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# Oregon Hospital Payment Report

Presentation to Senate Health Care Committee

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Oregon  
Health  
Authority

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# What is the Oregon Hospital Payment Report?

An online, interactive dashboard that shows how much commercial insurers pay hospitals for common procedures

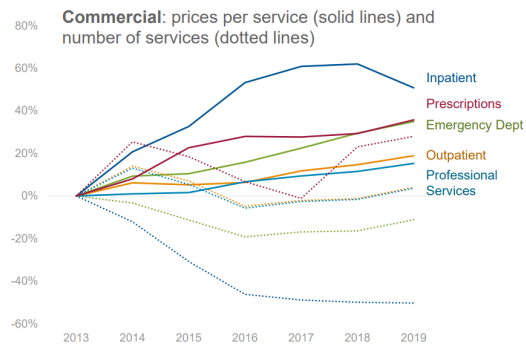
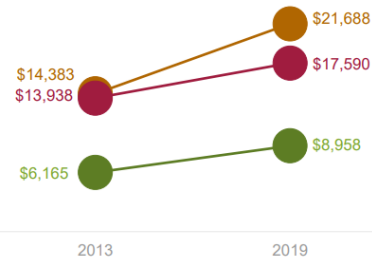


- Created by SB 900 (2015) and codified as ORS 442.373
- Uses data from Oregon's All Payer All Claims (APAC) database
- Includes payments to Oregon's general acute care hospitals and their outpatient clinics
- Excludes non-hospital facilities and specialty hospitals

# Why is this important?



Average price per inpatient service



- Hospital prices are a major driver of cost growth
- **Commercial** prices are generally higher than **Medicare** or **Medicaid**<sup>1</sup>
- Historically, commercial **inpatient prices** have increased at a faster rate than prices from other service types (**prescriptions**, **outpatient**, **professional services**)<sup>1</sup>

1. Oregon Health Authority. (2022). *Health Care Cost Trends: Price & Utilization. State and Market Level Data in Oregon, 2013-2019* (pp. 1–40). Oregon Health Authority.

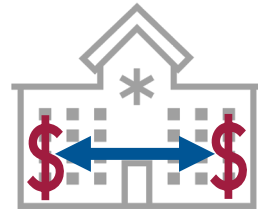
# Why is this important?

## Commercial prices vary significantly

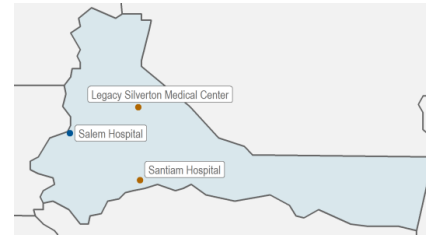
Between hospitals



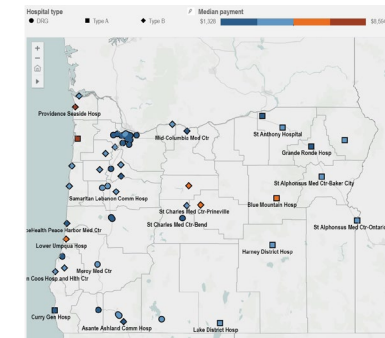
Within the same hospital



Within the same region



Across the state



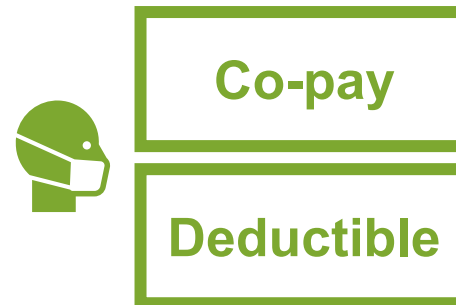
Yet the relationship between price and quality of care remains unclear<sup>1-4</sup>

1. Cooper, Z., Doyle, Jr., Joseph J., Graves, J. A., & Gruber, J. (2022). *Do Higher-Priced Hospitals Deliver Higher-Quality Care?* (Working Paper 29809). National Bureau of Economic Research. <https://doi.org/10.3386/w29809>
2. Chernew, M. E., & Frank, R. G. (n.d.). What Do We Know About Prices And Hospital Quality? *Health Affairs Forefront*. <https://doi.org/10.1377/forefront.20190726.723138>
3. Jamalabadi, S., Winter, V., & Schreyögg, J. (2020). A Systematic Review of the Association Between Hospital Cost/price and the Quality of Care. *Applied Health Economics and Health Policy*, 18(5), 625–639. <https://doi.org/10.1007/s40258-020-00577-6>
4. Beauvais, B., Gilson, G., Schwab, S., Jaccaud, B., Pearce, T., & Holmes, T. (2020). Overpriced? Are Hospital Prices Associated with the Quality of Care? *Healthcare*, 8(2), 135. <https://doi.org/10.3390/healthcare8020135>

# The dashboard presents **median payments**



This includes the **commercial insurance payment** and **patient copays and deductibles**, which add up to the **expected total reimbursement to the hospital** for the given procedure



# What does the dashboard show?

The **median payment** a **commercial health insurer** pays a **hospital** for a **procedure**.

