

Tools to Increase Affordability in a Consolidated Marketplace

Gloria Sachdev, BS Pharm, PharmD
President and CEO, Employers' Forum of Indiana
gloria@employersforumindiana.org

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BOSTON
#NASHPCONF23
IT'S A MARATHON
NOT A SPRINT

About the Employers' Forum of Indiana



Employer-Led Healthcare Coalition Founded in 2001

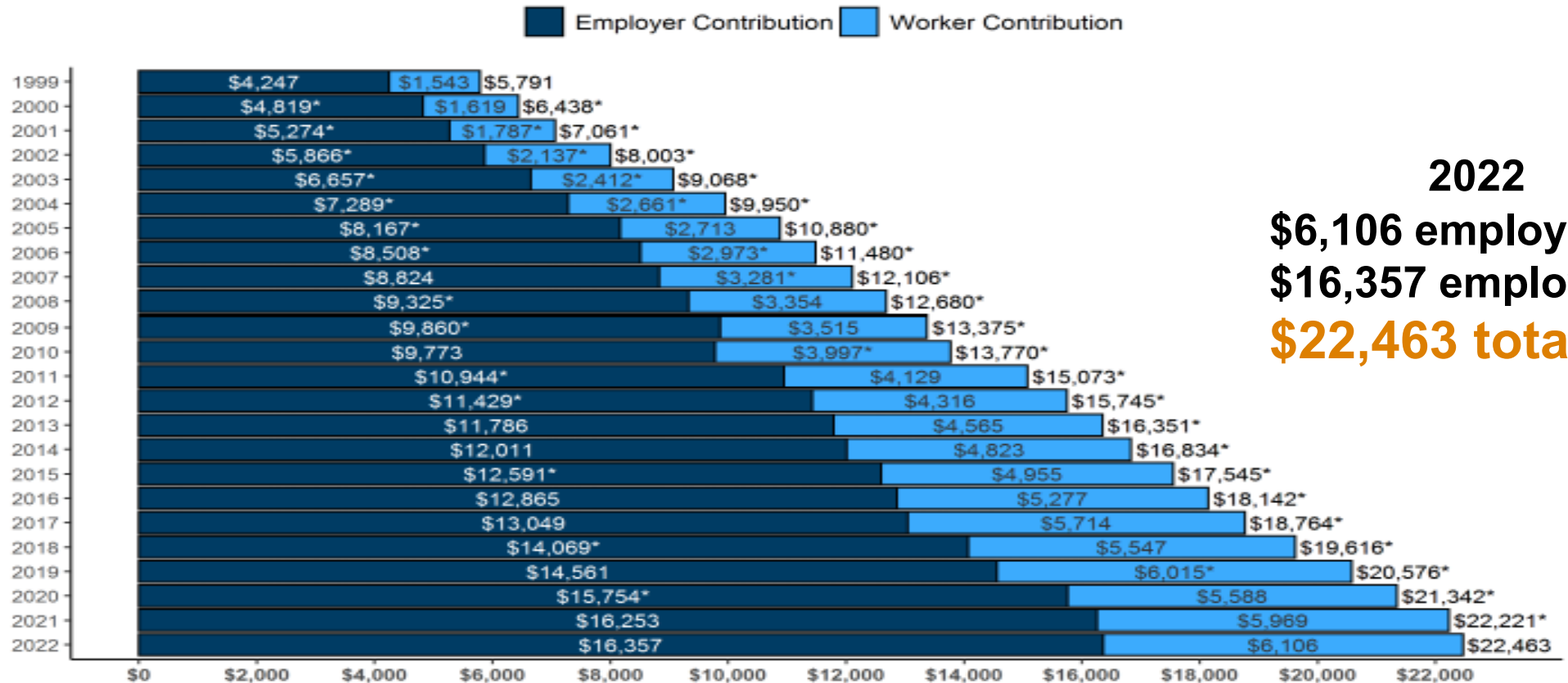
Executive Committee Comprised of non-provider employers

Non-Profit 501(c)(3)

Aim: To improve the value employers and patients receive for their healthcare expenditures

