

Health Care Price Transparency

March 2023

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Maverick Health Policy



Price Transparency:

Knowing what things cost before you buy them

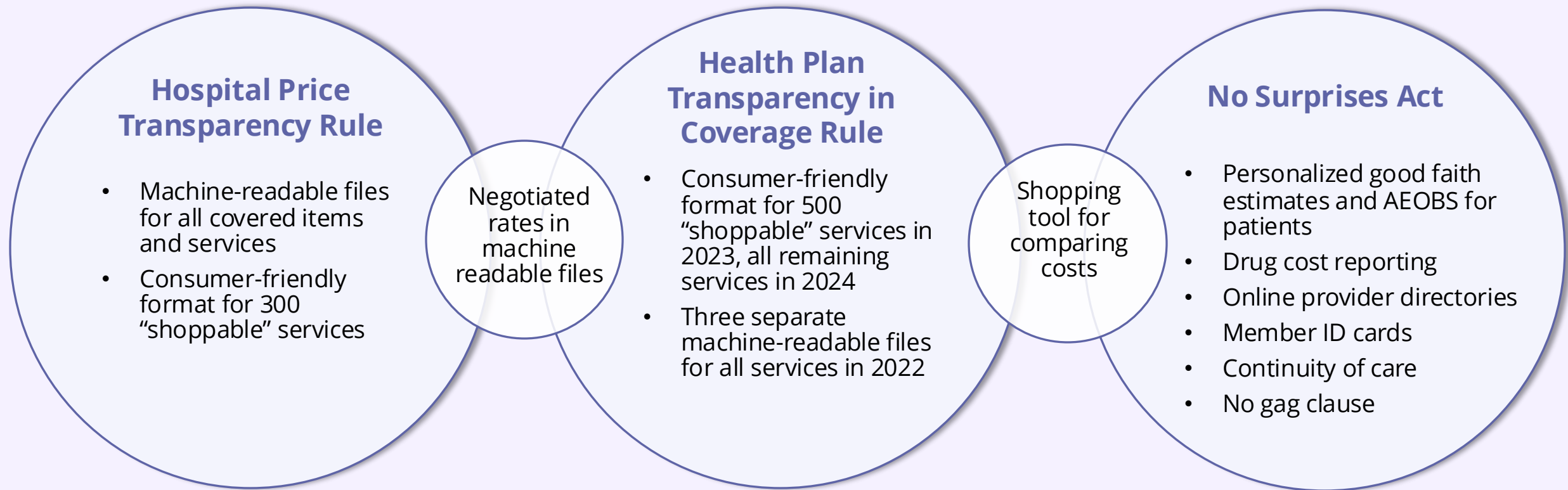
How is the government trying to put a price tag on health care?

1. Hospital Price Transparency Rule
2. Health Plan Transparency in Coverage Rule
3. No Surprises Act



Maverick Health Policy

Price Transparency Oversight



Hospital Price Transparency Rule



What: Hospitals must publicly display charges, including negotiated rates with payers

- A machine-readable file with all prices
- Consumer-friendly list of common health care services - 300 “shoppable services” as well as the lowest prices they will accept from consumers paying out of pocket

Who: Hospitals and their employees, not ASCs or non-employed physicians

Goal: Allow people to compare prices to shop for hospital services

When: January 1, 2021

Enforcement: CMS monitors complaints and audits websites, noncompliance penalty is \$300 per day until Jan. 1, 2022, when it increases to \$5,500 per day *

*CMS is considering expediting the timeframes by which it requires hospitals to come into full compliance upon submitting a corrective action plan and prioritizing action against hospitals that have failed entirely to post files. [see February 14, 2023 [Health Affairs blog post](#)]



Health Plan Transparency in Coverage Rule



What: By July 1, 2022, plans must share price information via public machine-readable files

- In-network negotiated payment rates
- Out-of-network allowed amounts
- Pricing information for prescription drugs (deadline will be in later rulemaking)

By Jan 1, 2023, self-service tool showing personalized out-of-pocket costs for 500 prospective items and services

By Jan 1, 2024, tool must include all items and services

Who: All health plans

Goal: Address wide variation in in-network rates, help insured people shop for health plans and uninsured negotiate charges

Enforcement: Oversight by state regulators; CMS may also require corrective actions and/or imposing a civil money penalty up to \$100 per day.



