion total: \$15.7 billion inpatient \$14.8 billion outpatient \$3.3 billion professional	\$78.8 billion total \$36.5 billion inpatient facilities, \$34.7 billion outpatient facilities \$7.6 billion professional
Data Sources	Participating self-funded employers	Self-funded employers, 2 all payer claims databases, and health plans	Self-insured employers, 6 state all- payer claims databases, & health plans across the US	Employers, health plans and 11 APCDs

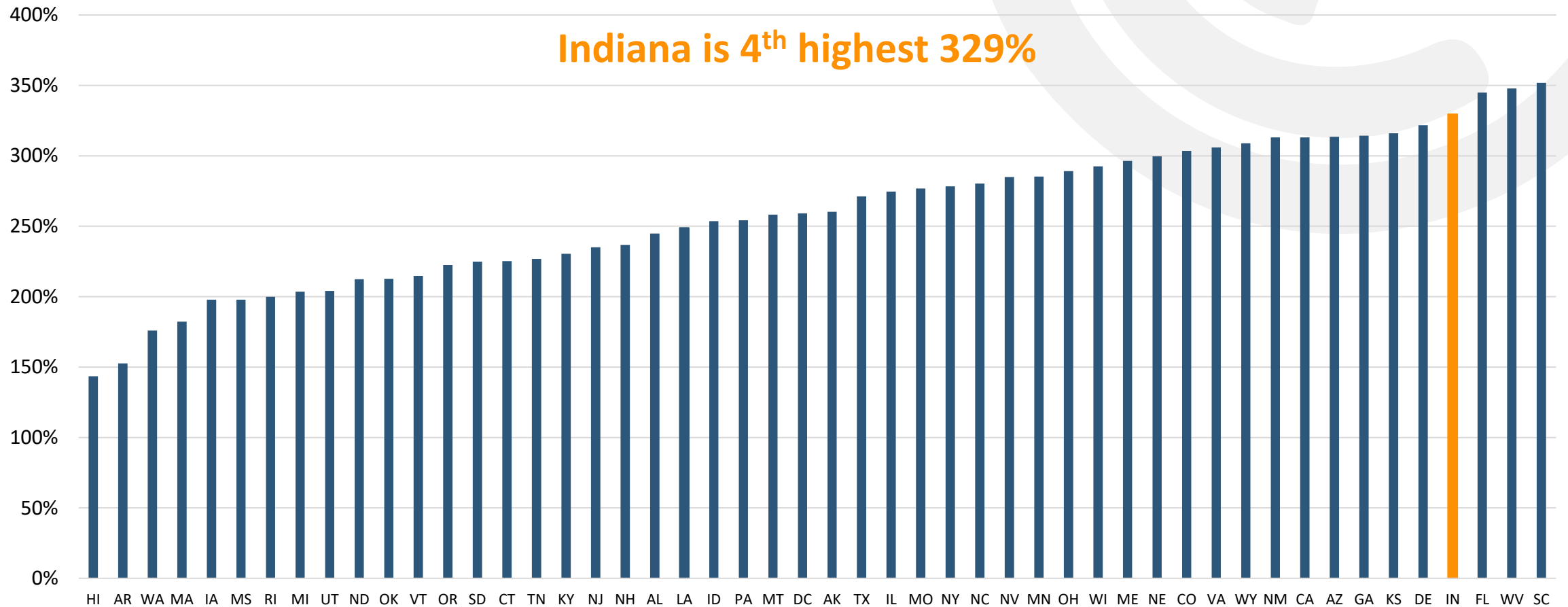
TOTAL HOSPITAL COMMERCIAL PRICES RELATIVE TO MEDICARE

Commercial Inpatient & Outpatient Hospital plus Physician Prices as a % of Medicare



