Hospital Price Transparency Study, Round 5
Frequently Asked Questions (FAQs)

Chris Whaley, RAND
Gloria Sachdev, Employers' Forum of Indiana (EFI)
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1. What is the National Hospital Price Transparency Study?

The study is an ongoing employer-led initiative to measure and publicly report the prices paid for hospital care *at the hospital- and service-line level*. These studies are the first of its kind in that it is an employer-led initiative that uses claims data to publicly compare hospital prices.

The core goals of the study are:

- to enable employers to be better-informed shoppers for health plans and provider networks;
- to report hospital prices relative to a Medicare benchmark.

RAND's Role:

- conduct all study analyses
- prepare study final reports and supplemental material
- co-develop study design
- co-recruit nationally for study participation

Employers' Forum of Indiana (EFI) Role:

- commission and partner with RAND to conduct analyses per MOU
- co-develop study design
- co-recruit nationally for study participation

2. How will Round 5 be different from Previous Rounds?

The study has expanded over time.

- Round 1 (the pilot, Indiana hospital price transparency)
  - included 120 hospitals in Indiana
  - included claims data from mid-2013 through mid-2016
  - included claims data from around one dozen self-funded employer participants
  - fully funded by the Robert Wood Johnson Foundation (RWJF)
  - public report released in September 2017
- Round 2
  - included 1,598 hospitals in 25 states
  - included claims data from 2015 through 2017
  - included claims data from dozens of self-funded employers, two state-based all payer claims databases (APCDs), and several health plans
  - funded jointly by participating self-funded employers, RWJF, the National Institute for Health Care Reform, and The Health Foundation of Greater Indianapolis
  - public report released in May 2019
  - participating self-funded employers who helped fund the study received employer-specific private reports, based just on their enrollees' claims data
- Rounds 3, 4, and 5
  - Include all 50 United States, more hospitals added each round
  - Round 3 focused on 2016-2018 published September 2020
  - Round 4 focused on 2018-2020 published May 2022
  - Round 5 focuses on 2020-2022, scheduled for release in September 2024

- funded by the Robert Wood Johnson Foundation
- participating self-funded employers who help fund the study receive private reports based just on their enrollees' claims data

3. How are the Studies Funded?

Through a combination of foundation grants and contributions from participating employers.

4. Round 1, fully funded by The Robert Wood Johnson Foundation (RWJF)
5. Round 2, contributing funders included RWJF, the National Institute for Health Care Reform, The Health Foundation of Greater Indianapolis, and self-funded employers across the country.
6. Rounds 3, 4, and 5 combined funding from self-funded employers and foundations.

No funding from hospitals or from health plans is accepted.

4. Can I see reports from Previous Rounds?

Reports and Supplemental material (supplemental data, methodology and detailed findings) are freely and publicly available via the following website links:

- Round 1
  - https://www.rand.org/pubs/research_reports/RR2106.html/
  - Summary slide deck: http://employersforumindiana.org/media/2017/09/Hospital-Prices-in-Indiana-Findings-Chapin-White-9-20-17-updated.pdf.[1]
- Round 2
  - www.rand.org/pubs/research_reports/RR3033.html
- Round 3
  - https://www.rand.org/pubs/research_reports/RR4394.html
- Round 4
  - https://www.rand.org/pubs/research_reports/RRA1144-1.html

www.employerPTP.org also includes these PDF reports, supplemental Excel data (information on all hospitals and states), Bios about the researchers, news media about the study, and a signup form for the Round 5 study

5. How do I sign up for the Round 5 study?

- All employers, health plans, business coalitions, all-payer-claim-databases (APCDs), and other organizations that have employer hospital claims databases are welcome to participate.
- Go to www.employerPTP.org or https://www.rand.org/health-care/projects/price-transparency/contact.html to sign up if interested participating. This does not commit one to participating. A RAND project manager will reach out to you.
- Email study researchers directly: Dr. Chris Whaley cwhaley@rand.org and Brian Briscombe bbriscom@rand.org

6. How much does it cost for employers to participate?

Each self-funded employer who participates in the study has the option of contributing $0.20 per covered life[1], with a minimum contribution of $1,000 and up to a maximum of $15,000 per employer. Participating employers' claims data will be included in the public report whether or not they contribute funding. Each employer that pays for a private report will also receive a customized report showing the prices they paid to each hospital relative to average prices paid to those same hospitals.

