



March 28, 2022

Senator Rodric D. Bray, *President Pro Tempore*
Representative Todd M. Huston, *Speaker of the House*
Indiana General Assembly
200 W. Washington St.
Indianapolis, IN 46204

Community Health Network's mission as a not-for-profit organization calls on us to enhance health and well-being across the communities we serve. As part of that mission, we work continually to improve access to and affordability of care. For those who have reached out on the topic of costs, we agree with your concerns, as well as your observation that those of us with expertise in delivering care are the best positioned to identify solutions. Here are just a few examples of our longtime, ongoing efforts in this regard.

- We offer direct-to-employer health services to drive costs down while achieving exceptional outcomes.
- We're actively engaged in a variety of value-based care initiatives, such as accountable care organizations, Next Generation ACO models and Medicare Advantage.
- We are partners in an insurance company, collaborating with other providers to deliver health coverage that achieves the best possible results in the most cost-effective manner.
- We regularly negotiate with payers to ensure pricing that is in line with industry norms and the realities of our markets.
- We have long been a leader in price transparency. Our Pricing Support Team in 2015 began providing personalized pricing estimates and connecting patients with financial assistance resources when necessary. In 2020, we added an online price estimator tool, and as of 2022 we provide more good-faith estimates than ever, in keeping with governmental price transparency regulations. We now help more than 100,000 patients a month to better understand the cost of their care, in advance.
- We lead numerous proactive efforts to help those in our communities achieve greater health and thus reduce their care costs. These include preventive health initiatives as well as programs addressing social determinants that cause poor health. We are not reimbursed for these efforts, and though they do not involve charges and pricing, they are part of our mission and ultimately help reduce the health costs borne by individuals, employers and government payers.

It's crucial to consider that hospital prices are just one part of the overall cost equation—and what matters most to employers and individuals alike is the final cost they pay. One recent study authored by Kaufman Strategic Advisors found that from 2015 to 2020, claims paid to hospitals, physicians and other providers rose at a rate significantly lower than the increases in gross prescription drug costs and health insurance plan administrative costs. Insurers also raised the premiums they charged Indiana employers at a faster rate than the increase in total claims costs—according to the study, that has translated into higher profits for insurance companies. The Kaufman study concluded that Indiana is not a high-cost outlier for medical services, and demonstrated that ranking states by unit prices and comparing those prices to government-set rates such as Medicare can paint an inaccurate picture of Indiana care costs.

In short, we suggest that it's counterproductive to set specific pricing targets based on measures that don't accurately reflect the costs paid by patients and employers. That said, we're all on the same page when it comes to concerns about access and affordability. We share with you the overarching goal of creating care that is high-quality, safe, appropriate, affordable and satisfying to the needs of the communities we serve, and we will continue our efforts to improve in each of these vital areas.

A handwritten signature in black ink, appearing to read "Bryan Mills", is positioned above the typed name.

Bryan Mills
President and CEO
Community Health Network