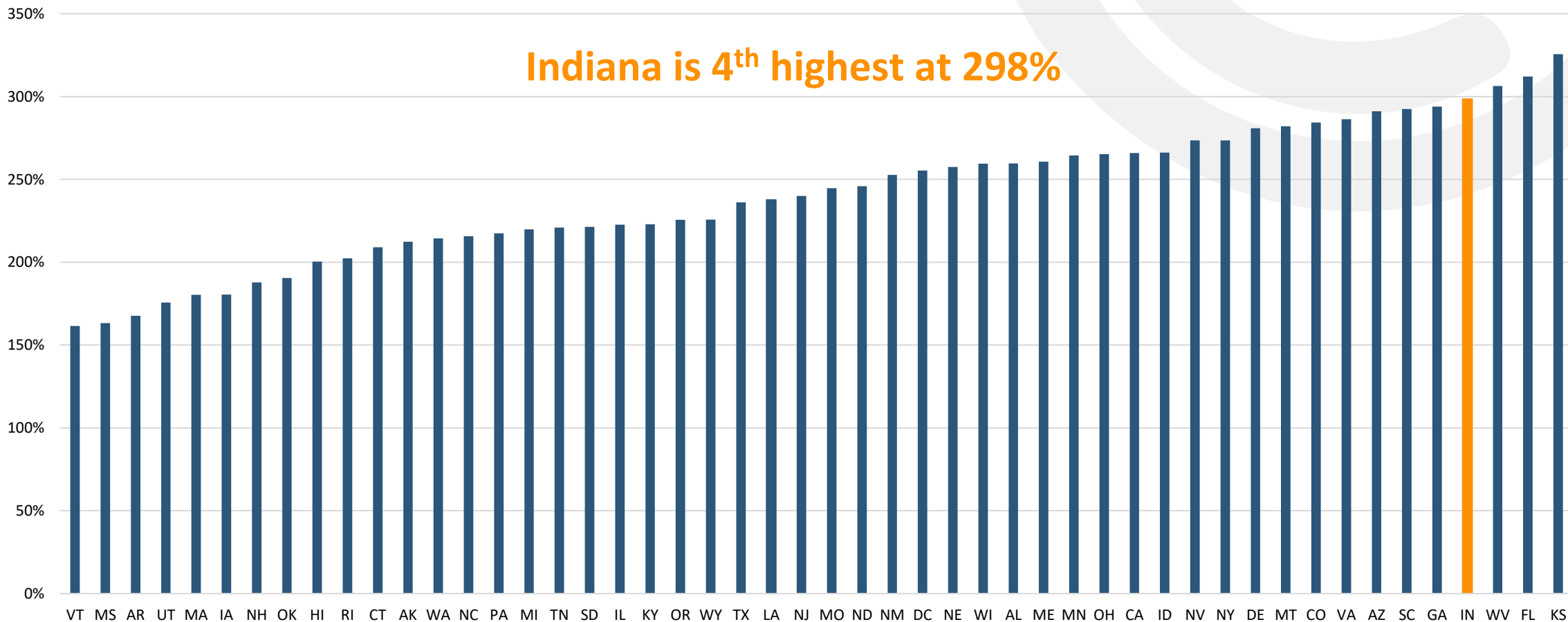
HOSPITAL FACILITY PRICES RELATIVE TO MEDICARE

Commercial Inpatient & Outpatient Hospital Prices without Physician Payment as a % of Medicare