<https://employersforumindiana.org/>

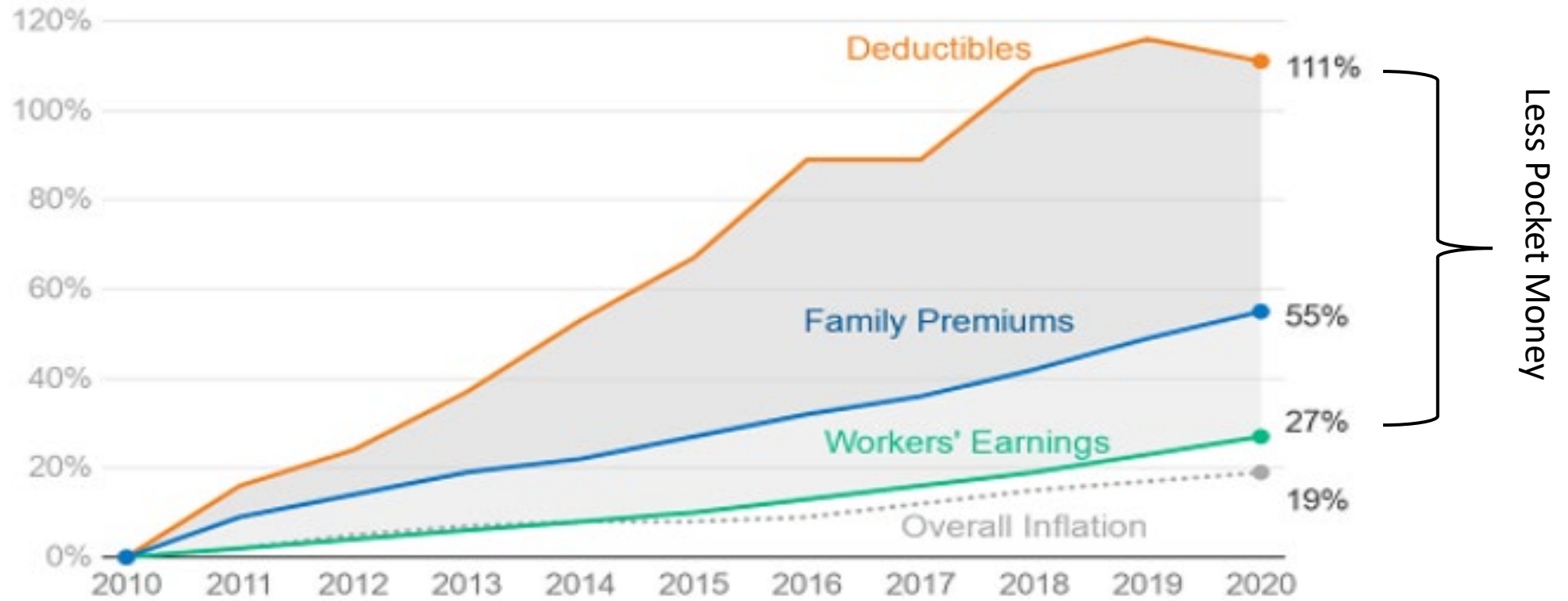
PROBLEM: U.S. Employees & Employers are Paying More for Health Insurance Premiums: FAMILY Coverage, Trend 1999-2022



