

Media Response – Questions and Answers

mycareINSight Transparency Campaign

The following document can be used to help guide members through media interviews with potential questions and suggested answers regarding mycareINSight and charge and quality transparency. Some responses can be used to answer more than one question. Therefore, you will see some repetition in the suggested responses depending on the question. Repetition is a useful tactic when working with the media to help reinforce our key messages when it comes to charge and quality transparency.

QUESTION: What is mycareINSight all about?

mycareINSight is an online tool – a website –that’s been tailor-made specifically for Hoosiers by Hoosier hospitals to help them make the best decisions for their health care treatment. People who visit mycareINSight.org can access hospital quality ratings and average charges for the 100 most common inpatient services and 50 most common outpatient services in Indiana.

QUESTION: Why has IHA created this website?

Consumers in Indiana want to understand the prices they pay for health care. Hospitals strive to provide care to those who need it while ensuring that patients have the necessary information, including the charge and quality of care. Indiana Hospital Association worked with our members to develop an easy-to-use resource that will help Hoosiers break down the complexity of hospital pricing and quality. By using mycareINSight, consumers can make an informed decision about where to seek treatment based on the publicly available charge and quality data.

QUESTION: Why bother? Didn’t CMS release all this data to the public?

The federal government continues to release charge and quality data, giving the public access to an enormous amount of data – but little guidance on how to interpret this information.

Meanwhile, the growth of high-deductible and “consumer-driven” health insurance plans has fueled an increased appetite among patients for hospitals to make prices more easily understood. Yet, when consumers see two different hospitals’ bills side by side, the numbers may not tell the entire story. When factoring in such costs as facilities, staffing and equipment, hospital pricing from one provider to another can vary, just as every patient’s case is special and requires different kinds of care.

By using mycareINSight, consumers across Indiana can get a better sense for how much they will be charged for a hospital procedure or service and access additional resources to determine how much they will owe.

QUESTION: Can it tell someone with private insurance how much a procedure will cost?

Because the mycareINSight tool uses publicly available data on the average hospital charge for a specific service, the website does not factor in the rates paid by private insurers. As a free resource for consumers, however, this effort represents a major step forward toward greater price transparency. IHA and our member hospitals believe strongly that mycareINSight will lead to more informed patients and create more confidence in the health care system for all Hoosiers.

QUESTION: How can two hospitals charge a different amount for the exact same procedure?

Hospital pricing is complex and based on many factors, such as facility, staffing and equipment costs. In fact, hospitals must be prepared to treat more than 1,600 unique conditions and require staffing in multiple areas. It is very expensive to keep doctors, nurses and equipment at the ready every day of the week, and the health care services people need can vary from hospital to hospital. In addition, the individual hospital's mission can affect pricing; this is due to the patient population it serves and the necessity to provide essential public services.

Making life-saving services, such as intensive care units, ambulance services, transplant programs, trauma centers and burn units, available 24 hours a day, seven days a week, is expensive. And these costs are factored into all the services for which a particular hospital charges.

For example, hospitals that train physicians and nurses, conduct medical research and provide care for a high number of uninsured Hoosiers incur higher costs, but provide an incalculable benefit to the health of their community.

At the end of the day, each patient is unique. A procedure performed on a 27-year-old, otherwise healthy male will likely cost less than the same procedure performed on a 57-year-old male who is overweight and diabetic.

QUESTION: What are hospitals doing to be more transparent?

The Indiana Hospital Association and the health care providers we represent fully support the gathering and reporting of quality and charge data. This information is critical to improving patient care. It is IHA's position that making price and quality data available and useful to the public leads to more informed patients and more confidence in the health care system.

The word "transparency" is nothing new for Indiana's health care industry. For many years, Hoosier hospitals have embraced greater transparency of their quality ratings with changes that revolutionized the focus on quality and patient safety. As hospitals embraced transparency for quality, the public can count on hospitals to do so with price.

Any efforts to report hospital pricing should include information on hospital quality measures as well. This should include information on a hospital's performance on safety and patient satisfaction.

QUESTION: What was the process for creating mycareINSight?

An IHA task force of hospital leaders was created to help guide IHA staff in the development of this new tool. The task force was chaired by Martin Padgett, president and CEO of Clark Memorial Hospital in Jeffersonville.

IHA then partnered with Tactic LLC, an Indianapolis-based marketing and website agency, to develop the online tool that will allow consumers to compare pricing and quality data for all Indiana hospitals.

