The Indiana Manufacturers Association supports reducing health care costs for employers so they can raise wages, expand benefits, and increase investment in Indiana.

Worker’s Compensation - Expand Cap of 200% of Medicare on Medical Reimbursement
Currently, the 200% cap applies only to hospitals. Since the cap went into effect in 2015, hospital costs have decreased significantly, but costs at ambulatory surgery centers (ASCs) have increased as usage and prices have gone up. In the worst cases, ASCs are charging 1200% above the Medicare reimbursement rate.

Cap Hospital Reimbursement for Fully Insured Commercial Medical Plans
In 2017, Indiana’s hospital prices were, on average, 311% above Medicare while the average of the 25 states was 241% above Medicare. It is important that the state act to immediately reduce prices. For fully insured plans, over which states have jurisdiction, hospital reimbursement should be capped at a percentage of Medicare reimbursement to the hospital, with the ability of payers and hospitals to negotiate prices within set bands above and below the cap.

Ensure Price and Reimbursement Transparency
The IMA supports broader consumer and employer access to provider health care performance and pricing data. The following specific policies are consistent with that goal:
• Require all prices to be disclosed as a reference to Medicare reimbursement.
• All prices must be available and itemized upon request.
• Eliminate “underbilling,” where charges are billed under a hospital’s reimbursement, regardless of where the procedure took place—thus raising the prices for payers.
• Prohibit gag clauses between payers and hospitals in reimbursement contracts to allow health consumers the ability to view the prices paid by others.
• Create an All-Payer Claims Database.

Balance Negotiation Between Hospitals and Payers
Anti-competitive clauses included in contracts between hospitals and payers should be prohibited. Specifically, state law should prohibit language that groups all hospitals within a hospital system together, such as anti-tiering language and “all-or-nothing” language that requires all hospitals within a larger system to be included in an insurance network. Payers, when negotiating with hospitals must be able to set different reimbursement rates for different facilities based on the needs of their employees and budgets.

Support Efforts to Eliminate Surprise or Balanced Billing
Indiana should pass comprehensive reforms that eliminate or significantly reduce the chance that patients will receive an unexpected bill for out-of-network charges when they are treated at an in-network facility.