Facility Price Transparency Reporting (Phase I)

April 21, 2017

Agenda

➢ **Overview**: Context and objectives

➢ **Methodology**: Definitions and design

➢ **Results**: Costs and rankings by hospital and procedure

➢ **Conclusions**: Findings, strengths, and limitations

Overview

- ➢ **Context:** Commercial inpatient and outpatient procedure costs vary widely across Vermont and neighboring states
- ➢ **Objective:** Examine costs for 10 common procedures and services performed in hospitals across Vermont and its neighboring states

Methodology: Data Source & Definitions

➤ **Data Source:** Vermont's all-payer claims database (APCD), the Vermont Health Care Uniform Reporting and Evaluation System (VHCURES)

➤ **Time Period:** Dates of service between 1/1/2015 and 12/31/2015 with payment run-out through 3/31/2016

➤ **Allowed Amount:** Sum of the plan paid amount and the member's out-of-pocket payments (i.e., deductible, copayment, and coinsurance)

➤ **Total Episode Cost:** Sum of the allowed amount for both facility and professional claims related to the service

Methodology: Service Types

➢ **Cost for Inpatient Procedures:** Includes all facility and professional allowed amounts from the episode date of admission to the date of discharge regardless of ICD coding

➢ **Cost for Outpatient Procedures:** Includes all facility and professional allowed amounts on the procedure's date of service regardless of CPT code

➢ **Cost for Outpatient Diagnostic Tests:** Includes all facility and professional allowed amounts on the procedure's date of service with the specified CPT code on the service line

Methodology: Cost Methods

Procedure Description	Procedure Setting	Total Episode Cost Method
Cesarean section	Inpatient	All medical claims during the stay in the hospital
Total hip replacement	Inpatient	All medical claims during the stay in the hospital
Total knee replacement	Inpatient	All medical claims during the stay in the hospital
Screening colonoscopy	Outpatient diagnostic endoscopy	All medical claims on same date of procedure
Knee arthroscopy	Outpatient surgery	All medical claims on same date of surgery
Laparoscopic gall bladder surgery	Outpatient surgery	All medical claims on same date of surgery
Chest X-ray (2 views)	Outpatient X-ray	All medical claims with same CPT code on same date of procedure
CT scan of abdomen and pelvis	Outpatient diagnostic CT scan	All medical claims with same CPT code on same date of procedure
Digital mammography screening	Outpatient diagnostic screening	All medical claims with same CPT code on same date of procedure
Ultrasound exam of breasts	Outpatient diagnostic ultrasound	All medical claims with same CPT code on same date of procedure

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Methodology Example: Total Hip Replacement

1. Identify an anchor claim with a total hip replacement procedure code

Member ID	Hospital	ICD Procedure Code	Product Type	Admission Date	Discharge Date
ABCD1234	Hospital A	8151	Commercial	1/9/2015	1/15/2015

2. Find all claims for the same identified member during the hospital stay

Member ID	Hospital	ICD Procedure Code	Product Type	First Service Date	Allowed Amount	Claim Type
ABCD1234	Hospital A	8151	Commercial	1/9/2015	$10,000.00	Facility
ABCD1234	Hospital A		Commercial	1/9/2015	$500.00	Professional
ABCD1234	Hospital A		Commercial	1/9/2015	$500.00	Professional
ABCD1234	Hospital A		Commercial	1/10/2015	$2,000.00	Professional
ABCD1234	Hospital A		Commercial	1/13/2015	$3,000.00	Professional
ABCD1234	Hospital A		Commercial	1/9/2015	$14,000.00	Facility

3. Summarize the claims into a single episode

Member ID	Hospital	ICD Procedure Code	Product Type	Total Episode Cost
ABCD1234	Hospital A	8151	Commercial	$30,000.00

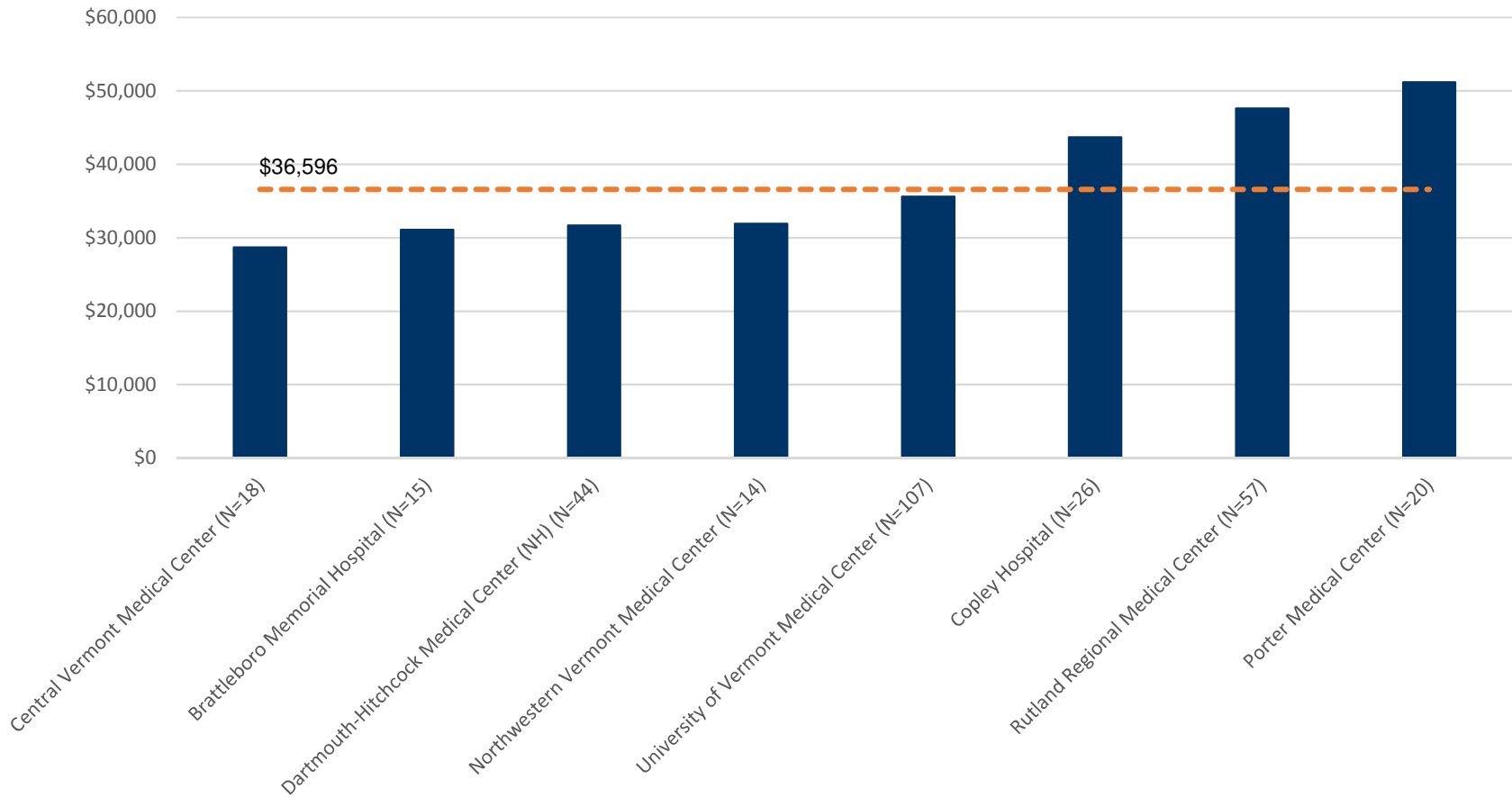4. Generate final results (e.g., total services, median, xx% percentiles)

