



DENNISTON DATA

The Healthcare Transparency Company

Denniston Data Inc.

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***Healthcare Pricing Guide (HPG)
Provider Ranking System (PRS)***

Phil Denniston

President, DDI

760-846-4932

phil@dennistondata.com

Background

- Principals Created *ODG*, sold to Hearst Health
- Created Two Other Big Data HC Companies
- DDI is a 2-year-old Healthcare **Transparency** Startup with 2 Services:
 - **Provider Pricing** (*HPG*): 1st User-Friendly Tool to Negotiated Prices from Transparency in Coverage
 - **Provider Quality** (*PRS*): Researched Best Indicator of Positive Outcomes & Rank All Docs

HPG: What Happened?

CAA New Rules

- **CAA** (Consolidated Appropriations Act of 2021) & **NSA** (No Surprises Act)
- Transparency in Coverage (TiC) MRF starting 7/1/22
- Unprecedented access to proprietary price information
- Can transform how payers & providers negotiate, and result in elimination of unwarranted price variability
- Datasets are massive and messy, value is contingent on making data interpretable and actionable
- No Surprises Act (NSA) new basis for OON negotiation
- Increasingly participants have fiduciary responsibility

HPG: **THE SOLUTION**

- *Official Healthcare Pricing Guide*[™] (HPG), launched January 31, 2023
 - From all official US Government mandated data
 - Transparent process, no guesstimates or confidential sources
- US Medical Benchmark Prices from Transparency in Coverage (TiC) and Medicare Data
- Tools for Negotiating a "Fair Price"
- The first available user-friendly tool to access the recently released TiC MRFs

THE SOLUTION

HPG Features

- **Covers All Reimbursement Codes:** DRG (hospitals), HCPCS (doctors & other providers, including CPT & CDT), ICD codes, & RC (revenue codes) - NDC codes may be added
- **Based On Tens of Billions of US Negotiated Prices,** after thorough quality control checking, using over 50,000 health plan non-duplicate files
- **Easily Searchable,** using any combination of terms
- **Access What Used to be Highly Confidential,** secretive information, now at your fingertips

THE SOLUTION

HPG Features (cont'd)

- **The Target for Fair Price is Median Price**, or 50%
 - Quartiles (25% and 75%) indicate that half of all prices are within that range
 - 90% of prices are within the range from 5% to 95%; any price outside of that is an outlier
- **Also Shows Medicare Approved** Amounts, for comparison, from *Provider Ranking System*[™] (*PRS*)
- **List Prices/Billed** Amounts also from *PRS*
- **Further Options Available** to retrieve individual negotiated prices by provider and/or by health plan
- **Health Plan Pricing Report Card**[™], custom option

THE SOLUTION

HPG Features (cont'd)

- **Be in Compliance with CAA** (Consolidated Appropriations Act) & NSA (No Surprises Act).
- **CAA will make fiduciaries** of self-insured employers for healthcare services they purchase, ERISA lawsuits
- **Includes a national QPA** (qualifying payment amount), for determining OON cost sharing in NSA
- **Transparent Licensing** based on # of employees: Only \$0.50 per employee/year or \$10/bed (min \$1,000)
- **Highest Quality Providers** do not cost more - use sister product PRS to select high performing providers

HPG Return On Investment Is 1,000 to 1 in Test Case

- Typical client, about 2,000 employees, HPG cost is \$1,000 and annual savings was \$1 million.
- Targeted codes where off per HPG, 20% of total costs, off by 50%, after renegotiations, cut differences by half.
- For other others currently off on over 20% of services, savings may be much higher.
- For all participants, would have fulfilled their fiduciary responsibility under CAA

What Does This Mean? (& also re Reference Based Pricing)

- CAA Transparency Data Release Is the **Major Breakthrough** of Our Time Re HC Costs
- Development of a New Standard in Pricing
 - Without Need for Government Price Controls
 - & New Pricing Not Based on Medicare
- A Fair & Reasonable Price, Based on Actuals
 - Legal: “A fair price is a **price others pay for a good or service.**” (BCG)
- Allows **Evidence-Based** Provider/Payer Negotiations

HPG METHODOLOGY

Brief Summary

- **Data Management:** PostgreSQL, billions of Prices, 50,000 MRFs, min 100 prices per code.
- **Data Cleaning:** Flag outliers, with modifier codes lacing, use DDI PRS NPI history.
- **File Selection:** Mostly duplicate files, not Allowed-Amounts Files with data issues, not Hospital Price Transparency files

HPG METHODOLOGY

Counts by Code

33,259 separate entries (wait on NDC Codes for future publishing)

Group Health Negotiated Prices (from TiC)	
HCPCS Professional	14,910
HCPCS Institutional	9,563
DRG Institutional	765
ICD Institutional	512
RC Institutional	91
Medicare Approved Amounts (from PRS)	
HCPCS Professional	3,709
List Prices/Billed Amounts (from PRS)	
HCPCS Professional	3,709

Official Healthcare Pricing Guide™ (HPG)