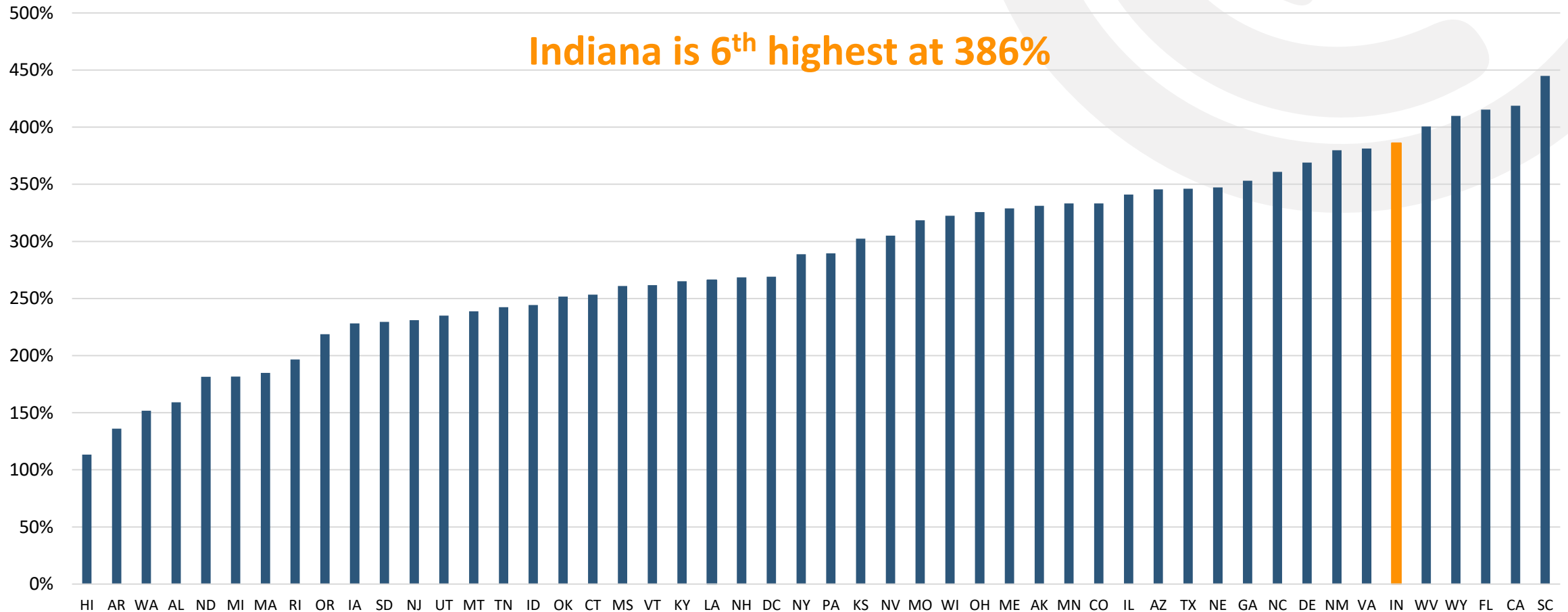
HOSPITAL INPATIENT FACILITY PRICES RELATIVE TO MEDICARE

Commercial Inpatient Hospital Prices without Physician Payment as a % of Medicare



