



ONPOINT
Health Data

Report

Hospital Cost Comparison for Hospital Tiered Benefit

Report on Maine Hospital Payment Variation Using 2011 Statewide
Commercial Claims Data

This document was prepared by Onpoint Health Data
January 2013

EXECUTIVE SUMMARY

This report was authored at the request of the State of Maine (SOM) Office of Employee Health & Benefits, which was seeking a comparative analysis of cost variation among Maine hospitals. The request was for a single composite measure of variation in hospital cost (inpatient and outpatient) based on payments to Maine acute care hospitals.[†] The following analysis by Onpoint Health Data was based on the most current statewide commercial claims data available (i.e., calendar year [CY] 2011) and was adjusted for patient mix by applying diagnosis-related groups (DRGs) to inpatient claims and 3M™ ambulatory patient groups (APGs) to outpatient claims. This report serves as an update to analyses done with CY2008, CY2009, and CY2010 claims data.

Small Maine hospitals (designated as “Level 1”) were evaluated independently of large Maine hospitals (“Level 2”) on services similar to those performed by their peers. Level 1 hospitals were compared only on a set of services common to all Maine hospitals (“Level 1 Services”). Level 2 hospitals were compared both on these common Level 1 Services and on services provided only at larger Maine hospitals (“Level 2 Services”). While this study was based on commercial claims data, the methodology provides some adjustment for hospital differences in Medicare/Medicaid patient mix.

Results

SMALL MAINE HOSPITALS (LEVEL 1)

- Highest: For 2011 commercial claims data from Maine’s smaller Level 1 hospitals, the highest average payment variance was reported at Miles Memorial Hospital (+\$186 — 27.4 percent above the Level 1 statewide average). St. Andrews Hospital, Down East Community Hospital, and Mount Desert Island Hospital also were more than 10 percent higher than the statewide average as noted in [Figure 1](#).
- Lowest: Among Level 1 hospitals, the lowest average payment variance was reported at Northern Maine Medical Center (-\$114 — 16.8 percent below the Level 1 statewide average). Rumford Hospital, Parkview Adventist Medical, and Redington-Fairview also were 10 percent or more below the Level 1 statewide average.

These results were similar to the results from prior years (i.e., 2008–2010).

[†] For the purposes of this document, *cost* has been defined as the payments made to hospitals based on claims that include both the plan payments and member cost (i.e., deductible, coinsurance, and copayment) as reported on the claims; this is referred to as the *allowed amount*. The SOM’s perspective of cost may be different from a hospital’s perspective of cost, which may include the hospital’s cost of both providing services and doing business.

LARGE MAINE HOSPITALS (LEVEL 2)

- Highest: For 2011 commercial claims data from Maine’s larger Level 2 hospitals, the highest average payment variance was reported at The Aroostook Medical Center (TAMC) (+\$341 – 40.2 percent above the Level 2 statewide average). York Hospital and Eastern Maine Medical Center also were more than 10 percent higher than the statewide average as noted in Figure 2. Results were similar to the findings using 2008, 2009, and 2010 data. These three hospitals consistently have been higher than their peers.
- Lowest: Among Level 2 hospitals, the lowest average payment variance was reported at Mid Coast (-\$138 – 14.7 percent below the Level 2 statewide average). Southern Maine Medical Center, Pen Bay Medical Center, and Mercy Hospital also were more than 5 percent lower than the Level 2 statewide average.

Figure 1. Small Maine Hospitals (Level 1). Mix-Adjusted Average Payment Variance for Inpatient & Outpatient Level 1 Services. 2011 Commercial Claims Data.

