



HOSPITAL CHOICE

YOUR CARE - YOUR OPTIONS

F A C T S H E E T

Release: May 6, 2008

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The Facts on AZ Hospital Choice & Price Transparency

The Arizona Hospital and Healthcare Association (AzHHA) has launched AZ Hospital Choice (www.azhospitalchoice.org), Arizona’s first online tool providing consumers with hospital charge information.

- Consumers may visit www.azhospitalchoice.org to research hospital charges for specific conditions and procedures.
- **AZ Hospital Choice** includes useful information on all Arizona acute care, licensed hospitals, including: average length of stay, average and median charges, average charge per day, gender (percentage of male and female patients) and median patient age.
- The Web site includes definitions and provides explanations on factors that impact a hospital’s charge structure, such as its payer mix.
- Consumers may choose to view information for a specific hospital or compare that hospital to three additional hospitals.
- Once a hospital’s information is displayed, users have the option of clicking on a link to the hospital’s Web site, where they may find more specific information on hospital billing and charity care policies as well as patient rights and responsibilities.
- Visitors to **AZ Hospital Choice** will be able to adjust for a hospital’s severity of illness for specific conditions or procedures.
- Data for **AZ Hospital Choice** is provided through AzHHA’s partnership with the Bureau of Public Health Statistics at the Arizona Department of Health Services (ADHS).
- **AZ Hospital Choice** currently includes data that covers the 12 months ending June 30, 2007. Going forward, the Web site will be updated each spring and fall to ensure **AZ Hospital Choice** information is current.

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- The amount a facility bills for a patient's care is known as the charge. This is not the same as the actual cost or amount paid for the care. The amount collected by a healthcare facility for each service is almost always less than the amount billed. Here are three common examples:
 1. Government programs such as Medicare and AHCCCS typically pay healthcare providers much less than the billed charge. These payments are determined by government agencies. Hospitals have no ability to negotiate reimbursement rates for government-paid services.
 2. Commercial insurers or other purchasers of healthcare services usually negotiate discounts with healthcare facilities on behalf of the patients they represent.
 3. Hospitals typically have policies that allow low-income persons to receive reduced-charge or free care.
- Negotiations between facilities and healthcare purchasers generally begin with the charge amount. While each facility's charge structure may vary in important ways, charges represent a consistent, though imperfect, way to compare healthcare costs.

Arizona's hospital community is taking the lead on price transparency—which is on the agendas of many states as well as the federal government—by making hospital charges accessible to consumers.

- Arizona is among 21 states that have voluntarily launched pricing transparency Web sites. Other states include: Arkansas, Colorado, Illinois, Iowa, Louisiana, Michigan, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, Oklahoma, Oregon, Tennessee, Texas, Utah, Virginia, Washington and Wisconsin.
- In 2006, President George Bush announced a goal of making healthcare price information more readily available to consumers. To learn more, visit www.whitehouse.gov/news/releases/2006/08/20060822.html.

Businesses are increasing co-pays and insurance premiums are on the rise, requiring consumers to pay more out-of-pocket for their healthcare coverage and to become more involved in managing the cost of their care.

- Health insurance premiums for Arizona families, on average, increased \$1,293 in 2005, according to Families USA.
- According to the *Employer Health Benefits 2004 Annual Survey* produced by the Kaiser Family Foundation and the Health Research and Educational Trust, employer-sponsored health insurance premiums increased an average of 11.2 percent--the fourth consecutive year of double digit growth. Premiums for employer-sponsored health insurance rose at about five times the rate of inflation (2.3 percent) and workers' earnings (2.2 percent).
- A report produced in 2004 by Mercer Human Resource Consulting found the number of employees who have PPO plans has risen from 27 percent to 58 percent.
- A report titled *Consumer Driven Health Care: The Changing Role of the Patient* produced by the National Center for Policy Analysis (NCPA) published in 2005 notes that employers are raising deductibles and increasing copayments—forcing employees to manage more of their own healthcare dollars.

Many consumers are taking a more active role in managing their healthcare by turning to the Internet to find the information they need to make informed decisions.

- The growth of the Internet and the vast amount of information it makes available have created dramatic changes in the availability and accessibility of information. According to the Web site InternetWorldStats.com, Internet usage in the United States increased 125.6 percent from 2000 to 2007.
- According to the Pew Internet and American Life Project, about 80 percent of adult Internet users (estimated at 93 million people) have searched for health information online.

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