## 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.



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

## In 2023

CIVHC

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 hpatient and Outpatient services combined, — the majority of hospitals received 2-3 times Medicare payments, and many received 3-5 times what Medicare would pay.

3-5+ times | Medicare prices

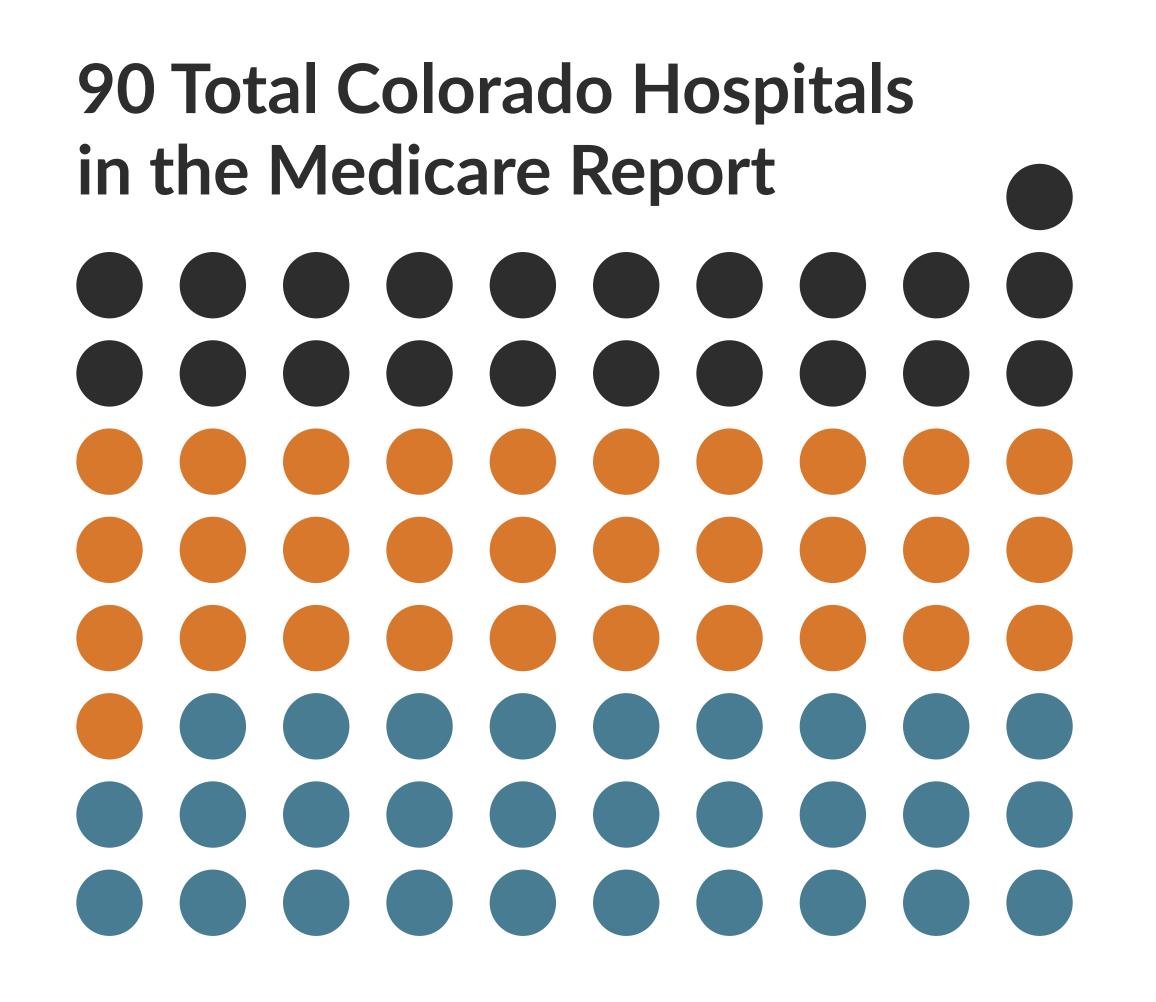
31%

2-3 times Medicare prices

37%

<2 times | Medicare prices</pre>

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DOI Region Map Decrease in % Medicare Increase in % Medicare Ft. Greeley **Collins** -5% -13% West 29% Boulder 8% Denver 3% East **Grand** Junction -12% Colorado 20% **Springs Pueblo** 6%

