



 **EMPLOYERS' FORUM OF INDIANA**
Addressing the challenges of the local healthcare marketplace

Employers Aligning Payment with Value

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The Alliance Spring Symposium
Madison, WI
May 23, 2022
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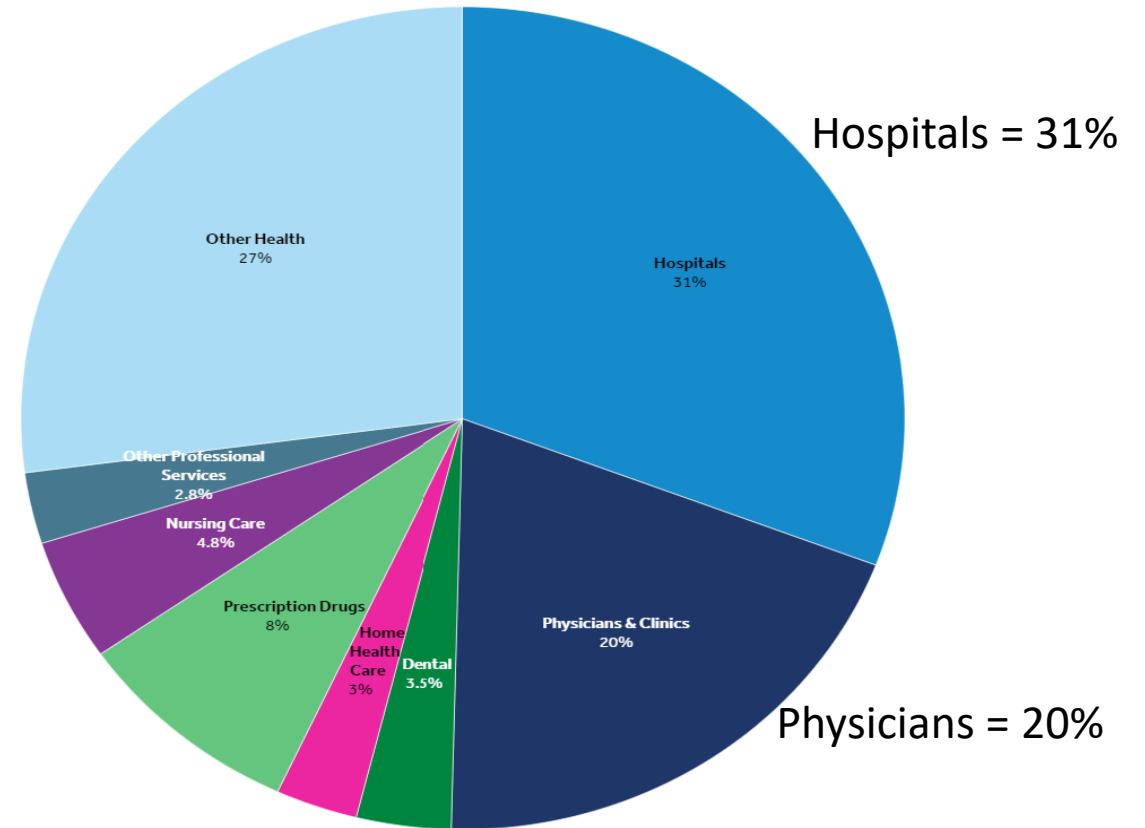
Where Did Our Journey Begin?



Hospital And Physician Services Represent Half Of Total Health Spending

Relative contributions to total national health expenditures, 2020

Hospitals Physicians & Clinics Dental Home Health Care Prescription Drugs Nursing Care Other Professional Services Other Health



Note: 'Other Health' includes spending on durable and non-durable products; residential and personal care; administration; 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

