

## Hospital Cost Transparency Project Glossary

**0 or 1:** Only the spreadsheet tables available in the “For researchers” section of the site use this term. The “0 or 1” indicates that there were less than 2 patients with this condition or who underwent this procedure. This is done to protect privacy.

**Avg. payment:** “Avg. payment” means the average allowed payment.

**Allowed payment:** “Allowed payment” means the payment allowed by the health plan for a service. The allowed payment is negotiated and varies widely depending on the health plan. The health plan’s contracted providers have agreed to accept the health plan’s allowed payment. The allowed payment includes amounts that the patient must pay, such as co-insurance and deductibles and what the health plans would pay. Allowed payment is the same as the “allowed charges” that you may see on your hospital bill.

**Balance:** “Balance” is the amount billed to the patient after the hospital is paid by the health plan. This amount may include the patient’s co-insurance and deductible.

**Co-insurance:** “Co-insurance” means that the health plan and the patient share the costs of medical care. The patient’s share of the costs can be a percentage (such as 20% of a surgery bill) or a fixed amount (such as \$10 for each medication).

**Health plan:** “Health plan” means insurance that pays part or all of the costs of medical care.

**Median payment:** “Median payment” is another way to report the allowed payment. If there are nine surgeries and one makes a list of all the allowed payments from highest to lowest, the median payment will be fifth in the list (in the middle). The table on the right shows how the median payment is found.

**Medicare:** “Medicare” is the U.S. federal health plan for people 65 years of age and older and for some individuals with severe disabilities.

**Oregon Health Plan:** “Oregon Health Plan” is the State of Oregon’s Medicaid health plan that serves mostly low-income women, children and some low-income people with disabilities.

**Risk Adjustment:** “Risk adjustment” means using patient risk factors to create meaningful comparisons of cost or quality. Risk adjustment “levels the playing field,” by taking into account factors patients bring with them to the hospital that could affect the outcome of their hospital stay. Risk adjustment allows for comparisons of “apples to apples,” sorting patients by certain characteristics (such as age and gender) so that we are comparing patients who are similar to each other.

**Self-pay:** “Self-pay” means that a patient pays all hospital costs out of pocket. Usually this means that a patient does not have any type of health plan.

Allowed payment
\$8000
\$8400
\$8500
\$8900
<b>\$9000</b>
\$9100
\$9500
\$9600
\$9900

**Severity of Illness:** “Severity of Illness” is part of the risk-adjustment and means “How bad is it?” There are two groups: Minor or Moderate severity and Major or Extreme severity. Patients in the Minor/Moderate group are less sick or not as badly injured as patients in the Major/Extreme group.

**Statewide length of stay (days):** This means the average number of days that patients stayed in Oregon hospitals for this type of care.