

Health Care Payments as a Percentage of Medicare

Medicare Reference Based Pricing

Many cost reduction strategies have been implemented and tested to address rising health care costs both locally and nationally. One strategy in particular – negotiating commercial health insurance rates using Medicare payments as a reference – has proven effective in reducing health care spending, [especially for large employers](#). CIVHC’s Medicare Reference Based Price analysis shows commercial health insurance payments for facilities (including hospitals and free standing ambulatory surgical centers) for inpatient (IP) and outpatient (OP) services as a percent of what Medicare pays, along with geographic and trend information.

i Percent Medicare payments were calculated using Milliman’s repricer tool for 2019-2023 claims in the Colorado All Payer Claims Database.

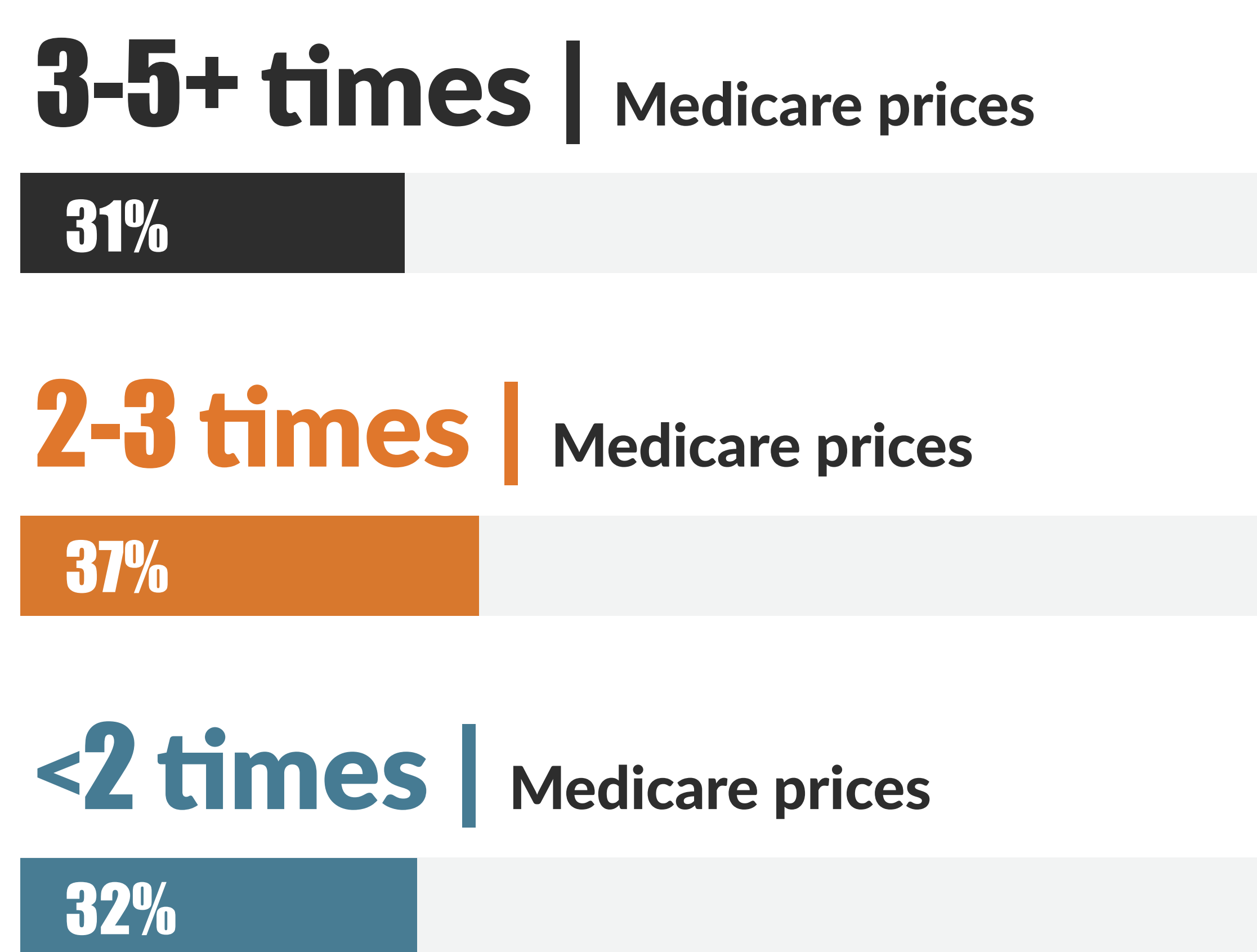
In 2023

Hospitals and Ambulatory Surgery Centers were paid **2.7 times** Medicare prices for **Outpatient** services