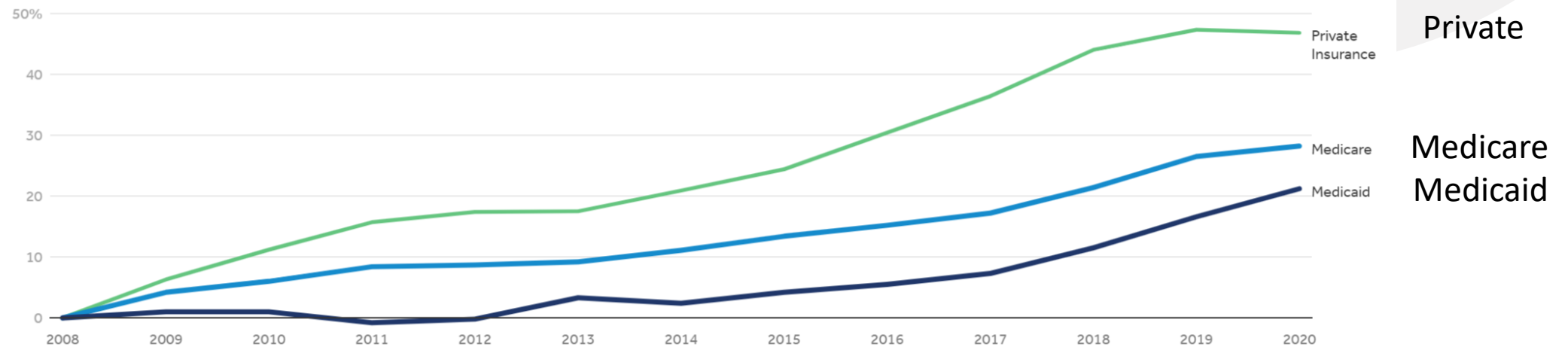
Peterson-KFF
Health System Tracker

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

Private Insurance Spending Has Grown Faster Than Medicare and Medicaid Spending

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



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

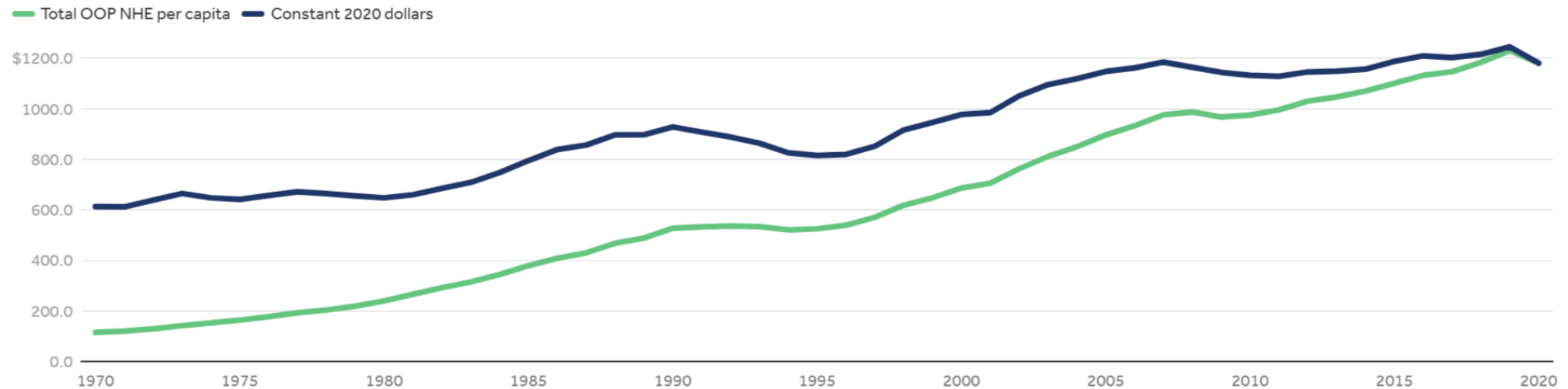
Peterson-KFF
Health System Tracker

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

Per Capita Out-of-Pocket Expenditures Increasing Over Time

Per capita out-of-pocket expenditures decreased in 2020

Per capita out-of-pocket expenditures, 1970-2020



Note: A constant dollar is an inflation adjusted value used to compare dollar values from one period to another.

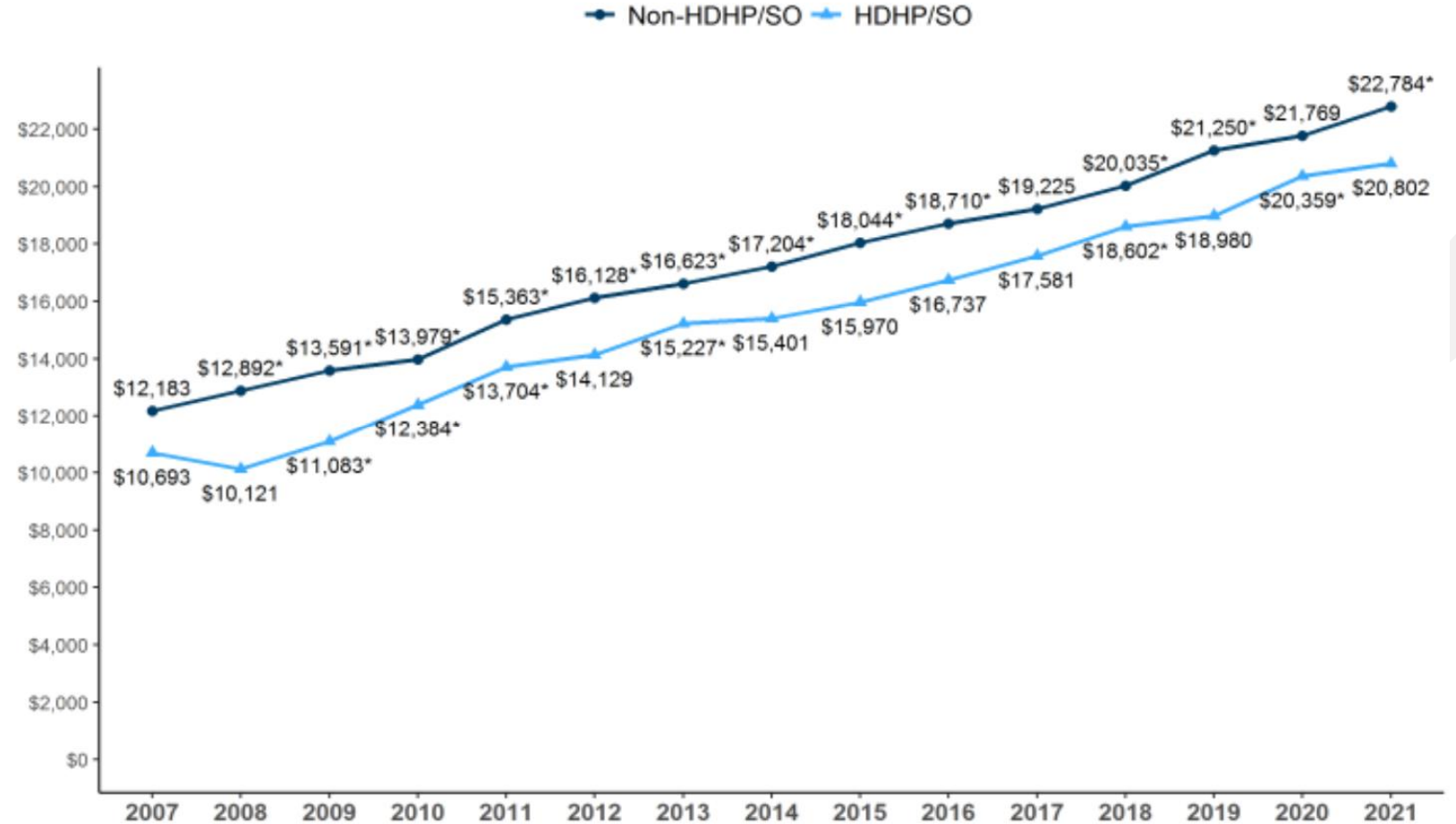
Source: [KFF analysis of National Health Expenditure \(NHE\) data](#) • [Get the data](#) • [PNG](#)

