The Path to Price Transparency –
The Wisconsin Story

National Summit on Health Care Price, Cost and
Quality Transparency
Sponsored by the Robert Wood Johnson Foundation
December 3, 2013
Debbie Rickelman, VP, WHA Information Center
Objectives

• Explain the path to PricePoint
• Share other pricing transparency tools we use in Wisconsin
• Describe how our approach has helped us respond to consumers, regulators and the media
History of WI’s Rate Setting Programs

• 1972-1983 (Rate Review) – Hospital Rate Review Council – voluntary
• 1983-1987 (Rate Setting) – Hospital Rate Setting Commission - mandatory
The Birth of WI Statute Chapter 153 - 1989

- Focuses on **collection and dissemination** of health care information
- Originally the role of the Department of Health Services

- Includes
  - Discharge Data
  - Annual Publications
    - Health Care Data Report
    - Guide to WI Hospitals
    - Uncompensated Care Report
    - Quality Indicator Report
  - Hospital Rate Increases Report
Wisconsin Environment for Price Transparency - 2004-2005

• Privatized collection of hospital and ASC date in 2003
  – Started collecting in Q1 2004

• Culture of transparency

• No health care pricing rate review or rate setting since 1987
The Path to Value
PricePoint Development

• **Added value** to the use of the discharge and fiscal data
• **Added value** to privatizing data collection
• Technology advancement
• Quarterly rather than annual release
• Easily accessible
### Bellin Hospital

744 S Webster Ave, PO Box 23400
Green Bay, WI 54305
920-433-3500

**Normal Newborn, Birthweight 2500g+**
April 2012 - March 2013

The hospital charge does not include physician fees.

<table>
<thead>
<tr>
<th>Filter on Severity of Illness:</th>
<th>Selected Hospital</th>
<th>All Hospitals in this County</th>
<th>All Hospitals with Similar Patient Volume</th>
<th>All WI Hospitals</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,2,3,4</td>
<td>1,107</td>
<td>4,043</td>
<td>29,710</td>
<td>58,707</td>
</tr>
<tr>
<td><strong>Number of Discharges</strong></td>
<td>2.2 Day(s)</td>
<td>2.1 Day(s)</td>
<td>2.2 Day(s)</td>
<td>2.2 Day(s)</td>
</tr>
<tr>
<td><strong>Average Length of Stay</strong></td>
<td>$2,311</td>
<td>$3,015</td>
<td>$3,853</td>
<td>$3,397</td>
</tr>
<tr>
<td><strong>Average Charge</strong></td>
<td>$1,075</td>
<td>$1,438</td>
<td>$1,746</td>
<td>$1,573</td>
</tr>
<tr>
<td><strong>Average Charge Per Day</strong></td>
<td>$2,044</td>
<td>$2,695</td>
<td>$3,163</td>
<td>$2,879</td>
</tr>
<tr>
<td><strong>Median Charge</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Median Age</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Percentage Male</strong></td>
<td>51.5%</td>
<td>50.1%</td>
<td>50.8%</td>
<td>51.1%</td>
</tr>
<tr>
<td><strong>Percentage Female</strong></td>
<td>48.5%</td>
<td>49.9%</td>
<td>49.2%</td>
<td>48.9%</td>
</tr>
</tbody>
</table>
CHARGE AND PAYMENT INFORMATION
Bellin Hospital
Most Recent Fiscal Year - All Services

What is the selected hospital’s “payer mix?”
A hospital’s “payer mix” refers to the proportion of its total charges attributable to different types of insurance coverage.

How much do government programs pay compared to private insurance?
In many cases, Medicare & Medicaid reimburse hospitals at rates that do not cover the costs they incur to provide care. Payments from privately insured patients generally subsidize the shortfalls created by Medicare and Medicaid and therefore represent a “hidden tax” on individuals and families not covered by government programs.

Click to view examples of Medicare & Medicaid reimbursement to hospitals in Wisconsin.

The graphs below represent all services provided by the hospital; they are not specific to the selected service.

