

RAND Hospital Price Transparency Studies are Nationally Recognized

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Gloria Sachdev, PharmD, President and CEO, Employers' Forum of Indiana

Chris Whaley, PhD, Economist, RAND Corporation; Professor, Pardee RAND Graduate School

A series of studies on U.S. hospital prices conducted by economic researchers at the RAND Corporation are the only national studies ever to be published that present hospital prices by hospital name. These studies compare prices paid by employers and workers with commercial insurance to what Medicare paid for the exact same service to each respective hospital. RAND Corporation has conducted four rounds of these transparency studies so far. The methodology for calculating hospital facility commercial prices as a percent of Medicare has been consistent. All four RAND reports can be found here: <https://www.rand.org/health-care/projects/price-transparency/hospital-pricing.html>.

An overview of the RAND Hospital Price Transparency Studies

	RAND 1.0 2017	RAND 2.0 2019	RAND 3.0 2020	RAND 4.0 2022
Services	Hospital Inpt & Outpt	Hospital Inpt & Outpt	Hospital Inpt & Outpt Fees Professional Inpt & Outpt Fees	Hospital Inpt & Outpt Fees Professional Inpt & Outpt Fees
States	IN	25 States	49 States (excludes Maryland)	49 states and the District of Columbia (excludes Maryland)
Years	2013 - 2016	2015 –2017	2016 – 2018	2018 - 2020
Hospitals	120	1,598	3,112	4,102
Claims	14,000 inpt facility stays 275,000 outpatient facility services	330,000 inpt facility stays 14.2 million outpt facility services	750,000 inpt facility stays (and professional fees) 40.2 million outpt services (and professional fees)	1.3 million inpt facility stays (and professional fees) 12.2 million outpt services (and professional fees)
Allowed Amounts (Hosp)	\$695,000 million facility total: \$336 million inpt \$359 million outpt	\$12.9 billion total: \$6.3 billion inpatient \$6.6 billion outpatient	\$33.8 billion total: \$15.7 billion inpatient \$14.8 billion outpatient \$3.3 billion professional	\$78.8 billion total \$36.5 billion inpatient facilities, \$34.7 billion outpatient facilities \$7.6 billion professional
Data Sources	Participating self-funded employers	Self-funded employers, 2 all payer claims databases, and health plans	Self-insured employers, 6 state all-payer claims databases, & health plans across the US	Employers, health plans and 11 APCDs

These RAND Hospital Price Transparency studies have been used and validated by nationally renowned economists across the country. Below is a partial list of government organizations, policy organizations, and academic researchers that have analyzed the data and/or cited these studies in their own reports:

I. GOVERNMENT ORGANIZATIONS

A. **Congressional Budget Office (CBO)**

1. "The Prices That Commercial Health Insurers and Medicare Pay for Hospitals' and Physicians' Services" January 2022. <https://www.cbo.gov/system/files/2022-01/57422-medical-prices.pdf>
 - References **RAND 2.0 study**, officially cited as: Chapin White and Christopher M. Whaley, Prices Paid to Hospitals by Private Health Plans Are High Relative to Medicare and Vary Widely: Findings From an Employer-Led Transparency Initiative (RAND Corporation, 2019)
 - References **RAND 3.0 study**, officially cited as: Christopher M. Whaley and others, Nationwide Evaluation of Health Care Paid by Private Plans: Findings From Round 3 of an Employer-Led Transparency Initiative (RAND, 2020)
 - Referenced on pages 24, 29, 31, 33, 34, 35

2. “How CBO Analyzes the Costs of Proposals for Single-Payer Health Care Systems That Are Based on Medicare’s Fee-for-Service Program.” December 2020. <https://www.cbo.gov/system/files/2020-12/56811-Single-Payer.pdf>
 - References **RAND 2.0 study**
 - Referenced on page 196

B. Medicare Payment Advisory Commission (MedPAC)

1. “Congressional request on health care provider consolidation.” March 2020. https://www.medpac.gov/wp-content/uploads/import_data/scrape_files/docs/default-source/reports/mar20_medpac_ch15_sec.pdf
 - References **RAND 2.0 study**
 - Referenced on page 468
2. “Memo to CMS Administrator Seema Verma.” July 2020. https://www.medpac.gov/wp-content/uploads/import_data/scrape_files/docs/default-source/comment-letters/07072020_fy2021_ipps_medpac_comment_v2_sec.pdf
 - References **RAND 2.0 study**
 - Referenced on page 4

II. POLICY ORGANIZATIONS

A. Committee for a Responsible Federal Budget

- “Capping Hospital Prices.” February 2021. https://www.crfb.org/sites/default/files/managed/media-documents/2022-02/HSI_CappingHospitalPrices.pdf
- References **RAND 2.0 study**
 - References **RAND 3.0 study**
 - Referenced on pages 2, 9

B. Economic Opportunity Institute

- “Controlling Health Care Costs in Washington.” December 2022. <https://www.opportunityinstitute.org/research/post/controlling-health-care-costs-in-washington/>
- References **RAND 3.0 study**
 - References **RAND 4.0 study**, Whaley, Christopher, Brian Briscoombe, Rose Kerber, Brenna O’Neill, et al. “Prices Paid to Hospitals by Private Health Plans, Findings from Round 4 of an Employer-Led Transparency Initiative”. Rand Corporation. Updated July 1, 2022
 - Referenced on pages 9, 15, 30, 32

C. Urban Institute, Harvard University

- “Association of Commercial-to-Medicare Relative Prices With Health System Financial Performance”. February 2023. <https://jamanetwork.com/journals/jama-health-forum/fullarticle/2801226>
- References **RAND 3.0 study**
 - References **RAND 4.0 study**
 - Referenced on pages 2, 3, 5, 6, 9, 10

D. Urban Institute, UC Hasting Law, Georgetown University

- “Addressing Health Care Market Consolidation and High Prices: The Role of the States.” January 2020. https://www.urban.org/sites/default/files/publication/101508/addressing_health_care_market_consolidation_and_high_prices_1.pdf
- References **RAND 2.0 study**
 - Referenced on pages 3, 14, 49, 63, 85

III. ACADEMIC RESEARCH

A. University of California, Berkeley, Nicholas C. Petris Center on Healthcare Markets and Consumer

- Welfare. Oct 2022. [Indiana’s Soaring Hospital Prices and Unaffordable Insurance Premiums: Causes and Potential Solutions.](#)
- References **RAND 2.0, RAND 3.0, & RAND 4.0 studies**

B. Harvard Medical School. [“Wide State-Level Variation in Commercial Health Care Prices Suggests...”](#). May 2020.

- References **RAND 2.0 study**