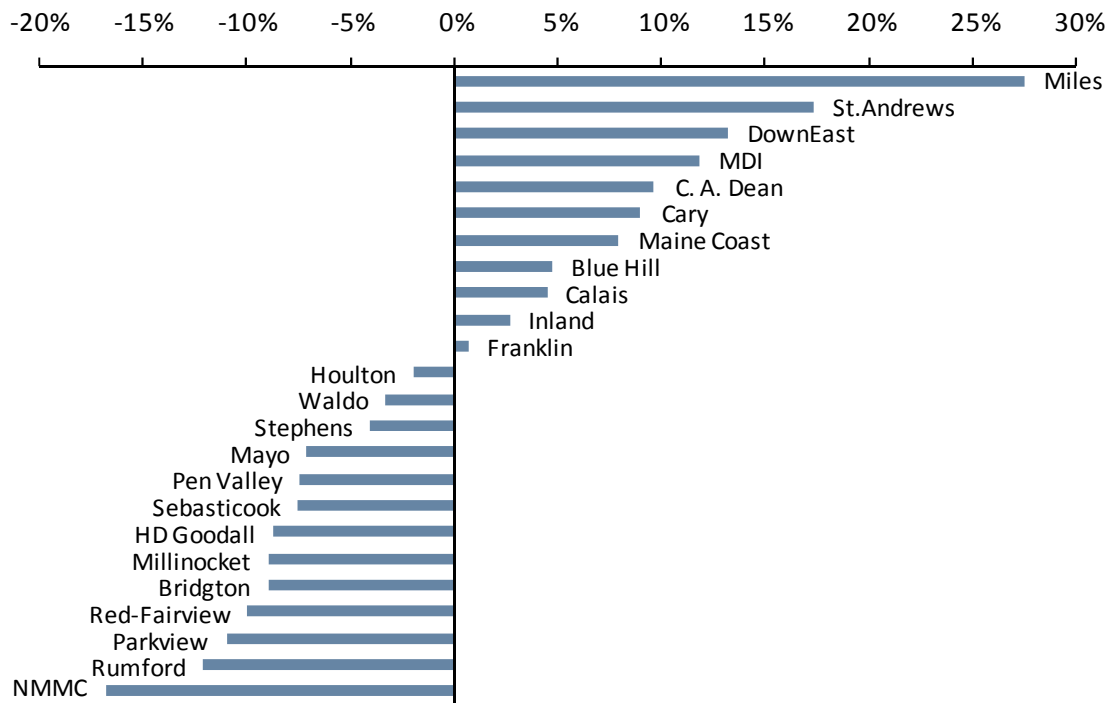
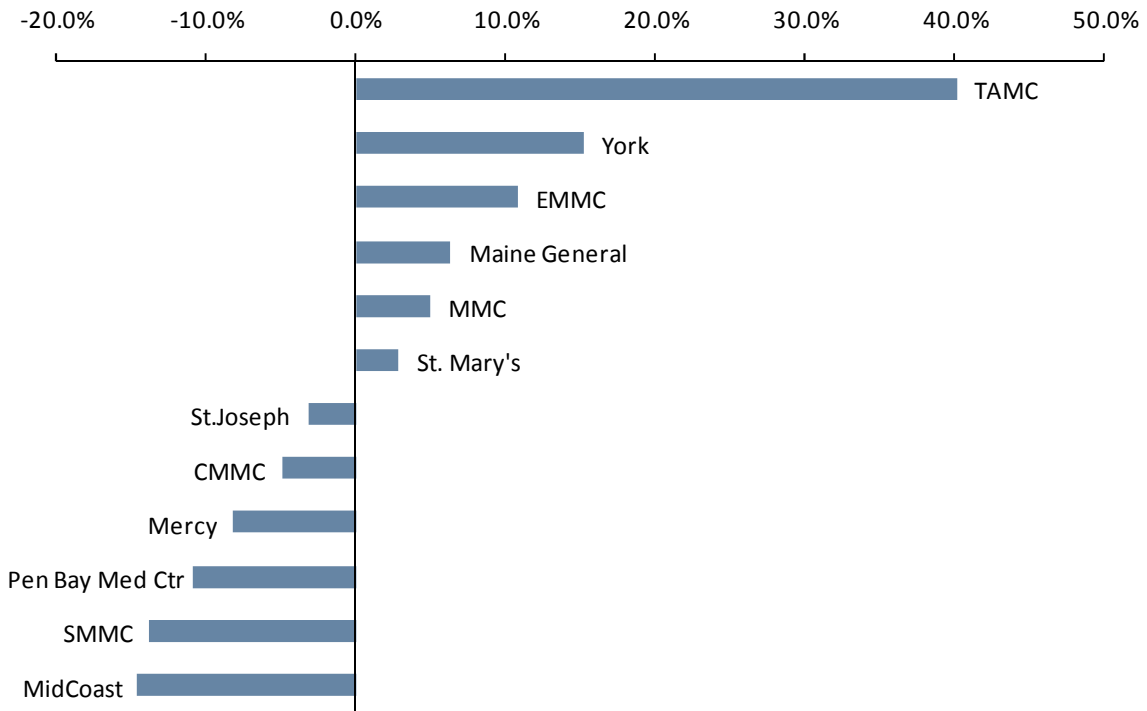


