



FOR IMMEDIATE RELEASE

New Research Shows Wide Hospital Price Disparities in Wisconsin, High Prices Employer Event Highlights Study Findings and Solutions for Employers

MADISON, WI (September 18, 2020) – Prices that employers and their employees paid for hospital care in Wisconsin are nearly three times what Medicare would have paid for the same services, and they are in the top ten in regard to most expensive states, according to a new study just released by the RAND Corporation.

Wisconsin business organizations, including the Business Health Care Group (BHC Group), The Alliance, and Wisconsin Manufacturers and Commerce (WMC), say the study is notable because it looks at actual prices negotiated by employers and health plans on a regional basis, and not on retail hospital prices that almost no one pays.

“Wisconsin’s employer organizations contributed the largest data set of all states participating so RAND could help us identify which Wisconsin providers are delivering the highest value care,” said Jeff Kluever, Executive Director of the BHC Group. “Hospital care is a significant component of overall health spending, and we will all benefit if we can get real cost and quality data out in the open so we can reward high-value health systems by driving our employees to them.”

The business groups are co-sponsoring two virtual events on September 24, 2020 for employers, health experts, and the media to understand RAND’s research and the implications for Wisconsin. The events will be held at both 9:00 am and 1:00 pm. Anyone can register for the events from the BHC Group website at <https://bhcgwi.org>.

Cheryl DeMars, President and CEO of The Alliance, said a primary goal for the event is to provide actionable information employers can use to help employees and their families choose high-quality but cost-effective care. “Most people in Wisconsin are covered by an employer health plan, and that means employers are in a good position to use this data to drive positive change in health care. The data clearly shows big opportunities here where prices are high compared to most other states.”

Chris Reader, Senior Director of Workforce & Employment Policy at WMC, agreed. He said higher than average health costs are a factor in keeping employers from relocating or expanding here. “The ever-increasing amount spent on health care by employers reduces other investments made for workers. Higher wages and expanded benefits, training, safety investments, etc. all take a hit because health care costs continue to grow,” he said. “Healthcare is simply becoming unaffordable for many employers and employees in the state of Wisconsin.”

The employer groups said the event will feature the study’s lead author and policy researcher Christopher Whaley from RAND and will reveal how much prices vary between state hospitals and how Wisconsin compares to the other 48 states that were part of the research. Whaley called it “the most-detailed picture ever of what privately insured individuals pay for hospital-based care relative to what the government pays.”

A detailed list of both relative and standardized prices for each facility, identified by name and Medicare Provider Number, is included in the report’s supplemental material. The supplemental material also includes the Center for Medicare & Medicaid Services (CMS) Hospital Compare star ratings for those hospital facilities.

Support for the study was provided by the Robert Wood Johnson Foundation and participating self-insured employers and was conducted in collaboration with the Employers’ Forum of Indiana.

The report, “Nationwide Evaluation of Health Care Prices Paid by Private Health Plans: Findings from Round 3 of an Employer-Led Transparency Initiative Prices Paid to Hospitals by Private Health Plans,” is available at www.rand.org. Other authors of the report are Brian Briscombe, Rose Kerber, Brenna O’Neill, and Aaron Kofner.

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About Business Health Care Group

The Business Health Care Group (BHCG) leverages member employer purchasing power and knowledge to lead change. The organization creates value through innovative, shared strategies to improve health care quality and cost efficiency for employers, employees, and the community. BHCG membership exceeds 250,000 covered lives in the 22-county region of eastern Wisconsin and additional lives nationwide through standalone memberships for employers accessing BHCG best in class strategic partners. Visit BHCGWI.org to learn more.

About The Alliance

The Alliance serves as the voice for self-funded employers who want more control over their costs by providing transparent, creative approaches to network and benefit plan design. As a not-for-profit cooperative, The Alliance is employer-owned and remains a trusted, objective partner for organizations seeking improved access to high-quality healthcare and works with more than 275 employers across the Midwest, contracting with over 34,000 providers in the region. Visit the-alliance.org to learn more.

About Wisconsin Manufacturers & Commerce

Wisconsin Manufacturers & Commerce (WMC) is the largest and most influential business association in the state, working to make Wisconsin the best place in the nation to do business. We are the state chamber of commerce, state manufacturers’ association, and state safety council. Visit wmc.org to learn more.

About RAND Corporation

RAND Health Care, a division of the RAND Corporation, promotes healthier societies by improving health care systems in the United States and other countries. RAND is nonprofit, nonpartisan, and committed to the public interest. Visit rand.org/health-care.html to learn more.

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