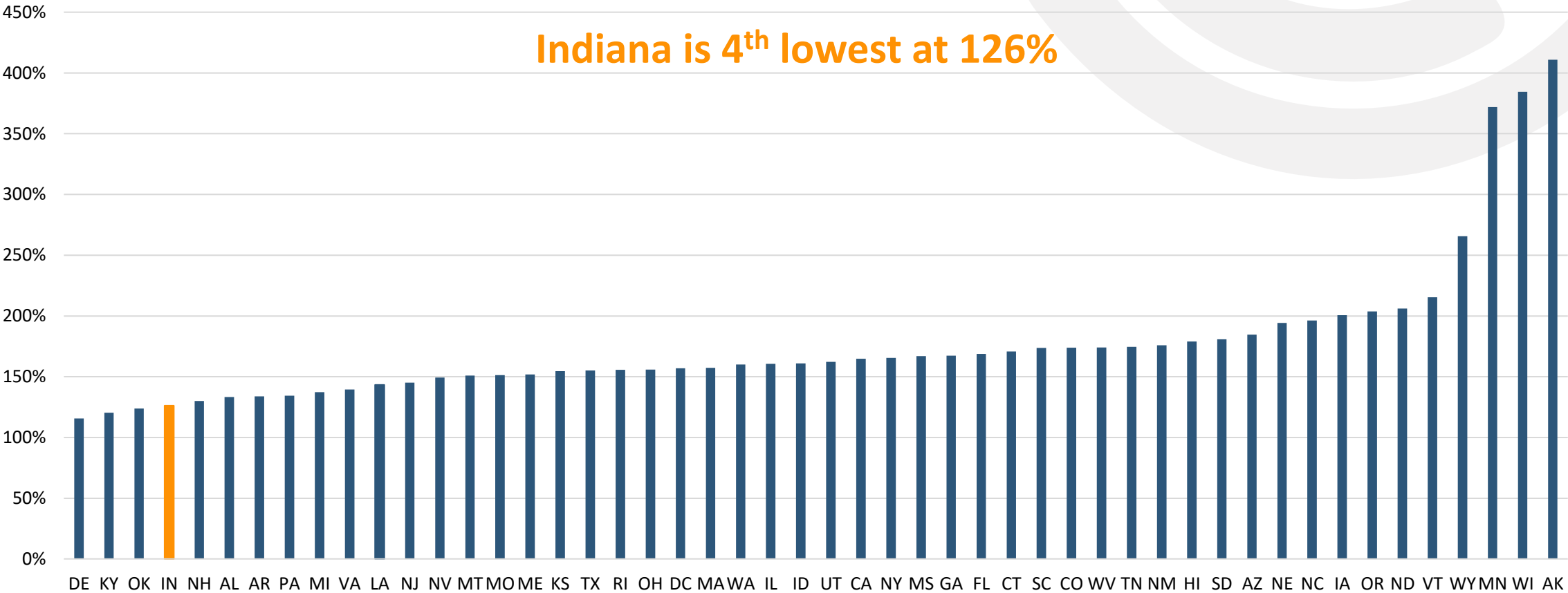
HOSPITAL OUTPATIENT FACILITY PRICES RELATIVE TO MEDICARE

Commercial Outpatient Hospital Prices without Physician Payment as a % of Medicare



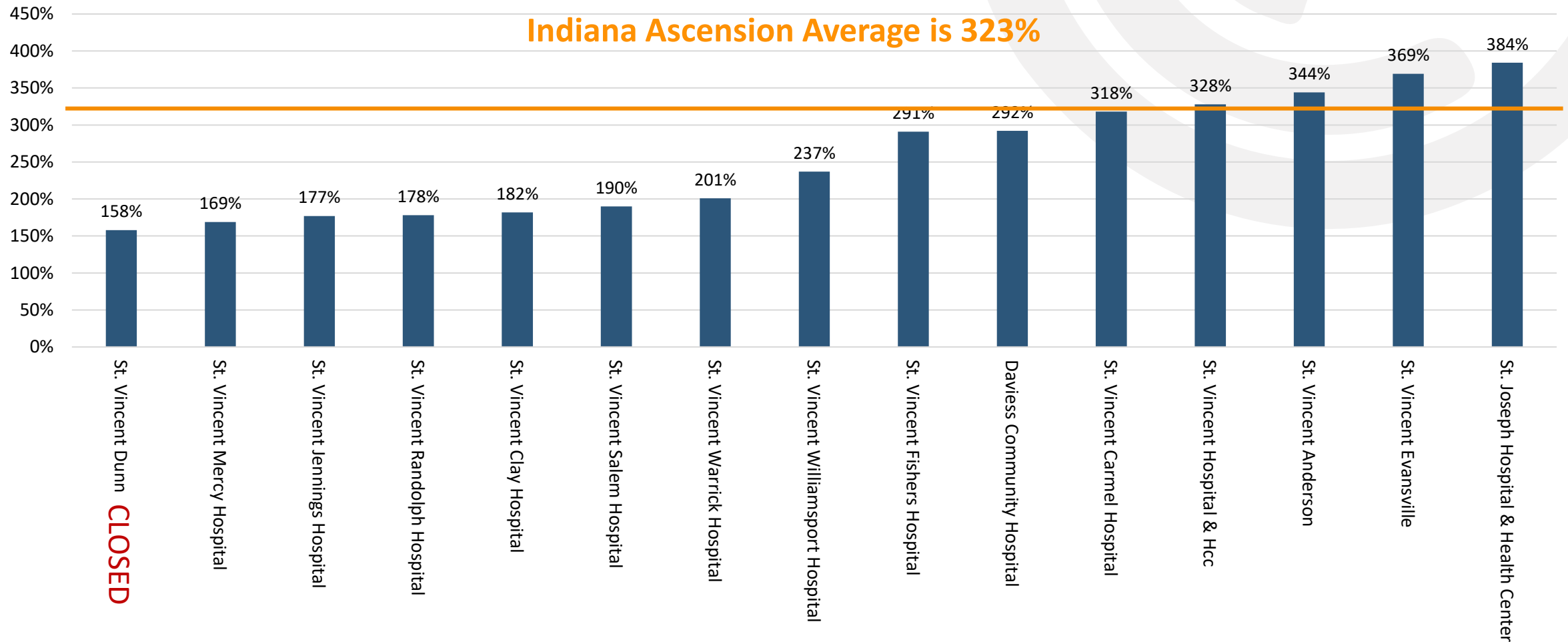
HOSPITAL PROFESSIONAL FEES RELATIVE TO MEDICARE

Commercial Inpatient & Outpatient Physician Prices without Hospital Facility as a % of Medicare



INDIANA ASCENSION HOSPITALS TOTAL HOSPITAL COMMERCIAL PRICES RELATIVE TO MEDICARE

Commercial Inpatient & Outpatient Hospital Price plus Physician Payment as a % of Medicare