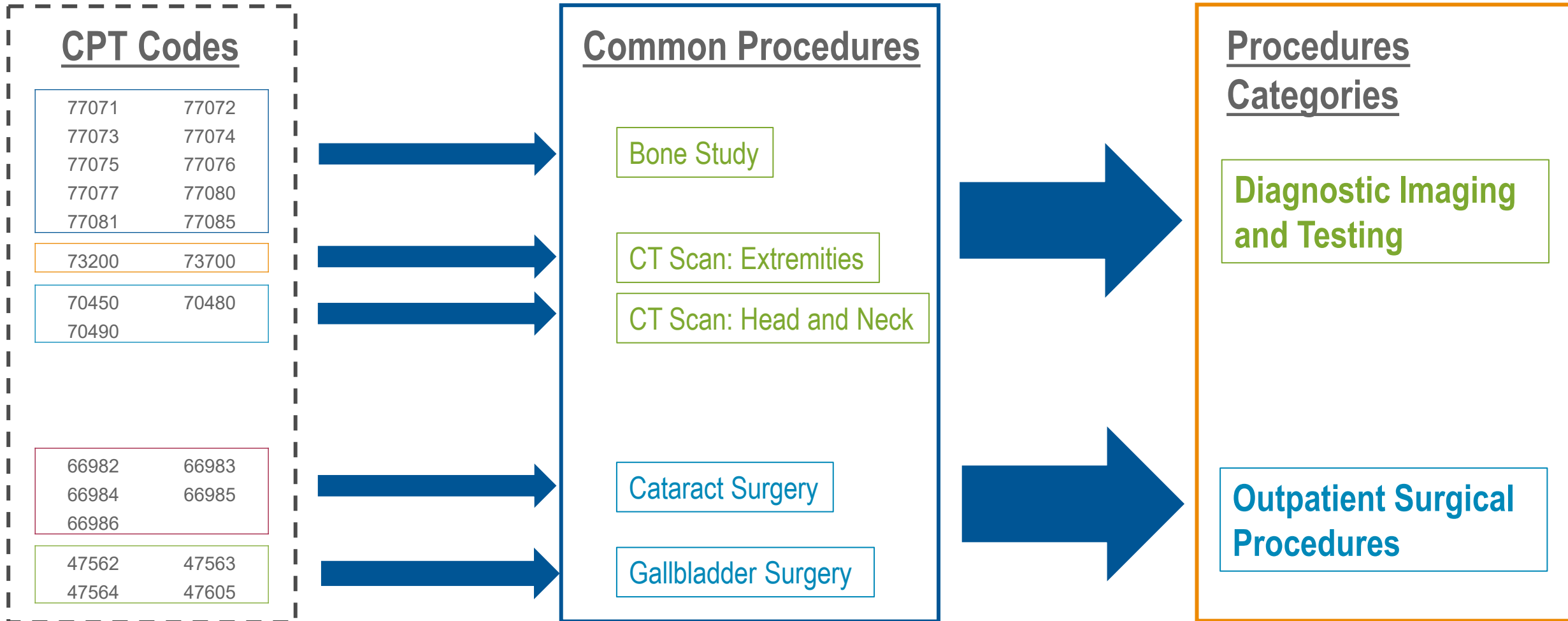
- **Most common** inpatient and outpatient procedures by frequency
- Range of payments **between hospitals** and range of payments **within the same hospital**
- **Year over year change** in median payments and **five-year inflation adjusted trends** for large procedure groups
- Individual hospital **comparisons**

# What does the dashboard NOT show?

The dashboard **does not identify individual commercial insurers** or provide insurer-specific payments

- The dashboard is **not a consumer pricing tool** and cannot estimate a patient's personal costs
- Payment amounts **do not account for financial assistance**, such as charity care
- The dashboard **does not include professional fees**

# How are procedures reported?



\*Individual codes  
not reported

\*Median payment  
reported

\*Five-year inflation  
adjusted trend reported



# **Oregon Hospital Payment Report**

## **Key Takeaways**

using colonoscopies as an example of a common procedure



Payments for procedures vary widely **between hospitals.**

In 2021, the commercial **median payment** for colonoscopies was **\$2,622 statewide.**



