



CMS Price Transparency - What is Next?

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About PARA

Company Info

- Founded in 1985
- National Client Base
- Trusted Partnerships
- Extensive Focused Experience

Proven Resource

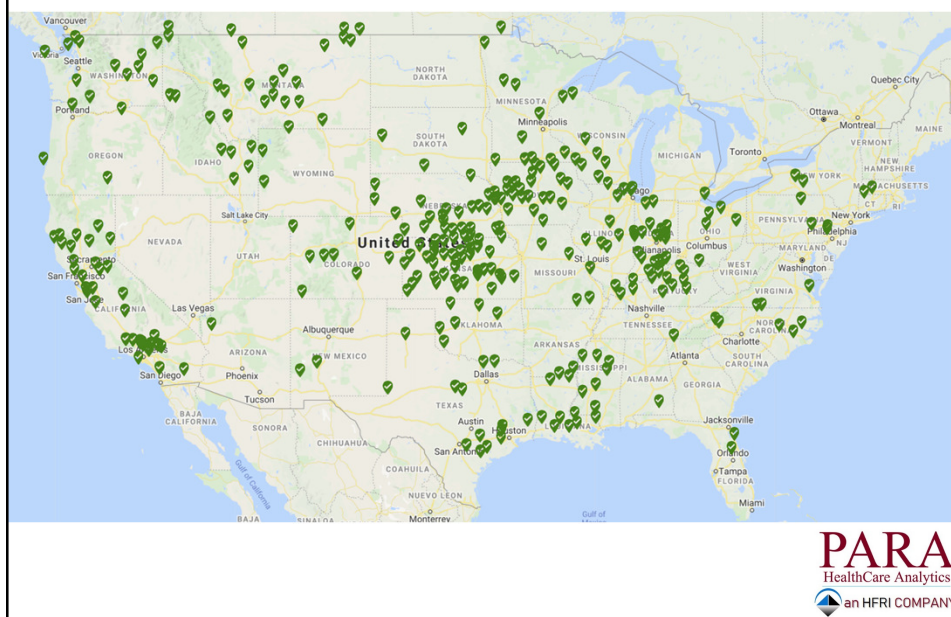
- Pricing
- Coding
- Reimbursement
- Compliance

Mission

- Provide a comprehensive, single source revenue cycle solution
- Recognition as an industry leader in delivering measurable results
- Lead the healthcare market in improving financial management in the delivery of care



PARA Clients



Today's Objectives

- CMS Price Transparency Requirements
- Compliance Audit Results
- FY2022 CMS Proposed Rule
- The Future of Transparency
- Questions

Standard Charges Definition

Gross charge

The charge for an individual item or service that is reflected on a hospital's chargemaster, absent any discounts

Discounted cash price

The charge that applies to an individual who pays cash, or cash equivalent, for a hospital item or service

Payer-specific negotiated charge

The charge that a hospital has negotiated with a third-party payer for an item or service

De-identified minimum/maximum negotiated charges

The lowest/highest charge that a hospital has negotiated with all third-party payers for an item or service



CMS Requirements

Machine Readable Files

Hospitals will post a listing of all items/services and the "standard charges" online in a machine-readable file.
MS-DRG Listing (American Hospital Association Recommendation)

Shoppable Services Listing

Post 70 CMS required "shoppable services" and 230 hospital-selected including payer-specific negotiated rates online in a searchable and consumer-friendly manner.
Must include the "standard charges" above and **must also list any ancillary services that the Hospital customarily includes with the primary service.**
Facility must "advise" the Public/Patient of any provider claims which may be filed as a result of the encounter.
Prominently displayed and easily accessible on the facility public website.