Figure 2. Large Maine Hospitals (Level 2). Mix-Adjusted Average Payment Variance for Inpatient & Outpatient Level 1 and Level 2 Services. 2011 Commercial Claims Data.



Discussion & Limitations

Onpoint completed an analysis on this topic in 2007 for the Maine Health Management Coalition based on 2005 Maine inpatient and outpatient hospital commercial claims data, yielding a composite cost measure for each Maine hospital. Compared to that initial 2007 study, this study used enhanced methods to adjust for hospital size and patient mix. While this study's results were similar to those previously derived from 2005 data, some key differences in relative payment variances were identified. By comparing small and large hospitals to their respective peers independently, this analysis indicated a greater number of smaller Level 1 hospitals with lower payment variance and a greater number of larger Level 2 hospitals with higher payment variance than were found in the analysis of 2005 data.

As a cross-check, this 2011 analysis was compared with results for prior years (2008–2010). Each year yielded similar relative rankings for nearly all of the evaluated hospitals. There is somewhat more variation from year to year among the smaller hospitals due to a lower number of claims.

Potential limitations of this study include the timeliness of the commercial claims data, the lack of timely Medicare and Medicaid (MaineCare) data, and the potential for hospital reimbursement arrangements that are not reflected in the administrative claims data. Since the goal of this study was to prepare a single composite measure of Maine hospital payment variance, the specific services that contributed to a specific hospital's high or low payment variance were not evaluated.

BACKGROUND

The State of Maine (SOM) Office of Employee Health & Benefits requested a comparative analysis of cost variation among Maine hospitals.* The request was for a single composite measure of variation in hospital cost (inpatient and outpatient) based on payments to Maine acute care hospitals using Maine's statewide commercial claims data. The SOM plans to use this measure as one component of the decision-making process for tiered hospital benefits for State of Maine employees.

The SOM began a tiered benefit in July 2006, identifying certain Maine hospitals as either *preferred* or *non-preferred* and increasing members' cost share for the use of non-preferred hospitals. The designations of hospitals as preferred or non-preferred were decided, in part, on quality measures. Onpoint conducted an evaluation of the impact of the tiered benefit and found some evidence of reduced utilization after a preferred hospital's status was changed to non-preferred.

The SOM decided to include comparative hospital cost measures as part of the hospital tiered-benefit decision-making process. Onpoint has more than 20 years' experience comparing individual Maine hospitals on cost and other measures. These analyses have become increasingly sophisticated in terms of both data sources and methods, starting with inpatient charges only and progressing to combined inpatient and outpatient claims payment data. Analyses have adjusted for hospital variation in case-mix using groupers. Onpoint has used Medicare's diagnosis-related groups (DRGs) to adjust inpatient data and 3M™ ambulatory patient groups (APGs) to adjust outpatient data. Onpoint also has generated composite-measure comparisons and procedure-specific cost comparisons for other projects.

