

Moving to Cost-Effective Sites of Care

Employer Cost Savings Study



CENTER FOR IMPROVING
VALUE IN HEALTH CARE

The [Colorado Purchasing Alliance \(TCPA\)](#) is an employer-led coalition created to leverage combined purchasing power in negotiating agreements for affordable health care services with providers, facilities, and insurance plans.

TCPA asked the Center for Improving Value in Health Care (CIVHC) to analyze Alliance-specific data from the [Colorado All Payer Claims Database \(CO APCD\)](#) to investigate the potential cost savings available with outpatient procedures by comparing costs for services performed at hospitals to those performed at independent, free-standing centers not owned by a health system or hospital.

Top 10 TCPA Outpatient Surgical Procedure Categories (2018-2019)

Claims Volume by Facility Type

Free-Standing - 49,000

Hospital-Based - 10,000

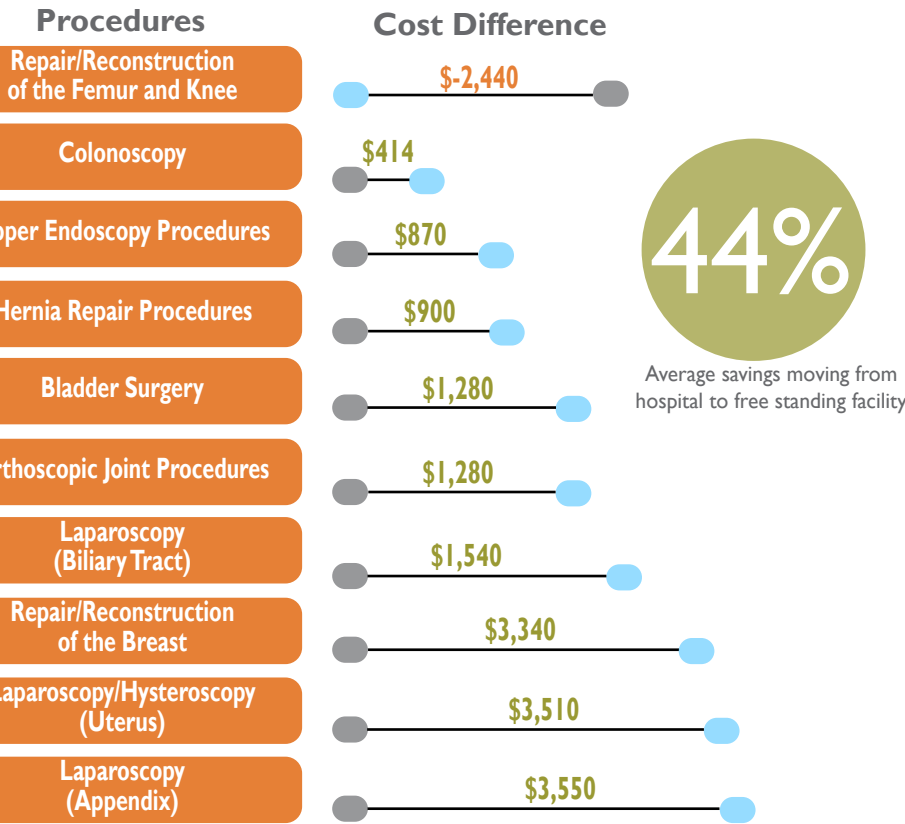
The Study

Step 1 - Determine the highest volume outpatient services for the TCPA population.

Step 2 - Identify volume and median prices for Free-Standing vs Hospital-Based procedures.

Findings

- Of the 10 procedures analyzed, only one was less expensive in a hospital setting with the others ranging from \$400-\$3500 more expensive.
- If employees and their dependents changed 50% of these procedures to the least expensive facility type they could save up to \$5.7 million.



Data in Action

Backed up with personalized data, employer members of TCPA can now educate their employees that location often drives price, and consider benefit designs that will incentivize employees to seek the most affordable, high-quality care possible.