Peterson-KFF
Health System Tracker

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

Average Annual Premiums for Covered Workers with Family Coverage by Plan Type 2007 – 2021

Average Annual Premiums for Covered Workers with Family Coverage, by Plan Type, 2007-2021



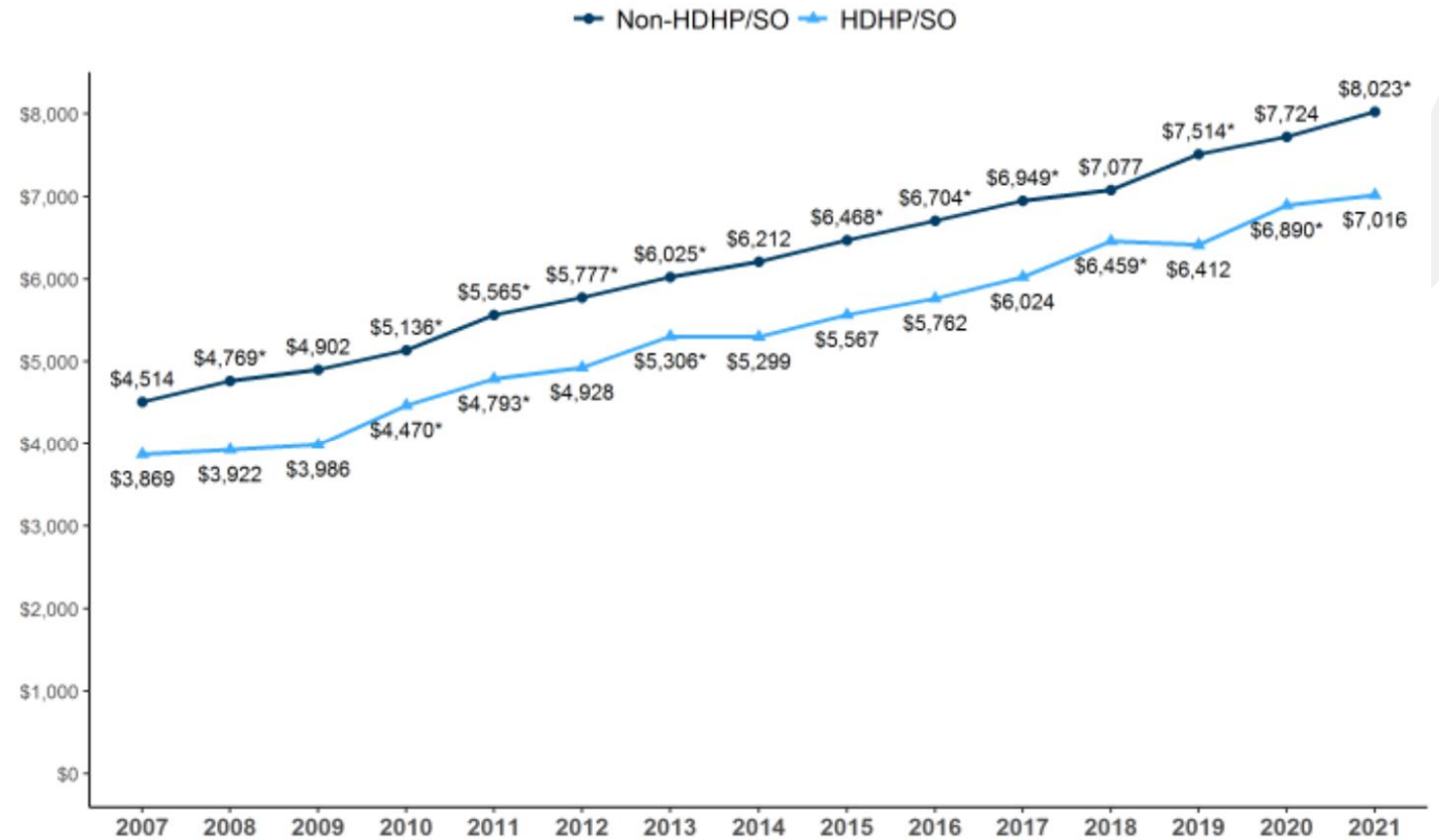
* Estimate is statistically different from estimate for the previous year shown (p < .05).