Onpoint completed an analysis on this topic in 2007 for the Maine Health Management Coalition based on 2005 Maine inpatient and outpatient hospital commercial claims data, producing a composite cost measure for each Maine hospital. Using DRGs and APGs, the analysis adjusted for the differences in service mix at Maine hospitals and excluded certain services (e.g., cardiac procedures and mental health admissions). The SOM published a graphic showing the results of that analysis in its Winter 2010 newsletter to state employees.

Following that analysis, in 2010, Onpoint reviewed and enhanced the previous methodology to address differences in hospital size (and indirectly in Medicare/Medicaid mix) and in the prevalence of services, distinguishing between those common to nearly all hospitals and those performed primarily at larger hospitals. A report was released in November 2010 on inpatient and outpatient costs using CY2008 claims data. That report was updated in June 2011 with CY2009 data, and the State of Maine began using the results in its hospital-tiering program soon thereafter. The report was updated again in January 2012 with CY2010 data. This current

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analysis will allow the State of Maine to update its tiering program with the most recent hospital cost information (i.e., CY2011).

METHODS

Defining the Data Source

The SOM specifically requested that the data sources for this study not be limited to State of Maine employee claims alone. As in prior analyses, Onpoint therefore used incurred commercial claims from Maine’s statewide claims database, a copy of which was obtained from the Maine Health Data Organization (MHDO). Use of the full commercial data — CY2011 data for this study — ensures sufficient numbers for statistical validity. Onpoint also excluded claims for those aged 65 and older, providing an additional check to ensure that hospital services for supplemental payments (not the full payment to the providers) for Medicare recipients were not part of the analysis. The decision to limit the analysis to commercial claims was made in part because available Medicare and Medicaid data were not current. Also, limiting to commercial claims allowed for comparability to prior reporting.

Developing an Enhanced Methodology

Inpatient and outpatient claims were identified in the commercial claims data and rolled up to the inpatient-admission and outpatient-visit levels. Onpoint assigned inpatient admissions to a Medicare severity diagnosis-related group (DRG) and outpatient visits to an ambulatory patient group (APG).

An analysis was made of the types of services that were performed at each Maine hospital. Based on this analysis, a set of common DRGs and APGs performed at virtually every Maine hospital was identified (“Level 1 Services”). An additional set of services performed at larger Maine hospitals also was identified (“Level 2 Services”). Results indicated that most outpatient services were performed at all acute care hospitals, resulting in fewer APGs identified in the Level 2 Services set (see [Table 1](#)). Services that were rare statewide were eliminated from the analysis.

Table 1. Examples of Level 1 Services & Level 2 Services by Inpatient DRG & Outpatient APG

SERVICE TYPE	LEVEL 1 SERVICES	LEVEL 2 SERVICES
INPATIENT		
DRGs	General/digestive medical (GI obstruction, gastroenteritis, cellulitis)	Neurology medical (stroke)
	Respiratory medical (pneumonia, COPD)	Urology medical (kidney stones, urinary infection, renal failure)
	Cardiology medical (angina, chest pain, arrhythmia)	Oncology medical (chemotherapy and neoplasms)
	General surgery (major bowel, appendectomy, gall bladder)	Cardiac catheterization (diagnostic)
	Orthopedic surgery (major joints)	Urology surgery (major male pelvic procedures, kidney procedures)
	Gynecology surgery (hysterectomy)	Heart/circulatory procedures (CABG, cardiac valve, angioplasty)
	Maternity (vaginal delivery, C-section)	Neurosurgery (back and neck procedures)

SERVICE TYPE	LEVEL 1 SERVICES	LEVEL 2 SERVICES
OUTPATIENT		
Procedure APGs	Orthopedic (arthroscopy, fracture treatment)	Outpatient angioplasty
	Respiratory (pulmonary testing, respiratory therapy)	Diagnostic cardiac catheterization
	Cardiovascular (exercise tolerance tests, echocardiography, cardiac rehabilitation)	Radiation therapy
	Digestive (hernia repair, colonoscopy, upper GI endoscopy, laparoscopic procedures)	Dialysis
	Ear, nose, throat procedures	
	Eye procedures (cataract)	
	Physical Therapy	
Ancillary APGs	Radiology (mammography, plain film, MRI, CT-Scan, ultrasound, nuclear medicine)	
	Pathology (complex, simple, PAP)	
	Laboratory (immunology, microbiology, hematology, endocrinology tests)	
	Other (cardiogram)	
Emergency Department Visits	Using 43 different APG diagnostic categories (simple gastrointestinal diseases, upper respiratory infections, fractures, skin tissue injuries, chronic bronchitis and asthma, back disorders, headache, urinary tract infections)	

