



Direct-to-Employer Healthcare Arrangement

Plan Review and Narrative for Calendar Year 2025



Indiana
Department
of
Health



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Executive Summary

Purpose

Ensuring transparency and accountability within the non-profit healthcare sector in Indiana is a cornerstone of the regulatory framework for the Consumer Services and Healthcare Regulation (CSHCR) Commission of the Indiana Department of Health (IDOH). Indiana Code (IC) 27-1-46.5¹² mandates specific requirements for hospitals operating within the State of Indiana. Certain non-profit hospitals are required to submit data to IDOH regarding Direct-to-Employer (DTE) Healthcare Arrangements, such that IDOH is able to conduct plan reviews to verify compliance³ with the statute.

Methods

Each obligated hospital is required to submit data to IDOH regarding their direct-to-employer plans, such that IDOH is able to conduct a plan review to verify compliance with the statute. Under IC 27-1-46.5-9, IDOH must verify that each obligated hospital offers a direct-to-employer healthcare arrangement that is at or below a benchmark of two hundred sixty percent (260%) of full Medicare by calculating the sum of inpatient facility prices and outpatient facility prices for each hospital and expressing these results as a percentage of full Medicare.

IDOH published a template for the submission of hospital data to ensure consistency and preserve data integrity. The template mirrors the formatting of standardized costs supplied for Section 2718(e) of the Public Health Service Act (*Hospital Price Transparency Rule*).

The *Direct-to-Employer Healthcare Arrangement Audit* form ([State Form 9900368-e](#)) was inaugurated to collect submissions; this form required the submission of a machine-readable file that contains the standard charges of the hospital and a description of each item or service provided by the hospital; the gross charge that applies to each individual item or service when provided in the hospital inpatient setting and outpatient setting, expressed in dollar amounts; the Medicare reimbursement rate that applies to each item or service when provided in the hospital inpatient setting and outpatient setting, expressed in dollar amounts; the plan-specific negotiated charge/rate that applies to each item or service when provided in the hospital inpatient setting and outpatient setting, expressed in dollar amounts; and any code used by the hospital for purposes of accounting or billing for the item or service, including (but not limited to) the Current Procedural Terminology (CPT) code, the Healthcare Common Procedure Coding System (HCPCS) code, the Diagnosis Related Group (DRG), the National Drug Code (NDC), or other common payer identifier.

¹ IC 27-1-46.5-5: "Indiana Non-Profit Hospital System"

² IC 27-1-46.5-9: Offer of a Direct-to-Employer Healthcare Arrangement by Indiana Non-Profit Hospital System; Benchmark; Requirements; Audit; Assessment

³ CY25 is the inaugural year of this report; as such, *compliance* is referring to a review of the design of each plan. An attestation is also required.



The direct-to-employer audit form also allowed eligible entities to submit a narrative based on each direct-to-employer plan details (i.e., the negotiated rates for each item within the plan and the corresponding Medicare rates for each) to describe how the utilization of each item or service impacts the plan being at or below a benchmark of two hundred sixty percent (260%) of full Medicare. Finally, each entity completed an Attestation form confirming their compliance with Indiana Code § 27-1-46.5-9.

Results

A summary of results for each direct-to-employer plan design is contained herein; the aggregate of all rates, narrative, and submission notes are presented for each entity. Of the 48 submissions, 42 direct-to-employer plans successfully met the 260% benchmark of full Medicare (at or below) based on the pricing data submitted. IDOH was unable to validate six direct-to-employer plans with the methodology described above, including those submitted for: Ascension Saint Vincent Heart Center of Indiana; Ascension Saint Vincent Hospital (Anderson Regional); Ascension Saint Vincent Hospital (Carmel); Ascension Saint Vincent Hospital (Fishers); Ascension Saint Vincent Hospital (Indianapolis); and Ascension Saint Vincent Hospital (Kokomo).