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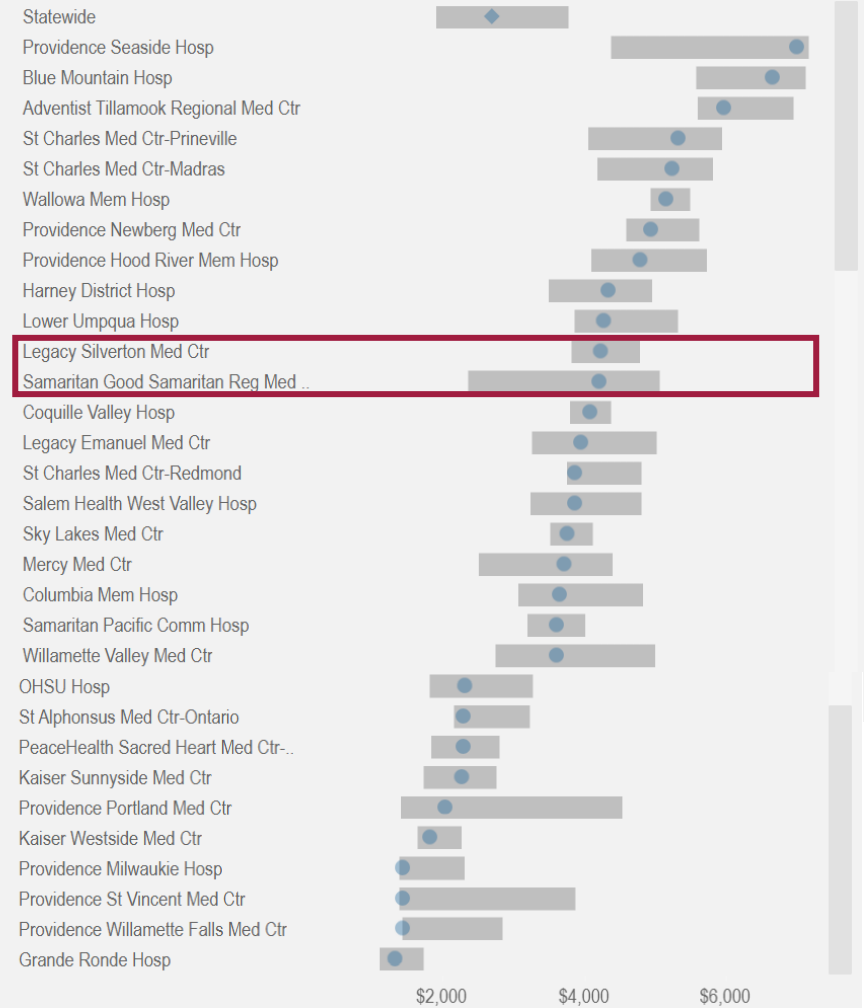
At individual hospitals, the **median colonoscopy payment** ranged from **\$1,316 to \$6,902.**

# Payments for procedures vary widely **within the same hospital.**

The wider the grey bar, the greater the payment variation from patient to patient at a specific hospital.

## Payment variation within each hospital

This chart builds off the chart above by displaying a range for each hospital. This range is the **interquartile range**, the range capturing the middle half, from 25% to 75%, of paid amounts for the procedures at that hospital. The gray bars show how payments vary within each hospital. Wide bars indicate wide payment variation from patient to patient. Hover over a data point to display more information.



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The wider the grey bar, the greater the payment variation from patient to patient at each hospital.

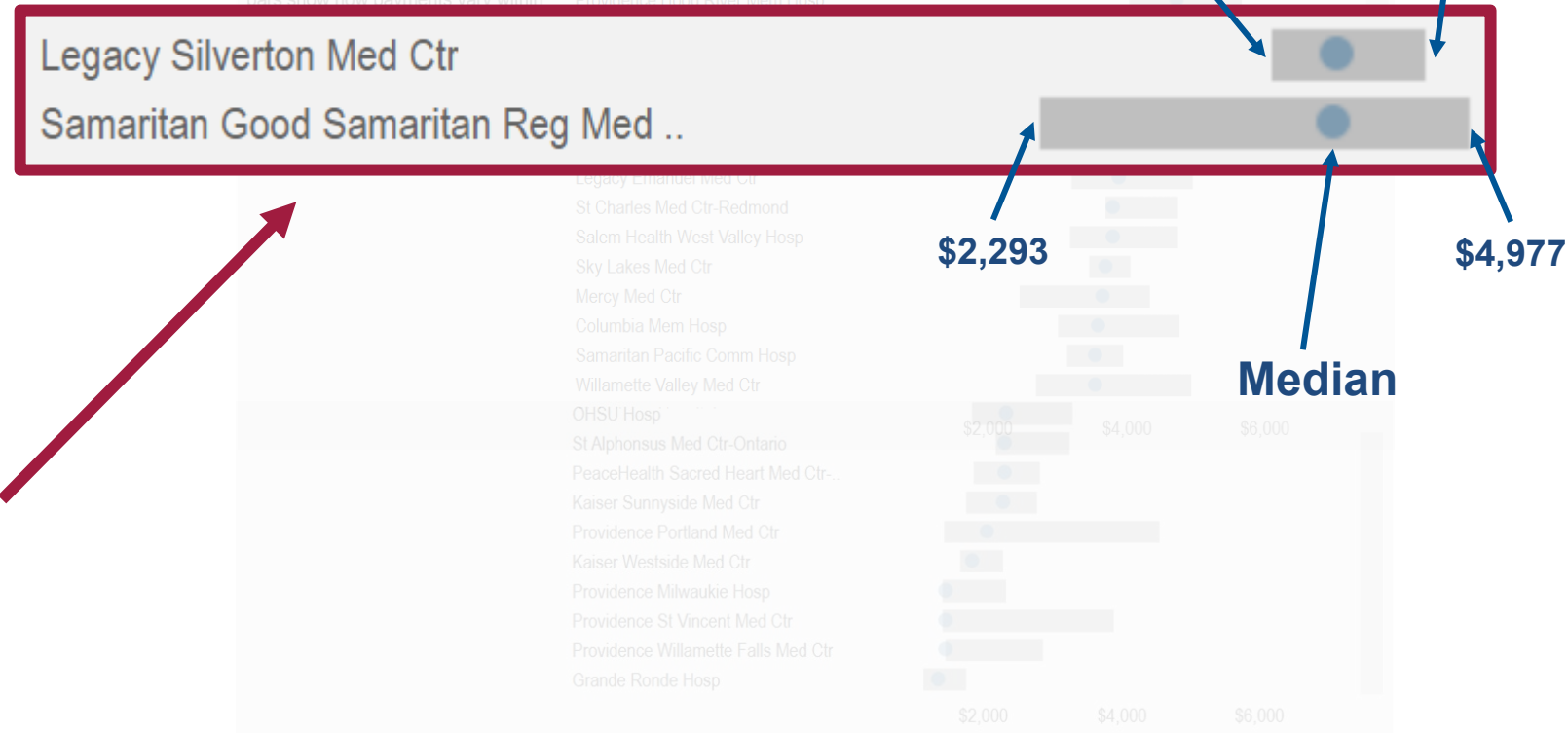
Legacy Silvertown payments range from **\$3,743 to \$4,713** compared to Samaritan Good Samaritan payments ranging from **\$2,293 to \$4,977**.