SOURCE: KFF Employer Health Benefits Survey, 2018-2021; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2007-2017

<https://www.kff.org/report-section/ehbs-2021-section-8-high-deductible-health-plans-with-savings-option/#figure86>

Average Annual Premiums for Covered Workers with Single Coverage by Plan Type 2007 – 2021

Average Annual Premiums for Covered Workers with Single Coverage, by Plan Type, 2007-2021




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

SOURCE: KFF Employer Health Benefits Survey, 2018-2021; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2007-2017

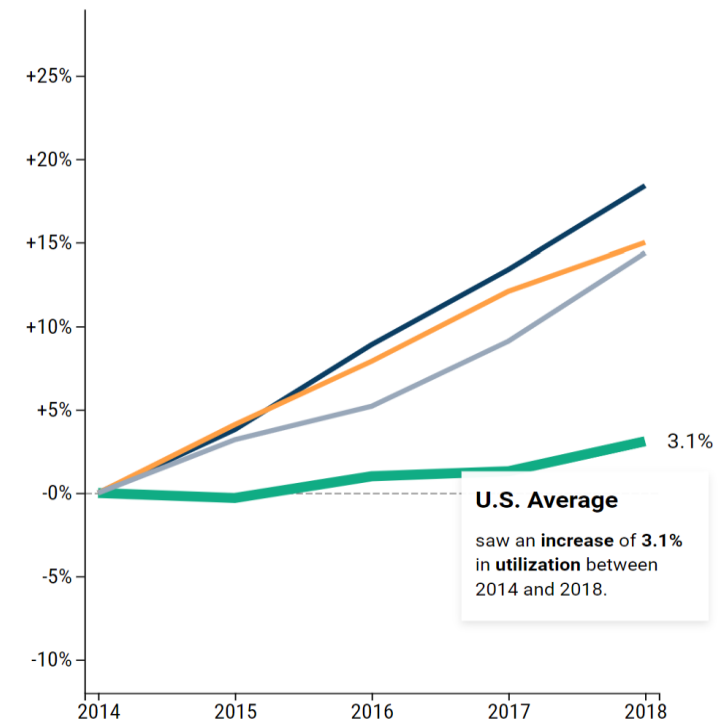
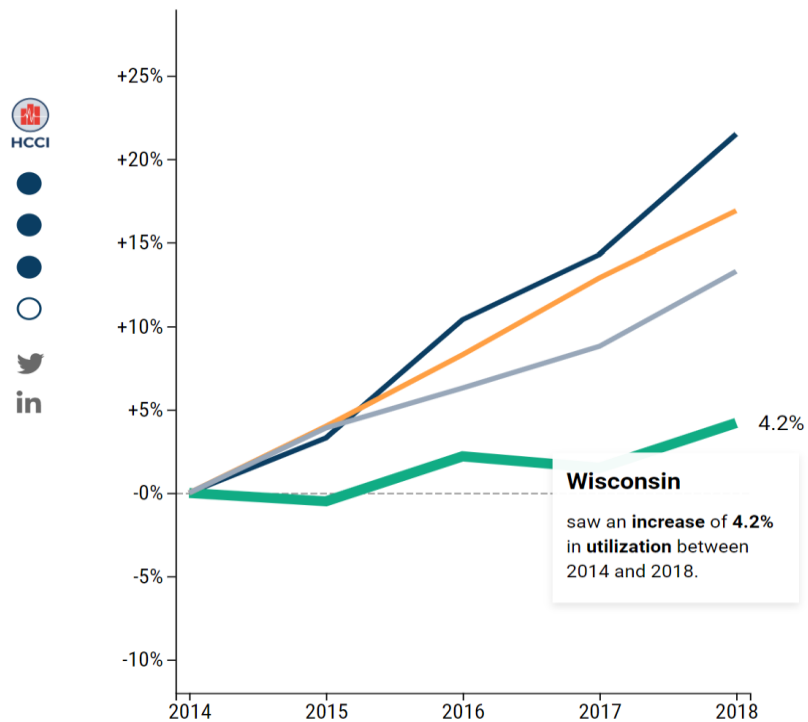
<https://www.kff.org/report-section/ehbs-2021-section-8-high-deductible-health-plans-with-savings-option/#figure86>

Wisconsin: Price Is Driving Up Spending, Not Utilization

Cumulative Growth in Spending per Person by State since 2014

CHOOSE A STATE: 

Spending Utilization Price GDP Per Capita 



VALUE
FOR EMPLOYERS

=

QUALITY

PRICE x **QUANTITY**

RAND Hospital Price Transparency Studies

- First of its kind in the country that lists hospitals by name
- Commissioned by the Employers' Forum of Indiana and conducted by RAND Corp
- Funded by the Robert Wood Johnson Foundation & employers
- INDIANA persistent findings: allowable hospital fees were very high and physician fees were very low



Employers' Forum of Indiana (EFI) Response



Legislative Policy
Solutions



Market
Solutions

Legislative Policy EFI Pursued in Indiana, 2020

SEA 5

Prohibit Gag Clauses

Prohibits non-disclosure clauses in health provider contracts so purchasers can request the negotiated rate from insurers and providers.