Fully insured health plans and state-based all payer claims databases (APCDs) will be invited to participate in the study solely as data contributors.

Self-funded employers who do not have funds available to contribute to the study are welcome to participate in the study. These "data-only" participants will provide claims data to be included in the public study but will not receive employer-specific private reports.

7. What information will the employer-specific reports provide?

The employer-specific reports will include:

- total allowed amounts paid to all hospitals for inpatient and outpatient care, and for facility and professional care, as a percent of what Medicare would have paid for the same services from the same hospitals;
- total amounts paid per service for hospital care relative to Medicare, and relative to average commercial rates; and
- allowed amounts paid to individual hospitals and hospital systems identified by name, relative to Medicare reimbursement for that same set of services.
- Partial Example of employer report:

Hospital name	Hospital Compare Star	Number of Outpt. services	Total Private Allowed Outpt. ($ millions	Simulated Medicare Outpt.	Relative price for Outpt. Services	Stand. price per Outpt. service	Number of Inpt. stays	Total Private Allowed Inpt. ($ millions	Simulated Medicare Inpt.	Relative price for Inpt. services	Stand. price per Inpt. stay	Total Private Inpt. and Outpt. (# millions)	Simulated Inpt. and Outpt. ($ millions)	Relative price for Inpt. and Outpt. services
Parkview Regional Medical Center	**3**	34863	30.1	5.8	**515%**	$353.93	2401	18.1	6.5	**280%**	$17,359	48.2	12.3	**392%**
Eskenazi Health	**4**	5494	1.0	.3	**332%**	$249.98	375	2.1	1.3	**157%**	$14,679	3.1	1.6	**189%**
Indiana University Health	**3**	61214	33.5	7.0	**475%**	$359.29	4431	52.8	21.1	**249%**	$24,954	86.2	28.2	**306%**

Please contact Chris Whaley (cwhaley@rand.org) and/or Brian Briscombe (bbriscom@rand.org), if you would like to receive an example of the tables and figures in an employer-specific price report.

[1] For example, an employer with 1,000 covered lives would contribute $1,000, an employer with 10,000 covered lives would contribute $2,000, and a mega-employer with 75,000 lives or more would contribute the maximum of $15,000.

8. What agreements need to be in place for a self-funded employer to participate?

RAND has in place Data Use Agreements (DUAs) with several TPAs. If your self-funded employer is with one of these TPAs, no additional agreements are required. Participation in the study would simply entail informing that TPA that your organization wishes to participate in the study, and that TPA will provide you with instructions on how to proceed. Sometimes the TPA will require your organization to sign a simple form for release of the data to RAND, and sometimes (rarely) the TPA will also require your organization to pay a data release fee.

When your TPA or data warehouse does NOT have a DUA in place with RAND, a new DUA must be drafted and signed. RAND provides a draft DUA for use in these situations. Often the self-funded employer asks the TPA to review the draft DUA, then the TPA signs, then the self-funded employer and RAND also sign.

If your organization's claims data is with a data warehouse, sometimes the process is as simple as informing your data warehouse to release your 2020-2022 claims data to RAND. Sometimes the data warehouse will require a written agreement before releasing the data.

Whatever the scenario, RAND actively helps to guide you through the process. To explore this topic further, and/or to view RAND's draft DUA agreement, please contact Chris Whaley (cwhaley@rand.org) and Brian Briscombe (bbriscom@rand.org).

9. How will RAND ensure data security and privacy of protected health information (PHI)?

As defined under the Health Insurance Portability and Accountability Act (HIPAA) Privacy Rule, protected health information (PHI) refers to information that identifies an individual and that relates to the individual's medical conditions or health care services.[2] Health insurers, health care providers, and employers that self-fund their health plans are all considered "covered entities," and are, therefore, subject to the HIPAA Privacy Rule, meaning that they must take safeguards to maintain the privacy of PHI.

RAND will enter into DUAs with the TPAs and any other suppliers of claims data, and those DUAs will obligate RAND to adhere to HIPAA privacy standards. The DUAs will specify a data safeguarding plan for protecting privacy of PHI, including physical access controls, network security, and a process for securely deleting PHI once it is no longer needed for the study.

In general, RAND will avoid receiving any data elements that are unnecessary for the study or that could be used to directly identify patients, and RAND will erase data containing PHI as soon as those data have been processed and are no longer necessary. RAND will also limit publication of results based on the number of data points available. For example, hospital-specific prices will only be reported if a minimum number of 11 claims are available.