**Payment variation within each hospital**

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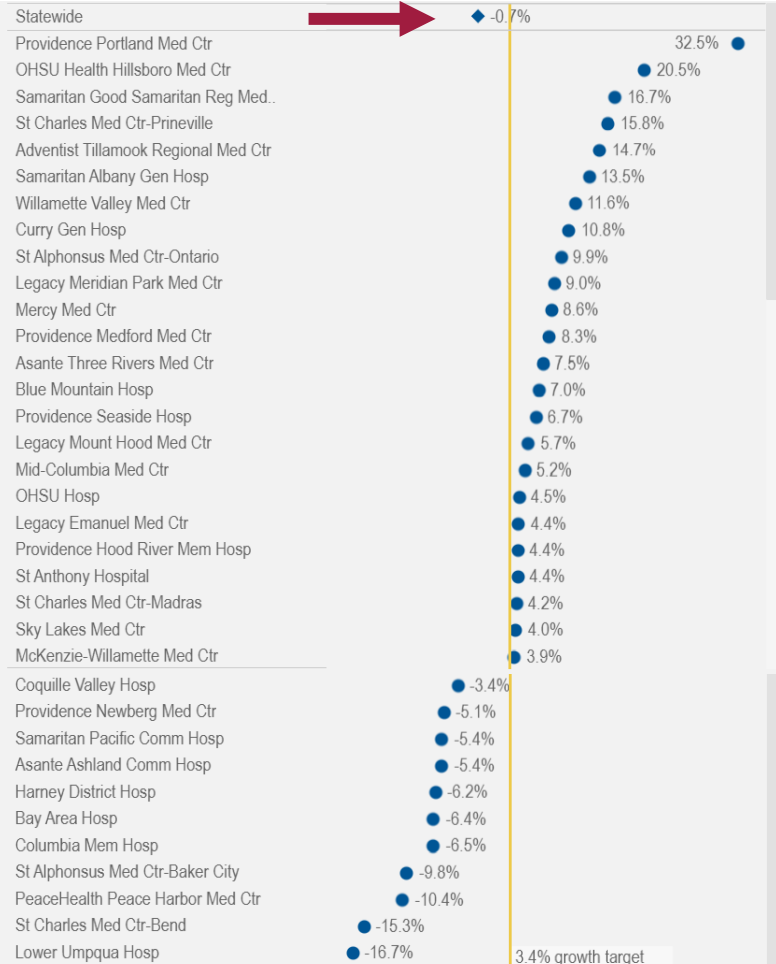
Statewide

- Providence Seaside Hosp
- Blue Mountain Hosp
- Adventist Tillamook Regional Med Ctr
- St Charles Med Ctr-Prineville
- St Charles Med Ctr-Madras
- Wallowa Mem Hosp
- Providence Newberg Med Ctr
- Providence Hood River Mem Hosp