LAW

Price Transparency

Requires hospitals, ambulatory surgical centers, and urgent care facilities to post certain health care services pricing information on their Internet web sites.

LAW

Benefit Consultant Disclosure

Requires an insurance producer to disclose commission information to client.

LAW

All-Payer Claims Database (APCD)

Requires the department of insurance to submit a RFI, RFP, and contract with an org to set up an APCD.

LAW

Legislative Policy EFI Pursued in Indiana, 2020

HEA 1004 and HB 1005

Good Faith Estimate (GFE)

Providers must provide GFE within 5 days of patient request 7-1-20, & provide without patient request beginning 2021

LAW

Surprise Billing

Prohibits in-network providers or practitioners from charging patients more than in network rate cost of care according to the patient's network plan unless at least 5 days before the health care services are scheduled to be provided, the covered individual is provided a statement that of GFE and patient signs consent to be charged for out of network rate.

LAW

Site of Service

Specifies health care billing forms for clinic vs hospital settings.

DIED

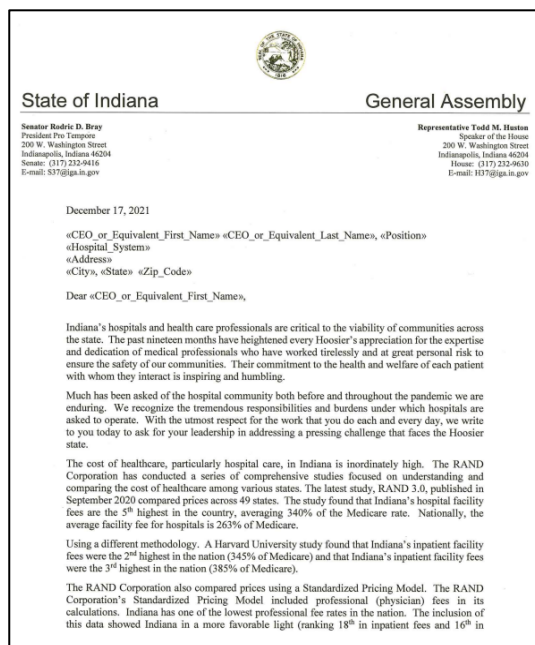
Legislative Policy EFI Pursued in Indiana, 2021

HEA 1402, SEA 416 and SEA 325

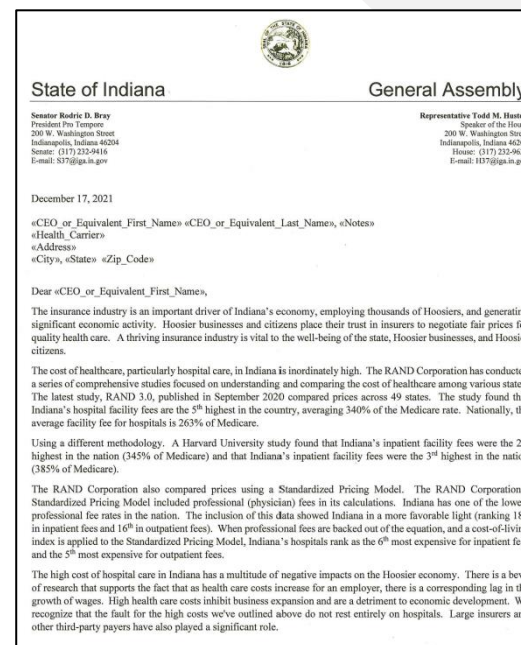
Annual Public Forum Meeting	Select non-profit hospitals to which their BOD must attend, discuss their finances, how help community, and receive community feedback... <ul style="list-style-type: none">• <i>Indiana University Health announced December 2021 that they will FREEZE prices until they reach the national average! National news coverage.</i>	LAW
Shore up APCD	Adding advisory board.	LAW
White Bagging	Successfully blocked legislation...good it died.	DIED
Certificate of Public Advantage (COPA)	Passed but blocked worst part.	LAW
Prohibit Anticompetitive Contract Language	i.e. prohibit all-or-none, anti-steering, and anti-tiering language in provider contracts.	DIED

Indiana Legislature Sent Letters to Hospitals & Insurers, 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](#)

Legislative Policy EFI Pursued in Indiana, 2022

HEA 1153: Workers Compensation	Extend current cap of 200% of Medicare for hospitals to Ambulatory Surgical Centers (ASC)	LAW
HEA 1158: Health and Human Services Matters	Employers successfully removed bill language that was written to ban “white bagging” altogether for Clinician Administered Medications. Remainder of bill had PA/NP Scope of practice, etc.	LAW
SEA 298: Certificates of Public Advantage (COPA)	Employers Successfully worked to narrow as much as possible as COPAs are bad news.	LAW
HEA 1270: Nonprofit Hospital and Insurer Reporting	Shoring up nonprofit hospital and insurer public meetings and non-profit hospitals required to submit their Schedule H of their IRS Form 990.	DIED

Hospital Response to 4/1/2022 Legislative Deadline



IU Health committed to **lowering their prices to the national average** by May 1, 2025



Parkview Health committed to **reducing prices by 22%** by May 1, 2025 (inflation taken into consideration)



Six other health systems did not offer a firm commitment



Two large insurers did not offer a firm commitment

Click the link below to read all hospital and insurer plans:

[Bray, Huston Call for Action to Lower Health Care Costs](#) 