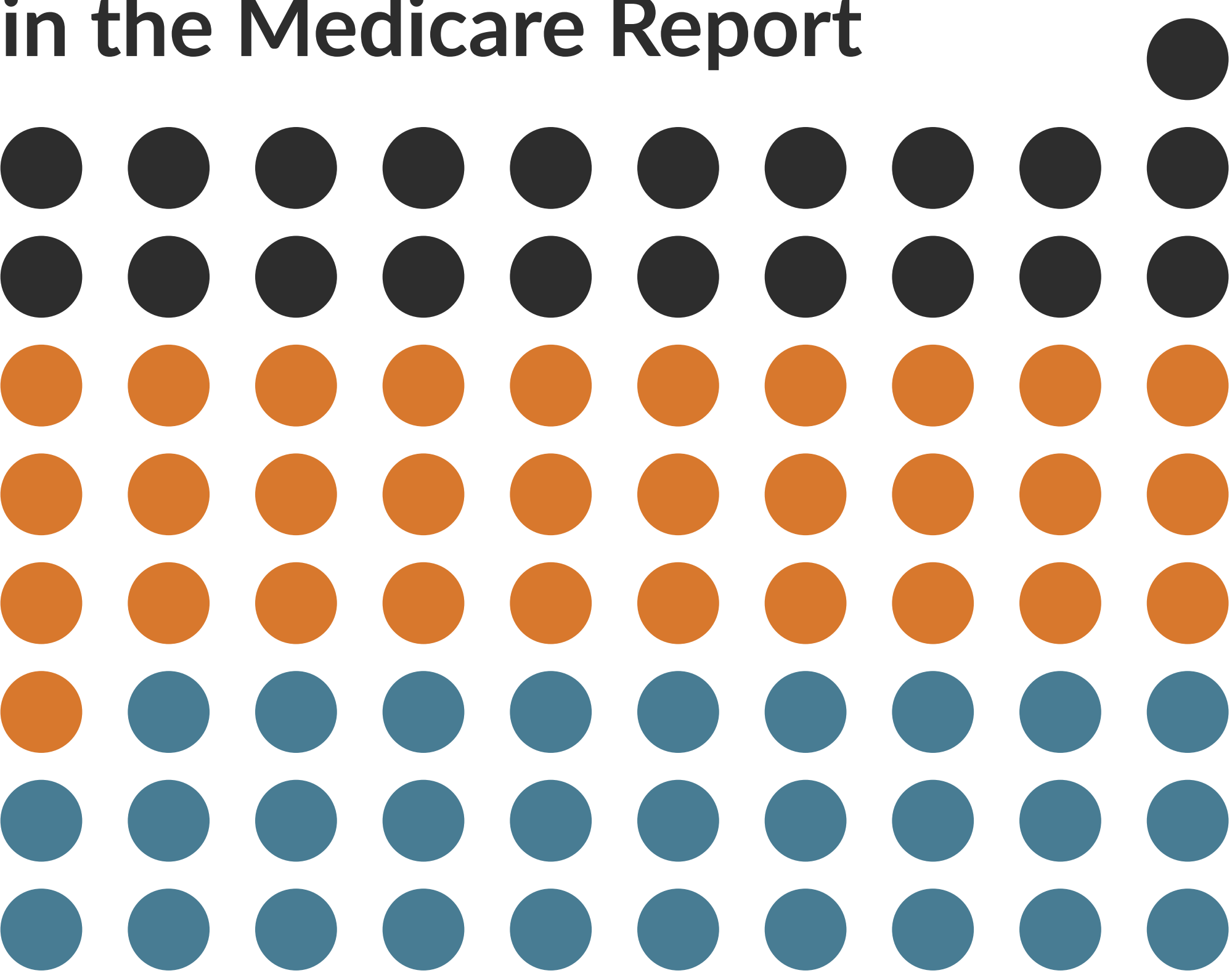
Hospitals were paid **2.7 times** Medicare prices for **Inpatient/Outpatient** services

Hospitals were paid **2.4 times** Medicare prices for **Inpatient** services

In 2023, for Inpatient and Outpatient services combined, the majority of hospitals received **2-3 times** Medicare payments, and many received **3-5 times** what Medicare would pay.