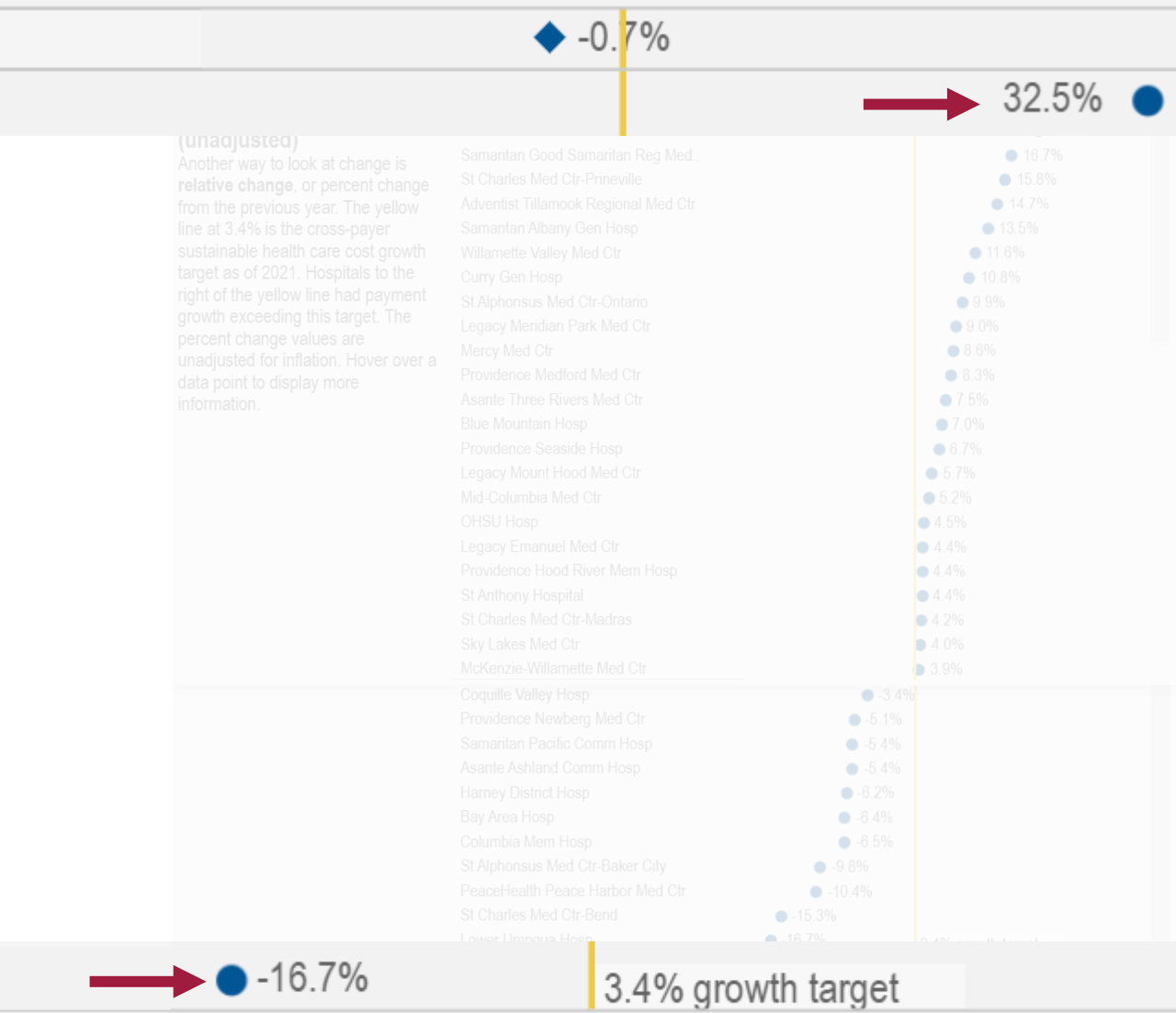
**Percent change in median payment from 2020 to 2021 (unadjusted)**

Another way to look at change is **relative change**, or percent change from the previous year. The yellow line at 3.4% is the cross-payer sustainable health care cost growth target as of 2021. Hospitals to the right of the yellow line had payment growth exceeding this target. The percent change values are unadjusted for inflation. Hover over a data point to display more information.



Hospitals median payments **change at different rates** from year to year

The statewide **median commercial payment** for colonoscopies decreased **0.7%** from 2020 to 2021.

