

# Federal Price Transparency Update

January 20, 2021

# New Price Transparency Requirements for Hospitals



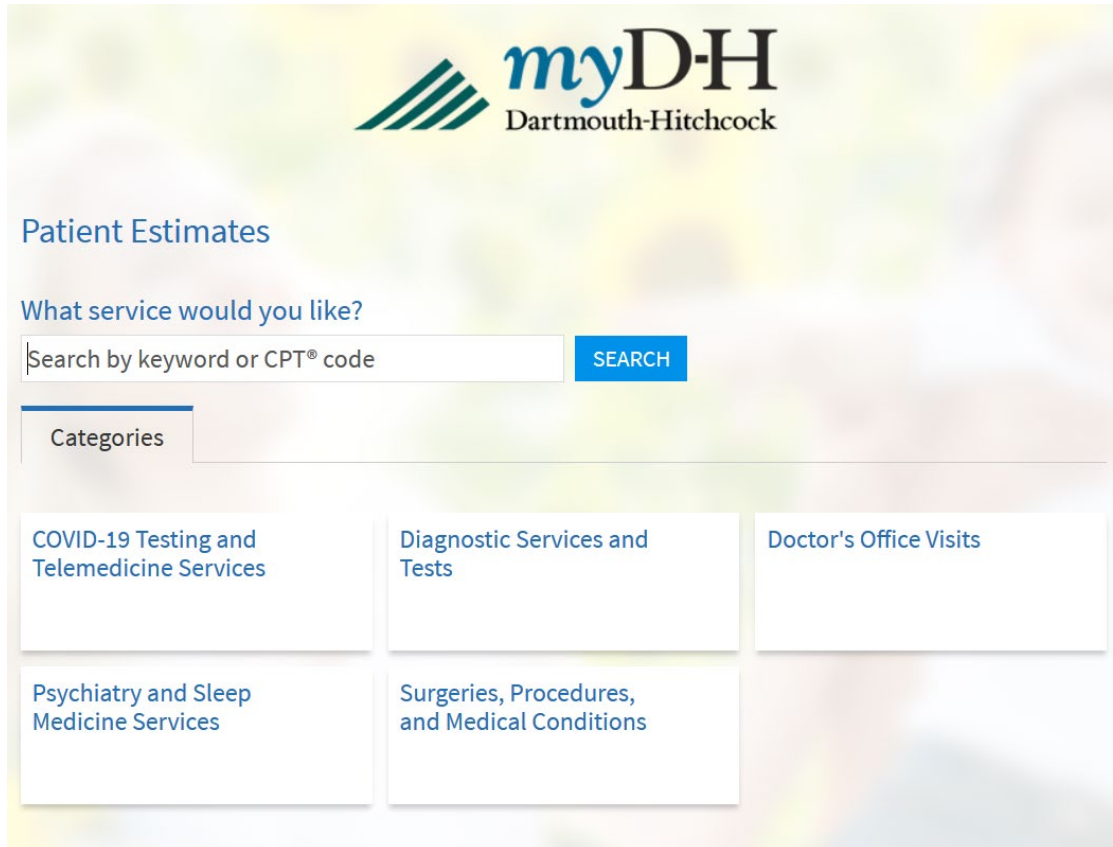
- CMS rule required hospitals to provide two new public resources by January 1, 2021:
  1. machine-readable file of standard charges for all items and services and
  2. consumer-friendly list of standard charges for a defined set of shoppable services
- The requirement applies to all 14 of Vermont’s “general hospitals,” but does not apply to facilities other than hospitals even if they perform similar services.
- Limited to negotiated rates with *commercial* insurers, though public payer information could be integrated by hospitals or other data users.

# Vermont Hospital Postings



- Staff are reviewing the information posted by Vermont hospitals.
- Hospitals approached the shoppable services in several different ways, e.g.
  - Spreadsheets
  - Price-estimator tools
  - Interactive web forms

# Shoppable services: Price estimator tool



The screenshot shows the 'myD-H Dartmouth-Hitchcock' logo at the top. Below it is the heading 'Patient Estimates'. A question 'What service would you like?' is followed by a search input field with the placeholder text 'Search by keyword or CPT® code' and a blue 'SEARCH' button. Underneath is a 'Categories' section with five service categories in white boxes: 'COVID-19 Testing and Telemedicine Services', 'Diagnostic Services and Tests', 'Doctor's Office Visits', 'Psychiatry and Sleep Medicine Services', and 'Surgeries, Procedures, and Medical Conditions'.

<https://portal.mydh.org/mychart/GuestEstimates/>

# Shoppable services: Spreadsheet

## Pricing Transparency at Rutland Regional

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### Pricing Transparency at Rutland Regional

Effective January 1, 2019, Center for Medicare & Medicaid Services (CMS) requires hospitals to provide a standard charges list for items and services provided. Use the following links to access a patient-friendly pricing file, inpatient services pricing averages file and machine readable Chargemaster file.

**\*Please note**, prices listed should *not* serve as an estimate or quote. These prices do not represent complete visit cost and do not reflect out-of-pocket expense. If you would like to know the average total cost for a specific visit or procedure or have questions regarding co-payments or deductibles, please contact Financial Counseling at [802.747.1648](tel:802.747.1648).

[PATIENT-FRIENDLY PRICING FILE](#)

[INPATIENT SERVICES PRICING FILE](#)

[MACHINE READABLE CHARGEMASTER FILE](#)

<https://www.rrmc.org/patient-visitors/billing-insurance/pricing-estimates/>

# Consumer Focused

- The new information is designed to inform consumers about their expected expenses for specific health care services at a hospital. However, without direct, real-time information from the insurer, actual benefits may vary.
- The information highlights the complexity and variation in billing practices among hospitals.
- A patient shopping for care may receive additional, unanticipated services that make the estimates misleading.
- Some patients may be eligible for programs or need-based services not reflected in the standard prices.
- The reimbursements are the full amount for the service and **do not reflect the *patient's expected share***.

# Regulatory Applications

- Staff are working on reviewing and assessing the scope of the complex information included in the posting.
- There are many considerations that make direct, apples-to-apples comparison difficult, including:
  - differences in how hospitals interpreted and developed standard changes without more explicit guidance
  - variability in billing practices
  - limitation to commercial rates
  - reimbursements associated with “non-employed physicians” are excluded
- Based on a fee-for-service mindset, instead of value-based reimbursement.

# Mediating Factors<sup>1 2 3 4</sup>

- Few consumers adopt price transparency tools.
- Tool use does not clearly associate with health care spending.
  - There is little incentive to shop around, although those with high-deductible plans may respond more to price information.
  - Referrals and other non-price factors also shape care trajectories.
- “Negotiated price” transparency may spur more savings than chargemaster price transparency.



# Transparency in Coverage



- A related requirement was adopted for most health plans and issuers to post machine-readable files for their in-network, out-of-network, and prescription drug rates, which applies to plan year 2022 onward.

# GMCB Next Steps



- Staff will work on gathering and synthesizing this new, complex data.
- The Enhanced Data Validation work group will evaluate the utility of this information in validating claims data with providers' reimbursements.