TPAs and other data suppliers will create extracts of their claims data that will contain the minimum fields necessary for the study. Those raw claims data ***will not*** include direct identifiers (e.g. patient names or medical record numbers) but they will identify the employer and will include detailed

information (including dates of service) on health care services. Employer identifiers, when combined with the health and medical records of their employees, are considered PHI because they could, in small firms, be linked to individual employees. Because service dates and employer identifiers are included in the raw claims data, those data must be considered PHI even though direct identifiers are not included.

The TPAs and other data suppliers will transmit the PHI either by secure file transfer protocol (SFTP) or by encrypted drive. Once RAND receives the raw claims data, it will be loaded onto a secure workstation and the SFTP files and encrypted drive will be securely erased.

RAND analysts will then create two derivative files. The first derivative file will be a deidentified claims dataset that excludes service dates (except for year) and excludes employer identifiers and thereby satisfies the HIPAA safe harbor standard for deidentification. The second file will be an employer-claim link file that only includes two fields: a unique identifier for each claim (this unique identifier will also include a unique identifier for each employer).

The deidentified claims dataset will reside on a secure RAND server. RAND analysts will go through the process of repricing the claims using Medicare's payment formulas, resulting in a deidentified dataset containing actual allowed amounts from the raw claims data in addition to simulated Medicare payment amounts. RAND will then produce aggregated price data summaries for the public report.

To produce employer-specific reports, RAND will use the deidentified claims data with Medicare prices. Those claims data will then be merged with the employer-claim link file to produce a dataset containing claims data with actual allowed amounts, simulated Medicare payment amounts, and employer identifiers. That claims dataset will then be processed to create employer-specific summarized price data, which is summary data that includes employer identifiers but will not include any individual-level health records and therefore will not include PHI.

10. What is RAND? What is EFI?

From RAND's website (https://www.rand.org/about.html), "The RAND Corporation is a research organization that develops solutions to public policy challenges to help make communities throughout the world safer and more secure, healthier and more prosperous." RAND is a nonprofit 501(c)(3) headquartered in Santa Monica, California with offices in Washington, D.C., Pittsburgh, and Boston.

From EFI's website (https://employersforumindiana.org/), "The Forum is an employer-led health care coalition of employers, physicians, hospitals, health plans, public health officials and other interested parties. Our goal is to improve the value payers and patients receive for their health care expenditures."

11. Who can I contact for more information?

Please contact:

- Chris Whaley (cwhaley@rand.org, 703-413-1100);
- Brian Briscombe (bbriscom@rand.org, 703-413-1100); or
- Gloria Sachdev (gloria@employersforumindiana.org, 317-847-1969).

12. Does this study fall in the antitrust "safety zone"?

The Federal Trade Commission (FTC) and the U.S. Department of Justice (DOJ) share responsibility for monitoring mergers and anti-competitive behavior and protecting consumer interests through enforcement of antitrust law. The FTC and DOJ in 1996 released guidance describing their general approach to antitrust enforcement in the health care industries,[3] and the FTC and DOJ have issued more-recent guidance relating specifically to Accountable Care Organizations[4] and to the public disclosure of contracts between health plans and providers.[5]

Hospitals and health systems would put themselves in legal jeopardy with the FTC and DOJ if they engaged in private exchanges of information regarding prices and costs for anticompetitive purposes ("price fixing"). The FTC and DOJ recognize, however, the potential benefits of public exchanges of health care price and cost information, and they have defined a "safety zone" for such exchanges. Those exchanges will not be challenged if "(1) the survey is managed by a third-party, … (2) the information provided by survey recipients is based on data more than 3 months old; and (3) there are at least five providers reported data upon which each disseminated statistic is based, no individual provider's data represents more than 25 percent on a weighted basis of that statistics, and any information disseminated is sufficiently aggregated such that it would not allow recipients to identify the prices charged or compensation paid by any particular provider."[6]

This study satisfies conditions (1) and (2) for the safety zone, but not condition (3)—the reporting of hospital-specific prices falls outside the safety zone. But, as the FTC and DOJ make clear, "public, non-provider initiated surveys may not raise competitive concerns," as long as they are "for procompetitive purposes." The current study, given that it is initiated and supported by employers in their role as purchasers of health care, is clearly procompetitive in its intent, execution, and impact.