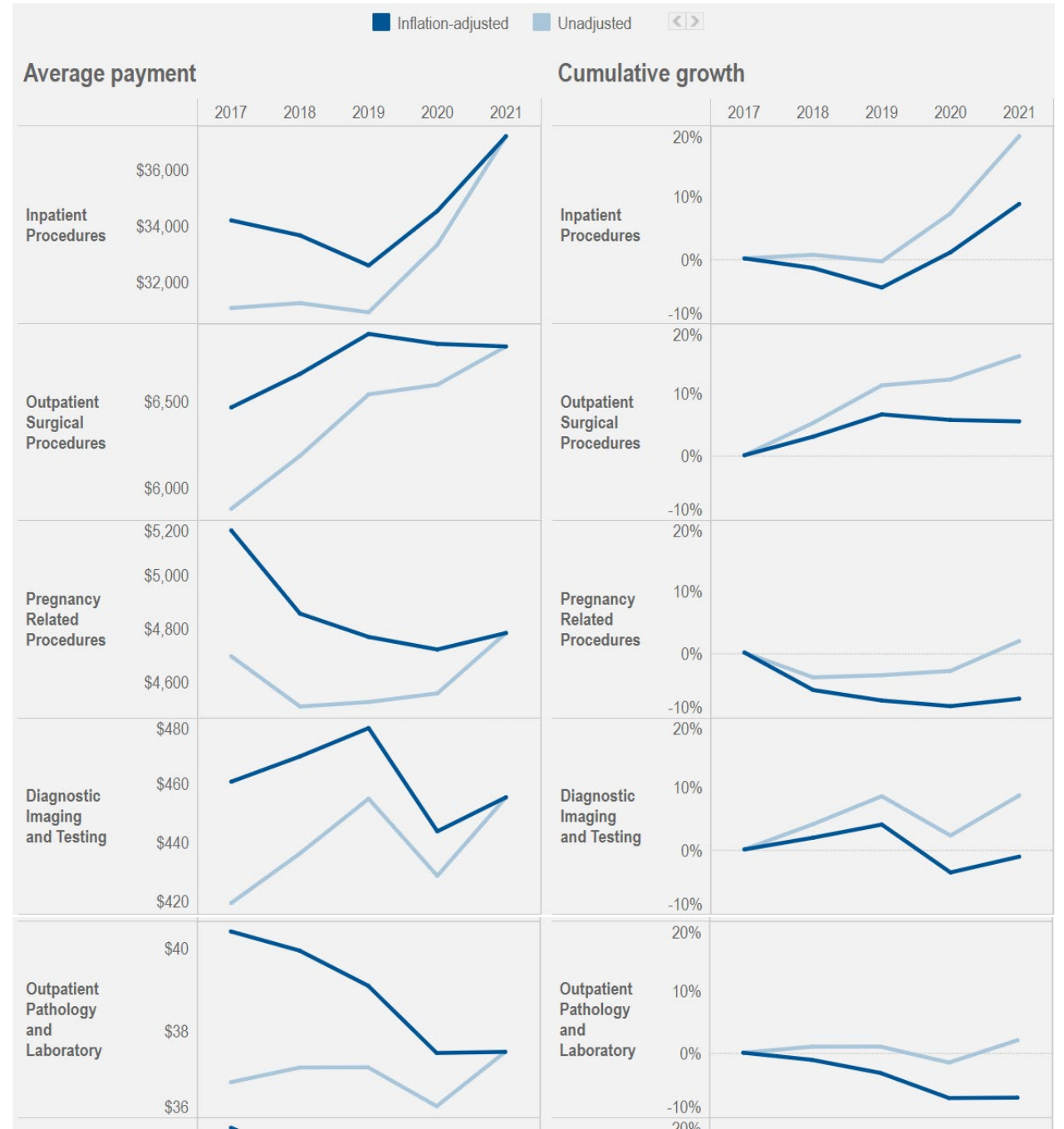


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Individual hospital payments ranged from a **16.7% decrease** to a **32.5% increase** from 2020 to 2021.

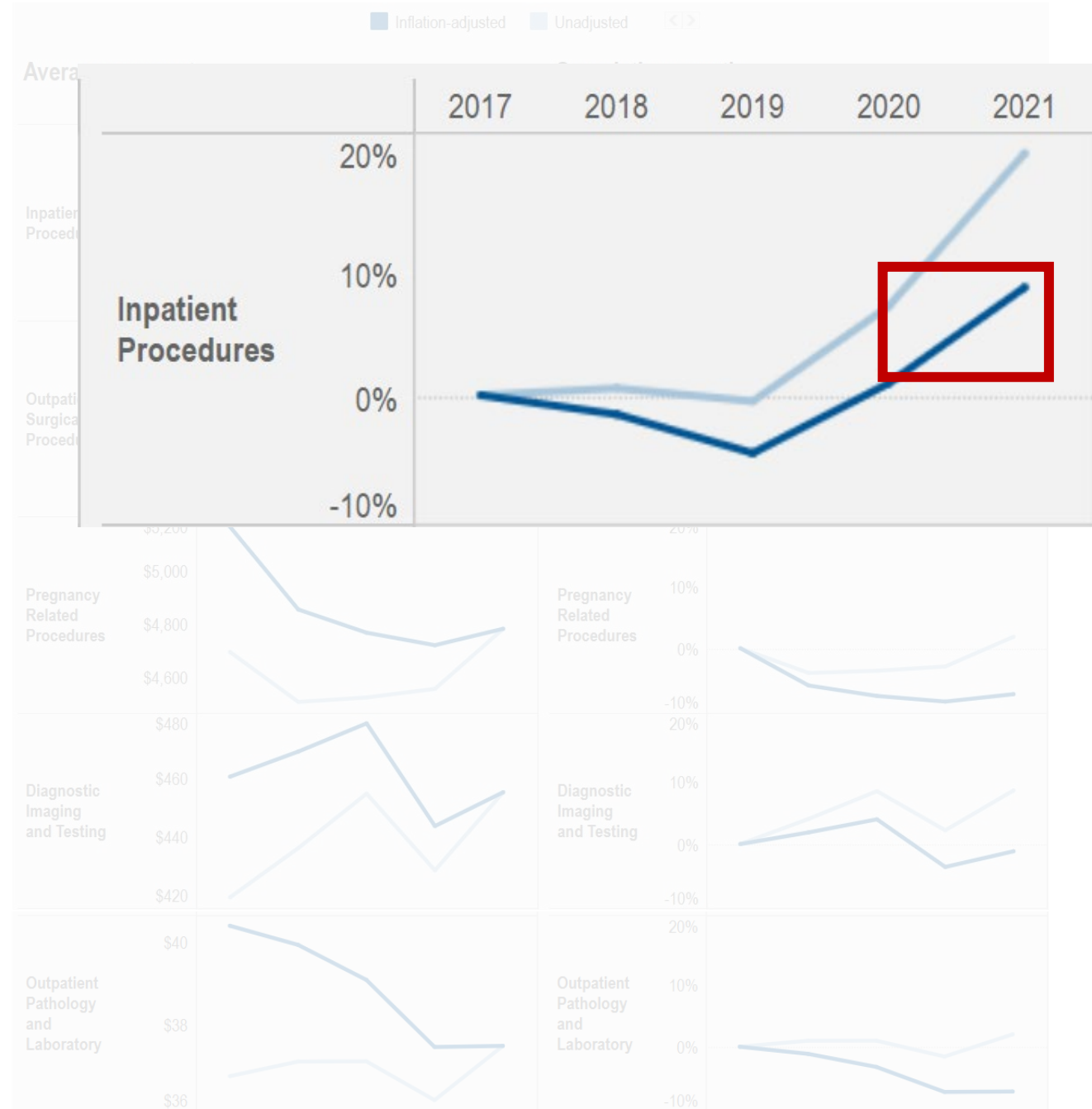
Different procedure categories have **different payment trends** over time