Working with Tactic, IHA pulled in quality measures data from CMS Hospital Compare's publicly available website, which displays indicators of patient satisfaction, mortalities, readmissions, early elective deliveries and infections. In addition, IHA included 2013 charge data available through the Indiana State Department of Health on the 100 most frequent statewide procedures. This year, we have added the 50 most frequent outpatient procedures, and updated all information to reflect 2015 data.

QUESTION: What are the benefits and capabilities of mycareINSight?

mycareINSight is designed to give consumers across Indiana a better sense for how much they will owe for their hospital bill *before* seeking treatment. The new website will allow consumers to compare hospital pricing and quality ratings.

The quality of the care patients receive is just as important as the price. Quality is based on several important factors: infection, mortality and readmission rates and the overall patient satisfaction score. It is important to see other patients' outcomes when consumers evaluate their treatment options.

mycareINSight is a useful tool that includes the following functionality and features:

- Search engine to look up charges by location, hospital and/or procedure
- Search results that show available hospital quality data
- Hospital-to-hospital comparison by quality
- Links to each hospital website
- Tips, education and links to additional information

QUESTION: Where did you get this data?

The mycareINSight tool uses quality measures data from CMS Hospital Compare's publicly available website, www.medicare.gov/hospitalcompare, and displays indicators of patient satisfaction, mortalities, readmissions, early elective deliveries and infections.

The mycareINSight tool uses 2015 charge data based on the all-patient refined diagnosis-related groups (APR-DRG) available through the Indiana State Department of Health (ISDH). For inpatients, it displays the 100 most frequent statewide APR-DRGs. Hospital-specific average charges are available at www.in.gov/isdh/26397.htm.

mycareINSight also contains charge information for the 50 most frequent procedures performed statewide on patients who were not admitted to the hospital as an inpatient. The outpatient information is based on the median charge for the patients with the same main procedure performed without being admitted to the hospital as an inpatient.

The information found through mycareINSight is based on the average hospital charge for a specific service. The website cannot provide information about what consumers will pay for their health care. We recommend they contact their insurance company to determine the specific information regarding what they will be expected to pay based upon their insurance policy.

QUESTION: Why are you using ISDH data on hospital charges rather than the CMS data that the federal government released?

This is a resource that's been tailor-made specifically for Hoosiers by Hoosier hospitals that will help them make the best decisions for their health care treatment.

Unlike hospital charge data made public by the Centers for Medicare & Medicaid Services (CMS), the mycareINSight tool uses charge data from the Indiana State Department of Health (ISDH) to include procedures and services that are more inclusive of Indiana's overall population.

QUESTION: How are hospitals responding to public pressure to bring down their costs?

Today's fragmented health care system leaves hospitals with a daily balancing act to maintain their mission to the community while making ends meet.

Hospitals are aware of increasing pressures on Medicare reimbursement and have already made great strides to reduce costs. Already, hospitals have minimized their cost increases below historic levels by cutting administrative expenses, better managing supply costs and streamlining patient flow.

Hospitals and health systems are working across the continuum of care to improve the value for patients by collaborating with physicians, identifying unnecessary variations in practice patterns and developing standardized protocols for procedures.

There are also many other factors that contribute to the cost of health care.

It is very expensive to keep doctors, nurses and equipment at the ready every day of the week, and the health care services people need can vary from hospital to hospital. In addition, the individual hospital's mission can affect pricing, because of the patient population it serves and the necessity to provide essential public services.

Making life-saving services such as intensive care units, ambulance services, transplant programs, trauma centers and burn units available 24 hours a day, seven days a week, is expensive. And these costs are factored into all the services for which a particular hospital charges.

Meanwhile, the rate of uncompensated care continues to grow. In 2011, Indiana hospitals provided nearly \$3 billion in uncompensated care for the uninsured and underinsured – with no government support. Uncompensated care makes up approximately 6 percent of the average hospital's costs, with no financial support from the government for most of the hospitals that provide this care.

The cost of uncompensated care and making up for payment shortfalls by government programs are factored into the hospital bills paid for by all patients.

QUESTION: How do discounts offered to private insurance companies factor into the cost of health care for consumers?

Hospitals nationwide deal with more than 1,300 insurers. Each has different plans and multiple, often unique, requirements for hospital bills. The demands for discounts by private insurance companies create further complexity for hospitals and patients to determine the true cost of any given procedure. Private insurers negotiate payment rates with hospitals. These rates can differ among companies, where larger insurers tend to demand bigger discounts.