



HOSPITAL COSTS

A Primer

March 2024

Key Information on Hospital Costs and Their Impact

Focus: State of Michigan



HOSPITAL COSTS: A PRIMER

KEY INFORMATION ON HOSPITAL COSTS
AND THEIR IMPACT WITH A FOCUS ON
THE STATE OF MICHIGAN

March 2024

Provided by the Michigan Health Purchasers Coalition

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KEY QUESTIONS & TALKING POINTS

Key Questions:

- What is the impact of rising hospital prices on patients and employers?
- Why are employer-sponsored/private plans charged considerably more than Medicare for the same hospital services?

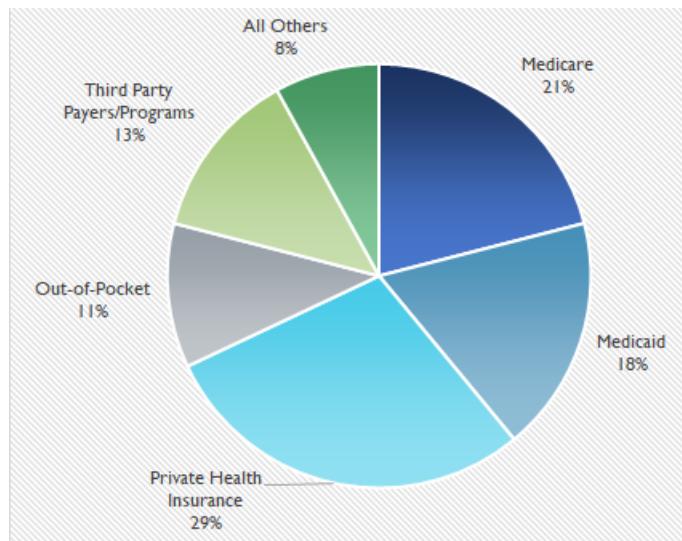
Talking Points:

- The National Health Expenditure (NHE) accounts for 17.3% of the nation's Gross Domestic Product (GDP).
- Employer-sponsored/private plans are the largest contributor to the NHE.
- Hospital care accounts for the largest portion of the NHE by service/product.
- The rise of the cost for hospital services exceeded the rise in cost for college tuition and new cars.
- Between 2010 and 2020, consumers in Michigan experienced a 40 percent increase in costs for hospital services.
- Hospital mergers leads to a 7 to 10 percent increase in prices for private insurers, without an increase in quality of care.
- Employer-sponsored/private plans in Michigan were charged between 172 percent and 307 percent above the Medicare rate at the flagship hospitals of major health systems.
- Most of the medical debt in the United States is tied to hospital care.
- The average yearly out of pocket spending for a healthy individual was \$1,425 in 2022, a 36% increase from 2013.
- 67 percent of employers feel “controlling benefit costs is their number one challenge.”
- The employer annual contribution to premiums for family coverage has increased 309.5% since 1999.
- Hospitals in Michigan have adequate operating margins and cash reserves.
- The commercial breakeven for hospitals demonstrates there is no need to cost-shift to employer-sponsored/private plans.

OVERVIEW OF HEALTH CARE COSTS

Each year health-related spending grows in the United States. The National Health Expenditure (NHE) reached \$4.5 trillion in 2022 and accounted for 17.3 percent of the country's Gross Domestic Product (GDP). Private health insurance, which includes employer-sponsored plans, contributed the most by accounting for almost 30 percent of the NHE.

The growth of the NHE is projected to outpace the average GDP growth and outpace economic growth, personal incomes and inflation. One of out every six dollars of the nation's annual production of goods and services is dedicated to health care. Projections estimate the health spending share of GDP to be close to 20 percent by 2030.



In 2022, private health insurance was the largest contributor to the National Health Expenditure.

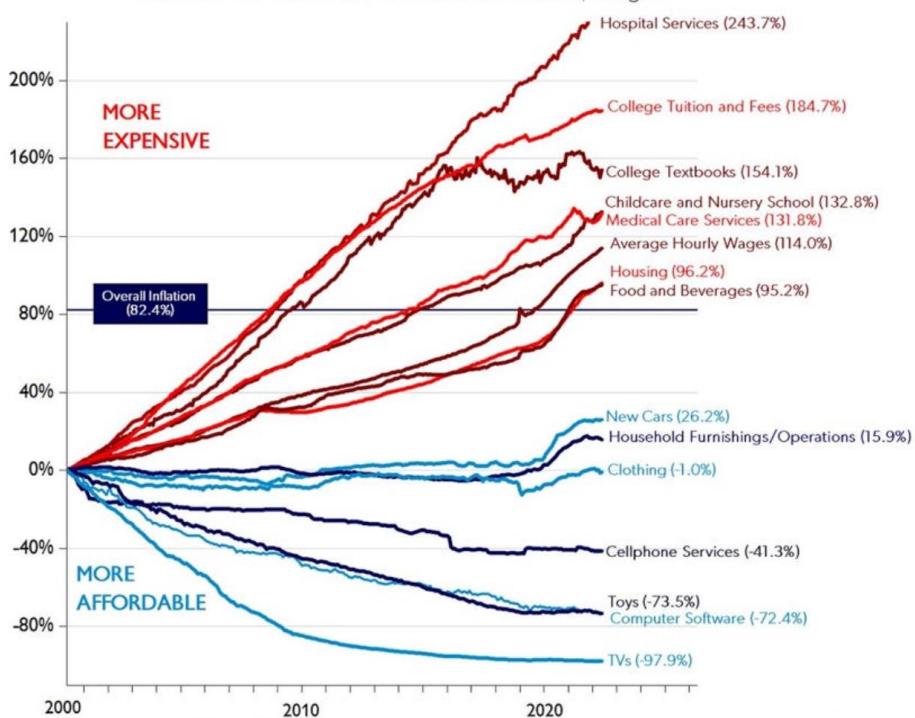
Source: Centers for Medicare and Medicaid Services (CMS) National Health Expenditure Data, 2022.

Why is this a concern? The growth of health spending and increased health prices, especially in the hospital and pharmacy sectors, are not meeting the needs of the consumer. Either the demand is too high without ample supply, or the cost is too high with patients unable to afford the service and/or product. As a country, we are not getting what we pay for and the continuous rise in health costs is to the point where it is insupportable for most patients and employers.

Why focus on hospital costs? In 2022, hospital care represented the largest share of personal health care expenditures in the United States, reaching \$1.4 trillion. It also accounts for the largest portion of the National Health Expenditure at 30 percent. An essential part to living a long and healthy life is by obtaining high quality health care. With most Americans living paycheck to paycheck, a hospital stay can be financially devastating. Between 1999 and 2021, the average hospital stay cost increased 161.7%.

Price Changes: January 2000 to December 2023

Selected US Consumer Goods and Services, Wages



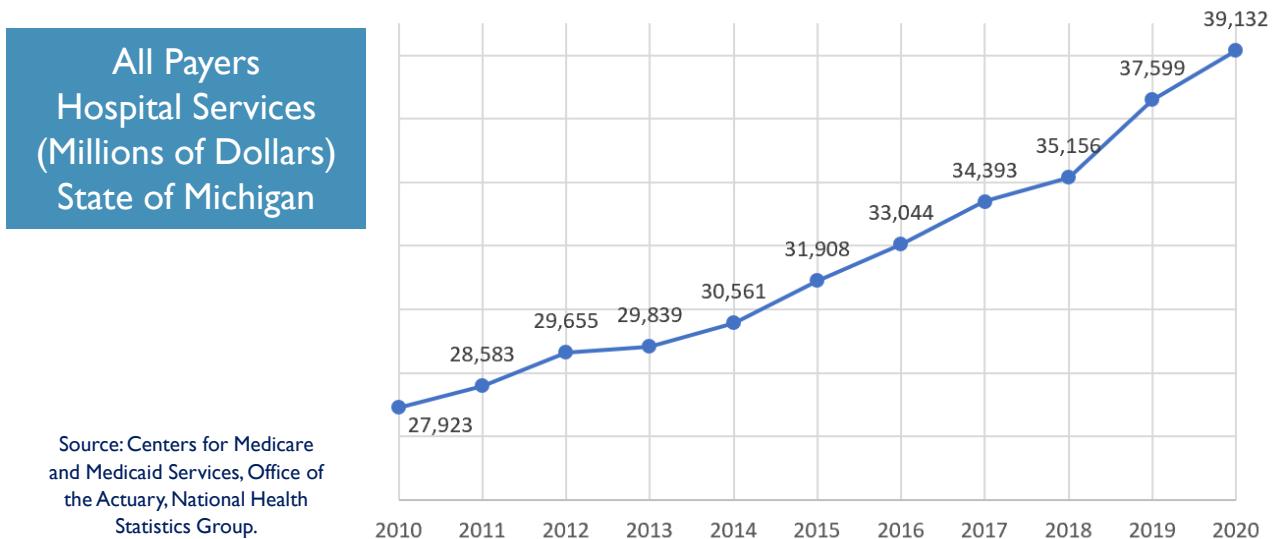
The increase of Hospital Services far exceeded the rise in college tuition and the price of a new car.

Source: Bureau of Labor Statistics. Graphic credit to Mark J. Perry, University of Michigan.

