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Web site helps consumers compare hospital costs *Information is available for more than 80 medical procedures*

SALEM — Oregonians have a new tool to help them compare the cost of services at hospitals throughout the state, the Department of Consumer and Business Services and the Office for Oregon Health Policy and Research announced today.

Consumers can go to <http://www.oregon.gov/DAS/OHPPR/comparehospitalcosts.shtml> and find out the average payment to Oregon hospitals for more than 80 medical procedures. Oregon is one of the first states in the nation to provide this kind of data.

“This Web site is the next step in our work to make health care costs transparent,” said Governor Ted Kulongoski. “Having clear, understandable information helps consumers make more informed decisions about health care for themselves and their families.”

Transparency in both costs and quality is a major focus for the Governor in his efforts to make health care more accessible and affordable for Oregonians. Other transparency-related projects include:

- The Office for Oregon Health Policy and Research has made available on its Web site information about hospital quality indicators and evidence-based data on the cost, safety, and effectiveness of prescription drugs.
- The Department of Consumer and Business Services published a report in January 2007 called “Health Insurance in Oregon,” which provides financial and market data about Oregon’s major health insurance companies. The report draws on additional information insurers have to report as a result of legislation the Governor signed in 2005.
- The Governor signed several transparency-related bills during the 2007 legislative session, such as House Bill 2213, which requires health insurers to provide consumers with advance estimates of how much they will have to pay for medical treatment, and House Bill 3103, which makes health insurance rate filings public as soon as they are submitted to the state for review.

The new Compare Hospital Costs Web site provides a better picture for consumers of what they may pay than earlier efforts because it shows the average amount that is actually paid to hospitals, reflecting discounts that insurers and hospitals negotiate. Other Web sites provide information on hospitals’ billed charges, which are not the charges that most people pay.

“For the first time, Oregonians will be able to see how much medical procedures actually cost, and then compare the costs among hospitals,” said Cory Streisinger, director of the Department of Consumer and Business Services. “The information will benefit a variety of parties — from patients scheduling a surgery to employers shopping for health plans for their employees to insurers negotiating discounts with providers.”

Many states report data based on billed charges, but only two other states — New Hampshire and Pennsylvania — currently report payments as Oregon is now doing.

“This is a very important initiative which could pave the way for other states, as transparency is a very important issue right now,” said Denise Love, executive director, of the National Association of Health Data Organizations. “Using insurance claims is essential to cut through the fog of hospital charges — the average of which is meaningless to the consumer.”

On the site, consumers can choose a procedure, such as knee joint replacement, select the hospitals they want information for, and then view for each hospital the average and median payments for the surgery. The numbers are calculated from the nine largest private health insurance carriers in Oregon. They do not include all claims, and do not include Medicare, Oregon Health Plan, and self-pay patients.

The Department of Consumer and Business Services and the Office for Oregon Health Policy and Research worked with insurers, providers, consumers, and representatives from the business community on the project.

“We’re very excited about the launch of this Web site,” said Mike Becker, director of legislative and regulatory affairs, Regence BlueCross BlueShield of Oregon. “Arming health care purchasers and patients with additional cost and quality information should help increase value-based decision making — particularly for elective medical procedures. This is an important step in helping to slow the increase in health care costs.”

Lynn-Marie Crider, public policy specialist at SEIU Local 49, said the information will be useful for the union, which represents more than 6,500 health care and service workers in Oregon and southwest Washington.

“Hospital pricing policies are very secretive, making it nearly impossible for consumers or employers to know what hospitals are providing the highest quality services or the lowest prices,” she said. “This site will be a great tool for unions as we work with employers to select health plans and hospitals that will provide good value and high quality health care for our members.”

NOTE TO REPORTERS: Please see attached Frequently Asked Questions and “How to use this site” for more information.

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The Department of Consumer and Business Services is Oregon’s largest business regulatory and consumer protection agency. For more information, visit www.dcbs.oregon.gov.

The Office for Oregon Health Policy and Research (OHPR) is responsible for the development and analysis of health policy in Oregon and serves as the policymaking body for the Oregon Health Plan. The Office provides analysis, technical, and policy support to assist the Governor and the Legislature in setting health policy.