Basics: No Surprises Act

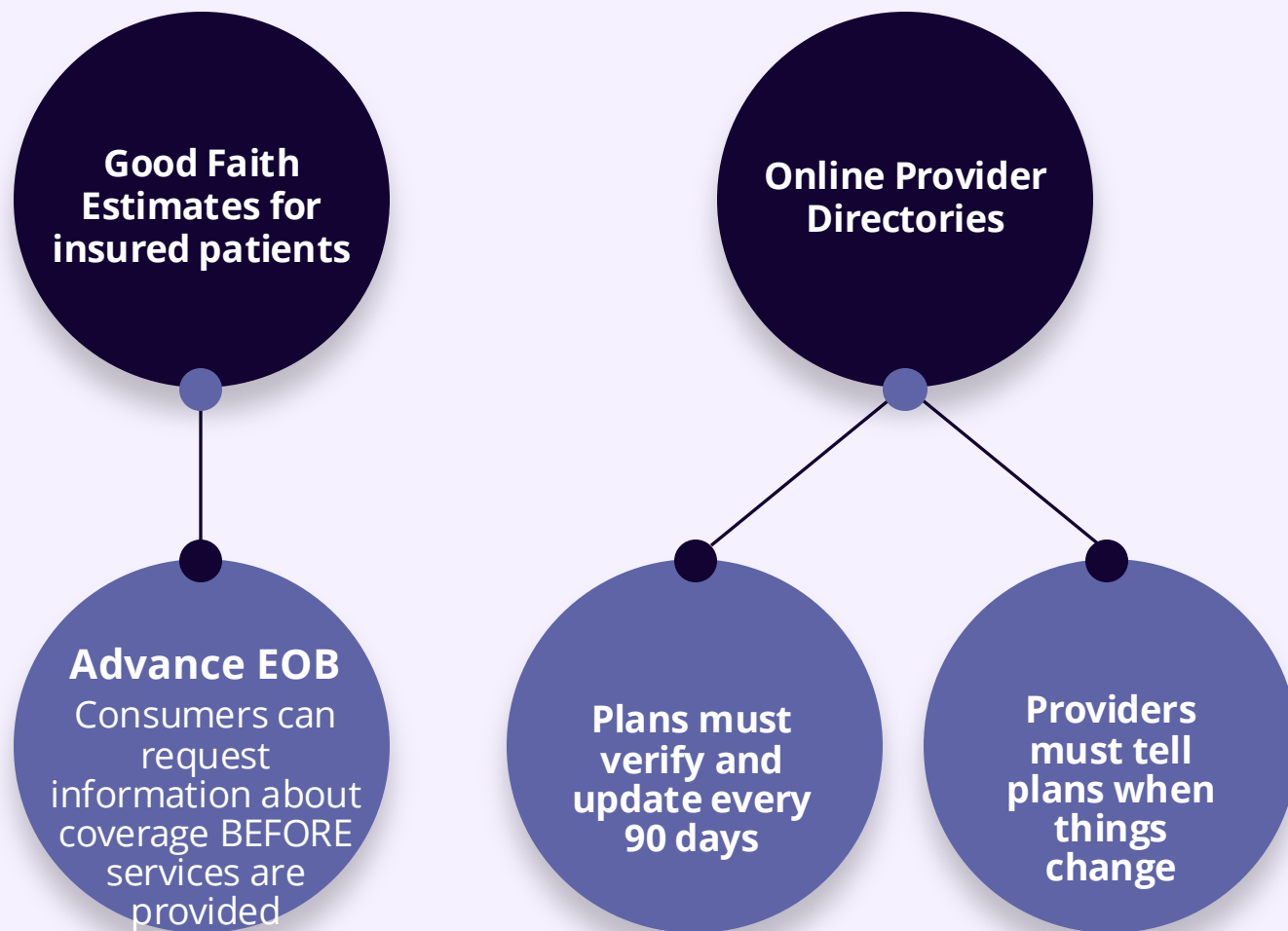
When: January 1, 2022

What: Holds patients harmless from big surprise medical bills:

- Patients only pay in-network cost-sharing; providers can't bill them without permission.
- New arbitration process will settle fights about reimbursement and leave the patient out of it entirely.
- Includes multiple price transparency mandates for health plans and providers.



Most NSA Price Transparency Mandates Are Not Yet Implemented



Price Comparison Tool

Consumer-facing tool must be available online showing price comparisons across providers



Cost-Sharing on Membership ID Cards



Machine-Readable Files and Prescription Drug Prices



Price Transparency: Good Faith Estimate



Good faith estimates are an estimated cost of the anticipated items and services. At the baseline, the convening provider must include:

1. diagnosis and service codes,
2. an itemized list and description of anticipated items and services and the expected charge,
3. disclaimers -- GFEs are subject to change.