With private health insurance, this includes employer-sponsored health benefits, contributing the most to the nation's health care spend and hospital care taking the biggest slice of the health expenditure pie, it is vital that policy-makers dedicate actions to slow the increase in hospital costs and create a fair price atmosphere. Otherwise, employers will continue to struggle with providing health benefits to workers. Resulting in a decrease in job production and higher wages, and an increase on government spending for unemployment and government provided healthcare.

INCREASING COSTS OF HOSPITAL SERVICES STATE OF MICHIGAN

Historically, the State of Michigan ranks lower than most of the country for hospital care costs. However, even Michigan isn't immune to the constant rising costs of hospital services. In Michigan, hospital costs are climbing at an unsustainable rate. Between 2010 and 2020, payers in Michigan experienced a 40 percent increase in costs for hospital services.



On a national level, between 2016 and 2018, on average, employers and private plans paid hospitals 240 percent of the Medicare rate for the same services at the same set of hospitals. The majority of Americans receive health benefits through private plans – most of those plans are employer-sponsored plans. In Michigan, the flagship hospitals of major health systems charge private plans between 172 percent and 307 percent of the Medicare rate – creating an unfair pricing model.



Adding to the concerning increase of costs related to hospital services is the trend of health care consolidation, in which 778 took place between 2010-2017. There is an overwhelming amount of evidence that shows hospital mergers leads to a 7 to 10 percent increase in prices for private insurers, without an increase in quality of care. Cross-market mergers, those between two health care services who previously delivered care in different geographic markets, have been shown to lead to price increases. Since 2021, three cross-market mergers have taken place in the state of Michigan.

Table 1

Examples of Cross-Market Mergers Announced Since June 2021 With Combined Operating Revenues of at Least \$5 Billion

Year Announced	Larger system	Operating Revenues (\$B)	Smaller system	Operating Revenues (\$B)	Combined revenues (\$B)
2023	BJC Healthcare (MO)	\$6.3	St. Luke's Health System (MO)	\$2.4	\$8.7
2023	Kaiser Permanente (CA)*	\$95.4	Geisinger (PA)*	\$6.9	\$102.3
2023	Presbyterian Healthcare Services (NM)	\$5.5	UnityPoint Health (IA)	\$4.3	\$9.8
2022	University Of Michigan Health (MI)**	\$5.6	Sparrow Health System (MI)	\$1.5	\$7.1
2022	Marshfield Clinic Health System (MI)	\$2.8	Essentia Health (MN)	\$2.6	\$5.4
2022	Sanford Health (SD)***	\$7.1	Fairview Health Services (MN)***	\$6.4	\$13.5
2022	Advocate Aurora Health (IL)	\$14.1	Atrium Health (NC)	\$9.0	\$23.1
2021	Intermountain (UT)	\$7.7	SCL Health (CO)	\$2.9	\$10.6
2021	Spectrum Health (MI)	\$8.3	Beaumont Health (MI)	\$4.6	\$12.9

NOTE: Operating revenues come from audited financial statements covering the fiscal year prior to the merger announcement. State abbreviations reflect the corporate headquarters of a given health system. *Kaiser Permanente and Geisinger are both integrated health systems that include both insurance plans and health care providers. Revenues reflect all sources of operating income. **Reflects patient care revenues only. The University of Michigan does not separate out additional operating revenues related to its health system. ***Fairview Health Services and Sanford Health abandoned their plans to merge in July 2023.

SOURCE: KFF analysis of news releases and audited financial statements.



In recent years, national organizations have developed hospital price transparency initiatives and created valuable databases. These initiatives allow us to deep dive into available data and help determine why hospital prices are climbing at such an alarming rate.

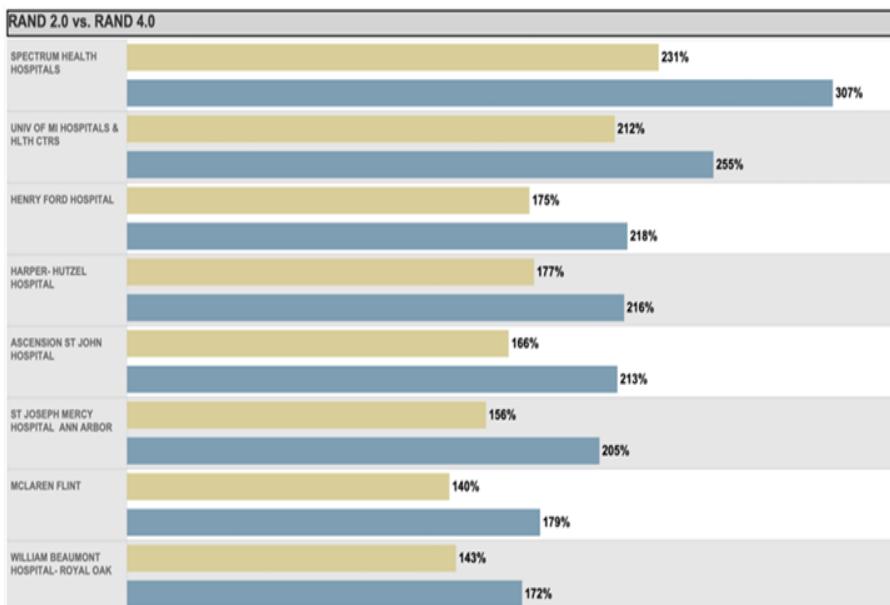
The RAND Hospital Price Transparency studies are an ongoing effort to publicly report the prices paid for hospital services. The studies have demonstrated that employer-sponsored and private plans pay two times more of what Medicare pays for the same services at the same hospitals. Between the second study release in 2019 to the fourth study in 2022, Michigan saw a substantial increase for how much private plans paid for the same services as Medicare plans. The percentage private health plans paid above Medicare for the same services was 156 percent and grew to 208 percent in the fourth study.

The National Academy for State Health Policy (NASHP) developed the Hospital Cost Calculator that provides details on hospital costs, revenue, profit, and commercial breakeven point – how much a hospital needs to be reimbursed by commercial payers in order to cover its expenses.

Using data from these two initiatives gives visibility around health care costs. Specifically comparing RAND relative prices and NASHP commercial breakeven percentages can help highlight the amount a hospital is able to cover all expenses (without profit), compared to the amount that hospital received from commercial payers during the same period.

For example, results from the RAND 2.0 price study indicated that employers and private plans paid Spectrum Health in Grand Rapids 231 percent of what Medicare paid and that increased to 307 percent in the RAND 4.0 study.

Measure Names
RAND 2.0 Price RAND 4.0 Price



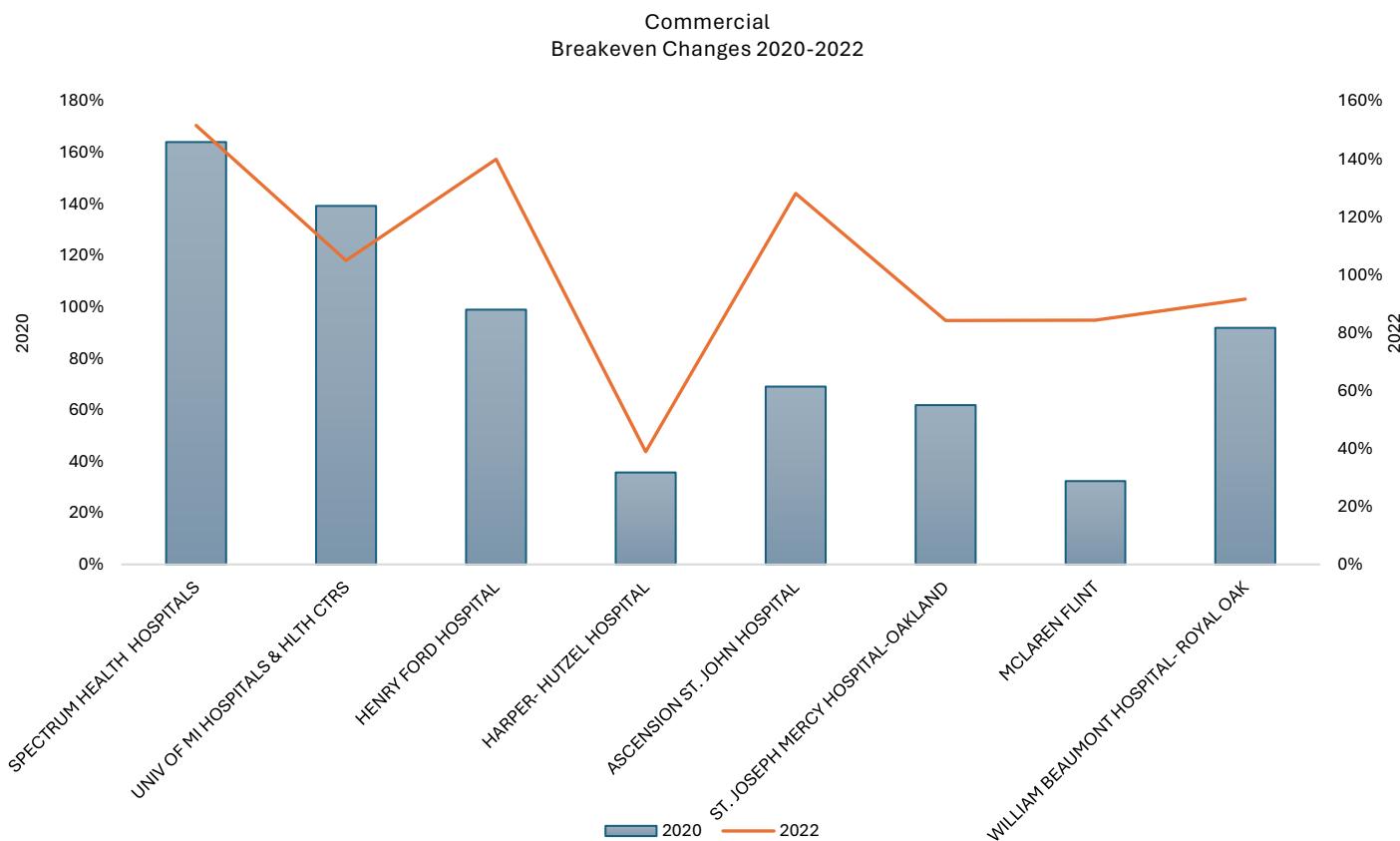
Costs Employers & Private Plans Paid Above What Medicare Paid
Major Health System Flagship Hospitals – State of Michigan Increases between RAND 2.0 and RAND 4.0 Price Studies