Scholars Use “Percent Of Medicare” as a National Benchmarking Standard

U.S. Congressional Budget Office: [Report](#): The Prices That Commercial Health Insurers and Medicare Pay for Hospitals’ and Physicians’ Services. 2022; [Report](#): An Analysis of Private-Sector Prices for Hospital Admissions. 2017

The Commonwealth Fund: [Report](#): Reducing Health Care Spending: What Tools Can States Leverage? 2021

RAND Corporation: [Report](#): Prices Paid to Hospitals by Private Health Plans: Findings from Round 4 of an Employer-Led Transparency Initiative, 2022; [Report](#): Nationwide Evaluation of Health Care Prices Paid by Private Health Plans: Findings from Round 3 of an Employer-Led Transparency Initiative, 2020

Harvard University: [Article](#): Wide State-Level Variation in Commercial Health Care Prices Suggests Uneven Impact of Price Regulation, 2020. [Bio](#) Michael Chernew, PhD is also the current Chairman of Medicare Payment Advisory Commission (MedPAC),

Johns Hopkins University: [Article](#): Market Power: Price Variation Among Commercial Insurers for Hospital Services, 2018.

Healthcare Cost Institute: [Article](#): Comparing Commercial and Medicare Professional Service Prices, 2020. Niall Brennan, PhD, CEO of the [HCCI](#) and former Chief Data Officer at the Centers for Medicare and Medicaid Services.

America’s Health Insurance Plans (AHIP): [Article](#): National Comparisons of Commercial and Medicare Fee-For-Service Payments to Hospitals, 2016

2023 Indiana Legislation: Two Bills that Passed into Law

HEA 1004

- Sets a price benchmark of 285% of Medicare against which Indiana's five largest hospital systems will be compared.
- Eliminates hospital facility fees at off-campus labs, imaging centers, physician offices, etc. (there are numerous exceptions).
- [IGA | House Bill 1004 - Health care matters \(in.gov\)](#)

SEA 7

- Bans new primary care physician non-compete agreements and notes non-competes are unenforceable in certain circumstances.
- Prevents non-compete agreements from applying to any physicians after the terms of their employment contract have been fulfilled.
- [IGA | Senate Bill 7 - Physician noncompete agreements \(in.gov\)](#)

Indiana HEA 1004 Details - Rep. Donna Schaibley (R)

[HEA 1004](#) passed with bipartisan support, 45-5 in the Senate and 90-7 in the House of Representatives. This bill establishes the following:

1. Effective 1-1-25, prohibits 5 nonprofit health systems from charging facility fees for off-campus services provided in an “office setting” including hospital, medical, surgical, and pharmaceutical services or products. Requires bills for healthcare services to be submitted on an individual provider form and prohibits payers’ acceptance of institutional provider forms. Several exceptions are noted.
2. Requires 5 nonprofit health systems to submit their hospital price data annually to the Department of Insurance (DOI). Requires DOI to contract with a third party to calculate Indiana nonprofit hospital systems’ prices for self-funded, fully-funded, individual market health plans, and total. *“Prices” means allowables that are paid for patient care services.”*
 - By 3-1-24, and by March 1 annually thereafter, requires these hospital systems to submit price data for 2021-2023 to DOI or DOI’s third party contractor, to analyze data required, as well as provide hospital price transparency data required to be made public by CMS.
 - By 12-1-24, and annually thereafter, require the DOI contractor to compare hospital system commercial inpatient, outpatient, and “practitioner” prices per hospital and per health system to 285% of Medicare, and provide a report to DOI, the Health Care Cost Oversight Task Force, and the Budget Committee.
3. Effective 7-1-23, and annually thereafter, requires hospitals to report net patient revenue and total number of paid claims by payer to Indiana State Department of Health as part of their annual financial reports.
 - The first report is due by 12-1-23.
 - Establishes a \$1,000/day late submission fine which goes into the payer affordability penalty fund.
4. By 11-1-23, requires FSSA to do a one-time analysis on Medicaid hospital and professional reimbursement rates for Indiana, all other states and determine a national reimbursement rate average. By 12-1-23, this report is to be submitted to Health Care Oversight Task Force and General Assembly.