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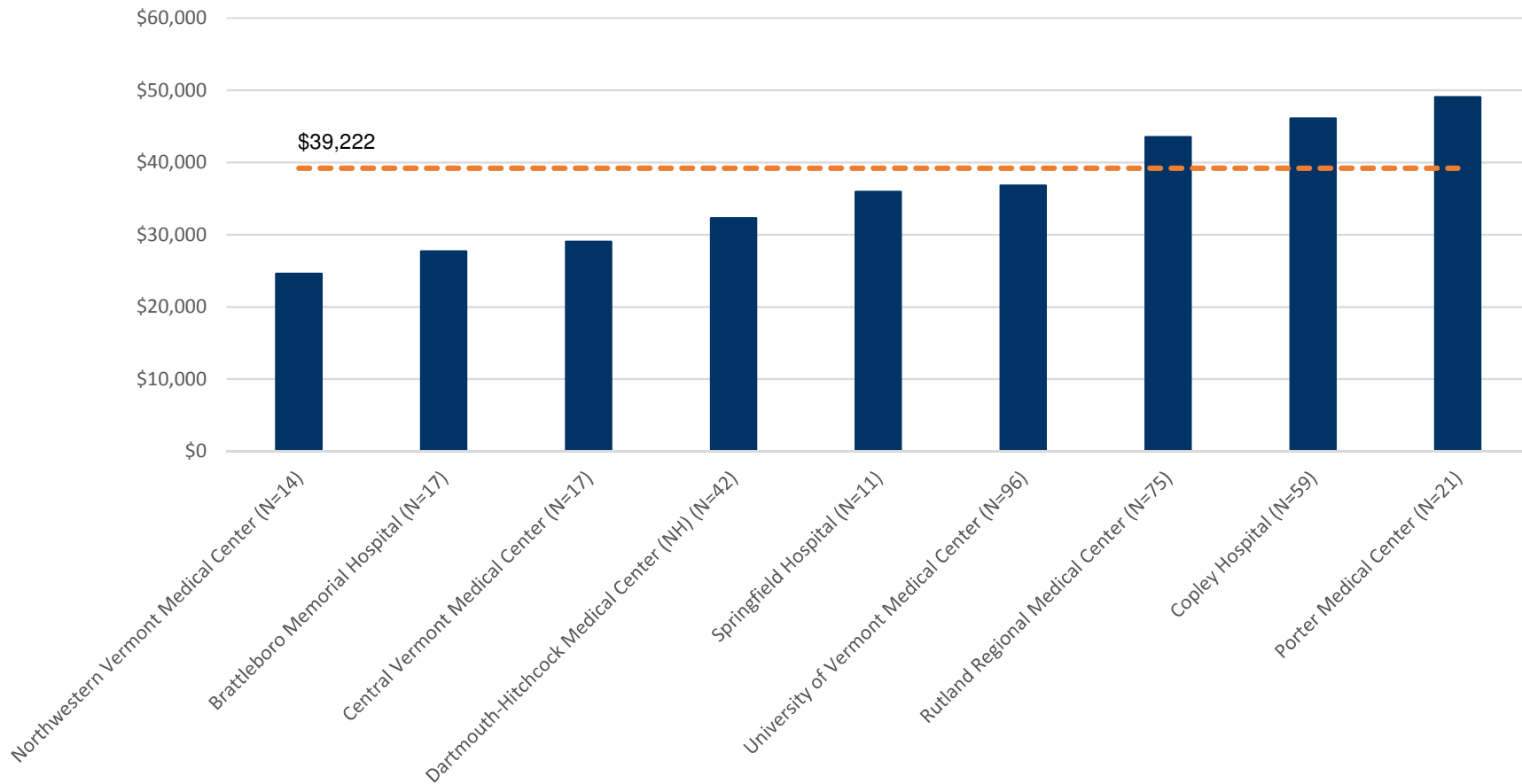# 2015 Median Total Episode Cost by Hospital Inpatient Procedure: Cesarean Section