Differentiating Hospitals

Based on the service analysis, a set of Maine hospitals that primarily provide only Level 1 Services was identified (“Level 1 hospitals”). A set of Maine hospitals that provide both Level 1 services and most Level 2 services (“Level 2 hospitals”) also was identified. The results of this stratification indicated that the smaller Level 1 hospitals corresponded with Maine Hospital Association (MHA) peer groups C, D, and E, while the larger Level 2 hospitals corresponded with MHA peer groups A and B (see [Table 2](#)). Bed sizes were updated in 2012 using data from the American Hospital Directory (<http://www.ahd.com>).

Table 2. Maine Hospitals by Study Level & Corresponding MHA Peer Group Designation (Staffed Beds in Parentheses)

LARGE MAINE HOSPITALS (LEVEL 2)		SMALL MAINE HOSPITALS (LEVEL 1)		
MHA PEER GROUP A	MHA PEER GROUP B	MHA PEER GROUP C	MHA PEER GROUP D	MHA PEER GROUP E
CMMC (237)	Mercy (167)	Cary Medical Center (49)	Inland (46)	Blue Hill (25)
EMMC (351)	Mid Coast (92)	Franklin (48)	Miles (38)	Bridgton (25)
MaineGeneral (236)	Pen Bay Medical Center (165)	Goodall (123)	NMMC (94)	C. A. Dean (49)
MMC (644)	St. Joseph (112)	Maine Coast (48)	Parkview (55)	Calais (25)
	St. Mary’s (171)		Stephens (44)	Down East (25)
	SMMC (124)			Houlton (53)
	TAMC (161)			Mayo (25)
	York (66)			Millinocket (25)
				MDI (25)
				Penobscot Valley (25)
			Redington-Fairview (25)	
			Rumford (25)	
			Sebasticook (25)	
			St. Andrews (55)	
			Waldo County (25)	

By stratifying the analysis by Level 1 and Level 2 hospitals, this method also provided some adjustment for the differences in hospitals' Medicare and Medicaid patient mix (see [Table 3](#)).

Table 3. Hospital Level, Peer Groups, & 2008 Medicaid/Medicare Proportion*

ONPOINT HOSPITAL GROUPING	MHA HOSPITAL PEER GROUP	MEDICARE/MEDICAID MIX
Level 2	A	64%
Level 2	B	66%
Level 1	C	74%
Level 1	D	77%
Level 1	E	78%

* Based on 2010 MHDO inpatient discharges

Other notes about this study's methodology:

- Since some hospitals may bill for physician offices visits that are identified in claims data as outpatient hospital bills but may not take place in the hospital, any outpatient hospital claim with an associated office visit CPT code was identified and removed from the analysis.
- Mental health and substance abuse services were removed from the analysis.
- A sufficient volume of neonatal immature and problem newborns was not available for this evaluation; these claims, most of which pertained to Maine Medical Center, consequently were excluded from the analysis.
- Payments were determined from the allowed amounts on claims (i.e., plan payments plus deductible, coinsurance, and copayments).
- Payments on services identified in claims as professional services (i.e., UB revenue codes 960–989) were excluded from the payments.
- Clinic visits also were excluded from the payments (i.e., revenue codes 510–519) .
- A single outpatient laboratory APG (i.e., 352 – Organ and Disease Oriented Panels) was found to lack discrimination in the mix of specific laboratory services (CPT codes) included and consequently was removed from the analysis.
- Outpatient service APGs with low volume statewide (i.e., fewer than 200 services) were excluded.
- Payments for outliers were capped at the bottom 1 percent and top 99 percent for each DRG and APG statewide.
- The analysis adjusted each hospital's average payments to the statewide mix of services. If a hospital did not provide the service (APG or DRG) or if the service was in low proportion (i.e., lower than 20 percent) compared to the statewide mix of services, then the service was not included in that hospital's analysis.