Discussion in the Press

 *Click the links to visit them.*

- [IU Health announces price freeze, WFYI, 12-17-21](#)
- [IU Health holds prices flat, Revenue Cycle Intelligence, 1-4-22](#)
- [Indiana lawmakers take aim at out-of-control healthcare prices, IBJ, 1-4-22](#)
- [Indiana lawmakers target healthcare costs: 'Fix it, the best solution will come from you', Indianapolis Star, 1-24-22](#)
- [Indiana law makers threaten action over high hospital costs, Kaiser Health News, 1-24-22](#)
- [High-Priced Hospitals in Indiana Press Their Political Luck, WSJ 2-4-22](#)
- [IU Health \\$ 1 billion community donation, WISH TV, 2-25-22](#)
- [Bloated healthcare prices will increase with industry in charge of cost reductions op ed by Mercy Hylton, a pediatric emergency physician and a member of Physicians for Patient Protection, Indy Star, 3-3-22](#)
- [Sen Liz Brown points to EFI and H4AHC for not supporting her insurer transparency bill, Journal Gazette, 3-18-22](#)
- [Indiana hospitals sharing plan with state leaders to fix sky high profit practices, The Star Press, 3-28-22](#)
- [8 Indiana hospital CEOs state they support affordability, Journal Gazette, 3-30-22](#)
- [IU Health pledges to reduce costs, Inside Indiana Business, 3-31-22](#)
- [The Alliance and EFI are two of four employer coalitions highlighted in Commonwealth Fund report, 4-1-22](#)
- [Hospital and Insurer Plans to decrease prices to the national average, Indiana website, 4-1-22](#)
- [IU Health's plan to lower prices, Becker's Hospital Review, 4-1-22](#)
- [IUH statement saying they aim to be part of solution and Dave Kelleher comment, IBJ, 4-2-22](#)

More Discussion in the Press

 *Click the links to visit them.*

- [EFI and H4AHC, Kokomo Tribune, 4-4-22](#)
- [Community Health Network revenue increased, IBJ, 4-4-22](#)
- [IUH \\$416 million donation to IU under suspect by Speaker Huston and H4AHC, Herald Times, 4-5-22](#)
- [All hospital & insurer plans are in, IBJ, 4-5-22](#)
- [Parkview Health response to legislator request to lower prices, Wane, April 2022](#)
- [Al Hubbard and Gloria Sachdev op-ed “Hospitals’ indifference on cost containment apparent”, Journal Gazette, 4-10-22](#)
- [Mike Hicks op-ed “Hospitals to legislators: drop dead”, with embedded IUH employer letter of no 2021 employee bonus, national data comparing increase of drugs and insurer premiums vs hospital prices, Star Press, 4-10-22 \(RAND study mentioned\)](#)
- [Lawmakers urge health care to lower prices, Tribune Star \(Terra haute\), 4-10-22](#)
- [IU Health \\$416 donation to IU, Bloomington Harold Times, 4-11-22](#)
- [Hoosiers are rightfully frustrated': Health care execs offer no clear plan to lower costs, Indy Star, 4-12-22](#)
- [Insurance Institute op-Ed by Marty Woods, Shelbyville News, 4-12-22](#)
- [IUH \\$416 under scrutiny, Indiana Daily Student News, 4-25-22](#)
- [History of monopolies and Indiana not-for-profit hospitals, essay by Mike Hicks, Howey Politics, 4-28-22](#)
- [IU Health states paying more for labor shortage, Becker Hospital Review, 4-29-22](#)
- [Insurance Companies Throw Stones from Glass Houses, IBJ, 5-6-22](#)
- [IU Health CEO shares IUH funding plan for public health, Indy Star, 5-11-22](#)

Latest Press Commentary – 3 Essays

← Click the links to visit them.



IBJ Forefront: What Should Indiana Do to Lower Health Care Costs

May 13, 2022

Indiana Speaker of the House, Todd Huston

- Modifying regulations relating to the Not-for-Profit hospitals for hospitals that make huge profits while charging exorbitant prices to Hoosier consumers
- Requiring hospitals to charge the appropriate rate for where services are rendered
- Eliminating non-compete clauses between physicians and not-for-profit hospitals

Employers' Forum of Indiana, Gloria Sachdev, CEO & President

- Enforce Price Transparency
- Site Neutral Payments
- Implement Price Ceilings

IU Health, Dennis Murphy, CEO & President

- Increase state public health funding

Market Solutions



Empowering Employers



Direct Contracting for 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



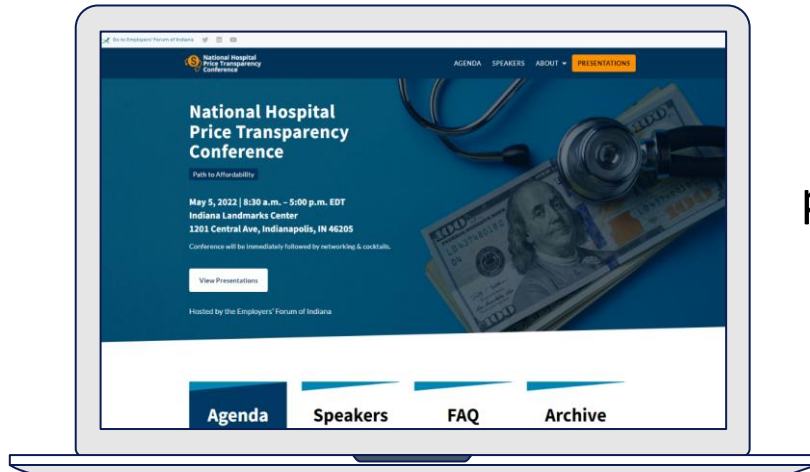
Performance Guarantees

On a variety of price and quality measures for TPAs, vendors, and benefit consultants = accountability