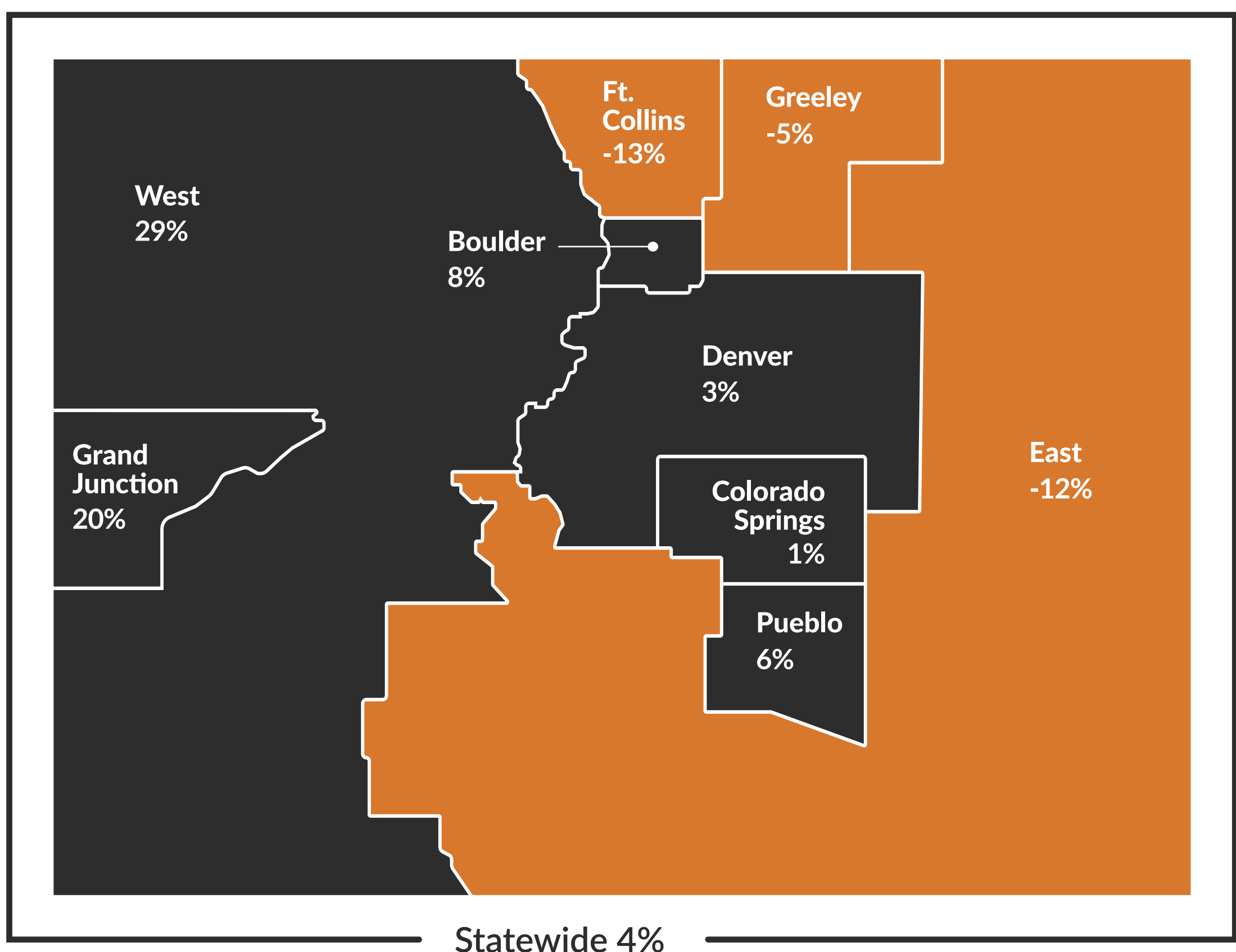


90 Total Colorado Hospitals in the