Tools to Increase Affordability in a Consolidated Marketplace

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### About the Employers’ Forum of Indiana

<table>
<thead>
<tr>
<th>Employer-Led Healthcare Coalition Founded in 2001</th>
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<td>Executive Committee Comprised of non-provider employers</td>
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<td>Non-Profit 501(c)(3)</td>
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<td>Aim: To improve the value employers and patients receive for their healthcare expenditures</td>
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<td><a href="https://employersforumindiana.org/">https://employersforumindiana.org/</a></td>
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Employers' Forum of Indiana

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

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

PROBLEM: Debt in America: An Interactive Map
Last Updated June 23, 2023; 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

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

Employers’ Forum of Indiana
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

- Hospitals = 31%
- Physicians = 20%

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

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

Employers’ Forum of Indiana
Solution: Begin with 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

https://employerptp.org/rand/4-0/
Total Hospital Commercial Prices Relative To Medicare

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

Inpatient & Outpatient Hospital plus Physician Payment
SageTransparency.com 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
Indiana Healthcare Accomplishments 2023 Legislative Session

Rep. Donna Schaibley
(R) Carmel - House District 24

Employers’ Forum of Indiana
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]
Employers’ Forum of Indiana 2023 Pre-Session Policy Agenda

Top Priority

- Eliminate hospital facility fees for services rendered off a hospital campus
- Eliminate physician non-compete agreements
- Pharmacy benefit managers (PBMs) and prescription drug price transparency
- Hospital and insurer price transparency
- Set a hospital price benchmark to national average
- Set parameters for hospital not-for-profit status

Secondary Priority

- Fund public health expansion
- Pharmacists prescribing contraceptives
- Prohibit anti-competitive contract language between providers and insurers
Employers’ Forum of Indiana: analyze, explain, provide understandable and usable data to legislators; meet with legislative leadership routinely; build relationship with potential bill authors & legislative leadership; edit bill language; testify / coordinate testimony with members; respond to data requests from legislative leadership (responses must be timely within hours of request); educate & engage employers; establish grassroots activism of employers, benefit consultants & independent physicians to support bills; communicate with ally organizations; be a trusted and data driven stakeholder

**Employer Consultant**: draft bill language, review policy topics, create one-pager policy topic summary, sound board to CEO

**PR Consultant**: manage social media; draft op-eds; coordinate with reporters; advise on crisis management

**Government Affairs / Lobbying Consultant**: schedule meetings with legislative leadership; explain policy priorities to leadership; monitor / lobby legislators on key bills; weekly updates to Employers’ Forum of Indiana policy committee
Legislative Leadership: IN State Speaker of the House Todd Huston & Senate President Pro Tem Rod Bray. Representative Donna Schaibley who was lead bill author and championed healthcare affordability

Brain Trust Subject Matter Experts: RAND healthcare economist, NASHP forensic accountant, Healthcare Options Inc. local financial expert; and resources from Georgetown Univ, The Source on Healthcare Price & Competition, APCD Council, Berkely Petris Center, etc

Hoosiers for Affordable Healthcare (critical political Influencer with deep connections to legislative leadership): meet with leadership to explain data findings, lobby political campaign-style external communications (stats on mobile ad truck, community grassroots effort with email/text/patch through), op-eds, and interviews with reporters
Hoosiers for Affordable Healthcare Efforts

Employers’ Forum of Indiana
Snapshot of 2023 Indiana Key Legislation
EFI Testified in Support of the Following House and Senate Priority Bills

- **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).

- **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.

- **SEA 8**
  - Requires that most drug discounts and rebates are passed onto consumers in Indiana from insurers.
  - Allows the Department of Insurance to impose penalties not exceeding $10,000 per violation if insurers and PBMs do not comply.

To do a deep dive into EFI’s priority bills and other healthcare bills, read our summary report [here](#).
Snapshot of 2023 Indiana Key Legislation

HEA 1004 is the key healthcare legislation passed with bipartisan support of 45-5 in the Senate and 90-7 in the House. This bill encompasses a significant number of policy priorities:

1. Effective 1-1-25, bars 5 nonprofit health systems from charging facility fees for off-campus services provided in an “office setting”, such as doctor visits, labs, and imaging. Requires bills for healthcare services provided be submitted on an individual provider form, prohibits payers’ acceptance of institutional provider forms.

2. Effective 7-1-23, requires Department of Insurance (DOI) to contract with a third party to calculate Indiana nonprofit hospitals’ system prices for certain health plans
   • Before November 1, 2024, requires DOI contractor to compare Indiana nonprofit hospital system facility pricing information with 285% of Medicare, and annually thereafter.

3. Effective 7-1-23, requires hospitals to report net patient revenue information to Indiana State Department of Health for their annual reports and includes $1,000/day late submission fine
   • "Net patient revenue" means gross patient revenue less deductions for contractual adjustments, bad debts, and charity.

4. Effective 1-1-24, provides tax credit for employers with <50 employees if they adopt a health reimbursement arrangement in lieu of traditional employer provided health insurance plan.
5. Effective 7-1-23, allows for provisional credentialing of physicians who establish or join an independent primary care practice

6. Effective 7-1-23, establishes the Payer Affordability Penalty Fund to be used for the state’s share of the Medicaid program and the study on hospitals that are impacted by changes made in the disproportionate share hospital methodology payments (DISH)

7. By 11-1-23, requires FSSA to research and compile data on Medicaid reimbursement rates for Indiana, all other states, including national reimbursement rate average (submit to task force and General Assembly)

8. Effective 7-1-23, requires all-payer claims database (APCD) advisory board to discuss additional information, including Indiana’s health insurance premium rates, Medicaid reimbursement rates, and a potential auditing of claim denials. Requires ERISA covered Employers to contribute claims data

9. Effective immediately, establishes the Healthcare 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) to provide data, documents, information deemed necessary to the task force
   • Charges the healthcare cost oversight task force with monitoring Indiana’s prices across different aspects of the industry
Hospitals are a problem. Competition is the answer.

How non-profit hospitals put profits over patients.

POLITICO — Jan 19, 2023

The New York Times — Jan 25, 2023

Employers’ Forum of Indiana

Indiana’s hospital monopolies worse than California.

Daily Journal — Dec 29, 2020

Spartz Reintroduces Legislative Package

This Congress, Representative Spartz reintroduced health care legislation to improve hospital competition and health care value.

These bills are part of a package aimed to diminish antitrust enforcement loopholes and barriers to entry, improve transparency, accountability, and patient choice, and improve state health care markets.

Spartz Leads Efforts to Stop Dishonest Billing by Hospitals

Representative Spartz spearheaded a coalition of ideological, diverse stakeholders to combat the growth of hospital monopolies, which issued a joint letter in support of new standards — disclosure laws in support of health care transparency.

Visit Victoria Spartz at Spartz.House.gov

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#NASHPCONF23