The Center for Improving Value in Health Care (CIVHC), the not-for-profit organization that administers Colorado's all payer claims database, analyzes and publicly reports provider-specific price and cost data similar to the public price reports that will result from this study. CIVHC has shared a legal opinion supporting those exchanges, with the key takeaway being that public reports, even if they fall outside the safety zone, are generally permissible "unless competitor recipients of the reports used the information to enter into price-fixing agreements."[7]

13. What is the timeline for Round 5?

Every spring, most self-funded employers begin their design their health plans and benefits in preparation for open enrollment for the following plan year. The timeline for the project has been set with the goal of making the reports available in time to be relevant and useful to that process.

Month, Year	**Milestone**
August, 2022	Begin recruitment of self-funded employers, APCDs, and health plans. Amend agreements with organizations that participated in the previous round(s).
April, 2023	All agreements and DUAs in place between RAND and employers, health plans, APCDs, and data warehouses. All authorizations sent by self-funded employers to their TPAs and data warehouses. Data transfers begin.

April through July, 2023	Transfer claims data to RAND.
August, 2023	All data delivery complete. Begin data testing and analysis, drafting of public report.
August 2023 through May 2024	Clean and analyze claims data, draft public report, submit report to RAND quality assurance process (QA)
May, 2024	Public report finalized and made public online.
June-Aug 2024	Private employer-level reports produced and distributed.

Achieving the milestones listed above for Round 5 will require steady progress by RAND and all participating employers, health plans and APCDs. Please let Chris Whaley (cwhaley@rand.org) and Brian Briscombe (bbriscom@rand.org) know if you have questions or concerns about the timeline.

14. Will employers and insurers be identified?

No. The public report for Round 5 will not identify the self-insured employers who participate in the study, nor the insurers or TPAs that provide claims data. For employers who choose to receive a private report, that report will only be shared with that specific employer.

15. Will the claims data be shared outside RAND or sold to third parties?

No. The data use agreements for Round 5 will specify that only RAND may receive the data and will limit the uses of the data to the preparation of the public report, the preparation of the employer-specific private reports, and one or more follow-on studies. The follow-on studies will be conducted by RAND on topics identified in consultation with EFI and participating employers and will use standardized and fully deidentified extracts of the claims data (not the original raw claims data). RAND will not retain any PHI beyond the date of the publication of the public report, and RAND will not transmit or sell the claims data or extracts of the claims data to third parties.

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[1] White, Chapin, *Hospital Prices in Indiana: Findings from an Employer-Led Transparency Initiative*, September 20, 2017. http://employersforumindiana.org/media/2017/09/Hospital-Prices-in-Indiana-Findings-Chapin-White-9-20-17-updated.pdf

[2] Department of Health and Human Services, *Guidance Regarding Methods for De-identification of Protected Health Information in Accordance with the Health Insurance Portability and Accountability Act (HIPAA) Privacy Rule* November 26, 2012. https://www.hhs.gov/sites/default/files/ocr/privacy/hipaa/understanding/coveredentities/De-identification/hhs_deid_guidance.pdf

[3] U.S. Department of Justice, and Federal Trade Commission, *Statements of Antitrust Enforcement Policy in Health Care*, August, 1996. http://www.ftc.gov/sites/default/files/attachments/competition-policy-guidance/statements_of_antitrust_enforcement_policy_in_health_care_august_1996.pdf.

[4] Federal Trade Commission, and Department of Justice, "Statement of Antitrust Enforcement Policy Regarding Accountable Care Organizations Participating in the Medicare Shared Savings Program; Notice," *Federal Register,* Vol. 76, No. 209, October 28, 2011. http://www.gpo.gov/fdsys/pkg/FR-2011-10-28/pdf/2011-27944.pdf

[5] Federal Trade Commission, *Amendments to the Minnesota Government Data Practices Act Regarding Health Care Contract Data*, June 29, 2015. https://www.ftc.gov/system/files/documents/advocacy_documents/ftc-staff-comment-regarding-amendments-minnesota-government-data-practices-act-regarding-health-care/150702minnhealthcare.pdf

[6] U.S. DOJ and FTC, 1996, p. 50.

[7] Center for Improving Value in Health Care, *Antitrust Legality of Reports and Analytic Data Sets Generated based on All Payer Claims Data*, 2014. https://www.apcdcouncil.org/sites/apcdcouncil.org/files/media/state/final_anti_trust_summary_05-02-14.pdf