Medicare Report

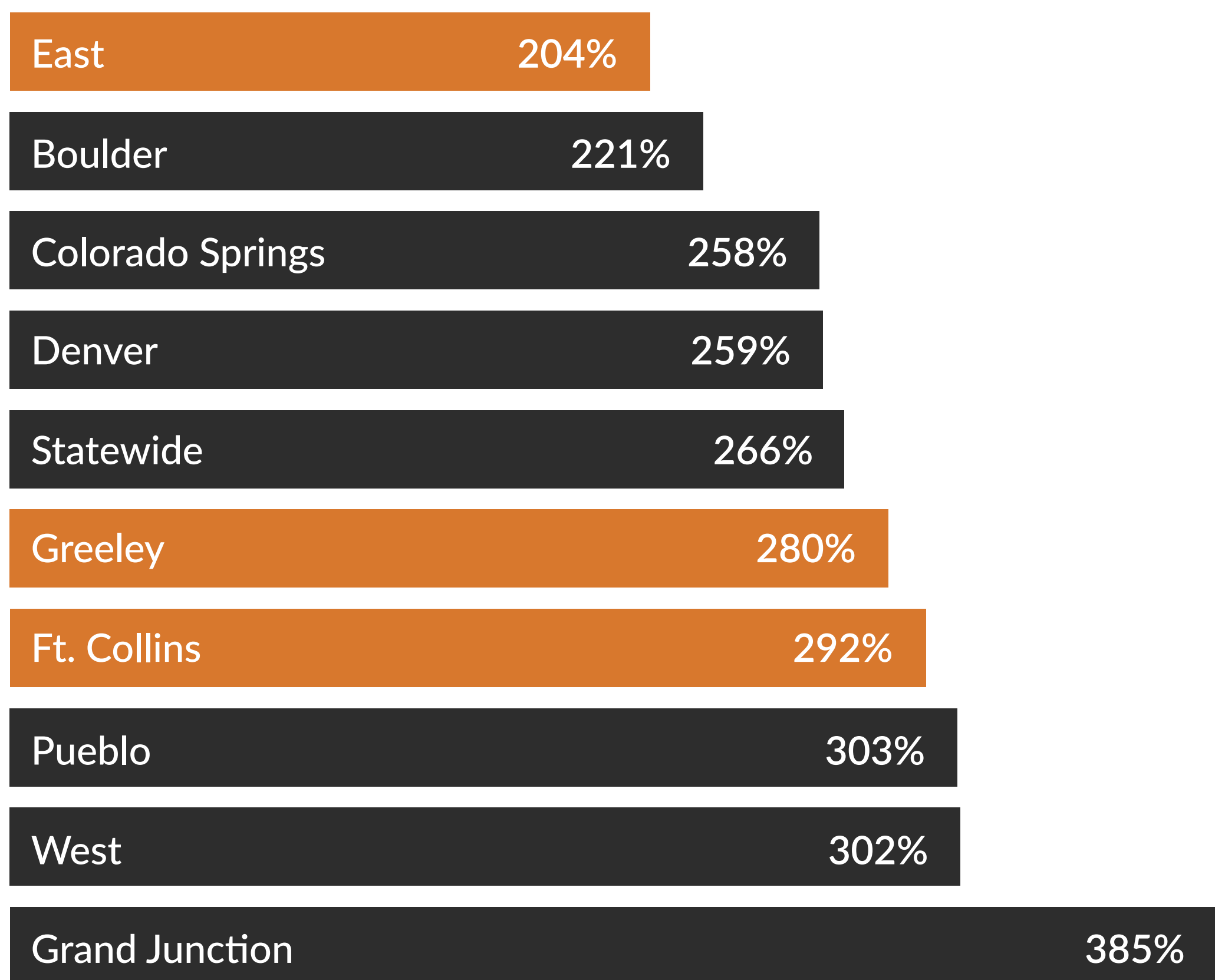


DOI Region Map

