

## **Oregon Hospital Cost Transparency Reporting Frequently Asked Questions**

**October, 2009**

### **What is being released and why is it important?**

- The Department of Consumer and Business Services and the Office Oregon Health Policy and Research are announcing updates to the Compare Hospital Costs web site. This is another step in the State's effort to provide detailed health care cost information to the public.
- The Web link to the 2009 hospital cost information was first activated October 2, 2009. To access the Web site, go to <https://oregon.gov/DAS/OHPPR/comparehospitalcosts.shtml>
- The Web site presentation provides average payments for selected health care conditions or procedures in Oregon's acute-care hospitals. These data were provided to the state by commercial health insurance carriers with earned premiums in excess of \$50 million in Oregon.
- Public reporting of health care costs is becoming increasingly important as health care costs rise. Used in combination with quality measures, this data can assist health care providers, health care purchasers, and the general public to make more informed health care decisions.
- Providers, when provided comparative cost data, are given the opportunity to identify areas of high cost as well as areas for further study.
- Oregon is one of the first states to publicly report data based on what is actually paid to hospitals. Many states report data based on "charges," which are not what most people pay. Currently only two other states, Massachusetts and New Hampshire, publicly report payments for common conditions or procedures as Oregon is doing.
- This data complements Oregon's public reporting of hospital quality data, which compares hospital mortality rates for selected conditions or procedures, available at <http://www.oregon.gov/OHPPR/HQ/index.shtml>.

### **What hospital cost information is available on the Web site?**

- The data presented on this Web site represent the average payments for commercial inpatient claims for Oregon patients in Oregon acute-care hospitals, who were discharged during calendar years 2005-2009.
- The Web site contains data on the average payments for common conditions or procedures.

- The Web site provides two display options:
  - *Consumer portal*: Interactive table creator for easy comparison of a hospital to another hospital, the county of a hospital (if applicable) and/or the state average payments for a specific condition or surgery.
  - *Researcher portal*: Detailed publicly available data tables.

**How was this data prepared? Who was involved?**

- These reports were developed from inpatient insurance claims data for Oregon residents in Oregon’s acute care hospitals during calendar years 2005-2009. The state will post this data on an annual basis as well as work in the interim to improve the information made available on the Web site.
- The state’s Office for Oregon Health Policy and Research and the Insurance Division of the Department of Consumer and Business Services have worked collaboratively with an impressive array of representative with expertise in health care delivery and cost. Included representatives from individual health carriers, the Oregon Association of Hospitals and Health Systems, the Oregon Coalition of Health Care Purchasers, individual Oregon hospitals, actuaries, and other interested stakeholders.

**What are the limitations of the data being released today?**

- The average payments shown in this report may differ from what a patient’s costs will be for a hospital stay. Different insurance carriers have different arrangements with each hospital for payment, patients have different co-payments depending on their insurance plans, and other costs may be billed separately (e.g., physician costs).
- The data do not include all commercial insurance carriers, all claims from participating insurance carriers, or claims from self-insured organizations.
- The data do not include Medicare or Medicaid claims.
- The data for calendar year 2008 included about 13% of all Oregon inpatient discharges.
- Other exclusions include:
  - Claims for coordination of benefits
  - Claims for patients who expired, discharged against medical advice, or transferred in from another hospital.
  - Claims for patients treated in the ER

- Claims for patients treated in an outpatient clinic located at a hospital
- Claims where allowed charges are exceptionally high or exceptionally low

**Who should I contact for more information?**

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