$17,579
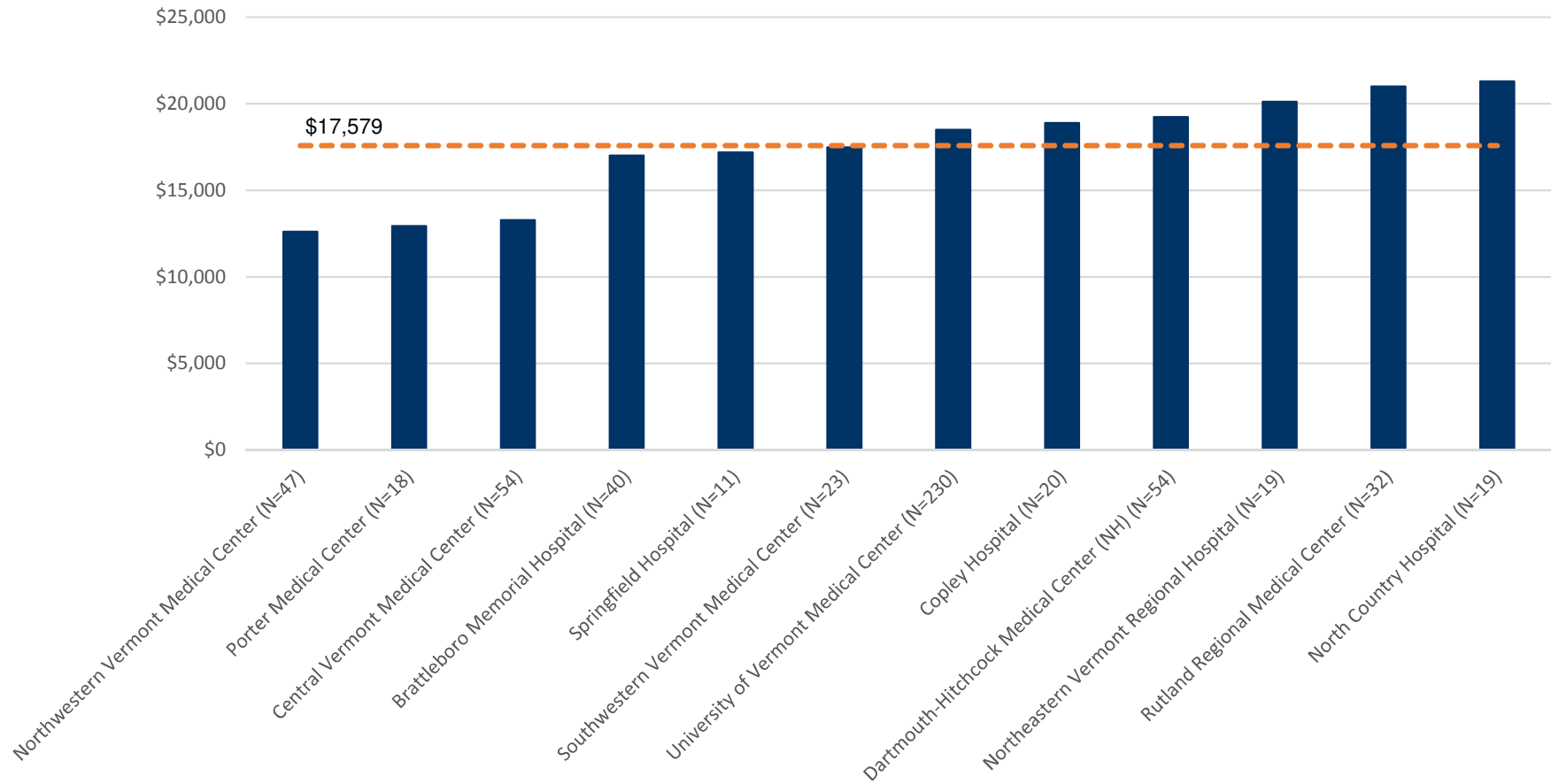
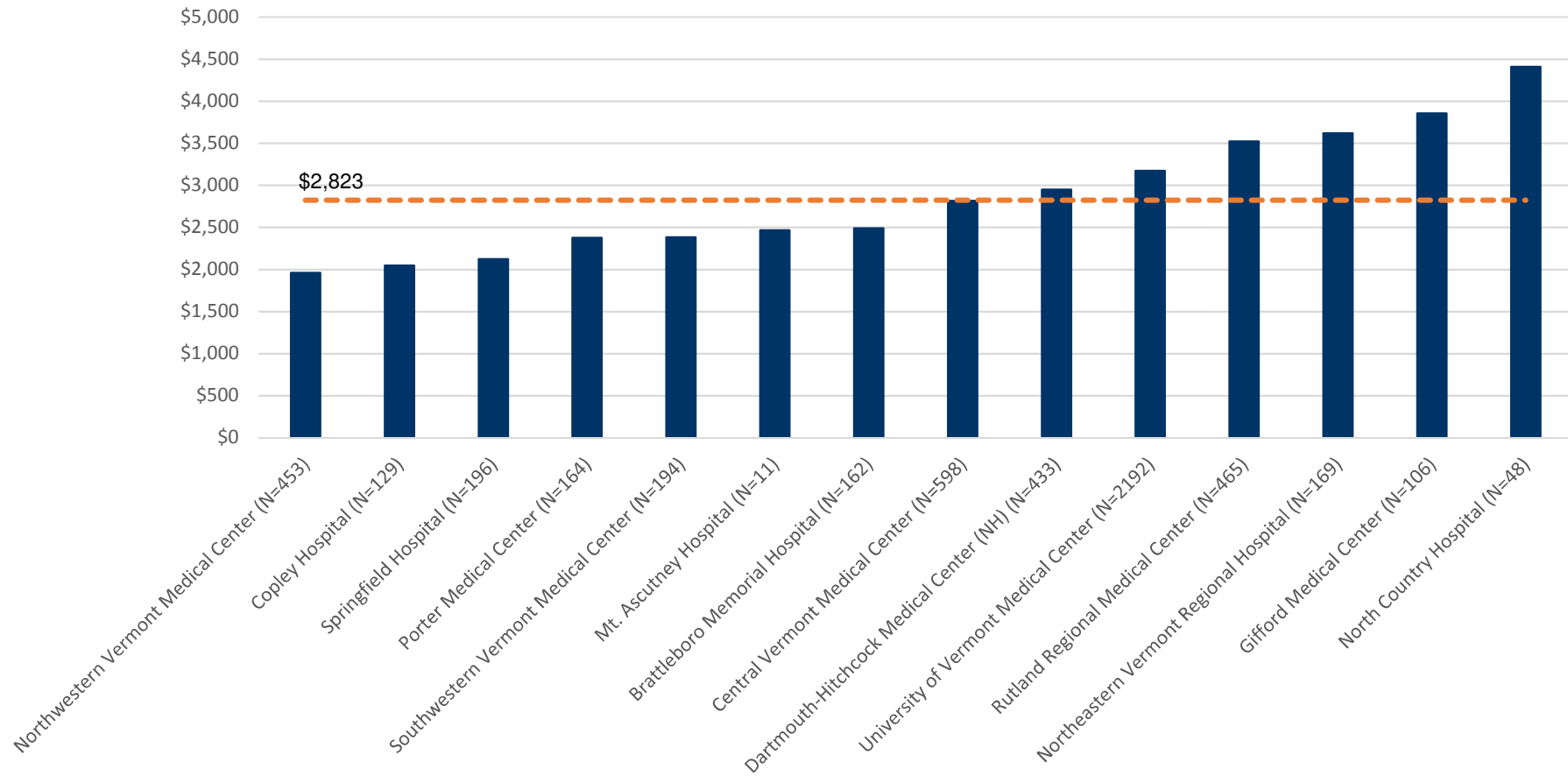2015 Median Total Episode Cost by Hospital Inpatient Procedure: Total Hip Replacement