Hospital Name	Review
Ascension Saint Vincent	171% ⁴
Community Health Network	190%
Franciscan Health	206%
Indiana University Health	250%
Parkview Health Network	203%

As a result, Ascension submitted supplemental direct-to-employer data to demonstrate Medicare relativity(see *Appendix B: Supplemental Data [Ascension Health Network]*). Ascension provided analysis of historical plan performance demonstrating that its plan meets or exceeds the performance required by statute.

⁴ Ascension reported 171% of Medicare plan performance for CY 2025 based on review of actual claims. The plan performed slightly better than expected due to higher than expected inpatient claims vs outpatient claims.



Appendix A: Narratives and Notes

Ascension Saint Vincent

Narrative

Ascension Employer Network

The Ascension Employer Network (Network) is a rental network, with claims administered by third-party administrators. It includes all Ascension St. Vincent (Indiana) employed providers and owned facilities. It also includes contracted independent providers and selected regional hospitals. Currently, there are over 4,400 employees subscribed to the network through our TPA partners, and roughly 9,000 members. Pricing is aggressively discounted, delivering savings to employers who direct members to in-network providers and facilities through lower deductibles, out-of-pocket costs, and co-pays.

In our file submission, where there is no rate indicated, it is because CMS does not have a rate for the particular code. By design, inpatient and outpatient care services are priced at our lowest in market rates, with most rates falling below 260% of Medicare. With the mix of utilization, Ascension Employer Network contracted and participating members and employer plans have paid on average between 198% and 205%⁵ of Medicare for services provided at an Ascension St. Vincent inpatient or outpatient facility.

Ascension St. Vincent Cardiovascular Care Program

The Ascension St. Vincent Cardiovascular Care Program or “Heart Care Program” is a carve-out program offered to employers across Indiana for access to our cardiologists across Indiana, to cardiovascular diagnostic testing, and to inpatient and outpatient services provided at the Ascension St. Vincent Heart Center of Indiana. This program is priced at 190% of Medicare for 2025 for any inpatient or outpatient services or testing.

Because of this pricing strategy, Ascension Cardiovascular Care Program contracted and participating members and employer plans always pay below 260% of Medicare for services provided at the Ascension St. Vincent Heart Center of Indiana, as required by the State of Indiana House Enrolled Act 1004.

Community Health Network

Notes

We are submitting for the Community Health Network as a system.

⁵ Ascension reviewed all CY2024 and CY2025 claims to conduct a comparative analysis, which resulted in the identified plan performance range. This range demonstrates the more expected plan performance in a typical year. Ascension is restructuring their plan for CY2027 to operate as a base pricing on a % of Medicare moving forward.



Narrative

This agreement is negotiated at 190% of Medicare as the contracted rate, which is below the 260% benchmark required. Therefore, utilization should not impact compliance with the 260% benchmark.

Franciscan Health

Notes

This is a single rate structure for our program with Indiana Elite Care Network that covers all of our Franciscan Alliance system hospitals doing business under the name of Franciscan Health throughout the State of Indiana.

Narrative

Based on projection utilization, the targeted overall reimbursement has been calculated for this DTE plan with some services higher and some lower but, overall, 260% is the targeted rate for the Indiana Elite Care Network book of business.

Indiana University Health

Narrative

Under the Encore Elite+ arrangement, every covered facility service is set as a percentage of Medicare, with all percentages below the statutory cap. To ensure full alignment with statutory requirements, we validated this through an aggregate benchmark analysis.

Based on the inpatient and outpatient facility rates offered through the Encore Elite+ product, we calculated compliance with IC 27-1-46.5-9 using an aggregate benchmark approach as required by law.

We used facility level EDI 837 ERA remittance and encounter level utilization data (state population) from January 1, 2025, through December 31, 2025, as the base population, and modeled it using standard Medicare methodology (inclusive of hospital-specific Medicare factors and bundled/package payments) and then multiplied those results (at a service level) by 2.5. Under this approach, the aggregate paid to Medicare ratio resulted in a relative percent of Medicare which is below the 260% threshold required for compliance.

Further, we performed reasonable checks to confirm rare or anomalous encounters do not unduly affect results. Assumptions, data sources, and methodology, as summarized above, are documented internally for auditing purposes.



