



DENNISTON DATA

The Healthcare Transparency Company

Official Healthcare Pricing Guide™ (HPG)

US Medical Benchmark
Prices from Transparency
in Coverage (TiC) Data

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Background

- Principals Created *ODG*, sold to Hearst Health
- DDI is a 2-year-old Healthcare **Transparency** Startup with 2 Services:
 - **Provider Quality** (*PRS*): Researched Best Indicator of Positive Outcomes & Rank All Docs
 - **Provider Pricing** (*HPG*): 1st User-Friendly Tool to Negotiated Prices from Transparency in Coverage
 - Help Employer Plans negotiate Fair Prices
 - Ensure Compliance with CAA & Fiduciary Responsibility

Outline - *Healthcare Pricing Guide™ (HPG)*

- The Need
 - 2023 breakthrough opportunity to fix healthcare due to CAA
- The Solution
 - HPG first to launch, with needed features & benefits
- HPG Return on Investment Is 1,000 to 1
 - Spend \$1,000 on HPG and save \$1 million per year
- Methodology
 - Transparent data sourcing, selection, cleaning, & quality control
- Qualifications
 - DDI experience with big healthcare data

THE NEED

For Employers: Reduce HC Costs

- **Ongoing: Save Money, Reduce Health Benefit Costs**, including reducing excessive prices paid by health plan
- **Attract & Retain Employees** with better health benefits & lessening the need to raise premiums, deductibles & co-pays
- **U.S. Healthcare Costs Are Double** those in other developed countries, without achieving better outcomes
- **Ultimate Beneficiaries: Patients**

THE NEED

For Employers: CAA New Rules

- Transparency in Coverage (TiC) MRF requirements
- Unprecedented access to proprietary price information
- Can transform how payers 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 self-insured employers have fiduciary resp
- Also applies to how health plans or TPAs had been bargaining for their employer clients

THE SOLUTION

HPG

- *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
- **Includes QPA** (qualifying payment amount), basis for determining OON cost sharing in NSA
- **Transparent Licensing** based on # of covered lives: Only \$0.50 per year (min \$1,000, max \$50,000)
- **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 employer, about 2,000 employees, HPG cost is \$1,000 and annual savings was \$1 million.
- Targeted codes where overpaying per HPG, 20% of total costs, overpaying by 50%, after renegotiations, cut overpayments by half.
- For other employers currently overpaying on over 20% of services, savings may be much higher.
- For all employers, they would have fulfilled their fiduciary responsibility under CAA to ensure they are not paying excessive rates.

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 Negotiations

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

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
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List Prices/Billed Amounts (from PRS)

HCPCS Professional	3,709
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QUALIFICATIONS

DDI experience, big healthcare data

- **ODG** (fka *Official Disability Guidelines*), brings EBM to WC
 - Adopted by most US states for medical treatment & formulary
 - Used by most large employers for RTW
- **DPI** (aka *Physicians' GenRx*), largest drug database combining all products, prescribing & equivalencies
- **MDR**, Medical Device Register (aka *Official Directory of Hospital Suppliers*)
- **PRS**, Provider Ranking System™
 - The largest and most accurate data available on noninstitutional medical providers in the U.S.
 - Helps with HPG, full details cross referenced by NPI

QUALIFICATIONS

DDI experience – sister service PRS

- Full details on over 1 million providers/year for 9 years
- Every procedure performed, billed, and reimbursed
- Over 80 million procedures using HCPCS (CPT)
- Ranking by service, nationally & locally, id high performing doctors
- Repeat rate, mark-up rate, risk score, MIPS score, Composite Ranking Score (CRS), A through F
- CRS Ranking within medical specialty
- Currently CMS data, adding US all payer data