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

<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/>

PROBLEM: Debt in America: An Interactive Map

Last Updated June 23, 2023; credit data from February 2022

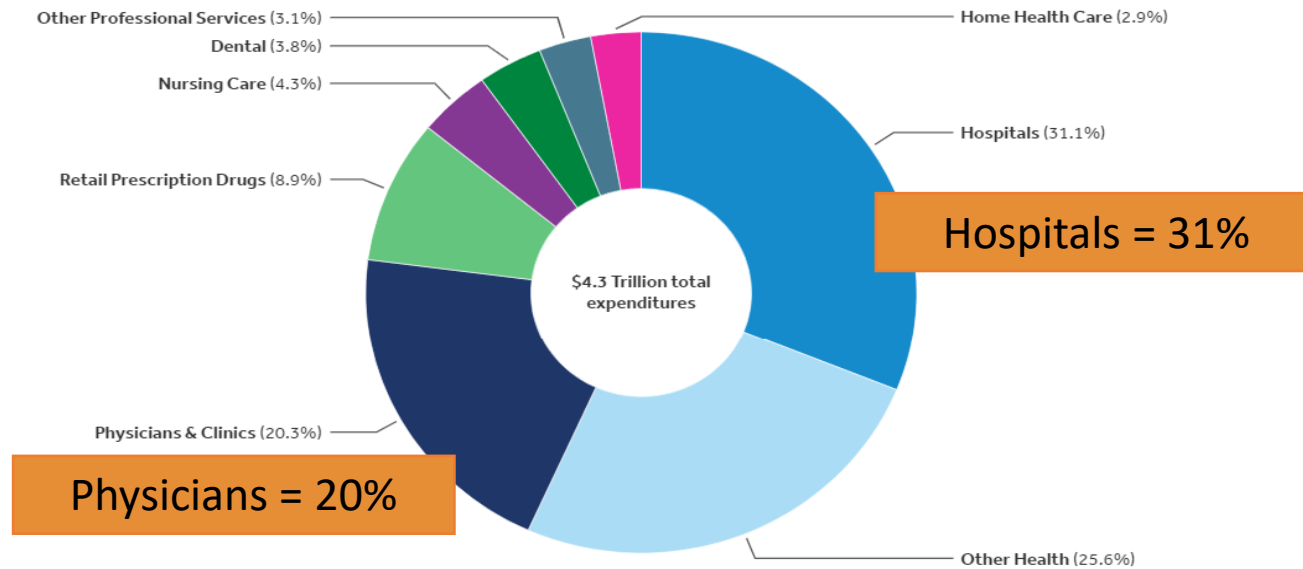
- Interactive map noting “**Share of medical debt in collections**” and Median amount in collections per country, state, national levels
- Conducted by Urban Institute, non-profit research organization
- Includes 10 million lives
- Provides demographic information at county level including: white vs 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>