Patient Price Estimator

Alternative to Shoppable Services Machine Readable File



Price Transparency Resources

- Hospital Price Transparency Final Rule Presentation - <https://www.cms.gov/files/document/2019-12-03-hospital-presentation.pdf>
- Hospital Price Transparency Frequently Asked Questions - <https://www.cms.gov/files/document/hospital-price-transparency-frequently-asked-questions.pdf>
- 10 Steps to Making Public Standard Charges for Shoppable Services - <https://www.cms.gov/files/document/steps-making-public-standard-charges-shoppable-services.pdf>



CMS Compliance



[CMS PT Complaint Intake Submission Form \(qualtrics.com\)](https://www.qualtrics.com)



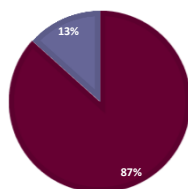
Compliance Audit

- **Scope of Audit** – 400 hospitals of varying sizes and types across 7 states (IL, IN, MI, OH, KY, ND & WI)
- **Process** – PARA Consultants shopped the public websites to determine the following compliance points:
 - Accessibility of the data
 - Presence of the required files
 - Presence of Standard Charge Components
 - Acceptable file format



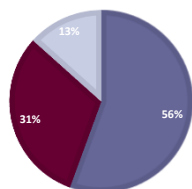
Results – Requirement 1

REQ 1 - ACCESSIBILITY



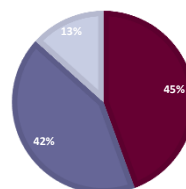
■ Yes ■ No

REQ 1 - FILE PRESENCE



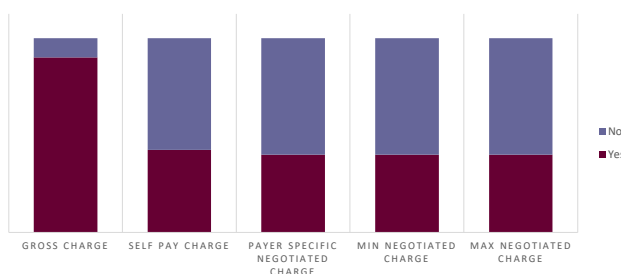
■ CDM Only ■ CDM & DRG ■ None

REQ 1 - ACCEPTABLE FILE FORMAT



■ Yes ■ No ■ No File

REQ 1 - STANDARD CHARGES

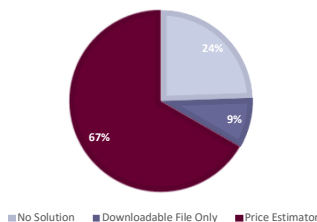


■ No
■ Yes

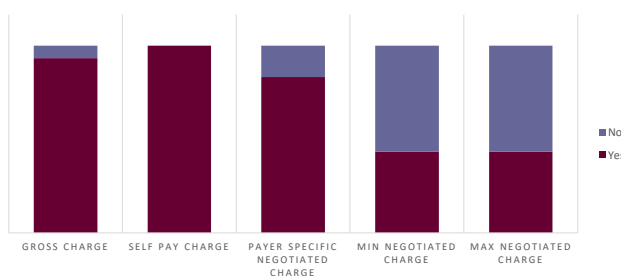


Results – Requirement 2

REQ 2 - SOLUTIONS



REQ 2 PRICE ESTIMATOR - STANDARD CHARGES



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Patient Rights Advocate Research

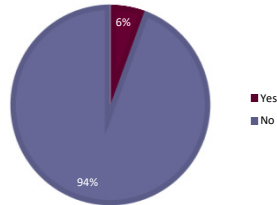
- **Scope of Audit** – 500 hospitals of varying sizes and types across all 50 states
- **Timeframe** – May 15, 2021 - July 8, 2021
- **Process** – Three PatientRightsAdvocate.org research analysts assessed websites for compliance.
 - Presence of the required files/Price estimator tool
 - Presence of Standard Charge Components
 - Detailed Payor/Plan Information

[PatientRightsAdvocate.org Semi-Annual Hospital Compliance Report](https://www.patientrightsadvocate.org/semi-annual-hospital-compliance-report)

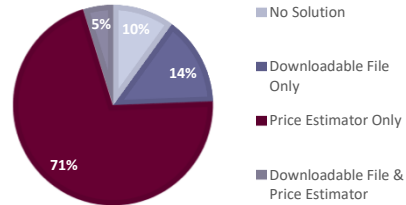
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Patient Rights Advocate Results