- All methods were applied and analyzed separately for Level 1 and Level 2 hospitals. For the Level 1 hospitals, only Level 1 services were included in the analysis. For Level 2 hospitals, both Level 1 and Level 2 services were included.

Putting the Methodology into Practice

An overview of the method used to adjust average payments for service mix is shown in tables 4 and 5. Each hospital's payments were standardized to the statewide mix of services (DRGs and APGs). The statewide average mix was the statewide portion of all services represented by each DRG and APG as shown in Table 4. A specific hospital's result was derived by multiplying the hospital's average payment for each DRG and APG by the statewide proportion for each DRG and APG and then summing these results over all DRGs and APGs (as shown in Table 5). The ratio of the hospital sum to the statewide sum formed the composite cost measure. For example, in Table 5, Hospital A had a ratio of 1.06 (i.e., its average of \$2,279 divided by the statewide average of \$2,147), indicating that Hospital A was 6 percent above the statewide average.

Table 4. How to Case-Mix Adjust (Statewide Example)

INPATIENT DRG / OUTPATIENT APG	STATEWIDE VOLUME	STATEWIDE PROPORTION	STATEWIDE AVERAGE PAID	STATEWIDE AVERAGE MIX ADJUSTED PAYMENTS
Major joint procedure	4,000	0.07	\$18,000	\$1,241
Medical admission CHF	3,000	0.05	\$5,500	\$284
Maternity normal newborn	6,000	0.10	\$2,500	\$259
Mammogram	30,000	0.52	\$100	\$52
Colonoscopy	15,000	0.26	\$1,200	\$310
TOTAL	58,000			\$2,147

Table 5. How to Case-Mix Adjust (Hospital A Example)

INPATIENT DRG / OUTPATIENT APG	HOSPITAL VOLUME	STATEWIDE PROPORTION	HOSPITAL AVERAGE PAID	HOSPITAL AVERAGE PAYMENTS ADJUSTED TO STATEWIDE MIX
Major joint procedure	2	0.07	\$20,000	\$1,379
Medical admission CHF	3	0.05	\$5,000	\$259
Maternity normal newborn	4	0.10	\$2,000	\$207
Mammogram	5	0.52	\$90	\$47
Colonoscopy	6	0.26	\$1,500	\$388
TOTAL				\$2,279

RESULTS

Small Maine Hospitals (Level 1)

For 2011 commercial claims data from Maine's smaller Level 1 hospitals, the highest average payment variance was reported at Miles Memorial Hospital (+\$186 — 27.4 percent above the Level 1 statewide average). St. Andrews Hospital, Down East Community Hospital, and Mount Desert Island Hospital also were more than 10 percent higher than the statewide average. These results were similar to the results from prior years (i.e., 2008–2010).

Among Level 1 hospitals, the lowest average payment variance was reported at Northern Maine Medical Center (-\$114 — 16.8 percent below the Level 1 statewide average). Rumford Hospital, Parkview Adventist Medical, and Redington-Fairview were also 10 percent or more below the Level 1 statewide average.

These results generally were consistent with 2010 and earlier results.

It was notable that the payment variance at Mayo Regional Hospital moved from 14.8 percent below the Level 1 statewide average in 2010 to 7.2 percent below the Level 1 statewide average in 2011.