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



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

Peterson-KFF
Health System Tracker

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

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

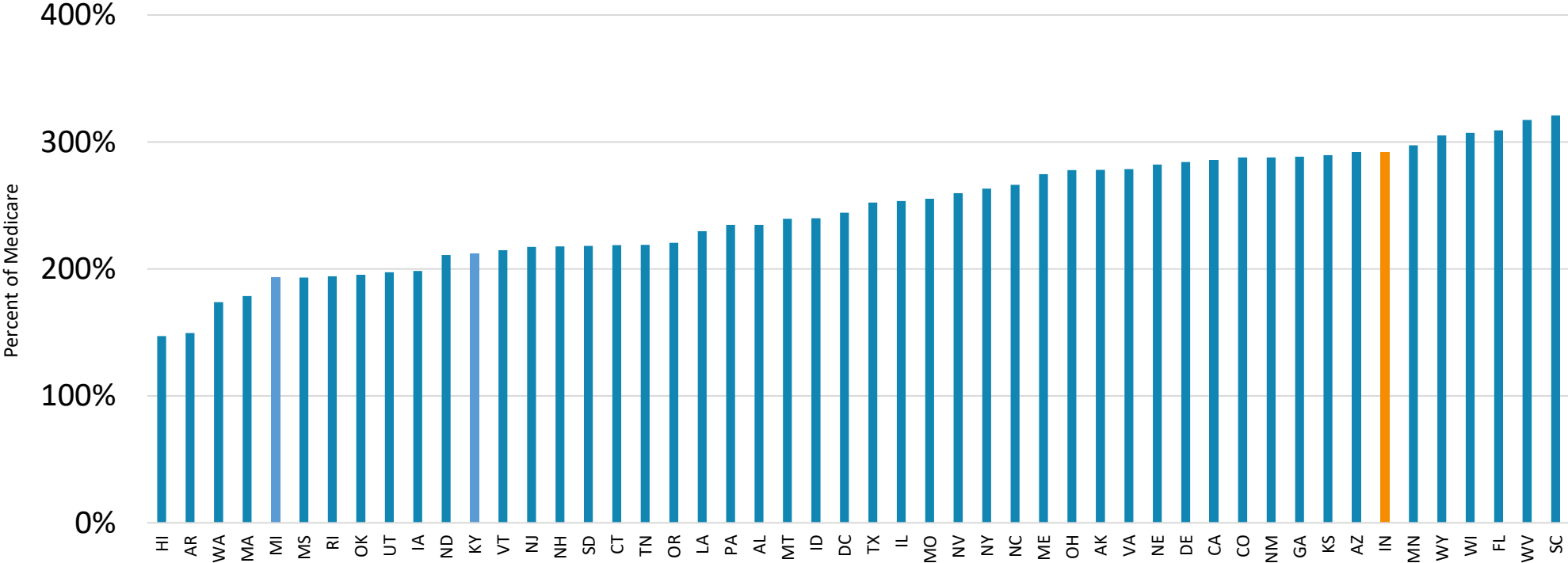
<https://employerptp.org/rand/4-0/>



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

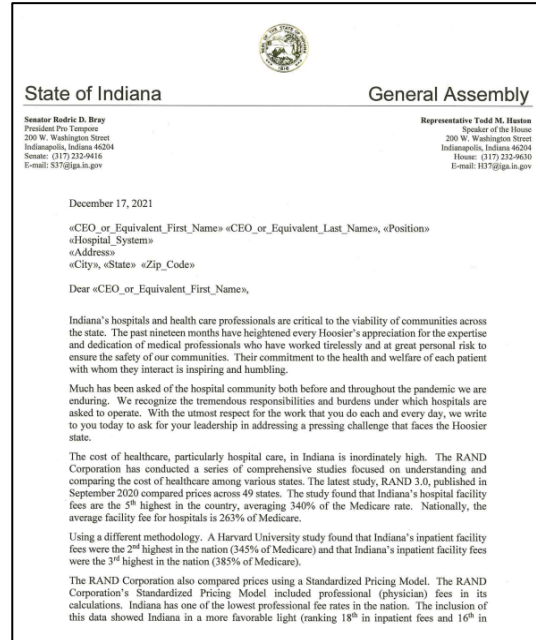


Indiana Healthcare Accomplishments 2023 Legislative Session

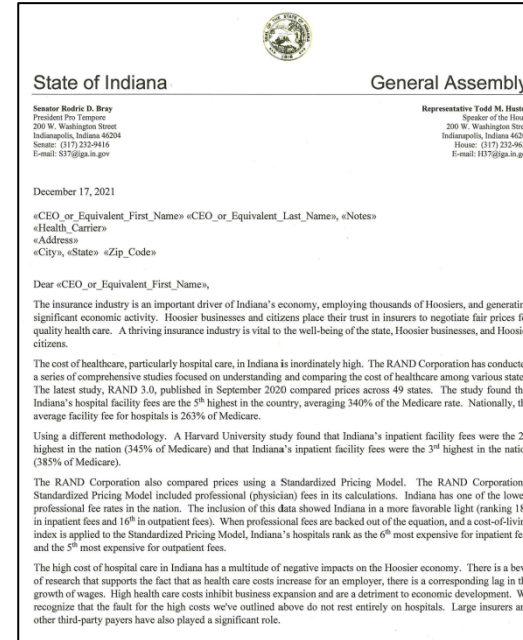


Indiana House Speaker Huston and Senate President Pro Tem Bray Sent Letters to Hospital & Insurer CEOs, 2022

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

Resources for Success to Pass State Legislation

INTERNAL

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

Employers' Forum of Indiana

Resources for Success to Pass State Legislation

EXTERNAL

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

#NASHP
CONF23

Hoosiers for Affordable Healthcare Efforts

Did You Know ...
Indiana non-profit hospital prices are the 5th highest in the U.S. according to Rand Corp and other studies.

Did You Know ...
Indiana's seven largest non-profit hospital systems:

- Have over \$18 billion in cash reserves excluding Ascension and their parent company's \$22 billion in cash reserves;
- Earn profit margins more than 3x the national average;
- Collected \$2.676 billion in profits in 2019 alone; and
- Pay 103 executives over \$500,000 per year, 44 of whom make over \$1 million.

Hospitals that have taken action to reduce prices:

Hospital Name	Year
IU Health	2022
Ascension	2022
Community Health Network	2022
Franciscan Health	2022

...and taking immediate action to reduce prices to the national average by 2025.

"...we are determined to achieve our goal by 2025 or even sooner..."

IU Health CEO Dennis Murphy to all IU Health employees, January 30, 2022

HOOSIERS for AFFORDABLE HEALTHCARE

ASCENSION, COMMUNITY HEALTH NETWORK, AND FRANCISCAN HEALTH ...

When will you follow IU Health's lead and reduce your prices to the national average?

Learn more at www.h4ahc.com.