Source: <https://employerptp.org/rand/>



Commercial breakeven percentages has increased across most individual hospitals from 2020 to 2022, as shown by the chart below for selected Michigan hospitals. The orange line below indicates the 2022 percentages for commercial breakeven, compared to the 2020 percentages shown in blue.

Michigan Hospitals Commercial Breakeven Changes 2020-2022

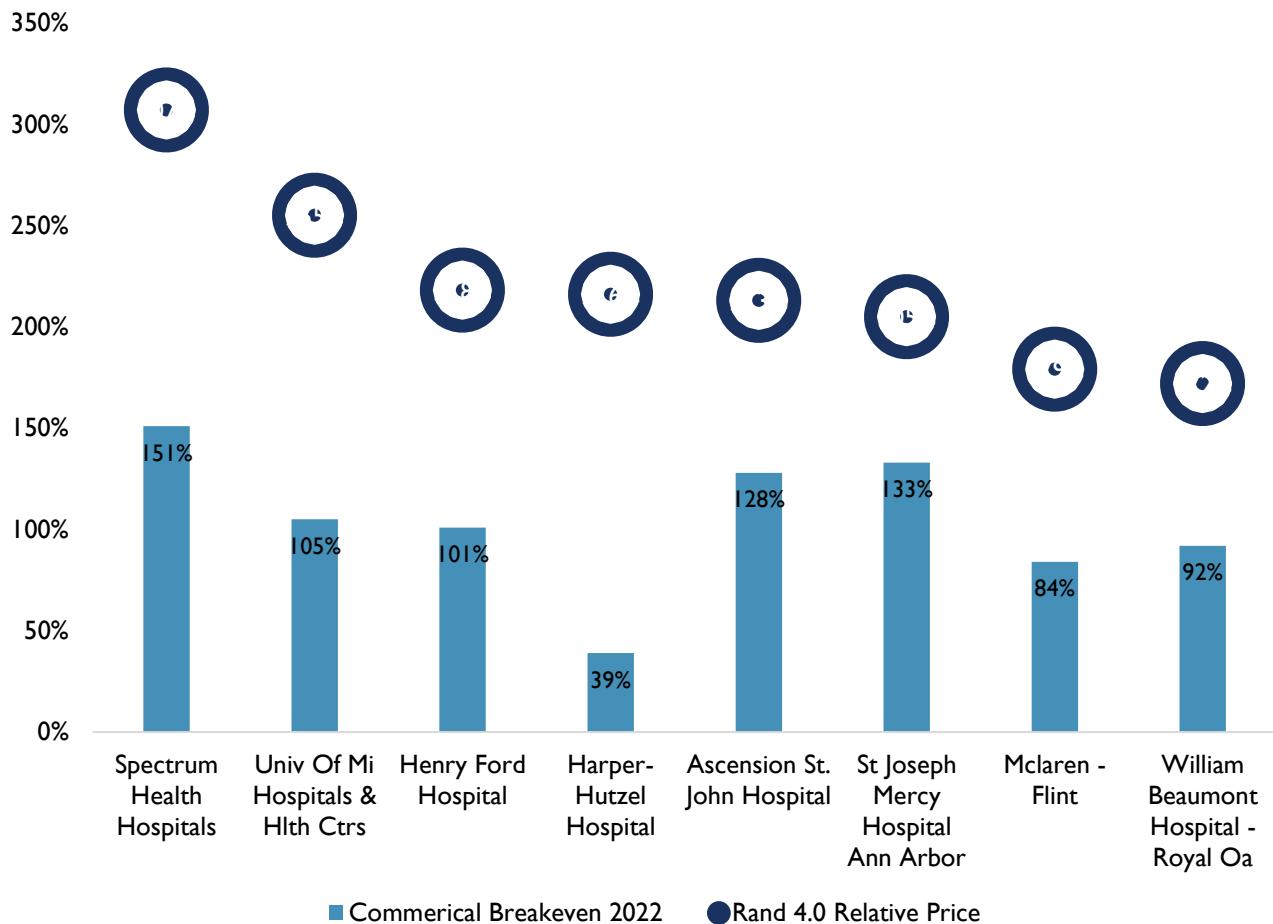


Sources: NASHP's Hospital Cost Tool: Commercial Breakeven - NASHP and RAND 4.0 National Hospital Price Transparency Study (employerptp.org)

However, when comparing Michigan hospitals who participated in both initiatives, Rand 4.0 relative prices are still, on average, at least 100% higher than their commercial breakeven for all but four hospitals in the state. This suggests many hospitals could lower their commercial prices while still covering their expenses.



Percentage Difference between Comerical Breakeven and Rand 4.0 Relative Price



Sources: NASHP's Hospital Cost Tool: Commercial Breakeven - NASHP and RAND 4.0 National Hospital Price Transparency Study (employerptp.org)

The data transparency initiatives validates what employers have known – that hospitals charge more to private insurance plans than any other payer, and in many cases, considerably above what they need to cover hospital operating costs. Hospitals and health systems are unable to police themselves when it comes to billing for their services.

Why are private health and employer-sponsored health plans paying an astronomical more than Medicare plans for the same services in the same hospital? Medicare and Medicaid plans are covered by a set fee schedule, whereas private and employer-sponsored plans are not. The hospitals appear to be practicing cost-shifting.

Two groups are suffering the most from rising hospital costs – patients, employees and employers. Patients and employees are faced with medical debt due to the portion they are responsible to pay, and employers and employees are dealing with the continual rise of costs related to health care benefits.

The power of the hospitals to charge unreasonable prices to employer-sponsored and private health plans needs to be addressed. Otherwise, employers will continue to struggle to provide quality health benefits, produce jobs and increase wages.

Why are hospitals not charging the same rate for services to all patients? Would you go to a coffee shop and pay 200 or 300 percent more for the same coffee as the person in front of you? No, you wouldn't. So why do we allow hospitals to continue this billing practice?

By deep diving into available data regarding operating margins of hospitals, the evidence demonstrates that hospitals DO NOT need to cost-shift and charge employer-sponsored/private health plans the insanely higher rates compared to Medicare rates. The major hospitals in Michigan have adequate operating margins, operating profit margins per adjusted discharge, and cash reserves. (See Appendix for details).

Hospitals across the United States, including in Michigan, are charging outrageous service fees. Below are a few examples:

- In Wisconsin, a hospital charged enrollees of a particular HMO plan \$1,093 for a MRI, but charged the PPO enrollees \$4,029.
- A Florida hospital charged a private plan \$2,455 for a MRI, but only charged \$262 to a Medicare plan.
- A hospital patient in Texas received a bill for \$17,850 – for a urine test.
- A hospital emergency room charge \$8,897 to a patient for an abdominal CT scan, but the same scan using the same machinery only costs \$268 at a nearby imaging center.
- About 45% of nonprofit hospitals send bills to patients who have low enough income to qualify for charity care.

Source: "Hospitals and Insurers Didn't Want You to See These Prices. Here's Why." (The New York Times, August 22, 2021).

IMPACT ON EMPLOYEES, PATIENTS AND FAMILIES

With the consistent increase in hospital prices and most Americans living paycheck-to-paycheck, an unexpected medical emergency can be financially unmanageable – even with the best of employer-sponsored/private health plans.

Average single and family health insurance premiums in Michigan have increased by 38% and 31% respectively from 2013-2022. In 2022, the average single employer premium was \$1,584; the average family employer premium was \$5,195. Even with the increasing cost of health insurance premiums, these numbers just begin to touch on yearly health care costs.

The average yearly out of pocket spending for a healthy individual was \$1,425 in 2022, a 36% increase from 2013. A healthy family of four can expect an average of \$2,600 yearly out of pocket spending, and those who need additional care should expect even higher costs.

The cost of an inpatient hospital stay depends on whether surgery was involved, how many tests went into the diagnosis, length of stay, and more. In 2021, the average hospital stay cost was \$13,262. If the patient's health plan covers 80 percent of costs, the patient still need to pay the remaining 20 percent. When a major surgery is involved, the remaining 20 percent can exceed over \$100,000.