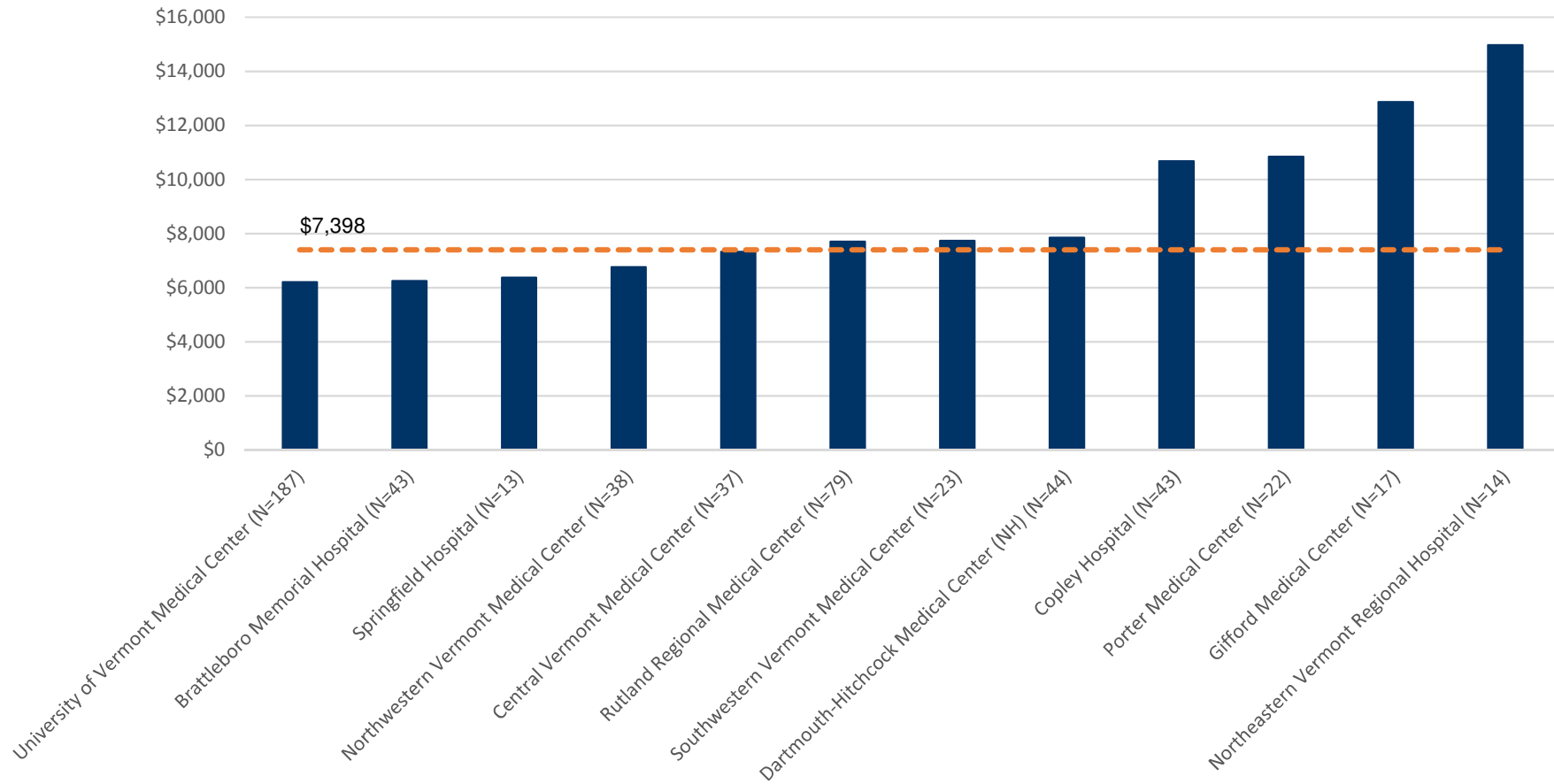2015 Median Total Episode Cost by Hospital Inpatient Procedure: Total Knee Replacement