PAID FOR BY HOOSIERS FOR AFFORDABLE HEALTHCARE



HOOSIERS for AFFORDABLE HEALTHCARE

INDIANA STATE HOUSE DISTRICT 1

Hospital Name	Type*	CMS Overall Hospital Quality Star Ratings (2018-2022)	RAND Total Facility Plus Physician Relative Price (%) (2018-2022)
Pinnacle Hospital	Physician	N/A	368%
Franciscan Health Muncie	Non-Profit	2	291%
Community Hospital	Non-Profit	2	257%
St. Mary Medical Center	Non-Profit	3	235%
Franciscan Health Crown Point	Non-Profit	3	229%
Franciscan Health Dyer	Non-Profit	1	222%
St. Catherine Hospital	Non-Profit	5	201%
Methodist Hospitals	Non-Profit	3	194%
Franciscan Health Hammond	Non-Profit	1	178%

Indiana Ranks 7th HIGHEST in RAND Total Facility Plus Physician Relative Price

National vs. Indiana RAND Total Facility Plus Physician Relative Price (%) (2020)

State	Relative Price (%)
Alabama	295%
Arizona	245%
California	205%
Colorado	195%
Connecticut	195%
Florida	195%
Georgia	195%
Illinois	195%
Indiana	201%
Iowa	195%
Michigan	195%
Minnesota	195%
Missouri	195%
Nebraska	195%
Nevada	195%
New Hampshire	195%
New Jersey	195%
New Mexico	195%
New York	195%
North Carolina	195%
North Dakota	195%
Ohio	195%
Oklahoma	195%
Oregon	195%
Rhode Island	195%
Texas	195%
Utah	195%
Vermont	195%
Virginia	195%
Washington	195%
West Virginia	195%
Wisconsin	195%
Wyoming	195%

Indiana Health Systems - RAND Total Facility Plus Physician Relative Price (%) (2020)

Health System	Relative Price (%)
Franciscan Health Muncie	291%
Franciscan Health	257%
Ascension	235%
Community Health Network	229%
Franciscan Health	222%
St. Catherine Hospital	201%
Methodist Hospitals	194%
Franciscan Health	178%

DEFINITIONS:
Overall Hospital Quality Star Rating: The Center for Medicare and Medicaid Services (CMS) Hospital Quality Star Rating summarizes a variety of performance metrics (level of quality and safety) using a 5-Star system. The highest possible rating is 5 stars. A higher score indicates better performance, and lower scores indicate worse performance.
RAND Total Facility Plus Physician Relative Price: RAND Total Facility Plus Physician Relative Price is a measure of the relative price of hospital care in a state compared to the national average. It is calculated as the ratio of the state's total facility plus physician relative price to the national average. A higher score indicates that the state's total facility plus physician relative price is higher than the national average, and a lower score indicates that it is lower.

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

Continued HEA 1004 - Rep. Donna Schaibley (R)

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

U.S. Representative Victoria Spartz (R-IN)

District Mailer 8-7-2023

Hospitals are a problem.
Competition is the answer.
POLITICO — Jan 19, 2023

How non-profit hospitals
put profits over patients.
The New York Times — Jan 25, 2023

Hoosiers deserve better health care.

Indiana's hospital monopolies
worse than California.
Daily Journal — Dec 29, 2020

Outrageous fees outpace charity
care at Indiana nonprofit hospitals
IndyStar. — Feb 26, 2023

CONGRESSWOMAN
VICTORIA SPARTZ
PROUDLY SERVING INDIANA'S 5TH DISTRICT

Addressing rising health care costs and barriers to access by increasing hospital competition for value.

Spartz Reintroduces Legislative Package
This Congress, Representative Spartz re-introduced health care legislation to improve hospital competition and health care value.
These eight bills are part of a package aiming to eliminate antitrust enforcement loopholes and barriers of entry; improve transparency, accountability and patient choice; and enhance state health care market competition.

House Takes on Hospital Monopolies
This spring, the House held committee hearings to take on health care monopolies and improve value for all Americans.

House Committee Hearings

Spartz Leads Efforts to Stop Dishonest Billing by Hospitals
Representative Spartz spearheaded a coalition of ideologically diverse stakeholders to combat the over-billing of Medicare beneficiaries by powerful monopolies, which issued a joint letter in support of site neutrality – disallowing hospitals to overbill for services.

Contact Me
Washington, DC Office: (202) 225-2276
1609 Longworth H.O.B.
Washington, DC 20515
West Office: (317) 848-0201
5540 Pebble Village Ln., Ste 400
Noblesville, IN 46060
East Office: (765) 639-0671
420 S. High St.
Muncie, IN 47305

Visit Victoria Spartz at
Spartz.House.Gov
@RepSpartz f RepSpartz