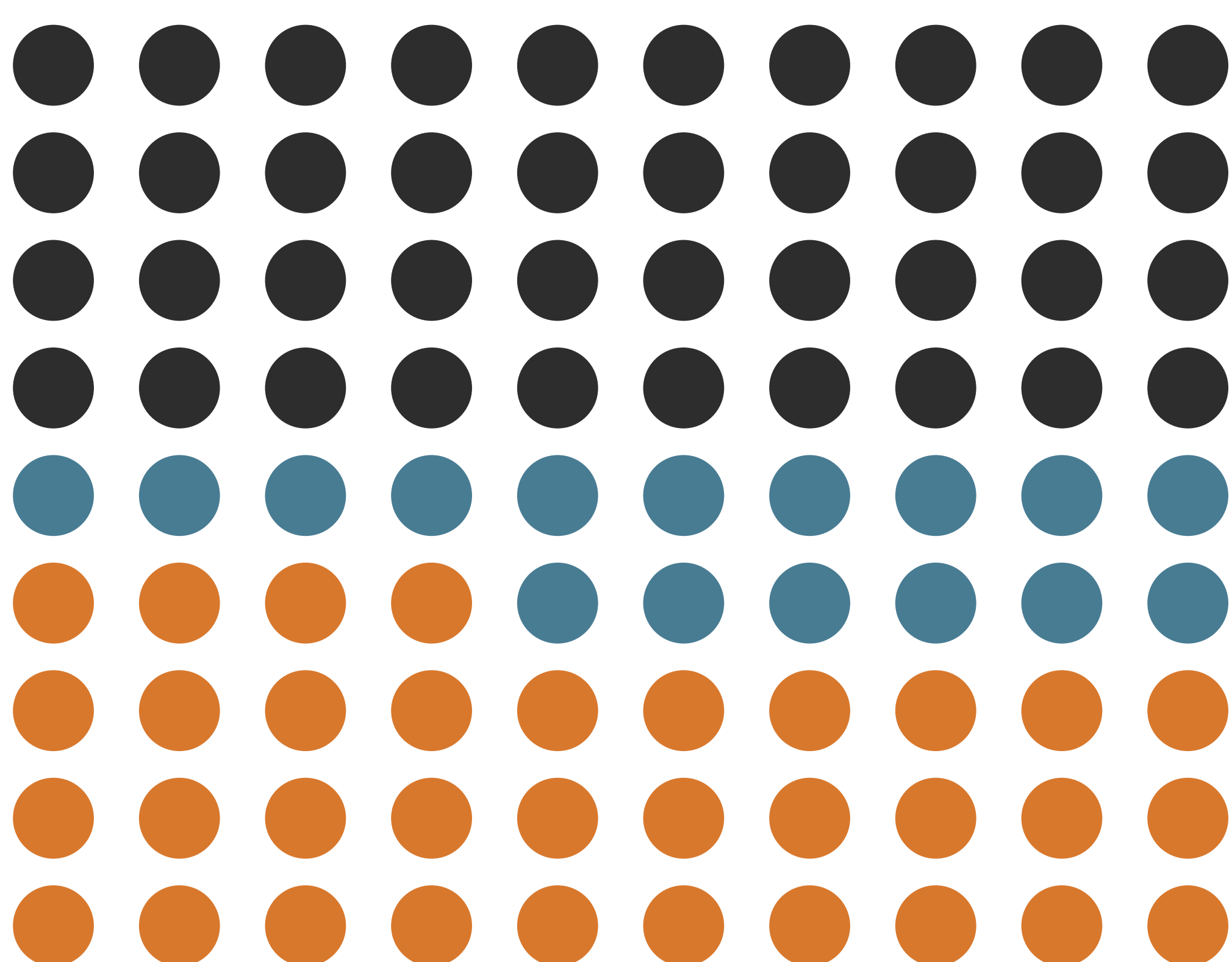
Decrease in % Medicare Increase in % Medicare



