

June 12, 2018

Mr. Justin Senior
Secretary
Agency for Health Care Administration
2727 Mahan Drive
Tallahassee, Florida 32308

RE: Florida Health Price Finder Transparency Website

Dear Secretary Senior:

On behalf of our more than 200 hospital and health system members, the Florida Hospital Association (FHA) appreciates this opportunity to comment on the data used to develop hospital pricing information for the Florida Health PriceFinder web site. First, thank you for your prompt and positive response to our May 29 request to validate the pricing data. FHA shares your commitment to provide correct and reliable information to the public. That is why we believe the validation of hospital pricing data is essential to fulfilling the responsibility assumed when providing data to patients and their families. In the spirit of cooperation and shared responsibility, we request you consider the following areas of concern prior to launching the web site.

First, data is not listed for a significant number of hospitals. No data will be displayed for seventy-one of 220 acute care hospitals. Therefore, consumers will not be able to access pricing data for nearly one-third of the hospitals in our state. This presents a confusing picture regarding the availability of services in these areas. As an example, obstetric services for pregnant mothers does not appear for any hospital in Leon County, which is clearly not the case. This issue could be resolved by ensuring the web site does not launch before the claims data from Florida Blue is loaded into the database.

We appreciate your leadership in developing a validation process. Unfortunately, the State's vendor, Health Care Cost Institute (HCCI), has not been able to provide specific details as to what comprise the "bundles" within the deadline you have established for completing the validation process. The lack of transparency into the methodology presents a substantive roadblock for hospitals to validate the data. FHA staff and individual hospitals submitted multiple written requests and signed HCCI's data use agreement to obtain critical information on the data methodology used to calculate the "bundled" rates. HCCI's response is that the methodology documentation continues to be "delayed." Despite lacking essential information, FHA staff and individual hospitals have, to the best of our ability, tried to validate the pricing data.

Based on our analysis, there appear to be anomalies in the data that cannot be explained. Our findings show several inaccuracies where the bundled rates displayed on the Florida Health PriceFinder website are higher or significantly lower than actual hospital prices. In comparing

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the prices listed, one hospital found that the pricing posted on the web site varied from 1 to 92 percent compared to the actual payments from commercial payors. The payment data is also trended forward to July 1, 2018 based on the rate of health care inflation. This erroneously assumes that the negotiated contract rates increase by the rate of health care inflation, which would lead to an increase of 12 percent per year. That is not the case. Many hospital contracts with health plans include “rate neutralization” clauses, or limits on the rate of increase. Therefore, prices are overstated by inflating costs using a standard percentage.

Further, the data displayed is incomplete. We identified several examples of data available at the hospital level but not at the county level, and vice versa. See enclosed examples from Sarasota and Martin counties. This can be confusing for consumers who wish to compare hospital services in their community.

The quality of data and scope of information provided to consumers will be significantly improved by ensuring the site does not launch without Florida Blue data. Florida Blue provides health care coverage to approximately 5.1 million Floridians. Given that the intent of the legislation is to provide accurate, meaningful information to the people of Florida, FHA strongly recommends the Agency include Florida Blue data in the first public launch of the Florida Health PriceFinder website.

In the interim, consumers can access validated hospital data at www.MissiontoCare.org, a public database FHA launched in 2016 to provide hospital pricing and quality information in an easy to use, searchable format.

FHA members have long supported price transparency and that includes support for the Agency’s Florida Health PriceFinder website. We stand ready to continue working with the Agency to implement a meaningful and useful resource for all Floridians in need of hospital services.

Sincerely,

A handwritten signature in black ink that reads "Bruce Rueben". The signature is written in a cursive, flowing style.

Bruce Rueben
President

Enclosures