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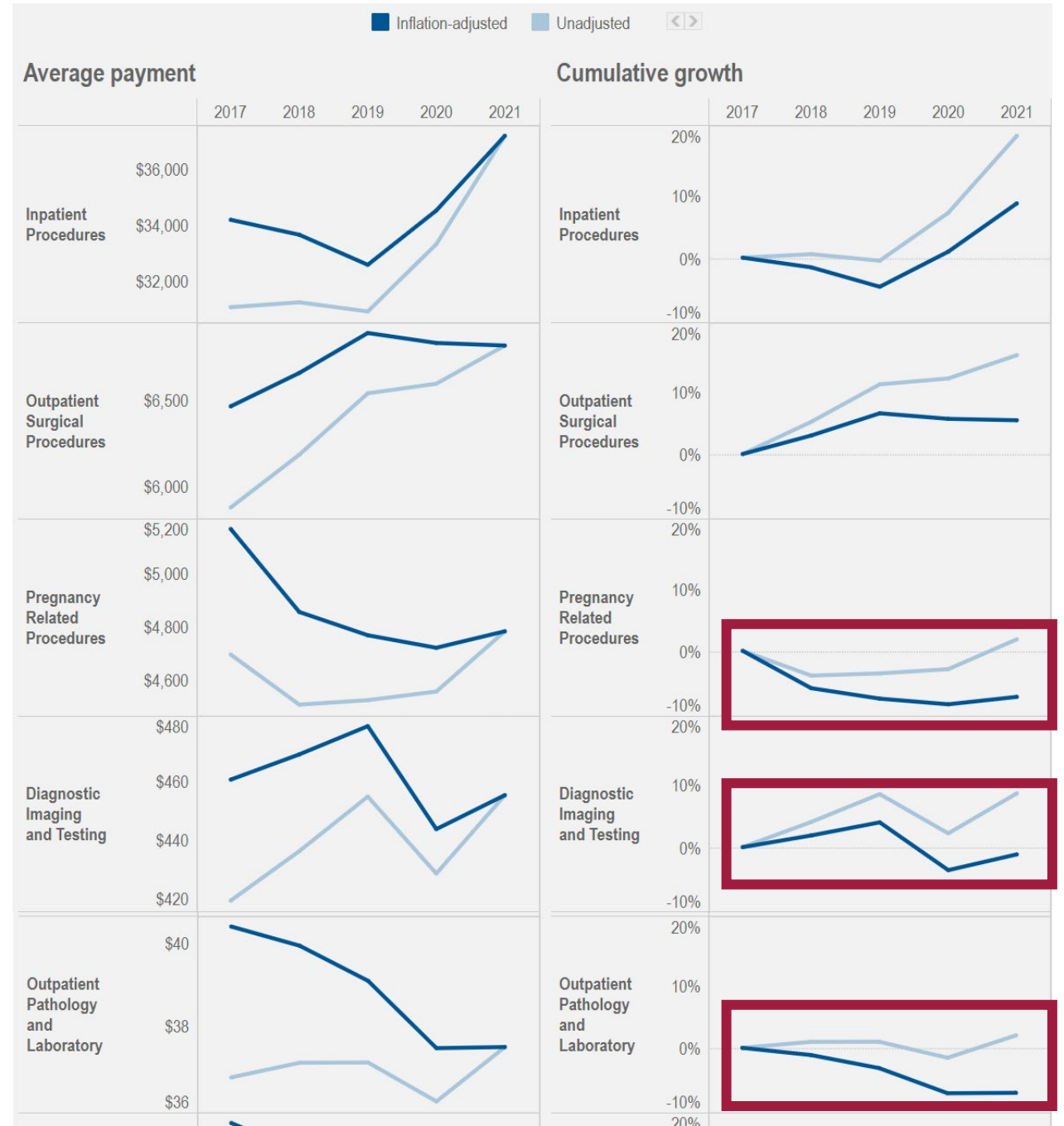
The average commercial payment for inpatient procedures had the highest inflation-adjusted growth between 2020 and 2021 at **8%**.



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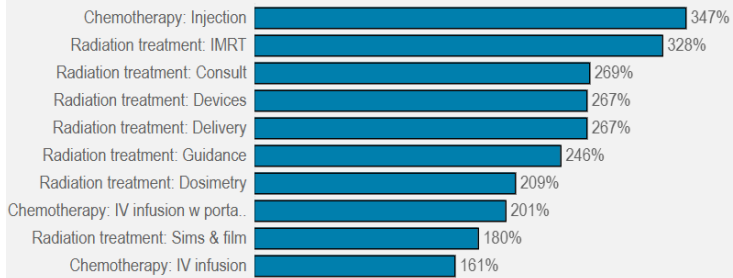
Average payments for pregnancy-related procedures, diagnostic imaging and testing, and pathology and laboratory services **decreased overall** from 2017 to 2021.