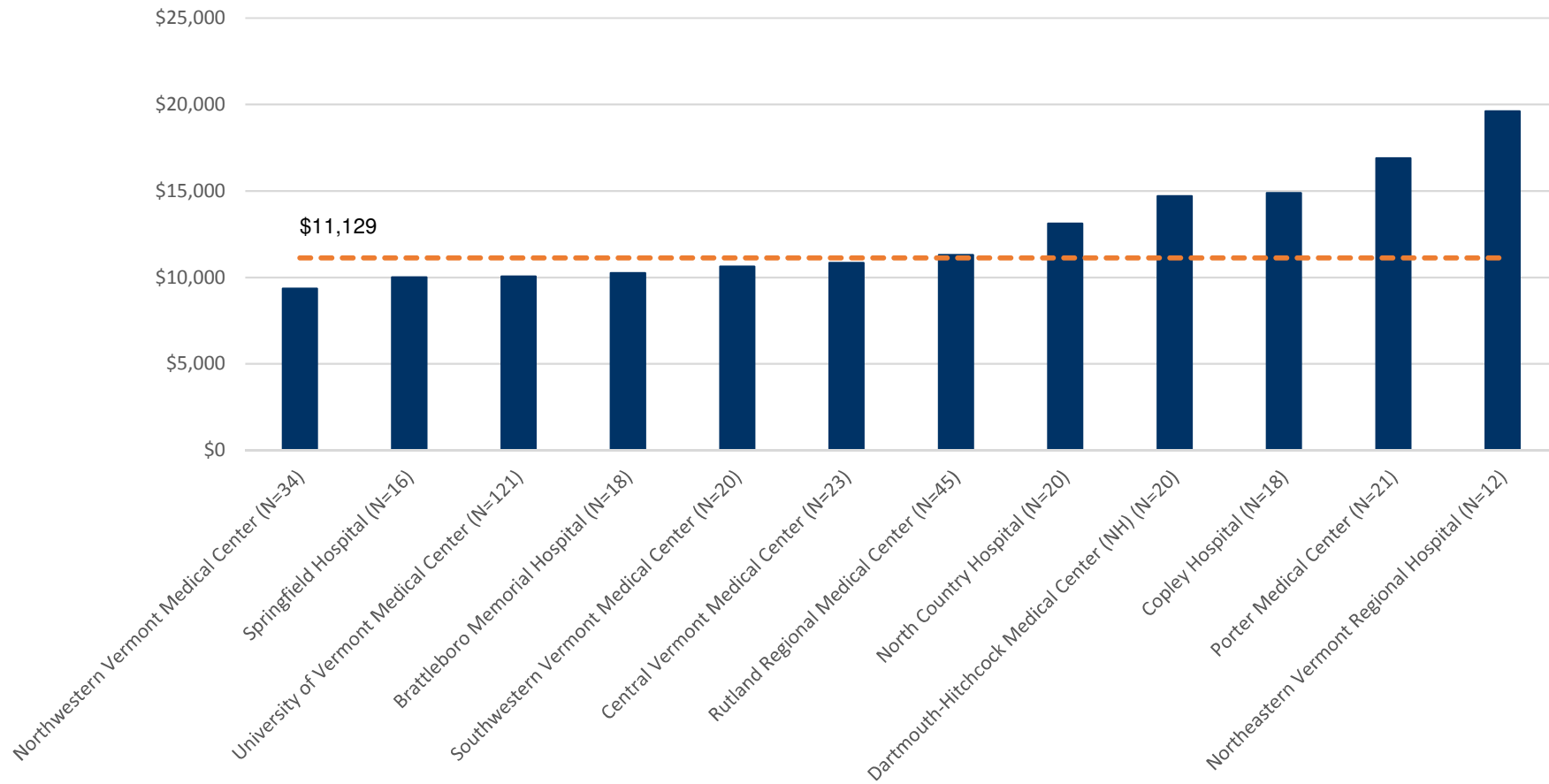# 2015 Median Total Episode Cost by Hospital Outpatient Procedure: Screening Colonoscopy

$2,823

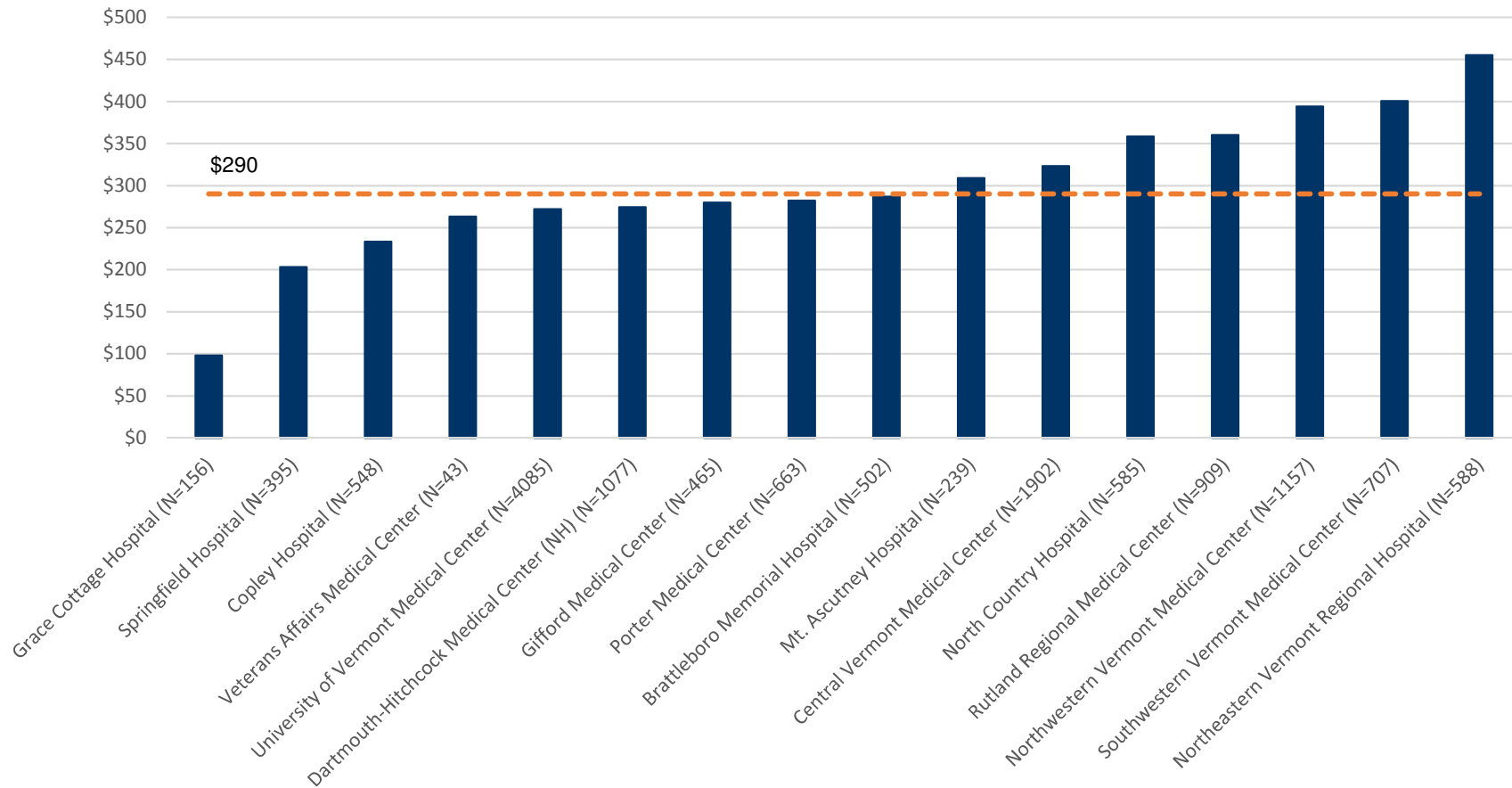**2015 Median Total Episode Cost by Hospital Outpatient Procedure: Knee Arthroscopy**