Table 6. Level 1 Hospitals. Mix-Adjusted Average Payments for Inpatient & Outpatient Level 1 Services. 2011 Claims Data

LEVEL 1 (SMALL) HOSPITAL	TOTAL INPATIENT & OUTPATIENT VISITS	HOSPITALS AVG PAID x LEVEL 1 STATEWIDE PROPORTION	LEVEL 1 STATEWIDE AVERAGE PAID x STATEWIDE PROPORTION	PAYMENT DIFFERENCE PER AVERAGE VISIT	PERCENT ABOVE/ BELOW LEVEL 1 STATEWIDE
Miles Memorial Hospital	10,312	\$864	\$678	\$186	27.4%
St. Andrews Hospital	2,725	\$527	\$449	\$78	17.3%
Down East Community Hospital	4,097	\$708	\$626	\$82	13.1%
Mount Desert Island Hospital	7,082	\$758	\$678	\$80	11.8%
C. A. Dean Memorial Hospital	1,368	\$565	\$516	\$50	9.6%
Cary Medical Center	8,469	\$768	\$705	\$63	9.0%
Maine Coast Memorial Hospital	15,634	\$774	\$718	\$57	7.9%
Blue Hill Memorial Hospital	4,910	\$655	\$626	\$29	4.7%
Calais Regional Hospital	3,472	\$655	\$627	\$28	4.4%
Inland Hospital	15,735	\$700	\$682	\$18	2.6%
Franklin Memorial Hospital	15,073	\$706	\$701	\$4	0.6%
Houlton Regional Hospital	6,963	\$568	\$580	-\$12	-2.0%
Waldo County Hospital	12,983	\$684	\$708	-\$24	-3.3%
Stephens Memorial Hospital	11,197	\$674	\$703	-\$29	-4.1%
Mayo Regional Hospital	5,454	\$611	\$658	-\$47	-7.2%
Penobscot Valley Hospital	4,063	\$493	\$533	-\$40	-7.5%
Sebastiancook Valley Health	5,128	\$551	\$595	-\$45	-7.5%
Goodall Hospital	16,346	\$646	\$708	-\$62	-8.8%
Millinocket Regional Hospital	4,934	\$534	\$587	-\$53	-9.0%

LEVEL 1 (SMALL) HOSPITAL	TOTAL INPATIENT & OUTPATIENT VISITS	HOSPITALS AVG PAID x LEVEL 1 STATEWIDE PROPORTION	LEVEL 1 STATEWIDE AVERAGE PAID x STATEWIDE PROPORTION	PAYMENT DIFFERENCE PER AVERAGE VISIT	PERCENT ABOVE/ BELOW LEVEL 1 STATEWIDE
Bridgton Hospital	7,651	\$602	\$661	-\$60	-9.0%
Redington-Fairview General	10,609	\$571	\$635	-\$64	-10.0%
Parkview Adventist Medical	8,000	\$572	\$643	-\$70	-10.9%
Rumford Hospital	5,312	\$503	\$573	-\$70	-12.2%
Northern Maine Medical Center	6,187	\$563	\$677	-\$114	-16.8%

Large Maine Hospitals (Level 2)

For 2011 commercial claims data from Maine’s larger Level 2 hospitals, the highest average payment variance was reported at The Aroostook Medical Center (TAMC) (+\$341 – 40.2 percent above the Level 2 statewide average). York Hospital and Eastern Maine Medical Center also were more than 10 percent higher than the statewide average. Results were similar to the findings using 2008, 2009, and 2010 data. These three hospitals have consistently been higher than their peers.

Among Level 2 hospitals, the lowest average payment variance was reported at Mid Coast (-\$138 – 14.7 percent below the Level 2 statewide average). Southern Maine Medical Center, Pen Bay Medical Center, and Mercy Hospital also were more than 5 percent lower than the Level 2 statewide average.

It is notable that Pen Bay Medical Center, which had been 0.5 percent below state average in 2009, continued its improvements. In 2010, Pen Bay reduced its relative payments to fall to 5.5 percent below the state average. In 2011, Pen Bay was 10.9 percent below the state average.

With the exception of Pen Bay, this analysis yielded similar results to the 2008–2010 findings for nearly all evaluated large hospitals, indicating that hospitals’ relative costs generally have remained similar over time for the large hospitals. There tends to be more fluctuation from year to year for the smaller hospitals due to the smaller number of claims per year.

