

HEALTH CARE

Research seen as step in driving down costs

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Shopping for a chest x-ray?

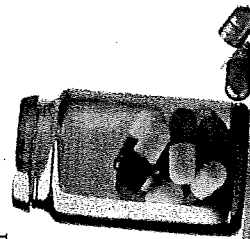
It might cost you \$60 at one hospital in Central Pennsylvania. At another, it might cost you nearly \$90.

How about a C-section?

Provided there are no complications, it could cost you less than \$6,000 – or more than \$12,000.

These cost disparities are among the information gleaned during research conducted by the Central Penn Business Group on Health into the costs of health care in Central Pennsylvania.

Conducted in collaboration with Innovu, a Pittsburgh-based data analytics company, the re-



search delved into the changing demographics of people with insurance, the prevalence of chronic disease, employee cost-share benchmarks and comparisons of the cost-of-care for certain procedures among local health care providers.

“The cost variations between hospital services, in-patient, out-patient, is real. It speaks to the market leverage that some providers have had in working with the carriers to get higher rates. It’s great business, frankly. But when you look at it from a payer standpoint, that high cost turns into ugly news,” said Ned Laubacher, vice president of strategy at Innovu.

The data showed that the cost for lab tests or procedures differs from one hospital or one doctor’s office to another.

One hospital, for example, charged about \$90 for a lipid panel while an independent lab charged just over \$10.

The research, Diane Hess hopes, will arm employers with information they need to de-

sign and administer health insurance plans that won’t break the bank.

It will also help employees become better informed consumers, as information that details how much procedures and labs cost generally isn’t easily available.

“Educating our workforce, I think, is a big challenge and a big opportunity,” said Hess, who is executive director of the Central Penn Business Group on Health.

Hospitals and doctors will be identified for members of the Central Penn Business Group on Health, but not the general public, said Laubacher.

He noted that sharing the identities of the providers needs to be done in a thoughtful manner for the right end result, which would be less disparity in health care costs.

“This isn’t a witch hunt. It’s an education. As a highest-cost provider of care, they’re going to be a target for cost, no doubt. It’s



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endemic in what they do. But sharing the data with the medical carriers, the providers is a great first step to just level-setting the data that everybody is working with,” Laubacher said.

The research was conducted by aggregating data in the midstate, Hess said.

The Central Penn Business Group on Health is an independent, nonprofit affiliate of the Lancaster Chamber of Commerce and Industry and serves employers in Adams, Berks, Cumberland, Dauphin, Lancaster, Lebanon and York counties.

It has 53 employer members ranging in size from less than 50 employees to more than 3,000.

The partnership between the Business Group on Health and Innovu was formalized in fall 2016. The research covered all of 2017. ■