Parkview Health Network

Notes

All CPT codes were included when paid on a fee schedule and there is an associated Medicare rate. For those items paid as a percentage of charge, only those codes where there was utilization in any Signature Care product were included then the EPO Plus rate was applied to the average gross charges associated with the CPT code. If there were variation in gross charges, as can happen with surgery where operating room time varies based on complexity, an average for all billing of the code was used.

Narrative

Signature Care EPO Plus is a narrow network product that focuses on integrated care. Parkview hospitals are contracted as a combination of fee schedule, MS-DRG, and percentage of charge. Those items that have an unusually high percentage of Medicare are rare exceptions of cases that are typically done in an office and, due to medical necessity, were required to move to an operating room. Medicare outpatient rates are often paid using an APC methodology. Signature Care contracts at a CPT level. The Medicare rates shared are assigned based on the APC that would apply to the CPT.



Appendix B: Supplemental Data (Ascension Health Network)

Total

Location	Cases	Charges	Plan Total	Medicare Total	Percentage
Anderson	701	\$3,996,463	\$1,238,931	\$753,378	164%
Carmel	334	\$4,806,708	\$1,462,357	\$793,148	184%
Clay	6	\$11,263	\$6,533	\$2,923	223%
Fishers	306	\$2,499,287	\$813,478	\$455,031	179%
Heart Center	70	\$2,923,072	\$863,267	\$500,395	173%
Jennings	2	\$3,837	\$2,532	\$846	299%
Mercy	182	\$652,853	\$204,604	\$189,400	108%
Randolph	43	\$206,701	\$130,361	\$39,199	333%
Salem	1	\$456	\$278	\$130	215%
Kokomo	36	\$204,981	\$69,976	\$33,320	210%
Evansville	1,002	\$6,677,118	\$2,132,254	\$1,221,740	175%
Indianapolis	754	\$14,776,745	\$3,990,684	\$2,458,380	162%
Warrick	41	\$115,724	\$36,301	\$47,182	77%
Williamsport	2	\$1,402	\$785	\$255	308%
Total	3,480	\$36,876,609	\$10,953,416	\$6,495,326	171%

Inpatient

Location	Cases	Charges	Plan Total	Medicare Total	Percentage
Anderson	24	\$1,105,832	\$335,724	\$306,118	110%
Carmel	26	\$1,683,558	\$483,562	\$371,838	130%
Fishers	12	\$290,575	\$121,559	\$119,473	102%
Heart Center	9	\$2,193,126	\$634,502	\$415,552	153%
Kokomo	1	\$24,956	\$13,556	\$10,860	125%
Evansville	32	\$1,446,642	\$510,305	\$419,072	122%
Indianapolis	81	\$8,194,038	\$1,951,782	\$1,520,346	128%
Warrick	1	\$28,070	\$9,865	\$27,022	37%
Total	186	\$14,966,797	\$4,060,855	\$3,190,281	129%



Outpatient

Location	Cases	Charges	Plan Total	Medicare Total	Percentage
Anderson	677	\$2,890,631	\$903,207	\$447,260	202%
Carmel	308	\$3,123,150	\$978,795	\$421,310	232%
Clay	6	\$11,263	\$6,533	\$2,923	223%
Fishers	294	\$2,208,712	\$691,918	\$335,557	206%
Heart Center	61	\$729,946	\$228,765	\$84,843	270%
Jennings	2	\$3,837	\$2,532	\$846	299%
Mercy	182	\$652,853	\$204,604	\$189,400	108%
Randolph	43	\$206,701	\$130,361	\$39,199	333%
Salem	1	\$456	\$278	\$130	215%
Kokomo	35	\$180,025	\$56,420	\$22,461	251%
Evansville	970	\$5,230,475	\$1,621,949	\$802,667	202%
Indianapolis	673	\$6,582,707	\$2,038,901	\$938,034	217%
Warrick	40	\$87,654	\$26,436	\$20,160	131%
Williamsport	2	\$1,402	\$785	\$255	308%
Total	3,294	\$21,909,812	\$6,891,484	\$3,305,045	213%