2015 Median Total Episode Cost by Hospital Outpatient Procedure: Laparoscopic Gall Bladder Surgery

$11,129
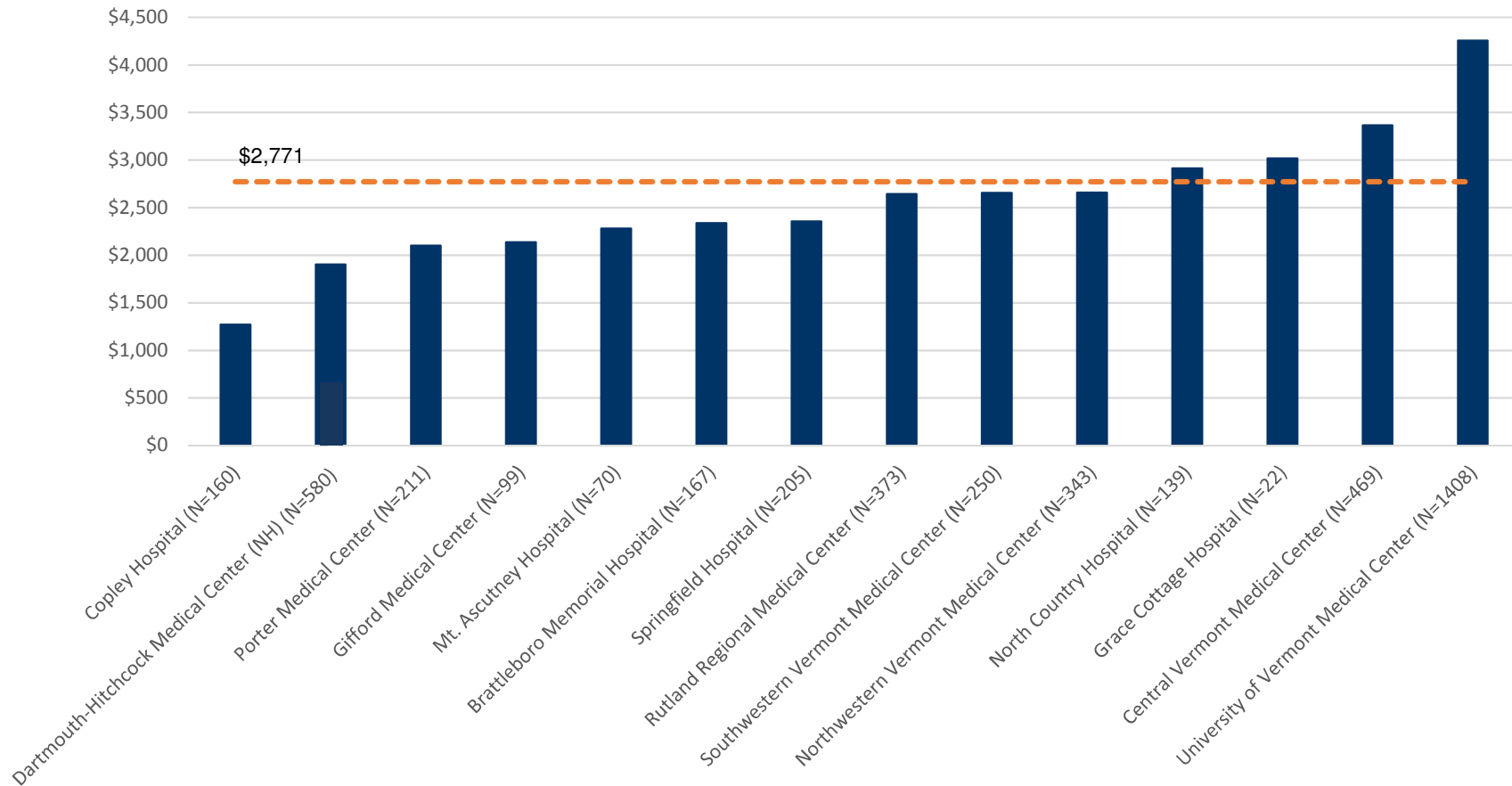
2015 Median Total Episode Cost by Hospital Outpatient Procedure: Chest X-ray (2 Views)