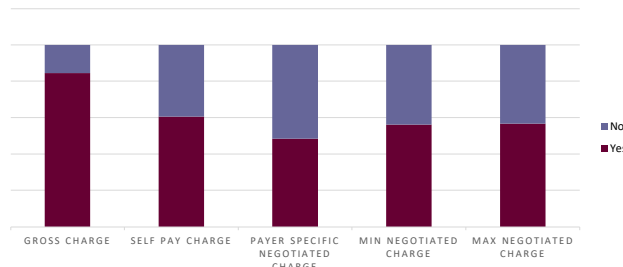
COMPLIANT WITH PRICE TRANSPARENCY REQUIREMENTS



SHOPPABLE SERVICES SOLUTION



STANDARD CHARGES



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Compliance Checklist

CMS Requirement 1 – Machine Readable File

- ☐ Compile List of Items and Services
- ☐ Publish Gross Charge
- ☐ Calculate Self-Pay Charge
- ☐ Assemble Payer Specific Charges
- ☐ Collect De-identified Payer Min/Max Charge
- ☐ Upload Machine Readable File to Website (.csv, XML, or JSON)

CMS Requirement 2 – Machine Readable File Option

- ☐ Compile List of 70 CMS-defined shoppable items
- ☐ Gather List of 230 Hospital-defined shoppable items
- ☐ Determine Ancillary Charges for each
- ☐ Include Five Standard Charge Points (same as Requirement 1)
- ☐ Upload Machine Readable File to Website (.csv, XML, or JSON)

CMS Requirement 2 - Price Estimator Option

- ☐ Same Requirements as Requirement 2 – Machine Readable File Above
- ☐ Implement Internet-based Price Estimator
- ☐ Include Patient Co-Pay and Deductible Coverage Data

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CMS FY 2022 Proposed Rule

- Increase the penalties for noncompliance using a scaling factor based on bed count
- Prohibit certain conduct that is considered barriers to accessing standard charge information
- Clarify the expected output of price estimator tools
- Improve standardization of data disclosure

Hospital Beds	Maximum Annual Penalty
<30	\$109,500
50	\$182,500
100	\$365,000
200	\$730,000
300	\$1,095,000
400	\$1,460,000
500	\$1,825,000
550+	\$2,007,500

[CMS Unpublished FY 2022 Proposed Rule](#)



No Surprises Act

- New Federal Law effective 1/1/2022;
- If there are state regulations on the same points, state regs take precedence over federal regulations;
- Prevents “surprise” patient liability arising from out-of-network services for:
 - Emergency services (up to the point of stabilization) at an out-of-network facility
 - Out of Network services performed post-stabilization following an ED encounter
 - Out of Network providers performing services incidental to an in-network facility service (i.e. hospital ED is in-network, but the ED physicians are not)



No Surprises Act

Facilities must prepare and deliver a good faith estimate of the patient liability

- In writing - 15 most common languages in the area
- With access to a representative - ensure the patient is fully informed
- In advance - out-of-network non-emergency care (3 days) or same day (at least 3 hours) before charges are incurred

Estimate of what you could pay	
Patient name: _____	
Out-of-network provider(s) or facility name: _____	

Total cost estimate of what you may be asked to pay:	_____
<p>► Review your detailed estimate. See Page 4 for a cost estimate for each item or service you'll get.</p> <p>► Call your health plan. Your plan may have better information about how much you will be asked to pay. You also can ask about what's covered under your plan and your provider options.</p> <p>► Questions about this notice and estimate? Call [Enter contact information for a representative of the provider or facility to explain the documents and estimates to the individual, and answer any questions, as necessary.]</p> <p>► Questions about your rights? Contact [contact information for appropriate federal or state agency]</p>	



No Surprises Act

- Out of Network providers are required to obtain patient consent prior to rendering non-emergency services;
- If services are rendered anyway, without signed patient consent, the out-of-network professionals are prohibited from collecting from the patient any amount except that adjudicated by the health plan.
- The health plan will negotiate payment with the provider, and disputes over the amount to be paid must be taken to arbitration.
- The losing party in an arbitration disputing payment rates is obligated to pay the legal fees of the prevailing party.



Future of Price Transparency

No Surprises Act

Correct Coding
Initiatives

CMS Coverage

Payment Processing

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Resources to Better Understand Your Health Care Costs

Welcome | Disclaimer | Services | Review | Insurance | Financial Assistance | FAQ | Login

Demonstration Hospital is dedicated to making our pricing publicly available so that you can make more informed decisions about your healthcare costs. We provide a variety of resources to help you better understand the costs of your medical care and assist you in planning ahead for medical expenses.