Continued HEA 1004

5. Effective 7-1-23, Requires that *“Not more than twice annually”*, Third Party Administrators (TPA), insurers, and HMO’s contracted with self-funded or fully-insured group plan provide any requested information to health plans within 15 business days. Minimum reporting shall include timing of paid claims, information on individual claims more than \$50,000, and more.
 - DOI may assess a \$1,000 per day fine to TPAs, insurers, and HMOs if claims data is provided after 15 business days. Fines to be deposited into the payer affordability penalty fund.
6. Effective 1-1-24, provides a tax credit for employers with < 50 employees if they adopt a health reimbursement arrangement (HRA) in lieu of traditional employer provided health insurance plan. The tax credit is up to \$400 for the first year and \$200 for second year. The amount of tax credit granted may not exceed \$10 million per year.
7. Effective 1-1-24, allows for primary care providers to be eligible to receive a tax credit of \$20,000 x 3 years, if they meet certain criteria. Qualifying providers include those in family medicine, general pediatrics, internal medicine, and general practitioners (GPs).
8. Effective 7-1-23, allows physicians who were credentialed by Medicaid in prior 12 months to be provisional credentialed to establish or join an independent primary care practice. This allows for expedited credentialing while insurers continue their own credentialing process.
9. Effective 7-1-23, Establishes that providers who enter into a value based health care reimbursement agreement and an electronic medical records access agreement with a health plan may qualify to participate in a program established by the health plan to reduce or eliminate Prior Authorization requirements.

Continued HEA 1004

10. Effective immediately, establishes the [Health Care Cost Oversight Task Force](#)
 - Consist of six legislators whose duties are defined
 - Indiana State Department of Health, the Family and Social Services Administration, and DOI are required to provide data, documents and information deemed necessary to the task force.
 - Charges this task force to assess and monitor Indiana's healthcare costs across industries.

11. Repeals Public Forum requirement for Hospitals and Insurance Companies.

SageTransparency.com Hospital Price, Quality, Cost 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



Hospital Directory | Hospitals by System | Hospitals by State | Clinical Categories | States | Ambulatory Surgery Centers | Glossary

Controls

Select State: **Indiana** | Select Critical Access Hospital (CAH): **All** | Select Hospital: **Ascension St Vincent Anderson**

Sage Transparency (TM)

This dashboard allows a user to view an in-depth profile of a single hospital. See bottom of page for definitions.

CCN	Hospital	Address	City	State	ZIP Code	Health System	Critical Access Hospital
150088	Ascension St Vincent Anderson	2015 JACKSON ST	ANDERSON	Indiana	46016	Ascension Health	No

NASHP Payer Mix 2019

Quantros Hospital Quality Reliability Scores (2019 Q1 - 2021 Q4)

For each Quantros category, 0 represents lowest score and 100 represents highest score. Dark purple represents the bottom quartile (0-24), orange represents the middle half (25-74), and green represents the top quartile (75-100)

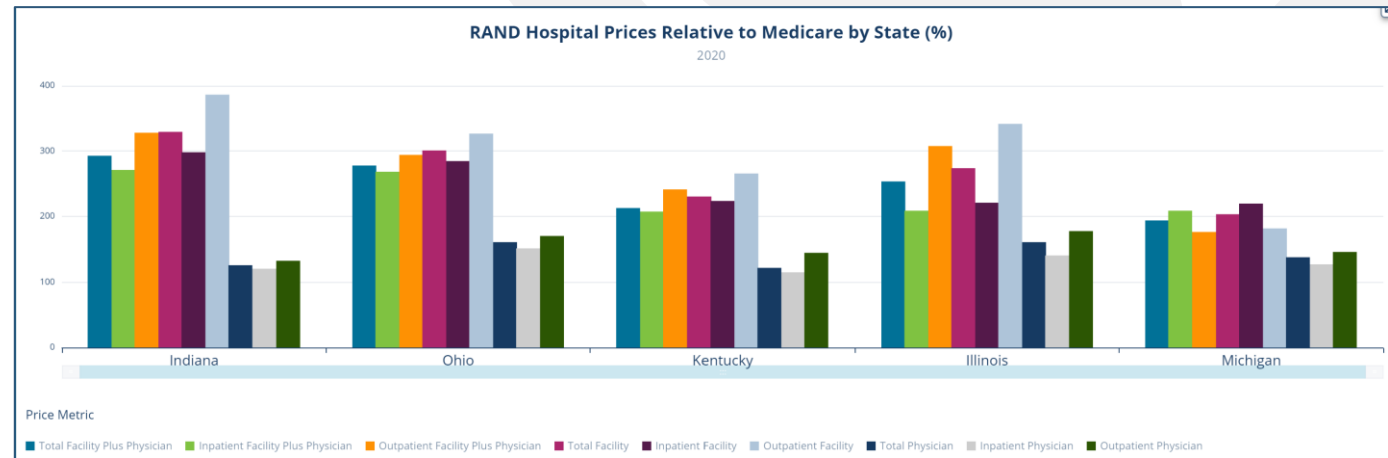
Hospital	Overall Hospital Care Quality Score	Overall Medical Care Quality Score	Overall Surgical Care Quality Score
Alexian Brothers Medical Center 1	79	20	78
Amita Health Resurrection Medical Center	96	98	84
Ascension All Saints Hospital	42	88	27
Ascension Borgess Lee Hospital	56	65	42
Ascension Calumet Hospital	71	69	44
Ascension Columbia St Mary's Hospital Milwaukee	45	18	50
Ascension Columbia St Mary's Hospital Ozaukee	86	81	77
Ascension Eagle River Hospital	57	53	
Ascension Genesys Hospital	17	84	5
Ascension Good Samaritan Hospital	79	78	
Ascension Macomb Oakland Hosp-warren Campus	1	9	1
Ascension Ne Wisconsin - St Elizabeth Campus	25	24	46
Ascension Our Lady Of Victory Hospital	49	39	