These costs do not consider other needs related to an individual's health, such as physical therapy or medication needs.



#1: Healthy Single Adult with Median Household Income of \$60,000: \$1,584 premium + \$1,425 out of pocket health spending = \$3,009 (5% of income)



#2: Healthy Family of Four with Median Dual Household Income of \$110,000: \$5,195 premium + \$2,600 out of pocket health spending + C-Section Birth in Hospital additional out of pocket spending \$3,214 = \$11,009 (10% of income)



#3: Single Adult with surgery and Median Household Income of \$60,000: \$1,584 premium + Knee surgery with \$9,000 out of pocket costs = \$10,584 (18% of income)

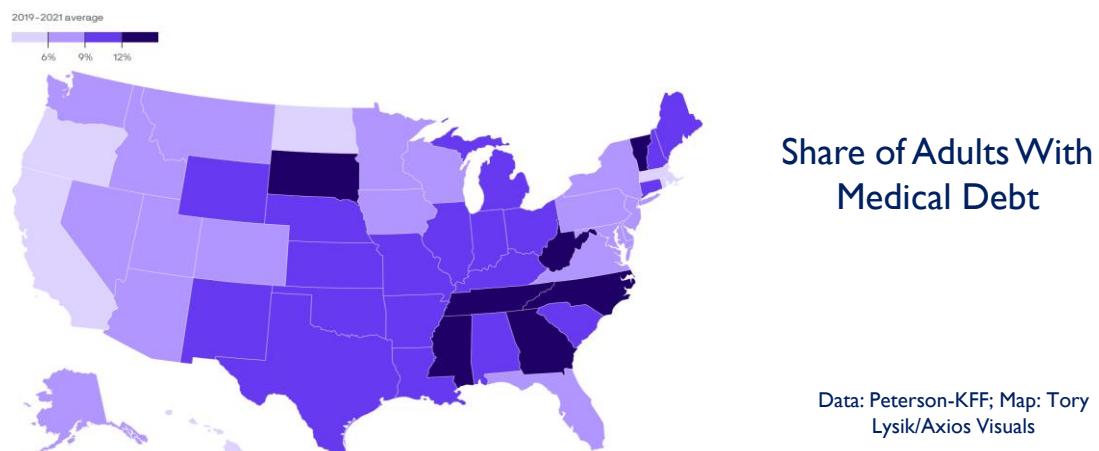


A study by the Commonwealth Fund found that 51 percent of adults under 64 years of age declared it was difficult to afford health care costs. Most of the health care debt is because of hospital care. Emergency care accounted for 35 percent of debt.

A whopping 91 percent of Americans worry about increases in the amount they may have to pay for healthcare. With 100 million working families already drowning in medical debt, most need to make sacrifices.

How do patients with medical debt pay when they live paycheck-to-paycheck? If they're lucky, they have a retirement fund they can borrow from – but that takes away from how they will afford to live when they are older.

One of the top reasons for personal bankruptcy in the United States is medical debt. Compared to the rest of the country, Michigan is on the higher end for share of adults with medical debt.



Those who live in communities of color, are not immune to having medical debt in collections. Health equity is a challenge. Black adults are 50 percent more likely and Hispanic adults are 35 percent more likely than Whites to carry medical debt. This is also true for Michigan residents.

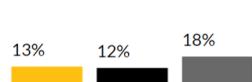
Share with medical debt in collections

All ■ White communities ■ Communities of color ■

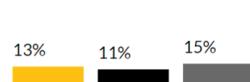
Genesee County



Michigan



National



Source: Past-due medical debt in America. Urban Institute. Urban.org.

IMPACT ON EMPLOYERS

Hospital prices account for almost half the bill of employer healthcare costs. Again, hospital prices are the largest sector of the National Healthcare Expenditure and have consistently been the fastest growing. The rising costs take a huge toll on employers. With less monies for technical advancement, job creation and increased productivity, Michigan and the rest of the country have reduced competitiveness in the global market.

A 2009 study by the RAND Corporation found evidence linking increases in health care costs to declines in new jobs. Employers trying to offset rising health care costs may be unable to provide adequate wages and fall behind competitively – leading to workforce morale issues and more. Employers may instead be pressured to reduce benefits, institute layoffs and increase the price of their product, which sets the company up for lower profits and reduced production. Job-creation isn't possible.

To keep talent and be competitive, employers are looking at creative ways to reduce the cost of health insurance premiums. An Arthur J. Gallagher & Co. survey of more than 1,800 businesses concludes that 67 percent of employers feel "controlling benefit costs is their number one challenge."

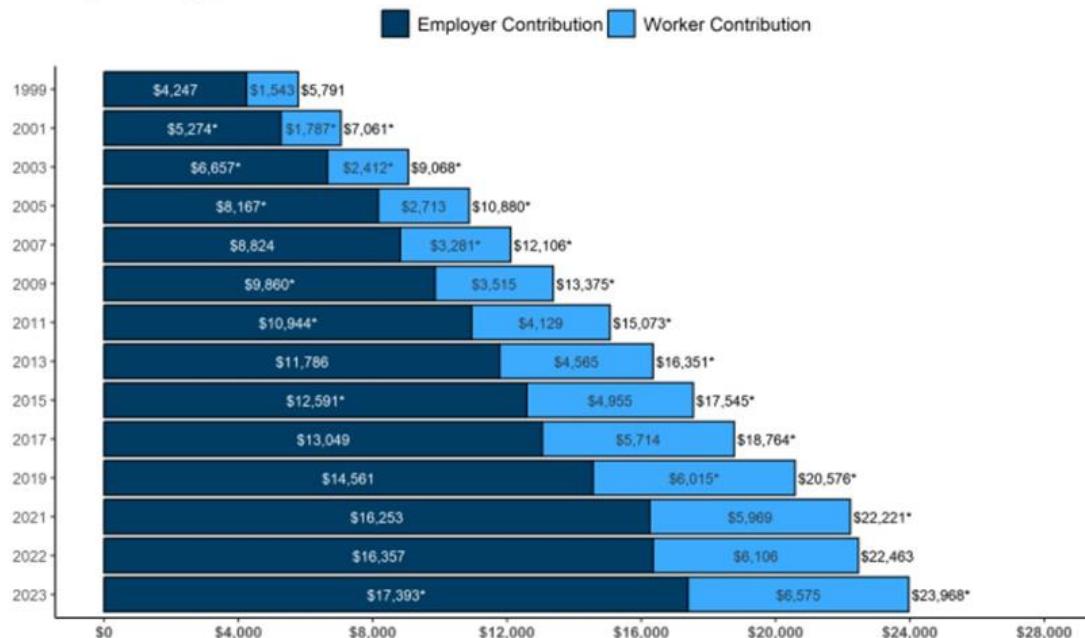
Ninety percent of company leaders believe they could invest more in their business if their company's health care costs were lower, and 93 percent agree the rising cost of health care gives foreign companies a competitive advantage, according to a Harris Poll commissioned by Castlight Health and released in 2014.

Lowering health care costs and premiums enables businesses to invest in economic development, job growth and wage increases. Consider General Motors, which supplies over 1.1 million people with health care benefits and spends close to \$5 billion doing it. "GM says health care costs add between \$1,500 and \$2,000 to the sticker price of every automobile it makes."

Employers are sometimes forced to offer high-deductible plans, so health benefits premiums are affordable for the employee and employer but offers little comfort when faced with the cost of a medical emergency.

Employer annual contribution to premiums for family coverage has increased 309.5 percent since 1999.

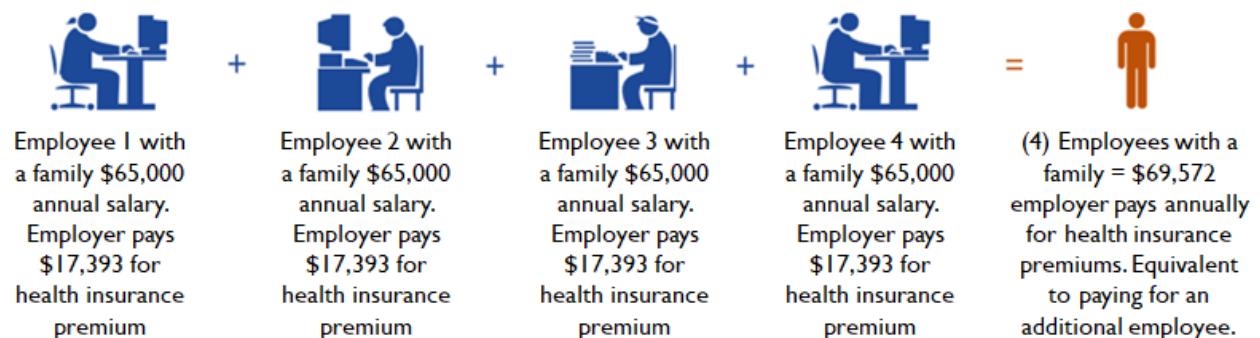
Average Annual Worker and Employer Contributions to Premiums and Total Premiums for Family Coverage, 1999-2023



* Estimate is statistically different from estimate for the previous year shown (p < .05).

SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017

In 2023, the annual average employer health benefit contribution per employee with a family was \$17,393. If an employee who has a family earns \$65,000 annually and the employer offers health benefits where the employer contributes \$17,393, that increases the cost of one employee with a family to \$82,393 – this does not include any additional benefits such as retirement. Action is needed to have hospitals offer fair pricing for employer-sponsored plans. This will contribute to reducing health benefit premiums and employers will be able to attract and retain talent – creating a stronger economy.



CONCLUSIONS

With hospital costs continually rising and accounting for most of the National Healthcare Expenditures, employers, individuals and families are faced with higher health benefit premiums and costs. This ultimately hurts the economy because the higher premiums and hospital costs divert money that employers would otherwise spend to expand operations, add jobs and increase wages. Additionally, this leads to consumers having less monies to invest into the economy.

Most of personal health care debt is because of hospital care. With most Americans living paycheck-to-paycheck, an unexpected medical emergency, surgery or hospital stay can result in thousands of dollars in medical debt.

In Michigan, hospital costs are climbing at an unsustainable rate. Between 2010 and 2020, consumers in Michigan experienced a 40 percent increase in costs for hospital services.

The current, unfair pricing model that hospitals are implementing charge employer-sponsor/private plans considerably more than the Medicare rate. In Michigan, the flagship hospitals of major health systems are financially healthy and have adequate operating margins, operating profit margins per adjusted discharge, and cash reserves. There is no reason to cost-shift charges to employer-sponsored/private plans.

Immediate action is essential. Hospital costs need to decrease and stop over-charging employer-sponsored/private plans. Policy makers, hospital administration, physicians and advocates need to focus on how to develop a hospital price model that charges fair prices to all payers and purchasers of health care.

Policymakers and employers need to ask hospitals and health systems why are employer-sponsored/private plans charged a significant amount more than Medicare plans for the same services? Employers need to be at the table with health management so both sides have a better understanding of each other's struggles. Policymakers need to develop ways for holding hospitals and health systems accountable for unfair pricing habits.

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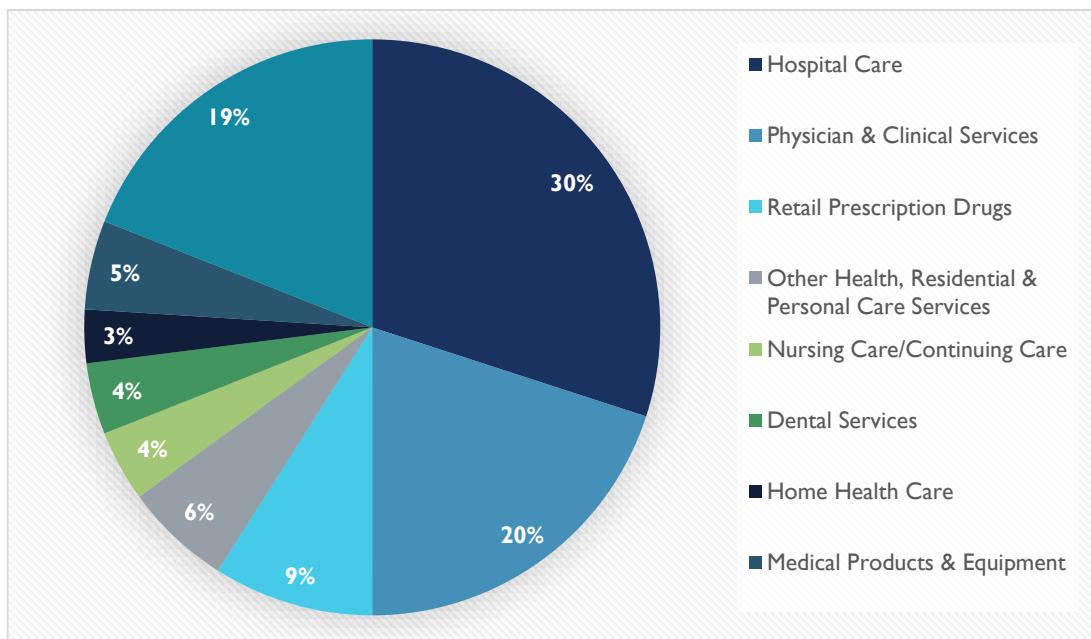
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APPENDIX

Appendix I: 2022 National Health Expenditures by Service/Product – United States

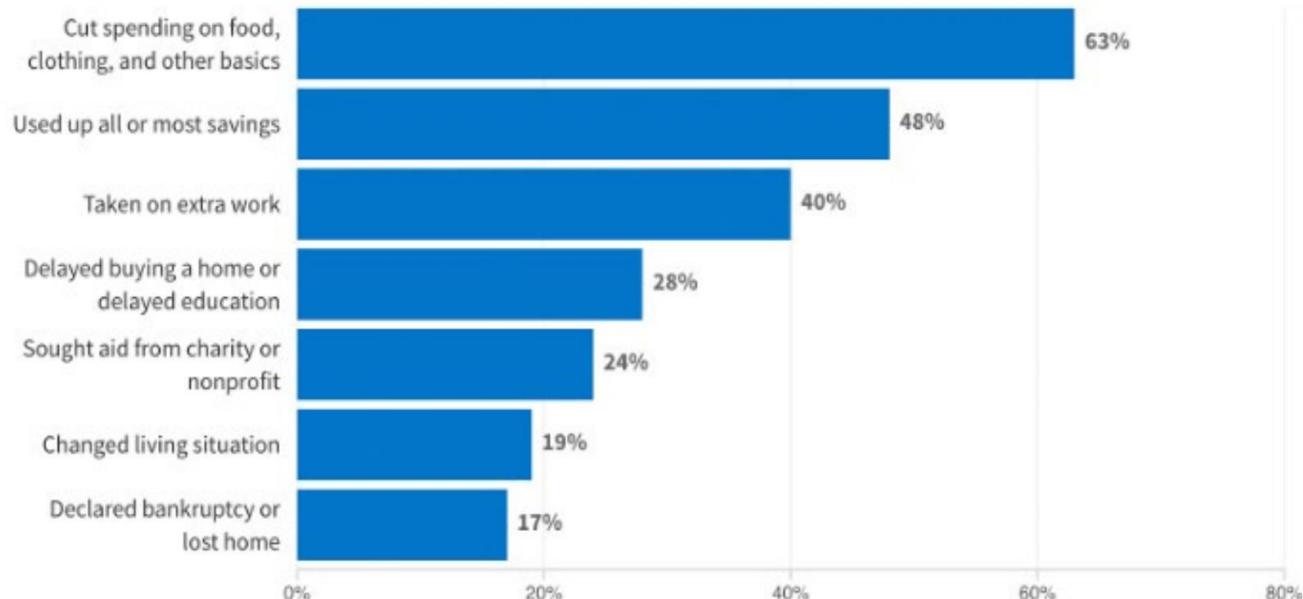


Source: Centers for Medicare and Medicaid Services (CMS) National Health Expenditure Data, 2022.

Appendix 2: Impact of Medical Debt on Adults

What people sacrificed to pay medical debt.

Share of indebted adults who have done the following because of health care debt:



Source: KFF Health Care Debt Survey of 2,375 U.S. adults, including 1,674 with current or past debt from medical or dental bills, conducted Feb. 25 through March 20. The margin of sampling error for the overall sample is 3 percentage points.

Credit: Daniel Wood/NPR and Noam N. Levey/KHN.