Texas

<< BACK

DRG Code: **001**

Billing class: Institutional

Enter Code or Description

SEARCH

Description: Heart Transplant or Implant of Heart Assist System with MCC

U.S. Medical Prices
from Transparency in
Coverage and
Medicare Data⁽²⁾

	5%	25%	50%	75%	95%
Group Health Negotiated Prices ⁽³⁾ (TIC)	\$182,780.77	\$283,431.23	\$384,813.48	\$506,207.61	\$720,455.72
Group Health Negotiated Prices - Texas	\$252,355.60	\$382,948.24	\$514,254.57	\$688,076.01	\$1,004,027.09
Medicare Approved Amounts ⁽⁴⁾ (PRS)	\$157,956.85	\$170,380.43	\$177,479.61	\$188,128.39	\$207,651.14
List Prices/Billed	\$575,908.16	\$906,749.01	\$1,225,336.50	\$1,666,457.64	\$2,757,007.13

PRS: New way to look at problem - **What is Quality Medical Care?**

- Not clear from the medical record:
 - Did the patient get better & return to life's activities?
- Most quality measures use adverse events:
 - Mortality rates, hospital readmissions, etc.
 - These should almost never occur
 - They tell you nothing about over 90% of doctors
- Risk Adjustment (RA) is critical
 - Otherwise, doctors avoid more risky patients
 - Those most needing treatment & healthcare equity
 - Social Determinants Of Health (SDOH) not in RA

PRS:

Quality Healthcare – Problem Example

- Which doctor is better:
 - One treating a healthy population in a well-off suburb, with few adverse events?
 - Or the one working at the free clinic where the population has lacked adequate healthcare, so they justifiably have higher complication rates?
- Measures of quality based on adverse effects might unfairly penalize the second doctor
- Solution: Use 100% available quality predictor
 - Level of experience – the fair & transparent choice

PRS:

Other Attempts To Measure Quality

- Some other attempts to measure quality have looked at what doctors should not do
 - Specifically unnecessary care.
- While evidence-based medicine is important, complaint is that these measures are focused more on cost
 - Specifically cost avoidance
 - Focus should be quality

PRS Solution: Using Level of Experience

- PRS uses a predictor of quality that is available for every medical provider: level of experience
- Backed by the medical evidence as the best proxy measure to predict good health outcome
 - See [Does Practice Make Perfect in Healthcare?](#)
- Experienced doctors also know when not to do a procedure, and because they are busy performing successful procedures, they are not looking to add inappropriate procedures

PRS:

Identify High Performing Providers

- Higher performing providers do not cost more
 - When considering better outcomes, they cost less
 - Identify high-performing medical providers to lower healthcare costs through improved health outcomes
- Over 1M providers per year for ten years
- For every reimbursable service they perform
 - providers are ranked nationally, regionally, & locally
 - Hospitals added on 5/15/23
- Also ranked within medical specialty according to Composite Ranking Score with letter grade

PRS: Data Sources

- Like every other medical provider quality rating service, starts with CMS data
 - Largest single source, with consistent quality
- Adding data from other sources, after necessary cleaning and quality control
 - Claims clearinghouse data
 - All-Payer Claims Databases
 - Workers' Comp claims

Zip3 (100) New York, NY (Main 1 (Manhattan)) Ranking of Providers for HCPCS Code: 93656

Location: Facility

"Evaluation and insertion of catheters for recording, pacing, and treatment of abnormal heart rhythm [ablation]"

Green highlighting indicates top quarter - Yellow highlighting indicates top half

Show 50 entries

Filter:

Rank	NPI Code	Provider Name	Medical Specialty	City	State	Zip	Services	Patients	Repeat	Total Dollars Approved	Approved Average	Billed Average
1	1053307355	Larry A Chinitz, M.D.	Clinical Cardiac Electrophysiology	New York	NY	10016	97	96	1.04%	\$135,120	\$1,392.99	\$6,485.00
2	1083672463	Vivek Y Reddy, M.D.	Cardiology	New York	NY	10029	75	72	4.16%	\$105,326	\$1,404.34	\$4,863.07
3	1487647855	Anthony Aizer, M.D.	Clinical Cardiac Electrophysiology	New York	NY	10016	58	58	0.00%	\$80,966	\$1,395.96	\$6,485.00
4	1871586263	Douglas S Holmes, M.D.	Clinical Cardiac Electrophysiology	New York	NY	10016	53	53	0.00%	\$74,966	\$1,414.45	\$6,485.00
5	1134386782	Chirag R Barbhaiya, MD	Cardiology	New York	NY	10016	40	39	2.56%	\$56,614	\$1,415.35	\$6,484.99
6	1942459300	Daniel Y Wang, M.D.	Clinical Cardiac Electrophysiology	New York	NY	10032	31	31	0.00%	\$45,597	\$1,470.86	\$5,092.05
7	1619134160	Jason Chinitz, MD	Clinical Cardiac Electrophysiology	New York	NY	10065	30	30	0.00%	\$45,290	\$1,509.66	\$5,644.00
8	1902350671	Lior Jankelson	Cardiology	New York	NY	10016	24	24	0.00%	\$33,485	\$1,395.20	\$6,485.00
9	1144259433	Srinivas R Dukkupati, MD	Cardiology	New York	NY	10029	24	24	0.00%	\$33,934	\$1,413.92	\$4,862.50
10	1972586964	William Whang, MD	Clinical Cardiac Electrophysiology	New York	NY	10029	22	21	4.76%	\$31,224	\$1,419.29	\$4,860.00
11	1710975404	Christopher F Liu, MD	Clinical Cardiac Electrophysiology	New York	NY	10021	17	17	0.00%	\$24,084	\$1,416.72	\$4,995.00
12	1467549535	Steven Markowitz, MD	Clinical Cardiac Electrophysiology	New York	NY	10021	17	17	0.00%	\$22,986	\$1,352.13	\$4,995.00