



CENTER FOR IMPROVING
VALUE IN HEALTH CARE

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Consumers Able to Shop for Health Care in Colorado

Unprecedented release of health care price information enables consumer shopping

July 31, 2013 – DENVER – A groundbreaking consumer health care shopping tool is now available to compare price and quality information for hospital procedures.

Colorado Medical Price Compare (www.comedprice.org) provides public access to price and quality information for select services performed at hospitals allowing consumers to make more informed health care decisions. The site currently offers information for four services – total knee joint replacement, total hip joint replacement, uncomplicated vaginal birth, and cesarean birth. However, plans are in place to add nine additional services and ambulatory surgery center prices by the end of 2014 and over 25 additional services across a variety of facility types in 2015.

“This is the first time price information based on actual payments made by health insurance plans and patients has been made available to Coloradans,” explains Edie Sonn, Acting CEO for Center for Improving Value in Health Care (CIVHC). CIVHC is responsible for developing the website and administrating the Colorado All Payer Claims Database, the claims data source for CO Medical Price Compare. “While this phase is modest with a limited number of services available, it is significant because it marks the first time Coloradans can see real pricing information along with quality data across all commercial payers and Medicaid.”

The site is unique from others because it features median prices paid across all commercial health insurers (including patient copays/deductibles) and Medicaid payments to a hospital, health care professional and any ancillary (transportation, lab, etc.) payments made for that service.

Other websites typically contain hospital charges which rarely reflect actual payments made by health plans and patients. Hospital charges are important for many purposes and are displayed on the site as a starting point for those without insurance, but they don’t accurately reflect what an insurer actually pays. Health plans negotiate rates that are typically much lower than charged amounts, and hospital charges don’t include other payments that were made to the health care provider or for ancillary services.

Variation in prices among the four services is significant. A Coloradan could pay anywhere from \$25,000 to \$58,000 for a total knee joint replacement. Similarly, a total hip joint replacement varies from around \$25,000 to \$36,000. Expectant mothers will discover prices ranging from around \$5,500 on the low end to more than \$11,000 on the high end for an uncomplicated vaginal birth. Cesarean sections have greater variation and can cost as much as \$18,000 or as little as \$10,000.

Transparent health care pricing is important for consumers, and is equally important because it prompts discussions asking why variation exists. There are many reasons that prices can vary between facilities: sicker patients, higher cost structure (e.g., because a hospital trains medical residents), market power, even reputation. Regardless of whether the reasons for the variation are perceived to be justified, an understanding of the differences in pricing is essential to identifying the right ways to moderate prices.

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“This marks the first time hospitals have seen their commercial price data alongside their peers,” states Alicia Goroski, Director of Performance Measurement at CIVHC. “Transparent price information is a first step towards identifying opportunities to bend the cost curve.” Hospitals displayed on the website were provided an opportunity to review and validate their information prior to the release and to contact CIVHC to ask questions regarding their data.

Value does not depend on price alone, so the site also includes information about quality indicators appropriate for hospitals. “Price isn’t the only important factor when making health care decisions,” Goroski indicates. “We’ve included quality information, relative health status information and an indication of how complete the data on the website is related to the total volume of procedures at each hospital on the site as well to give consumers additional insights.”

Users of the website should note that while the data source feeding the site is the most robust claims data available, it does not currently include payments from self-insured health plans. However, prices for large employers who self-insure do not vary significantly from prices contained in the site today.

The site will grow in the coming months and years with additional services (including many diagnostic tests like colonoscopies and MRIs) and additional facilities (ambulatory surgery centers, free-standing diagnostic facilities).

“In this age of technology when consumers can evaluate cost and ratings of just about any product on the market, health care is the exception, but that’s changing,” states Sonn. “The APCD is providing transparent price and quality data that our health care system currently lacks and that all of us need to make good decisions about our care.”

About CIVHC. The Center for Improving Value in Health Care is a nonprofit, nonpartisan organization that helps Colorado drive, deliver and buy value in health care. Through the pioneering Colorado All Payer Claims Database, we offer the state’s most comprehensive health care cost, quality and utilization claims data. We unlock information and insights that guide meaningful action to improve health, enhance quality and lower cost. Bringing together a broad spectrum of organizations and individuals to design and drive collective change, CIVHC is devoted to a single cause: advancing an exceptional health care system for Colorado. For more information visit www.civhc.org.

About the Colorado All Payer Claims Database. In 2008, Colorado’s Blue Ribbon Commission on Health Care recommended that Colorado create an APCD, arguing that transparent data regarding costs and quality were necessary for Colorado contain health care costs. The APCD was enabled by legislation in 2010, and CIVHC was appointed administrator of the APCD. The CO APCD currently includes 2009-2012 historic claims data from the largest commercial payers’ individual and large-group fully-insured lines of business, plus Medicaid, representing over 3 million Coloradans. Additional payer data, including Medicare and self-insured businesses will be added over time, eventually encompassing the vast majority of covered lives in Colorado. Visit www.comedprice.org for more information.

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