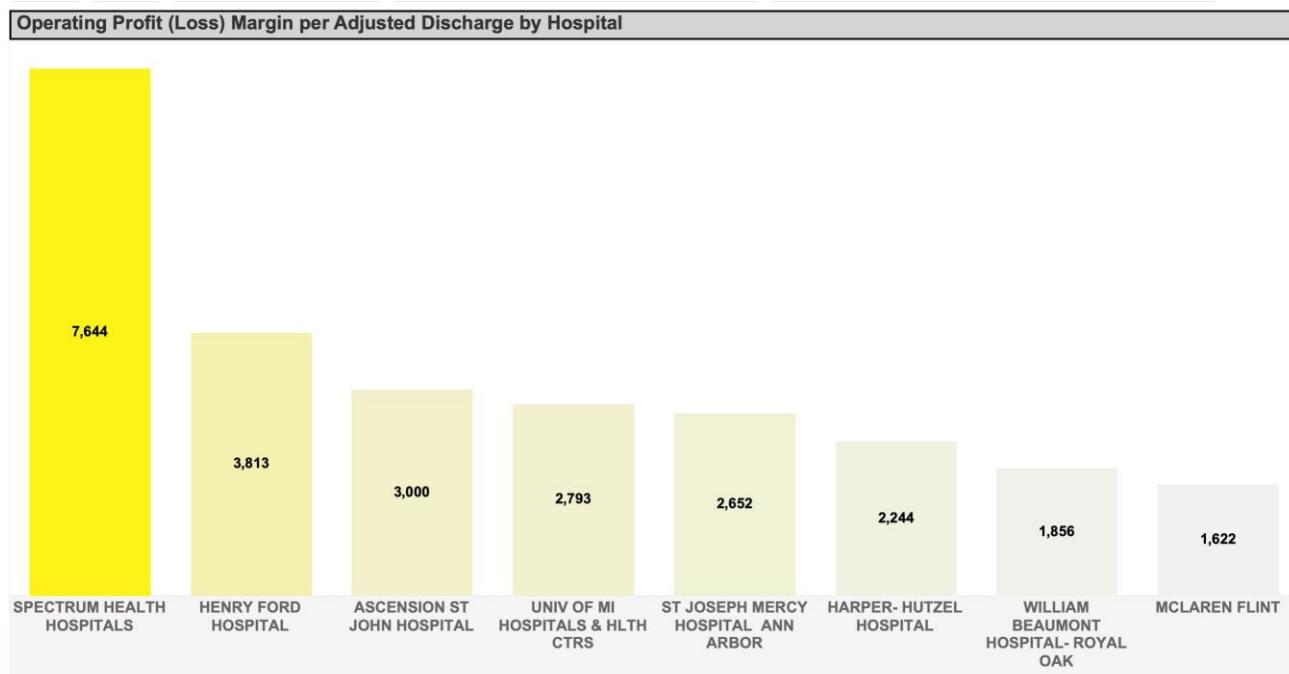
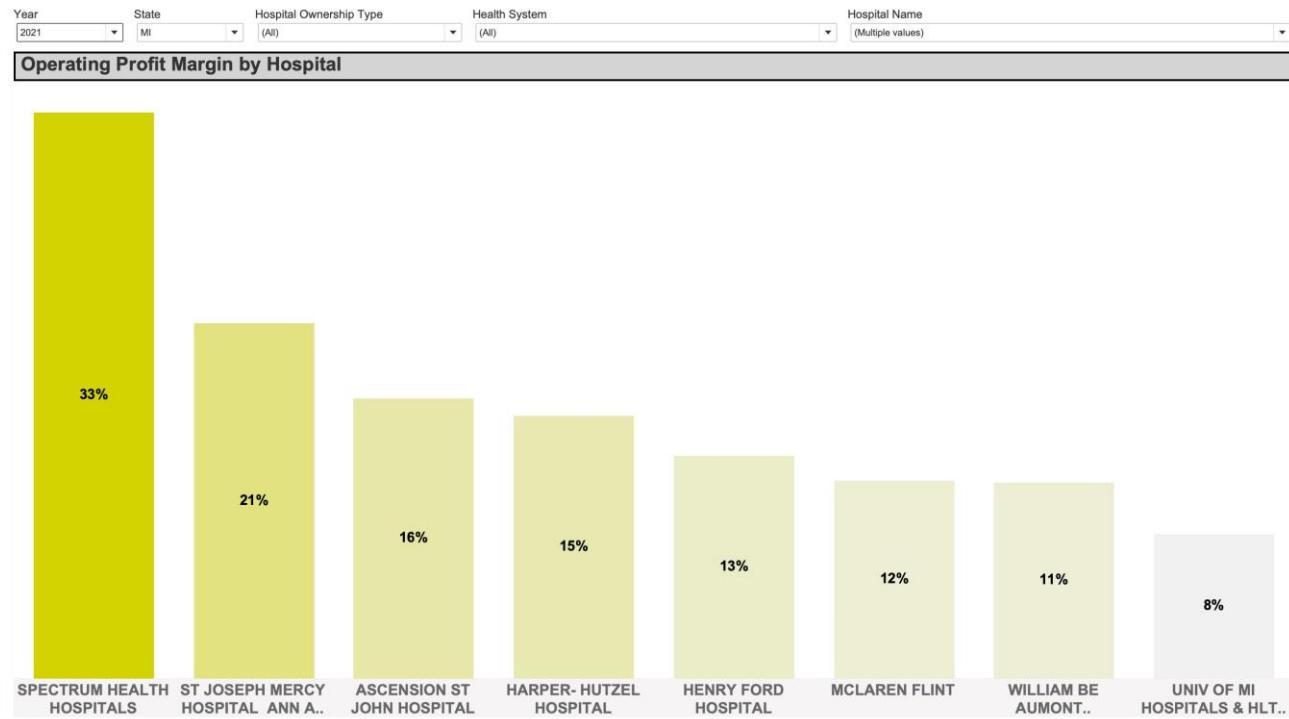
Appendix 3.A: Michigan Hospital Transparency Data

Hospital Name	City	Commercial Breakeven	RAND 4.0 Price
ASCENSION ALLEGAN HOSPITAL	ALLEGAN	81%	.
ASCENSION BORGESS HOSPITAL	KALAMAZOO	118%	355%
ASCENSION BORGESS-LEE HOSPITAL	DOWAGIAC	167%	150%
ASCENSION MACOMB-OAKLAND HOSPITAL	WARREN	72%	168%
ASCENSION PROVIDENCE HOSPITAL	SOUTHFIELD	84%	198%
ASCENSION PROVIDENCE ROCHESTER HOSPI	ROCHESTER	93%	161%
ASCENSION RIVER DISTRICT HOSPITAL	EAST CHINA	208%	178%
ASCENSION ST JOHN HOSPITAL	DETROIT	128%	213%
ASCENSION STANDISH HOSPITAL	STANDISH	75%	300%
ASPIRUS IRON RIVER HOSPITAL & CLINIC	IRON RIVER	117%	89%
ASPIRUS IRONWOOD HOSPITAL	IRONWOOD	102%	150%
ASPIRUS KEWEENAW HOSPITAL	LAURIUM	120%	205%
ASPIRUS ONTONAGON HOSPITAL	ONTONAGON	119%	
BARAGA COUNTY MEMORIAL HOSPITAL	LANSE	101%	
BAY REGIONAL MEDICAL CENTER	BAY CITY	150%	155%
BEAUMONT HEALTH - GROSSE POINTE	GROSSE POINTE	113%	171%
BEAUMONT HEALTH - TRENTON	TRENTON	85%	177%
BEAUMONT HEALTH WAYNE	WAYNE	109%	165%
BEAUMONT HOSPITAL - DEARBORN	DEARBORN	100%	184%
BEAUMONT HOSPITAL - TAYLOR	TAYLOR	100%	170%
BEAUMONT HOSPITAL - TROY	Troy	126%	174%
BEAUMONT HOSPITAL - FARMINGTON HILLS	Farmington Hills	118%	173%
BEAUMONT HOSPITAL- ROYAL OAK	Royal Oak	92%	172%
BELL MEMORIAL HOSPITAL	ISHPEMING	118%	150%
BRONSON BATTLE CREEK	BATTLE CREEK	134%	189%
BRONSON LAKEVIEW HOSPITAL	PAW PAW	112%	213%
BRONSON METHODIST HOSPITAL	KALAMAZOO	113%	224%
BRONSON SOUTH HAVEN HOSPITAL	SOUTH HAVEN	73%	360%
CARO COMMUNITY HOSPITAL	CARO	66%	
CARSON CITY HOSPITAL	CARSON CITY	161%	209%
CHELSEA COMMUNITY HOSPITAL	CHELSEA	156%	179%
COMMUNITY HEALTH CENTER BRANCH	COLDWATER	61%	154%
COVENANT MEDICAL CENTER	SAGINAW	146%	164%
DECKERVILLE COMMUNITY HOSPITAL	DECKERVILLE	103%	
DETROIT RECEIVING HOSPITAL	DETROIT		262%
DICKINSON COUNTY HEALTHCARE SYSTEM	IRON MOUNTAIN	127%	271%
EATON RAPIDS MEDICAL CENTER	EATON RAPIDS	79%	200%
EDWARD W. SPARROW HOSPITAL	LANSING	147%	181%
FOREST HEALTH MEDICAL CENTER LLC	YPSILANTI	127%	320%
GARDEN CITY HOSPITAL OSTEOPATHIC	GARDEN CITY		216%
GENESYS REGIONAL MEDICAL CTR.	GRAND BLANC	61%	179%
HARBOR BEACH COMMUNITY HOSPITAL	HARBOR BEACH	75%	
HARPER- HUTZEL HOSPITAL	DETROIT	39%	216%
HELEN NEWBERRY JOY HOSPITAL	NEWBERRY	116%	
HENRY FORD HEALTH MACOMB HOSPITAL	MT. CLEMENS	140%	161%
HENRY FORD HEALTH WYANDOTTE HOSPITAL	WYANDOTTE	147%	167%
HENRY FORD HOSPITAL	DETROIT	101%	218%
HENRY FORD WEST BLOOMFIELD HOSPITAL	WEST BLOOMFIELD	167%	201%
HILLS & DALES GENERAL HOSPITAL	CASS CITY	64%	246%
HILLS & DALES GENERAL HOSPITAL	CASS CITY	99%	246%
HILLSDALE HOSPITAL	HILLSDALE	84%	148%
HOLLAND HOSPITAL	HOLLAND	132%	197%
HURLEY MEDICAL CENTER	FLINT	71%	171%
HURON VALLEY-SINAI HOSPITAL	COMMERCE TOWNSHIP	102%	195%
INSIGHT SURGICAL HOSPITAL	WARREN	187%	
KALKASKA MEMORIAL HEALTH CENTER	KALKASKA	82%	120%
KARMANOS CANCER HOSPITAL	DETROIT	109%	
KELSEY MEMORIAL HOSPITAL	LAKEVIEW	103%	
LAKE HURON MEDICAL CENTER	PORT HURON	69%	
LAKELAND COMMUNITY HOSP WATERVLIET	WATERVLIET	109%	300%
LAKELAND MEDICAL CENTER ST. JOSEPH	ST. JOSEPH	181%	315%