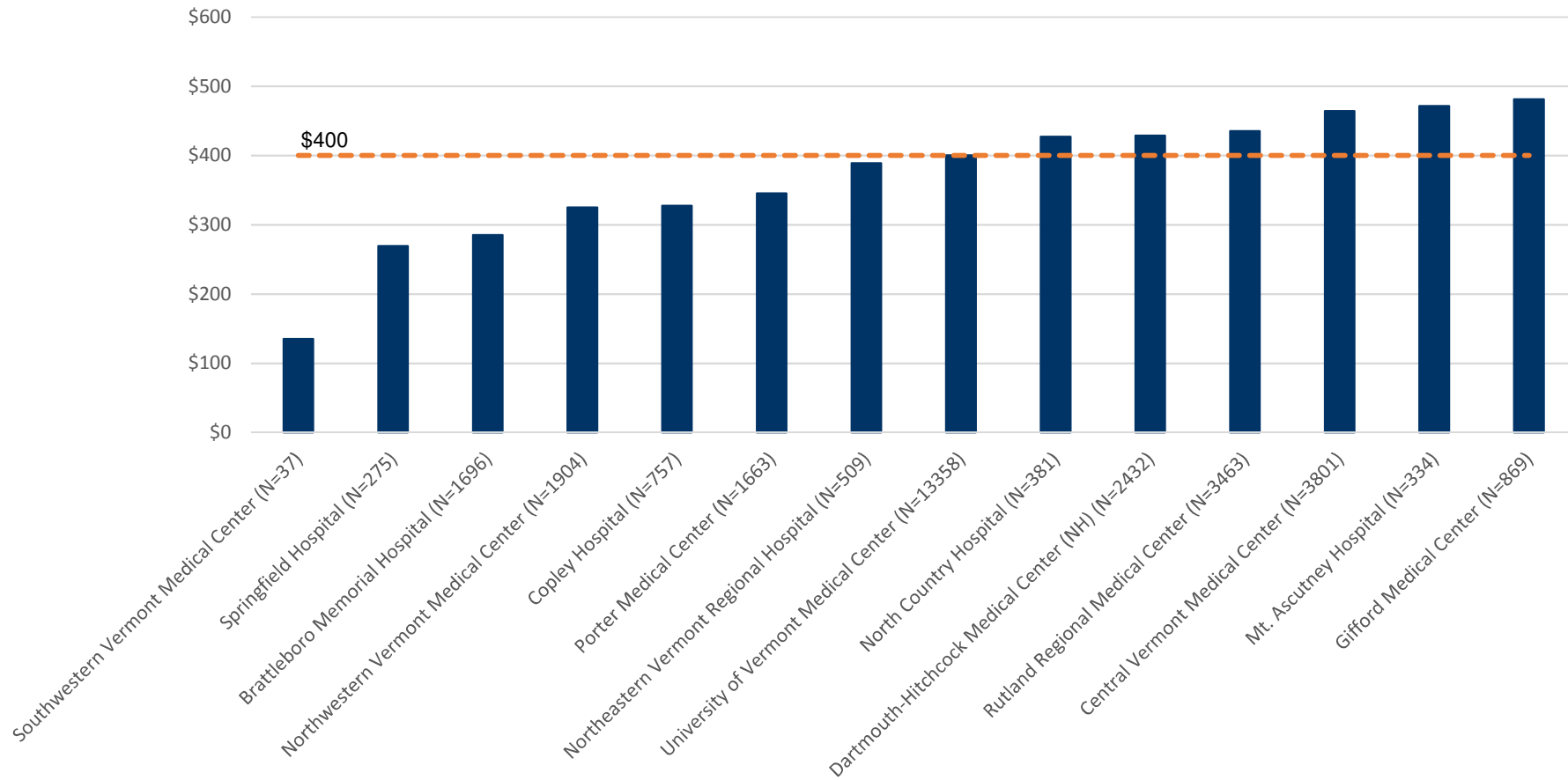
2015 Median Total Episode Cost by Hospital Outpatient Procedure: CT Scan of Abdomen & Pelvis
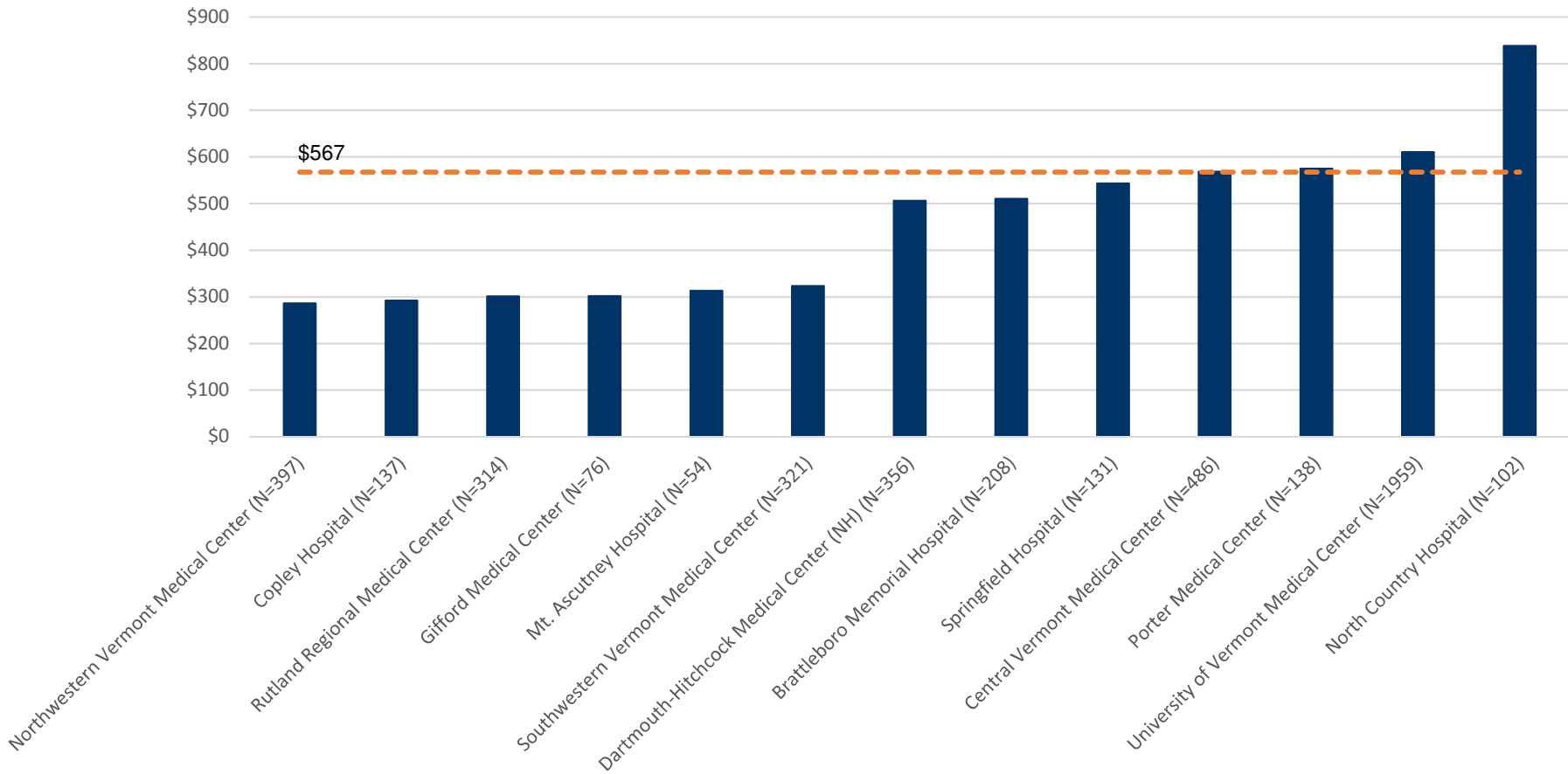
$2,771