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

East 204%

Boulder 221%

Colorado Springs 258%

Denver 259%

Statewide 266%

Greeley 280%

Statewide 266%

Greeley 280%

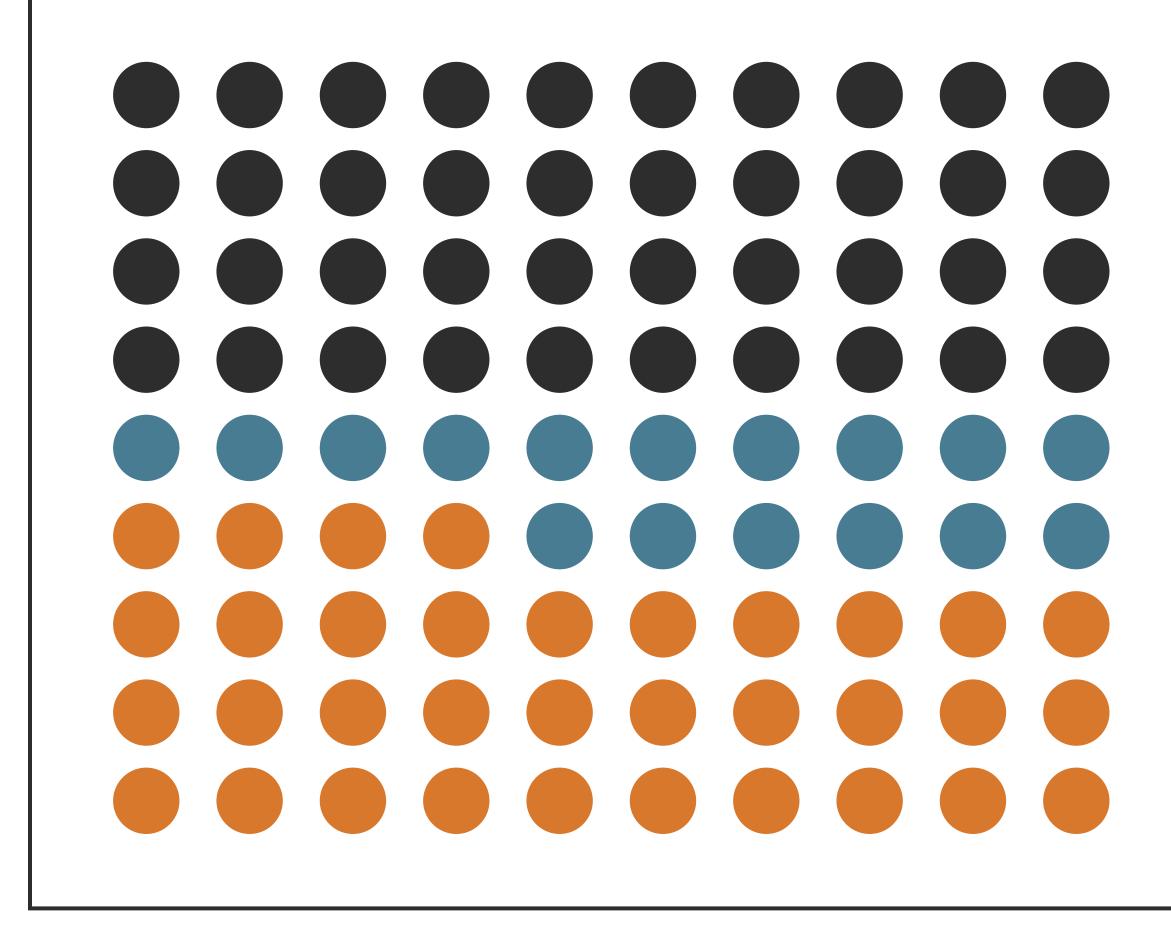
Ft. Collins 292%

Pueblo 303%

West 302%

Grand Junction 385%

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



