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# \* News

## Tracking health-care costs

December 29, 2009 6:00 AM by Robert Powell



How much does a health-care procedure cost? The answer depends on where it takes place and who is paying, according to a new report by Virginia Health Information (VHI).

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VHI, a nonprofit organization, has collected information on the typical cost that health insurers allowed for 31 procedures, including preventive care, emergency room treatments,

outpatient procedures and inpatient hospital care. The allowed cost is the total cost of procedure, including the amount paid by the insurer and the patient's co-payment. (Click here to view the entire chart.)

The health-care transparency report, for example, shows that private health insurers allowed an average of \$19,949.72 for a hip replacement in Virginia in 2007. The Medicare cost for the same procedure that year ranged from \$9,601 to \$10,822.

Similarly, health insurers allowed an average of \$1,004.32 for a hospital outpatient MRI (magnetic resonance imaging) of a patient's back and allowed \$566.39 for the same type of MRI at a physician's office. Medicare allowed \$309 to \$395 for outpatient MRIs of patients' backs.

Michael T. Lundberg, the executive director of VHI, expects the cost report to be helpful for the growing number of Virginians who either don't have health-care coverage or are enrolled in high-deductible plans. Studies show that Virginia now has more than 1 million uninsured residents. In addition, the Kaiser Family Foundation/Health Research Educational Trust has found that nationally 40 percent of workers in small firms (fewer than 200 employees) are enrolled in health plans with annual deductibles of \$1,000 or more. Thirteen percent of workers in larger companies have high-deductible plans.

The VHI study is the result of legislation introduced in the 2008 General Assembly attempting to provide greater transparency about health-care costs.

In addition to the transparency report, VHI also recently released a free, online consumer's guide to obstetrical services in Virginia. The guide includes information on hospital amenities, such as private labor and delivery rooms; staffing levels; and pre- and post-delivery services such as educational sessions and lactation consultants. In addition, the guide provides average hospital charges and Caesarean and episiotomy rates by hospitals and physicians.

Since 2004, Virginia Business has used VHI's reports to track the state's top hospitals based on volume of patient discharges on a selected number of service lines, such as invasive cardiology, oncology and vascular surgery. Charts showing those results from 2008 are shown on pages 41-49.

The hospitals are divided into five regions: central, eastern, northern, northwest and southwest. The charts provide the hospitals' volume of patient discharges in each service line. The hospitals are ranked based on their percentage of total patient discharges for a service line in each region.

VHI was created by the General Assembly with the passage of the Patient Level Database System Act in 1993.