



Hospital & Insurance Federal Price Transparency Rule

4/26/2021

CMS Summary: <https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/CMS-Transparency-in-Coverage-9915F.pdf>

Rule Overview: <https://www.healthsystemtracker.org/brief/price-transparency-and-variation-in-u-s-health-services/>

1. On November 12, 2020, a federal rule was established to aid in the transparency of healthcare prices. This rule requires that, “insurers in the individual and group markets and self-funded employer plans provide enrollees with price and cost-sharing information for covered health services in non-grandfathered plans.”
2. The rule carries the aim of bringing actionable price transparency information to patients, allowing them to shop for care prior to receiving a health care service and/or prescription drugs.

The rule requirements are as follows:

January 1, 2021

Hospitals must post payer-negotiated rates for all services in a machine-readable file and 300 common shoppable services on an online tool ([70 identified by CMS and 230 hospital choice](#)).

January 1, 2022

Requires insurers in the individual and group markets and self-funded employer plans to make public the following detailed price information in three separate “machine readable files” with monthly updates

1. Negotiated rates for all covered items and services between the plan and in-network providers;
2. Historical payments and billed charges from out-of-network providers;
3. In-network negotiated rates and historical net prices for all covered prescription drugs at the pharmacy location level.

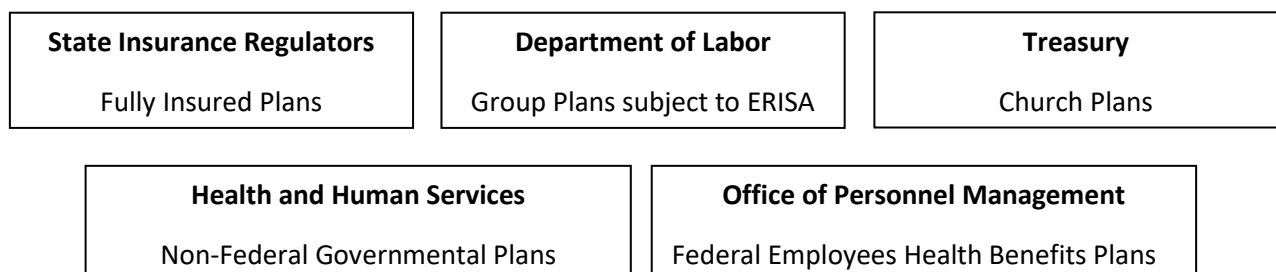
January 1, 2023

Insurers in the individual and group markets and self-funded employer plans must make pricing information and personalized cost-sharing estimates available to enrollees on an online consumer-usable tool for [500 “shoppable” services](#).

January 1, 2024

Insurers in the individual and group markets and self-funded employer plans must make pricing information and personalized cost-sharing estimates available to enrollees on an online consumer-usable tool for the remaining covered services and items.

Breakdown of Agencies Enforcing the HHS Transparency Rule:





Pros and Cons:

Pros:

- Allow employers to monitor the effectiveness of their insurer or ASO
- Provide information so employers can design value-based health arrangements.
- Increase market competition around price
- Provide cost sharing information per each individual's health insurance plan

Cons:

- Potentially low hospital compliance with rule will lead to incomplete market price comparisons

Additional Information:

- ICER Miller Legal Counsel: Employer Sponsored Health Plan Changes under the Consolidated Appropriations Act of 2021 Webinar.
 - [PPT Slides](#)
 - [Webinar Recording](#)
- How Much Does a C-Section Cost? At One Hospital, Anywhere From \$6,241 to \$60,584
 - [Link](#) to article by Wall Street Journal
- Two-thirds of largest hospitals aren't complying with price transparency rule
 - [Link](#) to article by Modern Healthcare
- Hospitals hide pricing data from search results
 - [Link](#) to article from Wall Street Journal
- Hospital Price Transparency – CMS Rule
 - [Link](#) to Webinar and Slide Deck from the National Alliance of Healthcare Purchasers Coalition