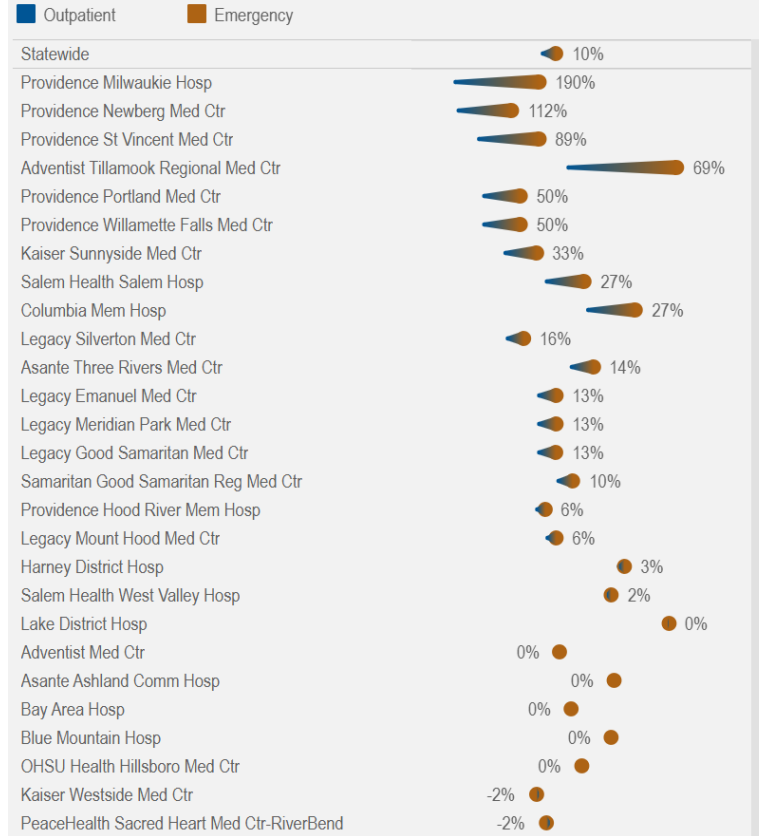
# New Features for the 2022 Hospital Payment Report

## Medicare price comparison

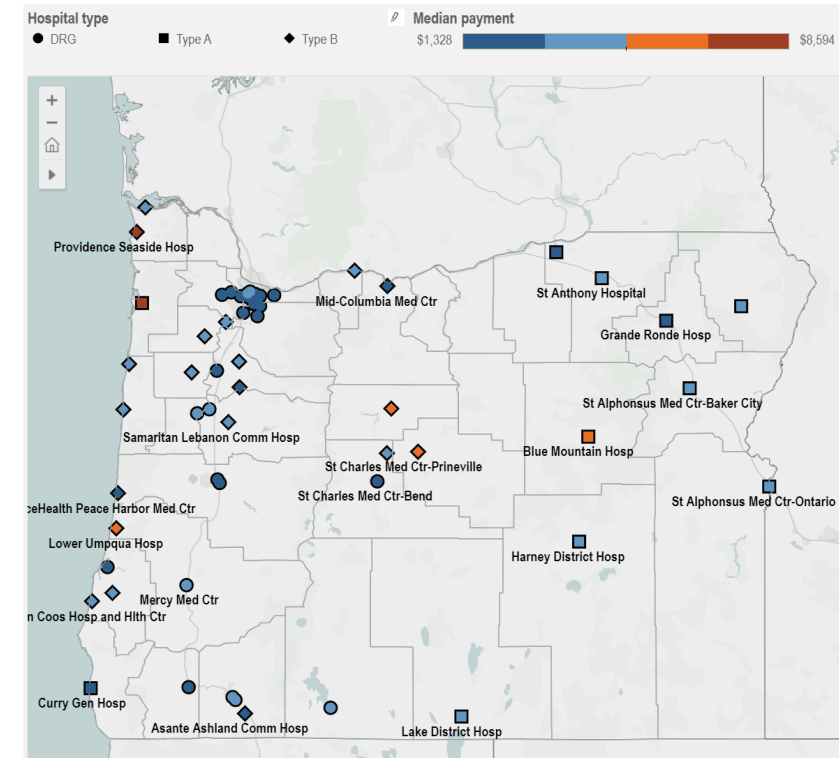
Commercial median payment as a percentage of Medicare fee-for-service median payment



## Emergency vs non-emergency



## Mapping and prices by region



The 2022 data will be available **July 1<sup>st</sup>**

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**Thank You**

The logo for the Oregon Health Authority. It features the word "Oregon" in a smaller, orange, serif font positioned above the word "Health". "Health" is written in a large, blue, serif font. Below "Health", the word "Authority" is written in a smaller, orange, serif font. The entire logo is centered within a light blue, rounded rectangular background.

Oregon  
**Health**  
Authority

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