Appendix 3.B: Michigan Hospital Transparency Data

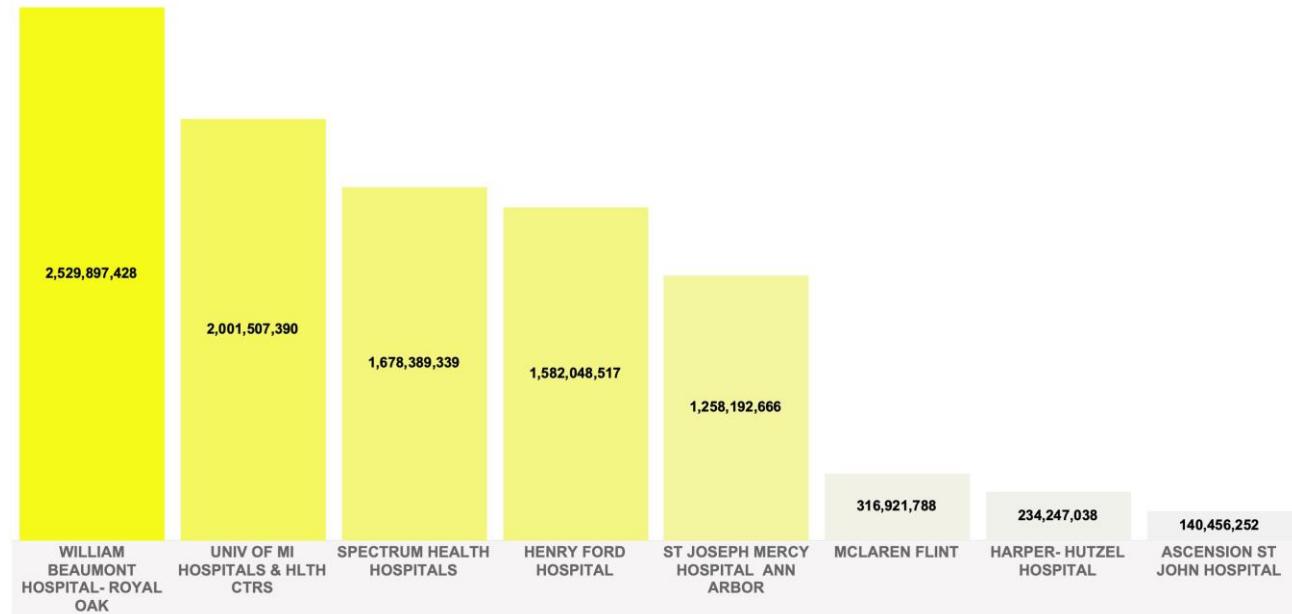
Hospital Name	City	Commercial Breakeven	RAND 4.0 Price
MACKINAC STRAITS HEALTH SYSTEM INC	ST. IGNACE	88%	
MARLETTE REGIONAL HOSPITAL	MARLETTE	100%	244%
MARQUETTE GENERAL HOSPITAL	MARQUETTE	148%	227%
MCKENZIE HEALTH SYSTEM	SANDUSKY	99%	171%
MCLAREN CENTRAL MICHIGAN	MT PLEASANT	91%	171%
MCLAREN FLINT	FLINT	84%	179%
MCLAREN GREATER LANSING	LANSING MI 489100	91%	155%
MCLAREN LAPEER REGION	LAPEER	108%	180%
MCLAREN MACOMB	MT. CLEMENS	146%	225%
MCLAREN NORTHERN MICHIGAN	PETOSKEY	97%	169%
MCLAREN OAKLAND	PONTIAC	81%	181%
MCLAREN PORT HURON	PORT HURON	134%	168%
MCLAREN THUMB REGION	BAD AXE	71%	
MEMORIAL HEALTHCARE	OWOSO	129%	153%
MERCY HEALTH MUSKEGON	MUSKEGON	99%	174%
METROPOLITAN HOSPITAL	WYOMING	93%	183%
MH-LAKESHORE CAMPUS	SHELBY	73%	102%
MIDMICHIGAN MEDICAL CTR	MIDLAND	228%	197%
MONROE REGIONAL HOSPITAL	MONROE	45%	165%
MUNISING MEMORIAL HOSPITAL	MUNISING	98%	
MUNSON HEALTHCARE CADILLAC HOSPITAL	CADILLAC	80%	158%
MUNSON HEALTHCARE CHARLEVOIX HOSPITA	CHARLEVOIX	93%	162%
MUNSON HEALTHCARE GRAYLING HOSPITAL	GRAYLING	90%	180%
MUNSON HEALTHCARE MANISTEE HOSPITAL	MANISTEE	109%	278%
MUNSON MEDICAL CENTER	TRAVERSE CITY	140%	180%
MYMICHIGAN MEDICAL CENTER - ALPENA	ALPENA	90%	237%
MYMICHIGAN MEDICAL CENTER - GLADWIN	GLADWIN	169%	500%
MYMICHIGAN MEDICAL CENTER SAULT	SAULT STE. MARIE	101%	130%
MYMICHIGAN MEDICAL CENTER-CLARE	CLARE	143%	367%
MYMICHIGAN MEDICAL CENTER-GRATIOT	ALMA	103%	137%
MYMICHIGAN MEDICAL CTR - WEST BRAN	WEST BRANCH	147%	250%
NORTH OTTAWA COMMUNITY HOSPITAL	GRAND HAVEN	100%	181%
OAKLAWN HOSPITAL	MARSHALL	150%	202%
OTSEGO MEMORIAL HOSPITAL	GAYLORD	103%	235%
PAUL OLIVER MEMORIAL HOSPITAL	FRANKFORT	109%	
PONTIAC GENERAL HOSPITAL	PONTIAC		112%
PORTAGE HEALTH SYSTEM	HANCOCK	85%	300%
PROMEDICA HICKMAN HOSPITAL	ADRIAN	109%	157%
SAINT MARYS HEALTH CARE	GRAND RAPIDS	100%	201%
SCHEURER HOSPITAL	PIGEON	99%	150%
SCHOOLCRAFT MEMORIAL HOSPITAL	MANISTIQUE	109%	200%
SHERIDAN COMMUNITY HOSPITAL	SHERIDAN	65%	
SINAI-GRACE HOSPITAL	DETROIT		215%
SJHMS - LIVINGSTON	HOWELL	72%	188%
SPARROW CLINTON HOSPITAL	ST. JOHNS	123%	295%
SPARROW EATON	CHARLOTTE	107%	270%
SPARROW IONIA HOSPITAL	IONIA	101%	300%
SPECTRUM HEALTH HOSPITALS	GRAND RAPIDS	151%	307%
SPECTRUM HEALTH BIG RAPIDS	BIG RAPIDS	70%	269%
SPECTRUM HEALTH GERBER	FREMONT	72%	232%
SPECTRUM HEALTH LUDINGTON	LUDINGTON	93%	288%
SPECTRUM HEALTH PENNOCK HOSPITAL	HASTINGS	81%	
SPECTRUM HEALTH REED CITY	REED CITY	65%	
SPECTRUM HEALTH UNITED MEMORIAL	GREENVILLE	73%	248%
SPECTRUM HEALTH ZEELAND	ZEELAND	109%	271%
ST JOSEPH MERCY HOSPITAL ANN ARBOR	ANN ARBOR	133%	205%
ST. FRANCIS HOSPITAL	ESCANABA	107%	213%
ST. JOHN BRIGHTON	BRIGHTON	105%	
ST. JOSEPH MERCY HOSPITAL-OAKLAND	PONTIAC	84%	177%
ST. MARY MERCY HOSPITAL - LIVONIA	LIVONIA	70%	202%
ST. MARYS OF MICHIGAN	SAGINAW	134%	199%
STRAITH HOSPITAL FOR SPECIAL SURGERY	SOUTHFIELD	244%	
STURGIS HOSPITAL INC.	STURGIS	152%	170%
SURGEONS CHOICE MEDICAL CENTER	SOUTHFIELD	176%	
TAWAS ST. JOSEPH HOSPITAL	TAWAS	90%	233%
THREE RIVERS HEALTH	THREE RIVERS	126%	210%
UNIV OF MI HOSPITALS & HLTH CTRS	ANN ARBOR	105%	255%
W.A. FOOTE MEMORIAL HOSPITAL	JACKSON	155%	235%