2023 DOI Region Payments as a Percent of Medicare | Hospitals only, IP/OP combined



Hospitals | For outpatient services in 2023



3-6 times | Medicare prices

42 out of 90 Hospitals

2-3 times | Medicare prices

21 out of 90 Hospitals

<2 times | Medicare prices

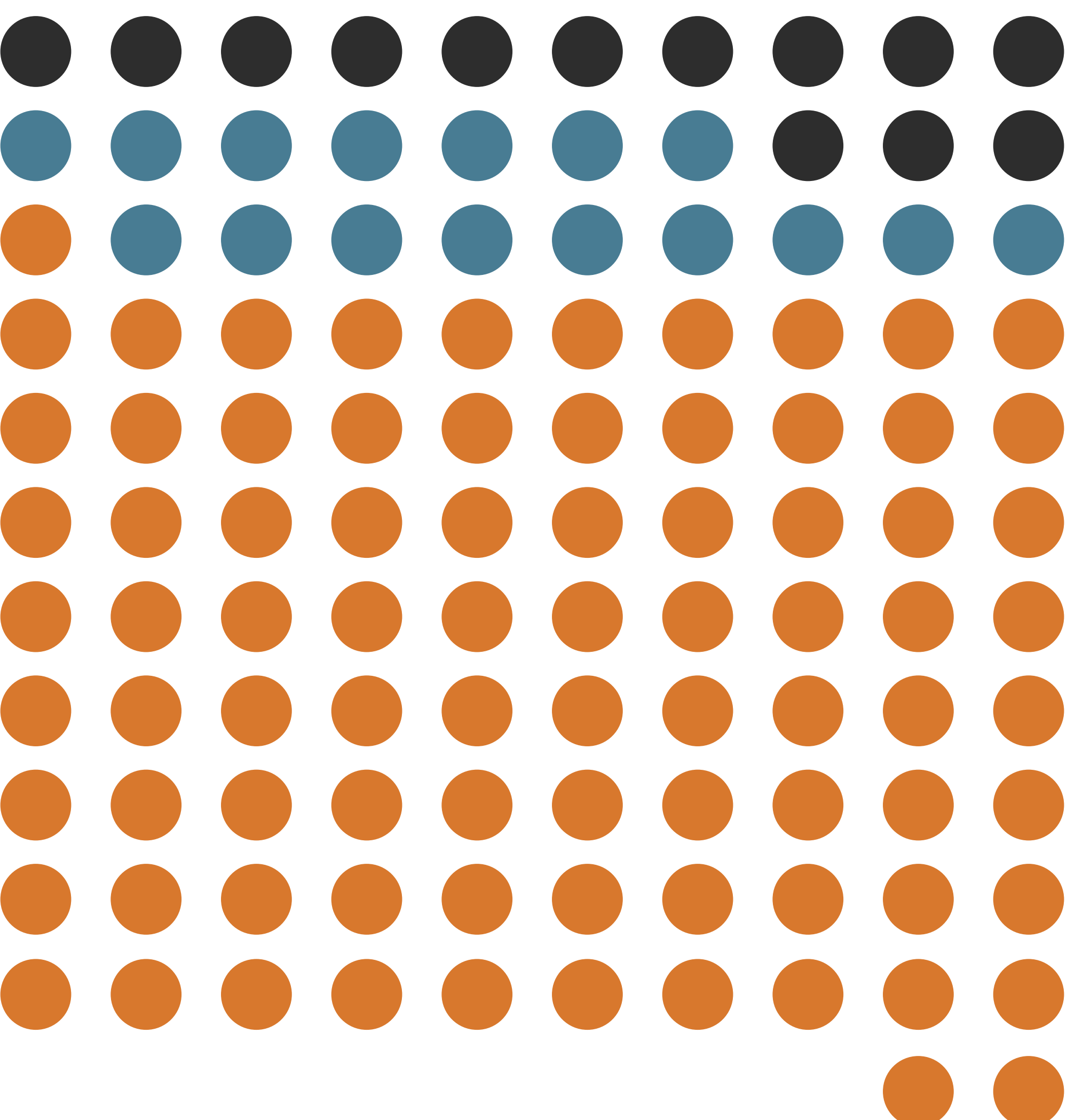
27 out of 90 Hospitals

Ambulatory Surgical Centers | For outpatient services in 2023

3-5 times | Medicare prices
13 out of 112 Ambulatory Surgical Centers

2-3 times | Medicare prices
17 out of 112 Ambulatory Surgical Centers

<2 times | Medicare prices
82 out of 112 Ambulatory Surgical Centers



Outpatient (Hospitals and ASCs) Inpatient and Outpatient (Hospitals) Inpatient (Hospitals)