Other GFE Requirements:

- Must include estimates from providers who deliver ancillary services
- Must be delivered in 1-3 business days depending on how far a service is scheduled in advance

Effective January 1, 2022 for uninsured and self-paying patients.



Price Transparency: Advanced Explanation of Benefits (AEOB)



Advanced explanation of benefits means a health plan must provide patients with an estimate BEFORE a service takes place that includes:

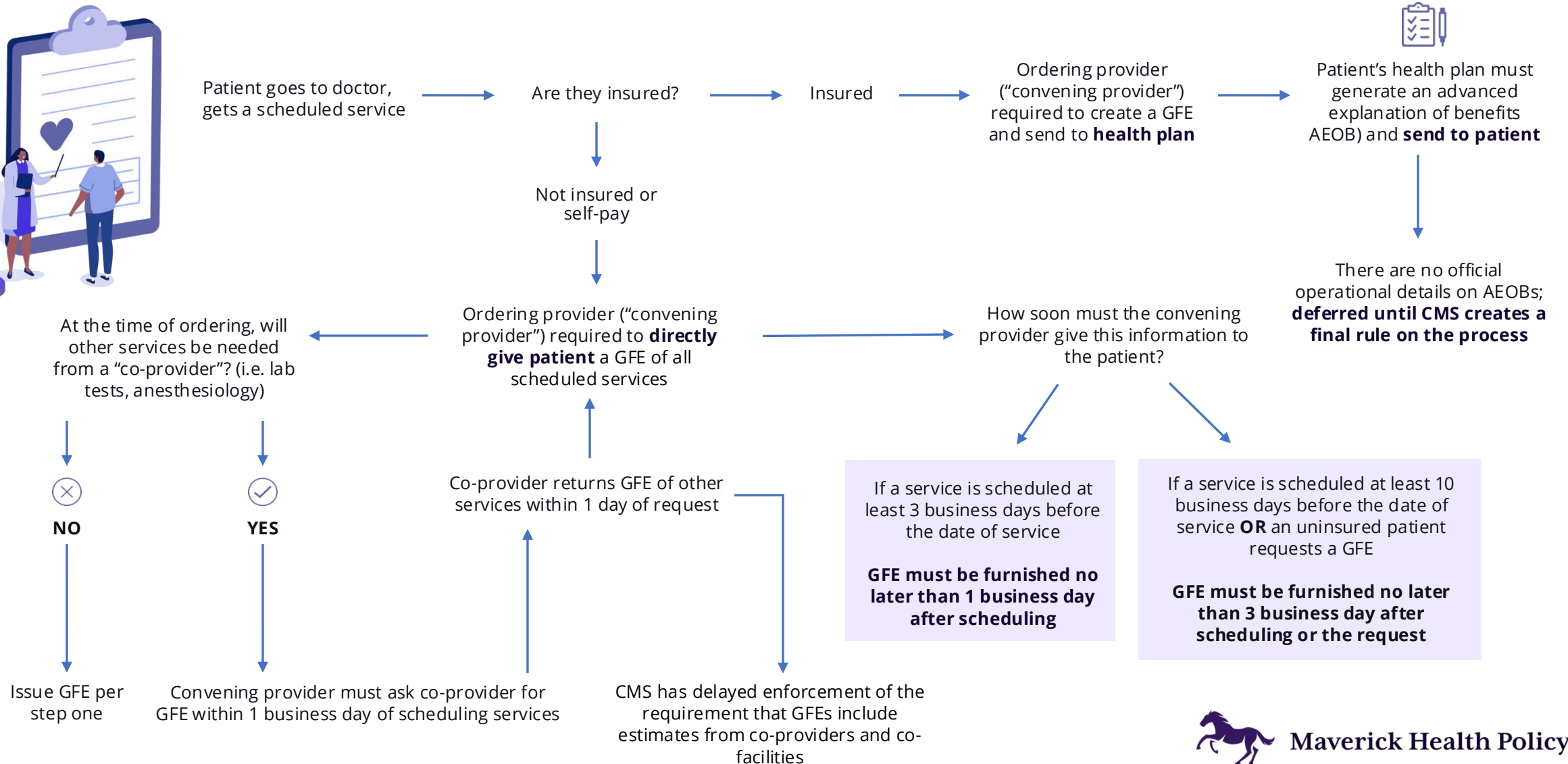
- A good faith estimate delivered by a provider
- Information regarding the individual's cost-sharing, deductibles, out-of-pocket expenses
- Any applicable information on medical management techniques, such as prior authorizations

TIMEFRAME: 1-3 business days

No official operational details beyond what is written in the law. Not enforced until CMS issues a rule.



GFE & AEOB Operational Flow Chart



Price Transparency Deadlines