Appendix 4: Operating Profits of Hospital Systems

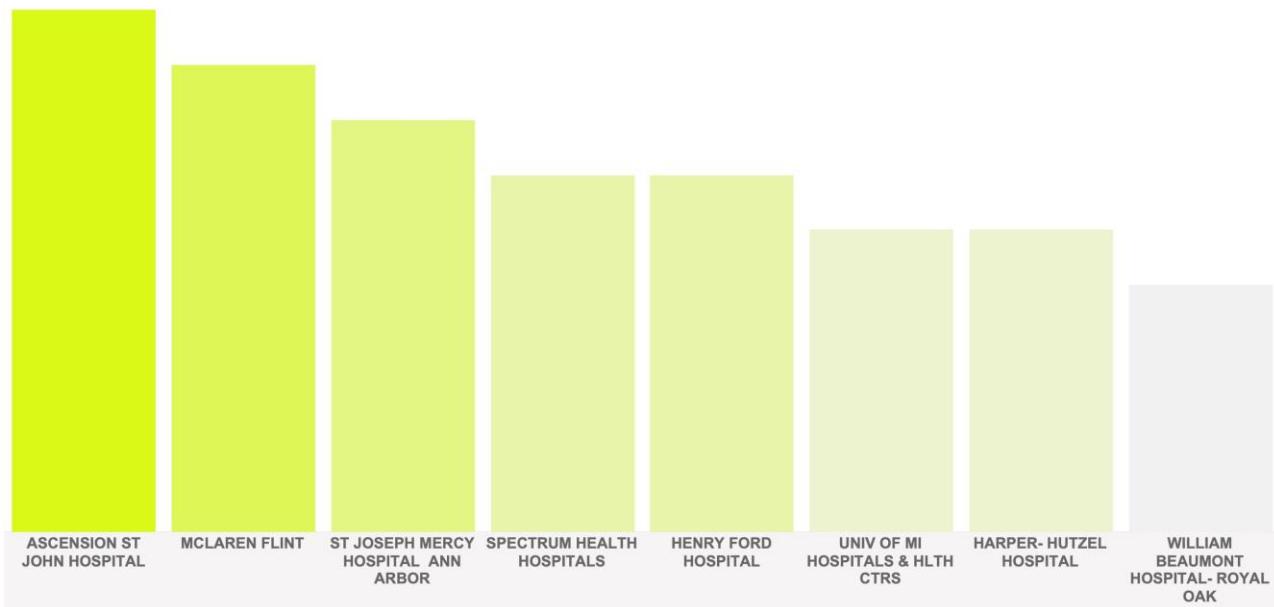


Appendix 5: Cash Reserves and Charity Care & Uninsured & Bad Debt Payer Mix

Cash Reserves by Hospital



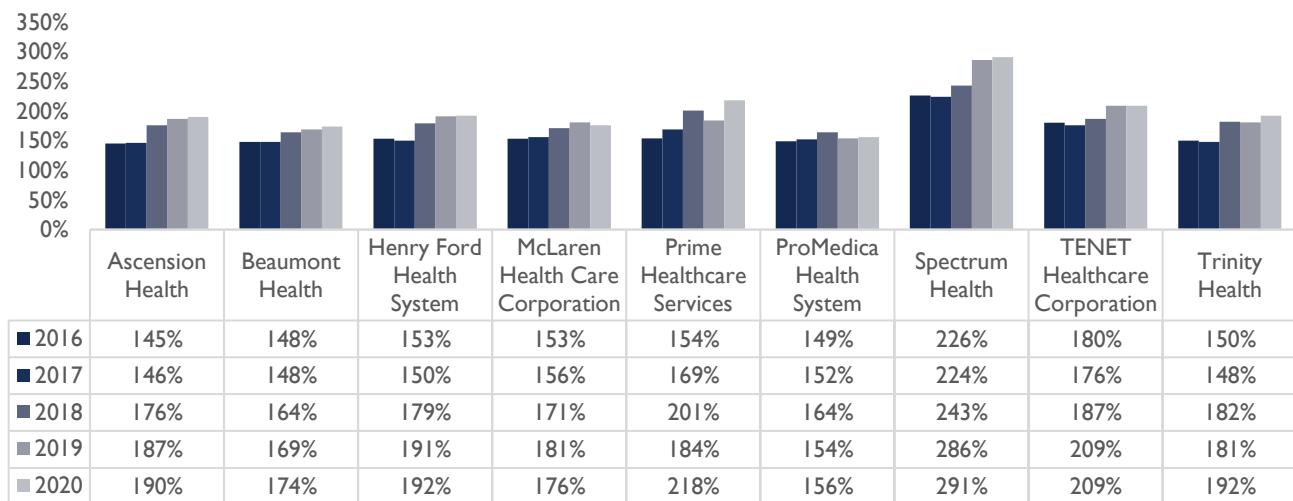
Charity Care and Uninsured and Bad Debt Payer Mix by Hospital



Appendix 6: Rand 4.0 Relative Prices in Michigan

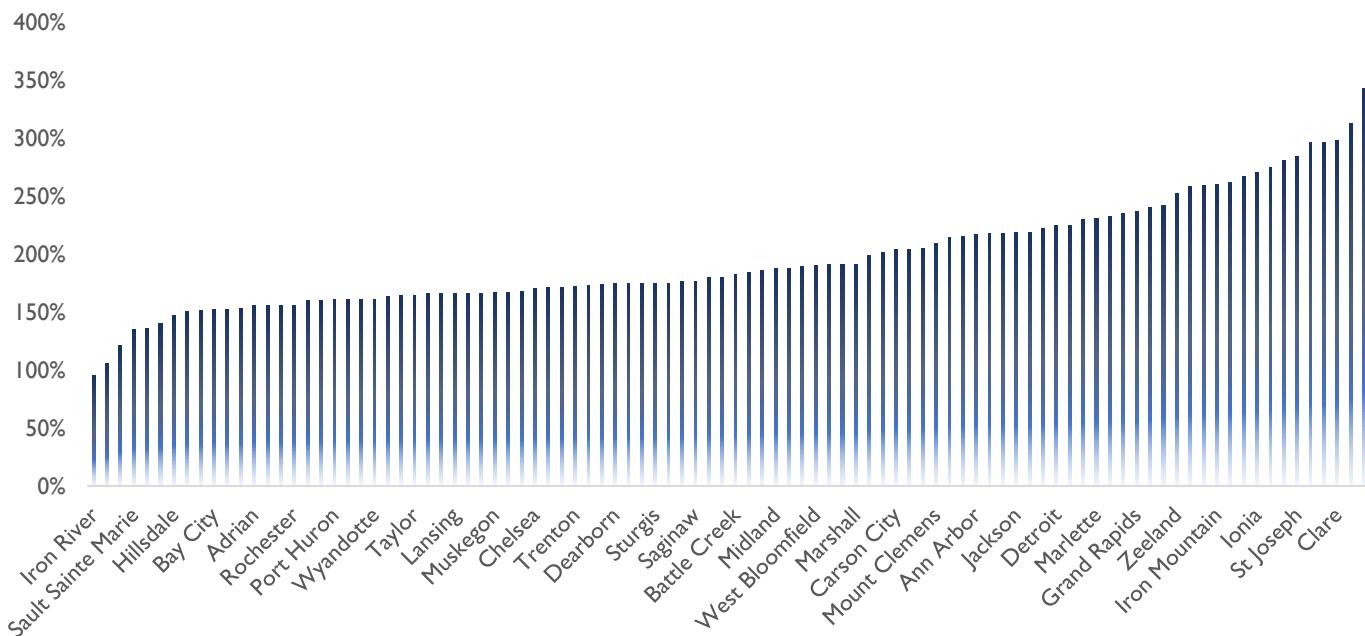
% represents how much employers pay compared to Medicare rates for the same services in the same hospital

Trends of Relative Price of Inpatient and Outpatient Services 2016-2020
Michigan Major Health Systems



Since 2016, the relative prices for inpatient and outpatient services has steadily increased across all Michigan Health systems.

AVERAGE RELATIVE PRICE OF INPATIENT AND OUTPATIENT SERVICES BY CITY OF HOSPITAL



ABOUT MHPC

Michigan Health Purchasers Coalition (MHPC) is a 501(c)(4) established to mobilize employers, families and other healthcare stakeholders across the state to rein in the excessive prices paid for employer-sponsored healthcare for over half of all Michiganders.

MHPC initiatives include increasing hospital price transparency, prohibiting anti-competitive contracts and billing, increasing oversight on consolidations and mergers, and incorporating fair pricing among all payers of healthcare.

To view detailed hospital price details in Michigan, go to www.mihpc.org and click on the Hospital Price Transparency Dashboard.

 **HEALTH PRICE TRANSPARENCY DASHBOARD**

The Michigan Health Purchasers Coalition Health Price Transparency Dashboard was constructed with data obtained from the National Academy for State Health Policy. This interactive tool provides the payer mix, operating profit margins, and the percentage commercial health plan sponsors pay a hospital for services. The dashboard allows users to filter data by hospital size, hospital system, hospital bed size, Metropolitan Statistical Area, legislator district, and reporting year. NASHP data inputs are extracted from two separate data sources: One is a hospital's own operating data, submitted annually to comply with the Centers for Medicaid and Medicare Services Hospital Cost Report. The other is data from the ongoing RAND Corporation Hospital Transparency Study. In Michigan the median commercially charged amount is 195% while the median breakeven amount is 103% of Medicare. Definitions for terms used in the dashboard can be found here.

MAKE SELECTIONS TO FILTER HOSPITAL VIEW

Filter by Geography and Year

Select type of geography: Statewide | Filter geography: All | Select a year: 2022

Filter by Hospital Attributes

Filter for hospital size: 0-1,800 | Filter by hospital system: All

Filter to Select Hospital(s)

All | Apply Changes | Clear Selections | View Details | View Resources

VIEW DETAILS