National Hospital Price Transparency Conference

May 5th in Indianapolis

- One full day live streamed & in person = **560 attendees!**
- Highlights: Preliminary results of RAND 4.0 and launch of Sage Transparency



Download the presentation slides or watch recordings at nhptc.org

Agenda

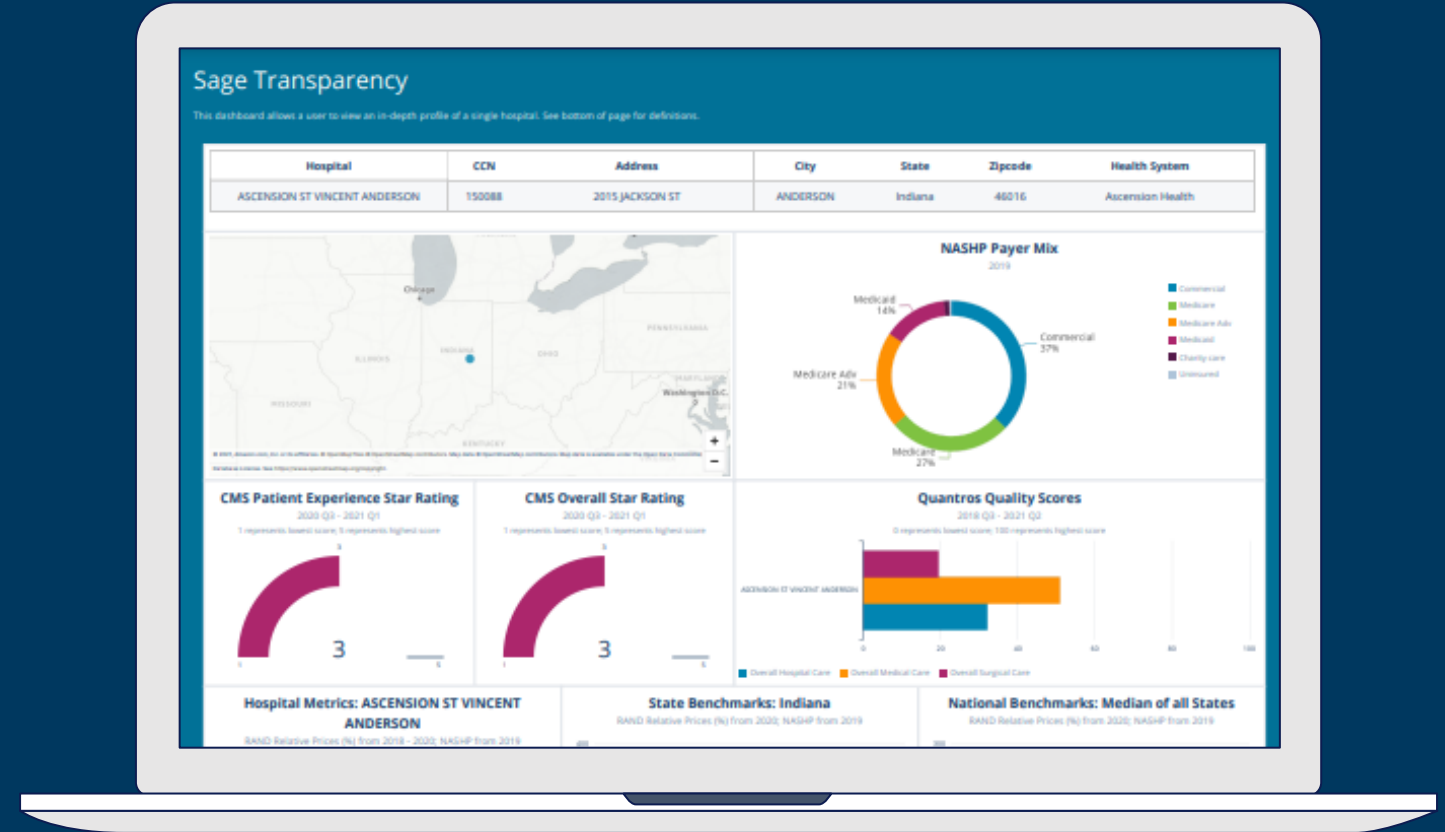
Visit the conference website at nhptc.org for a recording of today's conference and downloadable presentation files.

