UCHealth statement, August 2019

First, Colorado has an all payer claims database that's operated by the state. This database shows the actual reimbursed amounts for various services. A comparison in the database shows UCHealth's prices are competitive. Of course, there's some variation among our individual facilities, but overall, we're below the median price for many, if not most, of the services listed there. We pulled out a comparison of the median price for advanced imaging at our facilities and compared that to the median price for all other facilities across the state. Attached is that comparison and where our facilities compare. FYI – Yampa Valley Medical Center's prices represent the median price before our recent price reduction. But still – if you use the all payer claims database to compare YVMC against the prices at other mountain hospitals – you'll see they often have the lowest prices.

UCHealth also provides one of the most advanced price estimates tools in the nation. Seema Verma has mentioned us as an example of how useful price transparency should work. (See: UCHealth's Revenue Cycle Takes Price Transparency to Next Level; *HealthLeaders Media, or* "How much will it really cost?"*; AAMC)* You're welcome to go to our website or YouTube to watch a video on how the price estimates tool works. This makes it easy for patients to obtain accurate estimates for their actual, out-of-pocket bills.

You've been reporting on hospital finances for a while, so I'm sure you know that looking at charity care – especially in a Medicaid expansion state – doesn't give an accurate or full look at a hospital's total uncompensated care. As uninsured patients in Colorado shifted to Medicaid, we saw our overall financial losses grow, because Medicaid grew considerably faster than the drop in uninsured. (In Colorado, Medicaid reimburses just $.69 per dollar of costs.)

Last fiscal year (FY18, because we haven't finished calculating FY19 yet), UCHealth provided $859 million in total community benefits including $359 million in uncompensated care. The $359 million was a significant increase from the $259 million we provided in FY17. A comparison of schedule H forms shows we provide considerably more community benefits than the median nonprofit health system. (community benefits made up more than 20% of our expenses compared to national average of ~13%). Further, the number of Medicaid encounters we provided last year was a 239% increase since 2013.

I already provided you one example below of us lowering prices. (see hyperlink below about prices at Yampa Valley Medical Center) We have also provided double-digit discounts in commercial reimbursement prices at our hospitals in northern Colorado.

UCHealth is focused on operating as efficiently as possible, and we use both operational innovations and our supply chain purchasing power to decrease overall expenses. Last year, our cost per adjusted discharge grew far less than the median for hospitals in our state, which shows our dedication to operating efficiently. UCHealth also has excellent bond ratings, which helps us further reduce costs. We're able to return these cost savings back to patients by reinvesting in our facilities and employees, offering competitive prices, and working with insurance companies to provide more affordable plans for patients.

Let me know if you have specific questions, and here are a few examples of our efficiency innovations or price reduction efforts:

[UCHealth, Anthem Blue Cross and Blue Shield partner to improve health care affordability in northwest Colorado](...)
The Anthem Blue Cross and Blue Shield Pathways HMO will offer competitive premiums for individual and employer-based insurance plans made possible by lower prices at UCHealth Yampa Valley Medical Center (YVMC) and at UCHealth locations and other facilities on the Front Range should a patient need to leave the Yampa Valley for care.

[UCHealth Improves Operating Room Efficiency, Lowering Wait Times and Improving Patient Experience, with LeanTaaS](...)
LeanTaaS, Inc., a Silicon Valley innovator of software solutions that increase patient access and improve operational performance for healthcare providers, today shared results from UCHealth's first year of implementing the company's iQueue for Operating Rooms. In the first full year of use, UCHealth experienced dramatic improvements in operating room (OR) utilization and increased revenue by $10 million across UCHealth's University of Colorado Hospital (UCH) ORs.

Here's a case study from one of our innovation partners that shows how we developed machine learning, smart-scheduling technology to improve the efficiency of our infusion centers:https://leantaas.com/resources/iqueue-for-infusion-centers-caste-study-uchealth/

(note – the 2 technologies mentioned above have now been rolled out at almost all of our infusion centers and operating rooms throughout the system.)

And here's another of our innovation technologies – this one helps identify lower-priced medications for patients:

[UCHealth Launches Prescription Pricing Tool, Allowing Providers to Check the Prices Individual Patients Might Pay for Their Medications](...)

UCHealth median prices compared to all other median prices