Inpatient Clinical Category Relative Prices: Columbus Regional Hospital

2022

These prices represent what is posted by hospitals on their own websites as required by federal law. If no data is shown, information was not provided on the hospital website.

Clinical Category	Turquoise Health Commercial (%)	Turquoise Health Medicaid (%)	Turquoise Health Cash (%)
Circulatory System	210	126	213
Digestive System	199	146	189
Ear, Nose, Throat	197	117	194
Eye			
Infectious and parasitic diseases	228	126	224
Kidney and Urinary Tract	208	144	200
Mental diseases and disorders	107	94	116
Newborns and Neonates	59	46	44
Orthopedics	226	148	240
Pregnancy and Childbirth	187	124	179
Respiratory System	231	126	225



Outpatient Clinical Category Relative Prices: Columbus Regional Hospital

2022

These prices represent what is posted by hospitals on their own websites as required by federal law. If no data is shown, information was not provided on the hospital website.

Clinical Category	Turquoise Health Commercial (%)	Turquoise Health Medicaid (%)	Turquoise Health Cash (%)
CT/MRI	394	244	421
Cardiovascular Care	125	66	122
Emergency Department	330	129	359
GI Procedures	164	129	155
Laparoscopic Surgery	123	133	111



You are Invited: Upcoming Forum All-Stakeholder Meeting November 2ND

Location: Indiana Landmarks Center

Time: 1 – 5pm ET

Please come as my guest. 😊

All-Stakeholder Meeting

Thursday, November 2, 2023

*For questions or comments please contact Sara Otte at sara@employersforumindiana.org

AGENDA:

- I. **Welcome and Introductions**
- II. **Indiana Physician Health Alliance**
Linda Wilgus, CPA, CMPE
Executive Director, Northwest Radiology
- III. **Hospital Price Markups and Profits for Physician-Administered Drugs**
Chris Whaley, PhD
Economist, RAND Corporation
Associate Professor, Brown University School of Public Health
- IV. **Lawsuits and Federal Legislation**
Chris Deacon, JD
Founder, VerSan Consulting LLC
- V. **Snack Break**
- VI. **EFI Awards and Year-in-Review**
Gloria Sachdev, PharmD
President and CEO, Employers' Forum of Indiana
- VII. **Open Discussion: What Topics Should EFI Consider in 2024**
- VIII. **Networking Cocktail and Apps**



THANK YOU!

Gloria Sachdev
gloria@employersforumindiana.org

	CMS Hospital Quality Star Rating ¹	Total Facility Plus Professional ²	Total Facility ²	Total Professional ²
Indiana University Health West	4	332%	376%	149%
Hendricks County Regional Hospital	5	299%	358%	102%
Indiana	-	292%	329%	126%
National	-	248%	260%	162%

1. CMS Hospital Quality Ratings (as of July 26, 2023): <https://data.cms.gov/provider-data/dataset/xubh-q36u>

2. Sage Transparency: <https://dashboard.sagetransparency.com/>