[Patient Price Estimator](#)

Demonstration Hospital's Patient Price Estimator provides approximate out-of-pocket costs for a specific medical procedure or service at Demonstration Hospital.

[Please Contact Us](#)

Please contact Demonstration Hospital Price Estimation Team at info@demo-hospital.org or call (800) 123-4567 for more information about Demonstration Hospital pricing. Our agents are happy to assist you in understanding your costs for a medical procedure or visit.

[PATIENT PRICE ESTIMATOR](#) [FAQ](#)

[Demonstration Hospital's Standard Charges](#)

To improve price transparency, all U.S. hospitals and health systems are required to provide lists of standard hospital charges — also called a chargemaster — so patients can compare prices across hospitals. Here are a few considerations to keep in mind as you view the list of standard charges.

- These charges are only the price that patients pay. The chargemaster lists the dollar amount set for each service prior to insurance contract benefit plan discounts or self-pay discounts being applied, so the price patients pay tends to be less than the standard charge.
- Hospital charges differ from patient to patient for the same service depending upon variations in treatment.
- Patients who are eligible for financial assistance also receive additional discounts.
- Items included in a charge vary across hospital systems. For example, what's included in one hospital's charge for room and board may differ from other hospital's charge — some hospitals bundle services together into a single charge that others may list separately.
- Looking at various hospital charges does not provide any indication of quality of service and outcomes.

[Pricing Lists](#)

To make medical pricing more transparent, all U.S. hospitals are required to provide the following pricing lists. The pricing is listed by the Current Procedural Terminology (CPT) code used by insurance companies. The lists are in a spreadsheet format.

Pricing Strategies



Peer Market-Based Pricing

Room Rates, Perioperative Services, Diagnostics/Therapeutics, Emergency/Clinic Visits



Reimbursement-Based Pricing

Emergency/Clinic Visits, Diagnostic/Therapeutics

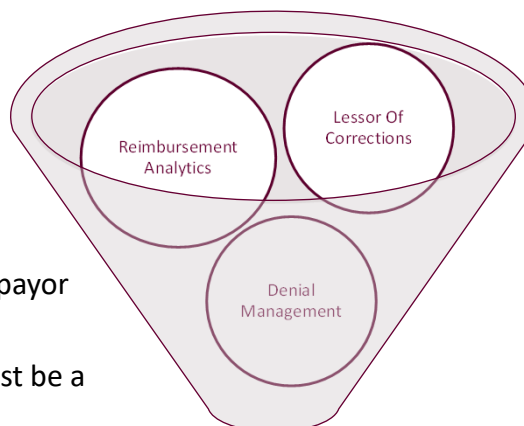


Cost-Based Pricing

Pharmacy and Supplies, Perioperative Services, Room Rates

Payer Contract Management

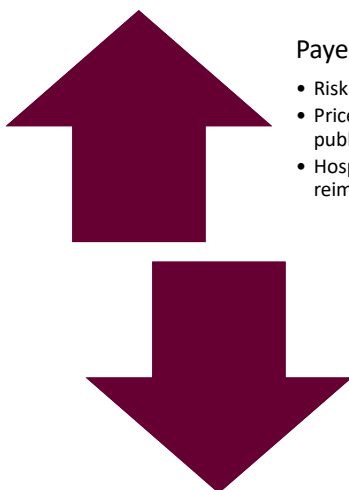
- Primary focus due to Price Transparency
- “Race to the bottom” – no payor wants to pay the most
- Short account lifecycles must be a priority



Protect Net Revenue



Payer Contract Management



Payer Contract Negotiations

- Risk losing patients
- Price transparency requirements have publicized these negotiations for all payers
- Hospitals must focus efforts to ensure optimal reimbursement

Lessor-Of Corrections

- Reduction of prices will result in lost net revenue
- Use peer data, but remain sensitive to any contract language that may result in reduced reimbursement
- Medicare payment rates should also be reviewed



Payer Contract Management



Reimbursement Analytics

- Data and information are armor
- Analyze 837 EDI Claims data against 835 EDI Remit data
- Identify areas of noncompliance

Denial Management

- 65% of denials are not corrected and resubmitted
- 90% of claim denials are preventable
- Develop work improvement processes
- Detect and appeal short paid claims



Contact Us



Randi Brantner
Vice President of Analytics

rbrantner@para-hcfs.com
(719) 308-0883