<table>
<thead>
<tr>
<th>PRIVATE INSURANCE*</th>
<th>MEDICARE*</th>
<th>MEDICAID AND OTHER GOV’T PROGRAMS*</th>
</tr>
</thead>
<tbody>
<tr>
<td>This facility collects an average of 68% of its charges from private insurance.</td>
<td>This facility collects an average of 35% of its charges from Medicare.</td>
<td>This facility collects an average of 19% of its charges from Medicaid.</td>
</tr>
</tbody>
</table>

- $97,156,042 Charges not Paid
- $209,224,428 Charges Paid
- $201,799,473 Charges not Paid
- $109,420,330 Charges Paid
- $66,173,221 Charges not Paid
- $15,779,550 Charges Paid

The above information is for all services at the selected hospital. It is not specific to the service you selected or any other single service. Contact your insurer to determine the specific amount that will be paid under your policy for the selected service.
Transparency Legislation Act 146 - 2011

• Each hospital to prepare a single document
  – Top 75 diagnosis groups for uncomplicated cases
  – Top 75 outpatient surgical procedures
  – Median billed charge for recent four quarters
  – The average expected payment under Medicare
  – The average expected payment under private ins.
  – Link to a quality reporting Website (CheckPoint or the Wisconsin Collaborative for Healthcare Quality)
Charges for 75 Most Common Types of Hospitalizations in Wisconsin: April 2012 - March 2013
(Uncomplicated Cases Only)

<table>
<thead>
<tr>
<th>Rank</th>
<th>APR-DRG</th>
<th>Description</th>
<th>Median Charge</th>
<th>Private Insurance</th>
<th>Medicare</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>640</td>
<td>Normal Newborn, Birthweight 2500g+</td>
<td>$2,018</td>
<td>$1,372</td>
<td>$706</td>
</tr>
<tr>
<td>2</td>
<td>560</td>
<td>Vaginal Delivery</td>
<td>$5,107</td>
<td>$3,473</td>
<td>$1,787</td>
</tr>
<tr>
<td>3</td>
<td>302</td>
<td>Knee Replacement</td>
<td>$26,238</td>
<td>$17,842</td>
<td>$9,183</td>
</tr>
<tr>
<td>4</td>
<td>540</td>
<td>Cesarean Delivery</td>
<td>$12,259</td>
<td>$9,336</td>
<td>$4,291</td>
</tr>
<tr>
<td>5</td>
<td>720</td>
<td>Blood Infection/Septicemia</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>6</td>
<td>139</td>
<td>Pneumonia</td>
<td>$6,588</td>
<td>$4,480</td>
<td>$2,306</td>
</tr>
<tr>
<td>7</td>
<td>194</td>
<td>Heart Failure</td>
<td>$10,053</td>
<td>$6,836</td>
<td>$3,519</td>
</tr>
<tr>
<td>8</td>
<td>301</td>
<td>Hip Replacement</td>
<td>$27,905</td>
<td>$18,975</td>
<td>$9,767</td>
</tr>
<tr>
<td>9</td>
<td>751</td>
<td>Psychoses</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>10</td>
<td>140</td>
<td>Chronic Obstructive Pulmonary Disease</td>
<td>$8,190</td>
<td>$5,569</td>
<td>$2,867</td>
</tr>
<tr>
<td>11</td>
<td>753</td>
<td>Bipolar Disorders</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>12</td>
<td>201</td>
<td>Heart Abnormal Rhythm and Conduction Disorders</td>
<td>$7,213</td>
<td>$4,905</td>
<td>$2,525</td>
</tr>
<tr>
<td>13</td>
<td>775</td>
<td>Alcohol Abuse/Dependence</td>
<td>$2,854</td>
<td>$1,941</td>
<td>$999</td>
</tr>
<tr>
<td>14</td>
<td>383</td>
<td>Cellulitis and Other Bacterial Skin Infections</td>
<td>$9,218</td>
<td>$6,268</td>
<td>$3,226</td>
</tr>
<tr>
<td>15</td>
<td>463</td>
<td>Kidney/Urinary Tract Infection</td>
<td>$9,872</td>
<td>$6,713</td>
<td>$3,455</td>
</tr>
<tr>
<td>16</td>
<td>460</td>
<td>Renal Failure</td>
<td>$6,112</td>
<td>$4,156</td>
<td>$2,139</td>
</tr>
</tbody>
</table>
Impact of PricePoint

• Voluntary mechanism to support price transparency
  – Consumers
  – Providers
  – Policymakers
  – Media
“Michael Richards, executive director of external affairs at the Gundersen Health System, said the Badger State has a history of transparent pricing information through the Wisconsin Hospital Association at www.wipricepoint.org.”
PricePoint States
Closing Thoughts

• PricePoint is a tool to support price transparency

• It can be used with other tools
  – Discharge data
  – Other publications
  – Payer and employer Web sites

www.wipricepoint.org
drickelman@wha.org
www.whainfocenter.com