HealthRate

CASE STUDY · LUNG TRANSPLANT

Which contract would you pick?

Two real contracts. Same hospital. Same lung transplant.

These are actual contracted rates from two national transplant networks at one of the country's top academic transplant centers. Same patient, same lung transplant. One case rate is about seven times the other.

NETWORK A

$135,000 case rate

+ $2,700 per day

NETWORK B

$995,000 case rate

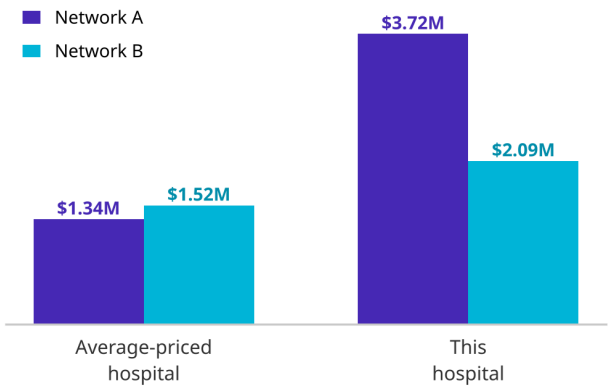
+ $25,000 per day

If you picked Network A, you're like most people. And like most people, you'd be wrong by seven figures. At this hospital, the "cheaper" contract costs $1.6 million more per case.

Network B saves $1.63M (44%) per case

Where the money goes	Network A	Network B
Case rate	$135K	$995K
Outlier payment	$2,153K	$0
Minimum Payment Provision (MPP)	$0	$0
Pre and post transplant allowed	$1,378K	$889K
Per diem days (38-day stay)	$49K	$205K
Plan cost	**$3,715K**	**$2,089K**

Same contracts, different hospital



List prices here are far above average. At an average hospital, Network A would be $177K cheaper.

Why the small case rate loses

- Network A pays outlier charges on everything billed above its stated threshold. At a hospital with high list prices, that is most of the stay.
- Network B's bigger case rate caps the stay. Even with its $25,000 per diem after day 30, it comes out far ahead.
- The case rate is the headline. The fine print is the price.

Why list prices matter

The same contract terms can produce very different costs depending on the hospital's list prices. HealthRate prices every term of every contract against the real hospital, before the claim, using the HealthRate Institutional Index.*

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Charges start from Milliman's 2025 U.S. average billed charges for a lung transplant and are adjusted to this hospital's list prices using the HealthRate Institutional Index. Results for other hospitals and cases will differ. *HealthRate Institutional Index™ is patent pending. Sources: Milliman, "2025 U.S. organ and tissue transplants" (Feb. 2025); CMS, Medicare Inpatient Hospitals by Provider and Service.