Table 7. Level 2 Hospitals. Mix-Adjusted Average Payments for Inpatient & Outpatient Level 1 & Level 2 Services. 2011 Claims Data.

LEVEL 2 (LARGE) HOSPITAL	TOTAL INPATIENT & OUTPATIENT VISITS	HOSPITALS AVG PAID x LEVEL 2 STATEWIDE PROPORTION	LEVEL 2 STATEWIDE AVERAGE PAID x LEVEL 2 STATEWIDE PROPORTION	PAYMENT DIFFERENCE PER AVERAGE VISIT	PERCENT ABOVE/ BELOW LEVEL 2 STATEWIDE
The Aroostook Medical Center	13,139	\$1,189	\$848	\$341	40.2%
York Hospital	26,692	\$1,117	\$969	\$149	15.3%
Eastern Maine Medical Center	45,657	\$1,346	\$1,215	\$131	10.8%
MaineGeneral Medical Center	69,335	\$1,079	\$1,015	\$65	6.4%
Maine Medical Center	43,631	\$1,265	\$1,204	\$60	5.0%
St. Mary’s Medical Center	19,838	\$980	\$952	\$28	2.9%

LEVEL 2 (LARGE) HOSPITAL	TOTAL INPATIENT & OUTPATIENT VISITS	HOSPITALS AVG PAID x LEVEL 2 STATEWIDE PROPORTION	LEVEL 2 STATEWIDE AVERAGE PAID x LEVEL 2 STATEWIDE PROPORTION	PAYMENT DIFFERENCE PER AVERAGE VISIT	PERCENT ABOVE/BELOW LEVEL 2 STATEWIDE
St. Joseph Hospital	14,442	\$853	\$882	-\$28	-3.2%
Central Maine Medical Center	47,165	\$1,012	\$1,065	-\$52	-4.9%
Mercy Hospital	36,431	\$947	\$1,032	-\$85	-8.3%
Pen Bay Medical Center	23,836	\$805	\$903	-\$99	-10.9%
Southern Maine Medical Center	45,723	\$801	\$930	-\$128	-13.8%
Mid Coast Hospital	32,679	\$801	\$938	-\$138	-14.7%

DISCUSSION & LIMITATIONS

This analysis utilized statewide commercial claims data provided by the MHDO from Maine's all-payer claims database. The study's goal was to prepare a single composite measure of Maine hospital payment variance. The specific services that contributed to a specific hospital's high or low payment variance were not evaluated in this report.

Strengths of this study include:

- The use of enhanced methods to adjust for hospital size (and indirectly for Medicare/Medicaid mix)
- The use of enhanced methods to evaluate and adjust for services provided at virtually every Maine hospital compared to those services provided only at large Maine hospitals
- A more detailed review of and adjustment for service mix using DRGs and APGs
- A comparison of results, indicating comparability between years (i.e., 2008 through 2011)

Potential limitations resulting from the use of claims data include:

- Unadjusted variances in provider or insurer coding, data processing, and reimbursement arrangements not reflected in administrative claims data may contribute to the variances shown in this report. Although Onpoint makes every effort to ensure the validity and accuracy of the report, the analysis is based on data provided by other organizations. It therefore is subject to the limitations of coding and financial information inherent in administrative claims files. This note is provided to enhance the user's understanding of relative payment for services reported.
- Timeliness of data was a limitation in this report. Onpoint utilized the most current statewide commercial claims data available (i.e., 2011 incurred commercial claims). The consistency in the payment variances over multiple years for many hospitals suggests overall reliability. However, specific hospitals currently may have higher or lower relative payment variance compared with these 2011 results.
- This analysis was based on commercial claims data and did not include Medicare or Medicaid data, was less timely.
- This report did not evaluate trends in cost. For example, hospitals could be reducing or increasing their costs over time and this report would not address such trends. It only addressed relative variation within a single year.



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