8:00 am – 8:30 am	DOORS OPEN AND CONTINENTAL BREAKFAST
8:30 am – 8:45 am	WELCOME Gloria Sachdev President & CEO, Employers' Forum of Indiana Christan Royer Director of Benefits, Indiana University; Board Member, Employers' Forum of Indiana
8:45 am – 9:15 am	KEYNOTE Hunter Kellett Arnold Ventures
9:15 am – 9:45 am	HOSPITAL VALUE DASHBOARD: DATA TO INFORM HONEST CONVERSATIONS Gloria Sachdev President & CEO, Employers' Forum of Indiana
9:45 am – 10:30 am	RAND 4.0 HOSPITAL PRICE TRANSPARENCY STUDY: WHAT EMPLOYERS PAY Chris Whaley RAND Corporation
10:30 am – 10:45 am	BREAK
10:45 am – 11:10 am	HOSPITAL PRICE TRANSPARENCY: HOSPITAL POSTED PRICES Ge Bai Johns Hopkins University Chris Severn Turquoise Health
11:10 am – 11:30 am	HOSPITAL COST TOOL: EMPLOYER BREAK-EVEN PRICE AND MORE Marilyn Bartlett National Academy for State Health Policy
11:30 am – 11:45 am	HOSPITAL QUALITY: CMS HOSPITAL STAR RATINGS Melissa Mariñelarena CDQ Solutions
11:45 am – 12:00 pm	HOSPITAL QUALITY: QUANTROS Debi Heck Healthcare Bluebook
12:00 pm – 1:00 pm	LUNCH BREAK
1:00 pm – 1:45 pm	PANEL DISCUSSION WITH MORNING PRESENTERS Moderated by Dave Kelleher Board Member, Employers' Forum of Indiana
1:45 pm – 2:45 pm	BRAINSTORMING NEXT STEPS TO INTERVENE ON HOSPITAL PRICES & QUALITY Moderated by Michael Thompson National Alliance of Healthcare Purchaser Coalitions (NAHPC) <ul style="list-style-type: none">• Charles Cammack Fort Wayne Community School Corporation• Mary Delaney Vital Incite• Shelley Stewart Stewart Consulting
2:45 pm – 3:45 pm	PERSPECTIVES ON ACTIONABLE TACTICS TO DRIVE VALUE Moderated by Candace Shaffer Purdue University <ul style="list-style-type: none">• Lakshmi Aggarwal Fort Wayne Medical Oncology and Hematology• Gary Everling Hendricks Regional Health• Jim Jusko FireLight Health• Kim Sonerholm UnitedHealthcare
3:45 pm – 4:00 pm	BREAK
4:00 pm – 4:50 pm	WHERE DO WE GO FROM HERE? Suzanne Delbanco Catalyst for Payment Reform Cynthia Fisher PatientRightsAdvocate.org
4:50 pm – 5:00 pm	CONCLUSION Gloria Sachdev President & CEO, Employers' Forum of Indiana Christan Royer Director of Benefits, Indiana University; Board Member, Employers' Forum of Indiana
5:00 pm – 6:30 pm	NETWORKING & COCKTAILS

INTRODUCING

Sage Transparency

Hospital Price and Quality data
Freely and publicly available



Sage Transparency's 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



Reset all your selected filters

Move between dashboards by selecting tabs

Print or export to PDF

Filter using intuitive controls

Expand the visualization to full screen

Click on title to sort

Leave feedback on your experience

Hospital Directory Hospitals by System Hospitals by State Clinical Categories States Glossary

Controls

Select State: Indiana Select Hospital: ASCENSION ST VINCENT ANDERSON

Hospital Metrics: ASCENSION ST VINCENT ANDERSON
RAND Relative Prices (%) from 2018 - 2020; NASHP from 2019

State Benchmarks: Indiana
RAND Relative Prices (%) from 2020; NASHP from 2019

National Benchmarks: Median of all States
RAND Relative Prices (%) from 2020; NASHP from 2019

Outpatient Clinical Category Relative Prices: ASCENSION ST VINCENT ANDERSON
2022
These total facility relative 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 (%)		
	Turquoise Health Commercial (%)	Turquoise Health Medicaid (%)	Turquoise Health Cash (%)
CT/MRI		151	199
Cardiovascular Care	∞	111	184
Emergency Department	68	24	325
GI Procedures	137	61	101
Laparoscopic Surgery	54	59	

Inpatient Clinical Category Relative Prices: ASCENSION ST VINCENT ANDERSON
2022
These total facility relative 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.

Employer Hospital Price Transparency Project

Powered by QuickSight

Return Feedback

Sage Transparency: CMS Quality & Turquoise Health Price Data Will Be Updated Quarterly

Feedback Welcome!



Disclaimer

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Future Direction

Support the Market, including adding more to Sage Transparency

1. RAND 4.0 **Ambulatory Surgical Center (ASC)** data
2. National insurance data regarding **provider negotiated prices** (when available and cleaned up)
3. Develop a **private dashboard** for Employers' Forum of Indiana members to request customizable reports
4. Develop **quality measures** organized by clinical categories

Support Sound Legislative Policy



Lessons Learned

Functional Market

A functional market is based on choice. Employers and people can't make choices if they don't have price & quality transparency. Either get 100% transparency or consider alternates, such as payment regulation & public option.

Legislation

Policy is needed to unwind outrageous ongoing practices & place guardrails. Transparency alone will not reduce healthcare prices. Policy makers and employers must use transparency to make evidence-based decisions.

Provider Solution

Many Hospitals and Independent physician groups have stepped forward and aim to be part of the solution, so let's partner with them. This will create pressure for others to compete on quality and price.

Employers

It is essential for employers to have a robust partner that is evidence-based when they negotiate/monitor provider prices, quality, utilization, and waste on your behalf.



THANK YOU!

Questions Welcome

If you have interest in being part of the solution,
you are welcome to be a member of the Forum.



Gloria Sachdev

gloria@employersforumindiana.org