2015 Median Total Episode Cost by Hospital Outpatient Procedure: Digital Mammography Screening

2015 Median Total Episode Cost by Hospital Outpatient Procedure: Ultrasound Exam of the Breasts

Hospital Rankings By Median Total Episode Cost & Procedure

	Cesarean Section	Total Hip Replacement	Total Knee Replacement	Screening Colonoscopy	Knee Arthroscopy	Laparoscopic Gall Bladder Surgery	Chest X-Ray (2 Views)	CT Scan of Abdomen & Pelvis	Digital Mammography Screening	Ultrasound Exam of Breasts
Albany Medical Center (NY)										
Baystate Medical Center (MA)										
Brattleboro Memorial Hospital	$17,014	$31,101	$27,723	$2,492	$6,250	$10,254	$287	$2,337	$285	$510
Central Vermont Medical Center	$13,282	$28,703	$29,048	$2,818	$7,327	$10,846	$323	$3,365	$465	$569
Copley Hospital	$18,889	$43,713	$46,123	$2,049	$10,677	$14,879	$233	$1,270	$328	$292
Dartmouth-Hitchcock Medical Center (NH)	$19,234	$31,677	$32,329	$2,951	$7,857	$14,709	$274	$1,902	$429	$506
Gifford Medical Center				$3,857	$12,866		$280	$2,136	$481	$301
Grace Cottage Hospital							$98	$3,019		
Mt. Ascutney Hospital				$2,469			$309	$2,281	$472	$313
North Country Hospital	$21,301			$4,409		$13,123	$358	$2,913	$427	$838
Northeastern Vermont Regional Hospital	$20,124			$3,621	$14,968	$19,620	$455		$389	
Northwestern Vermont Medical Center	$12,605	$31,927	$24,598	$1,962	$6,758	$9,353	$394	$2,660	$325	$286
Porter Medical Center	$12,935	$51,213	$49,060	$2,378	$10,845	$16,897	$282	$2,101	$346	$575
Rutland Regional Medical Center	$20,998	$47,633	$43,547	$3,523	$7,706	$11,295	$360	$2,645	$436	$301
Southwestern Vermont Medical Center	$17,486			$2,385	$7,739	$10,625	$400	$2,657	$135	$323
Springfield Hospital	$17,194		$35,963	$2,126	$6,378	$10,014	$203	$2,357	$270	$543
University of Vermont Medical Center	$18,499	$35,611	$36,819	$3,174	$6,213	$10,060	$272	$4,255	$400	$610
Veterans Affairs Medical Center							$263			

Strength & Limitations

➤ Used a robust, all-payer claims data source

➤ Examined 10 high-volume, common hospital procedures

➤ Used valid methods to combine facility and professional cost

➤ Reported median values to eliminate impact of extreme outlier cases

➤ Demonstrated variations in costs of select procedures and services

➤ Does not explain the causes of those variations

➤ Does not represent variations in costs of *all* procedures and services performed by studied hospitals

➤ Based on a single year of data (2015)

➤ Excluded facility reporting if the volume of services for a procedure performed by a hospital was fewer than 11 services, per CMS rules

➤ Commercial only; does not show Medicare and Medicaid, which may provide a context for varying degrees of cost-shift across facilities.

Strength & Limitations

➤ Payer-specific results (e.g., BCBS, MVP, Aetna, Cigna) were not reported; payer-specific results can lead to small sample size problems

➤ Did not adjust inpatient services for potential variation in severity of illness or complexity; it is unknown if Vermont hospitals vary in complexity of hip or knee replacement commercial patients

➤ Differences in provider or insurer coding, data processing, and reimbursement arrangements not reflected in administrative claims data might contribute to some of the variances shown in this report

  ➤ Although every effort was made to ensure the validity and accuracy of this report, the analysis is based on data provided by other organizations and may be subject to the limitations of the coding and financial information inherent in administrative claims files

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Appendix I: Procedure Codes

Procedure Description	Procedure Code
Cesarean section	ICD9: 74.1 ICD10: 10D00Z0, 10D00Z1, 10D00Z2
Total hip replacement	ICD9: 81.51 ICD10: 0SR9019, 0SR901A, 0SR901Z, 0SR9029, 0SR902A, 0SR902Z, 0SR9039, 0SR903A, 0SR903Z, 0SR9049, 0SR904A, 0SR904Z, 0SR907Z, 0SR90J9, 0SR90JA, 0SR90JZ, 0SR90KZ, 0SRB019, 0SRB01A, 0SRB01Z, 0SRB029, 0SRB02A, 0SRB02Z, 0SRB039, 0SRB03A, 0SRB03Z, 0SRB049, 0SRB04A, 0SRB04Z, 0SRB07Z, 0SRB0J9, 0SRB0JA, 0SRB0JZ, 0SRB0KZ
Total knee replacement	ICD9: 81.54 ICD10: 0SRC07Z, 0SRC0J9, 0SRC0JA, 0SRC0JZ, 0SRC0KZ, 0SRC0L9, 0SRC0LA, 0SRC0LZ, 0SRD07Z, 0SRD0J9, 0SRD0JA, 0SRD0JZ, 0SRD0KZ, 0SRD0L9, 0SRD0LA, 0SRD0LZ
Screening colonoscopy	CPT: 45378
Knee arthroscopy	CPT: 29881
Laparoscopic gall bladder surgery	CPT: 47562
Chest X-ray (2 views)	CPT: 71020
CT scan of abdomen and pelvis	CPT: 74177
Digital mammography screening	CPT: G0202
Ultrasound exam of breasts	CPT: 76641, 76642 (replaces 76645, which was retired in 2015)

Appendix II: Included Facilities

Facility Name	Facility Name
Albany Medical Center (NY)	North Country Hospital
Baystate Medical Center (MA)	Northeastern Vermont Regional Hospital
Brattleboro Memorial Hospital	Northwestern Vermont Medical Center
Brattleboro Retreat	Porter Medical Center
Central Vermont Medical Center	Rutland Regional Medical Center
Copley Hospital	Southwestern Vermont Medical Center
Dartmouth-Hitchcock Medical Center (NH)	Springfield Hospital
Gifford Medical Center	University of Vermont Medical Center
Grace Cottage Hospital	Vermont State Hospital
Mt. Ascutney Hospital	Veterans Affairs Medical Center