

## Oregon Hospital Cost Transparency Reporting Frequently Asked Questions

August 2, 2007

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

- Today, the Department of Consumer and Business Services and the Office for Oregon Health Policy and Research are announcing a new Web site that compares hospital costs, an exciting step in the state's effort to provide health care cost and quality information to the public.
- The Web link to the hospital cost information will be activated August 2, 2007. To access the Web site, go to <https://oregon.gov/DAS/OHPPR/comparehospitalcosts.shtml>
- The inaugural Web site presentation provides average payments for selected health care conditions or procedures in Oregon's acute-care hospitals during 2005. These data were provided to the state by commercial health insurance carriers with earned premiums in excess of \$50 million in Oregon.
- This Web site represents the first time this information is being made publicly available 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. Only two other states (New Hampshire and Pennsylvania) currently report payments as Oregon is now doing.
- This data complements Oregon's public reporting of hospital quality data, which compares hospital mortality rates for selected conditions and procedures, available at [www.oregon.gov/das/ohpr/hq](http://www.oregon.gov/das/ohpr/hq).

### 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 year 2005.
- The Web site contains data on the average payments for 82 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*: Entire 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 2005. 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 representatives with expertise in health care delivery and cost. Included were representatives from individual health insurance carriers, the Oregon Association of Hospitals and Health Systems, the Oregon Coalition of Health Care Purchasers, individual Oregon hospitals, actuaries, and other interested stakeholders.

- The insurance carriers that submitted data have verified the data presented on this Web site accurately reflects the data they provided.
- Each hospital has been given an opportunity to review and comment on the data with respect to that hospital. Comments from hospitals will be posted on the Web site if they would like to provide background information or further clarifications of their hospital's specific results.

**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 include only about 11% of all Oregon inpatient discharges.
- Other exclusions include:
  - Claims for coordination of benefits
  - Claims for patients who died, discharged against medical advice, or transferred in from another hospital
  - Claims for patients treated in the emergency room
  - 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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