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**New Research Ranks Illinois 13th Highest in Hospital Prices**

*Study Compares What Employers Pay to Medicare, Finds Wide Price Disparities within States*

A new study just released by the RAND Corporation shows prices Illinois employers and their employees paid for hospital care are nearly three times (281%) what Medicare would have paid for the same services, well above the national average of 247%.

The Alliance, a not-for-profit cooperative of over 275 Midwest employers purchasing health care together, said the study is notable because it is based on actual prices negotiated by employers and health plans on a regional basis, and not on retail hospital prices that almost no one pays. The Alliance is holding an event on October 1 that will feature the RAND study’s lead author and policy researcher, Christopher Whaley, who will present information about how much prices vary between state hospitals and how Illinois and Wisconsin compare to the other 47 states that were part of the research. Whaley called the study “the most-detailed picture ever of what privately insured individuals pay for hospital-based care relative to what the government pays.”

Data for the study comes from self-funded employers across the country, including employer members of The Alliance, who share an interest in identifying the hospitals that are delivering high-quality but cost-effective care.

Cheryl DeMars, President and CEO of The Alliance, said hospital care is the largest portion of overall health spending and a significant driver of rising costs for employers and employees. “Most people get their insurance coverage through their employer, so we are in a good position to use this data to drive positive change in health care. Our interest is in making health care more affordable while ensuring excellent health care for our employees and their family members.”

She said transparency of hospital and other health costs is the key to finding these opportunities.

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. A detailed list of both relative and standardized prices for each hospital 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. In addition to Whaley, other authors of the report are Brian Briscombe, Rose Kerber, Brenna O’Neill, and Aaron Kofner.

[The Alliance’s Fall Symposium & Annual Meeting](https://the-alliance.org/event/the-alliance-fall-symposium-annual-meeting-a-virtual-event)is a virtual, three-hour event on Oct. 1st, 2020. The agenda consists of the business meeting, Hospital Price Transparency presentation, 30-Years of High-Value Health Care presentation, and Health Transformation Awards.

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**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](https://the-alliance.org/) to learn more.

**About RAND Corporation**

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