



STROUDWATER

PRICE TRANSPARENCY: ACT NOW – SAVE LATER

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August 21, 2025

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STROUDWATER

Real-world, mission-critical, actionable advisory services as you and your community navigate the dynamic risks of today's healthcare environment.

Stroudwater Associates is a leading national healthcare consulting firm serving healthcare clients exclusively. We focus on strategic, operational, and financial areas where our perspective offers the highest value.

We're proud of our 37-year track record with rural hospitals, community hospitals, healthcare systems, and large physician groups.

Strategic Advisory <ul style="list-style-type: none"> » Strategic Planning » Mergers, Affiliations & Partnerships » Population Health Strategies » Physician-Hospital Alignment 	<ul style="list-style-type: none"> » Strategic Facility Planning » Capital Planning & Access » Post-Acute Care Strategy 	Operational Advisory <ul style="list-style-type: none"> » Performance Improvement & Restructuring » Provider Practice Operations Improvement » Revenue Cycle Solutions » Post-Acute Care Operations 	<ul style="list-style-type: none"> » Payor Contracting Advisory » Staffing & Productivity Improvement » Cost Report Reviews and Analysis
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AGENDA



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WHAT IS PRICING TRANSPARENCY?

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PRICING TRANSPARENCY

- November 15, 2019: CMS finalized in the *CY 2020 Hospital Outpatient PPS Policy Changes and Payment Rates and Ambulatory Surgical Center Payment System Policy Changes and Payment Rates: Price Transparency Requirements for Hospitals to Make Standard Charges Public (CMS-1717-F2)* (Pricing Transparency)
- Effective date: January 1, 2021
- Required from all licensed hospitals in the United States
- Provides accessible pricing information in two ways:
 - A comprehensive machine-readable file
 - Display of “Shoppable Services” in a consumer-friendly format
 - Shoppable Services: services that can be scheduled in advance
- Failure to comply will result in a civil monetary penalty of \$300/per day for hospitals with a bed count of 30 or fewer and a penalty of \$10/bed/day for hospitals with a bed count greater than 30



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2024 PRICING TRANSPARENCY REQUIREMENTS

- .txt file requirement
- Changes to the Machine-Readable File
 - Standardized format
 - Additional required fields
 - Hospital Data and Version numbers
 - Payer-specific negotiated charge clarification as to how the charge should be interpreted
 - Hospital items or services
 - Modifiers
- Hospitals required to formally acknowledge receipt of initial warning notice
- Hospital certifies the accuracy and completeness of the information posted
- CMS to publicize any action taken against hospitals (Warning Notice, Request for Corrective Action Plan, Fines)

Hospital Price
Transparency | CMS



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COMPREHENSIVE
MACHINE-READABLE
FILE

- Include all standard charges for all items and services for all locations operating under a single hospital license
- Be posted on a publicly available website
- Easily accessible, without barriers
- Digitally searchable
- Updated at least once annually
- Follow a standard naming convention
- Contain the following data elements
 - Description of each item
 - Discounted Cash Price: the charge that applies to an individual who pays cash, or cash equivalent, for the shoppable service.
 - Payer-specific negotiated charge: the charge that a hospital has negotiated with a third-party payer for the shoppable service. Each payer-specific charge must be associated with the name of the third-party payer.
 - De-identified minimum negotiated charge: the lowest charge that a hospital has negotiated with all third-party payers for the shoppable service.
 - De-identified maximum negotiated charge: the highest charge that a hospital has negotiated with all third-party payers for the shoppable service.



JULY 2024 IMPLEMENTATION (COMPLIANCE) DATE

- MRF File
 - MRF Date, CMS Template Version
- Hospital Information
 - Hospital Name, Location, Address, Licensure Information
- Standard Charges
 - Gross Charge, Discounted Cash, Payor Name, Plan Name, Standard Charge Method,
 - Payor Specific Negotiated Charge
 - Dollar Amount, Percentage, Algorithm,
 - De-identified Charge
 - Minimum and Maximum
- Item and Service Information
 - General Description
 - Setting (IP, OP, Both)
- Coding Information
 - Billing and Accounting Code



Requirement	Regulation cite	Implementation (Compliance) Date
MRF INFORMATION		
MRF Date	45 CFR 180.50(b)(2)(ii)(B)	July 1, 2024
CMS Template Version	45 CFR 180.50(b)(2)(ii)(B)	July 1, 2024
HOSPITAL INFORMATION		
Hospital Name	45 CFR 180.50(b)(2)(ii)(A)	July 1, 2024
Hospital Location(s)	45 CFR 180.50(b)(2)(ii)(A)	July 1, 2024
Hospital Address(es)	45 CFR 180.50(b)(2)(ii)(A)	July 1, 2024
Hospital Licensure Information	45 CFR 180.50(b)(2)(ii)(A)	July 1, 2024
STANDARD CHARGES		
Gross Charge	45 CFR 180.50(b)(2)(ii)	July 1, 2024
Discounted Cash	45 CFR 180.50(b)(2)(ii)	July 1, 2024
Payor Name	45 CFR 180.50(b)(2)(ii)(A)	July 1, 2024
Plan Name	45 CFR 180.50(b)(2)(ii)(A)	July 1, 2024
Standard Charge Method	45 CFR 180.50(b)(2)(ii)(B)	July 1, 2024
Payer-Specific Negotiated Charge - Dollar Amount	45 CFR 180.50(b)(2)(ii)(C)	July 1, 2024
Payer-Specific Negotiated Charge - Percentage	45 CFR 180.50(b)(2)(ii)(C)	July 1, 2024
Payer-Specific Negotiated Charge - Algorithm	45 CFR 180.50(b)(2)(ii)(C)	July 1, 2024
Estimated Allowed Amount	45 CFR 180.50(b)(2)(ii)(C)	January 1, 2025
De-identified Minimum Negotiated Charge	45 CFR 180.50(b)(2)(ii)	July 1, 2024
De-identified Maximum Negotiated Charge	45 CFR 180.50(b)(2)(ii)	July 1, 2024
ITEM & SERVICE INFORMATION		
General Description	45 CFR 180.50(b)(2)(ii)(A)	July 1, 2024
Setting	45 CFR 180.50(b)(2)(ii)(B)	July 1, 2024
Drug Unit of Measurement	45 CFR 180.50(b)(2)(ii)(C)	January 1, 2025
Drug Type of Measurement	45 CFR 180.50(b)(2)(ii)(C)	January 1, 2025
CODING INFORMATION		
Billing/Accounting Code	45 CFR 180.50(b)(2)(ii)(A)	July 1, 2024

ADDITIONAL REQUIREMENTS

Effective January 1, 2025:

- Hospitals report average expected allowed amount rates in MRFs
- How? 837 data?
- Still more to come on this, likely few hospitals are complying and are still providing allowable
- New data elements
- Drug unit of measurement and drug type of measurement requirements

Modifiers Disclosure:

- Report modifiers affecting standard charges
- Describe impact on pricing for clarity

Goal: Enhance granularity and consumer understanding

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CODING INFORMATION		
Billing/Accounting Code	45 CFR 180.50(b)(2)(iv)(A)	July 1, 2024




- Include the 70 CMS-specified shoppable services that are provided by the hospital and as many additional hospital-selected services provided by the hospital for a combined total of at least 300 shoppable services
- Include associated ancillary services connected with 300 shoppable service items
- Include all locations operating under a single hospital license
- Be posted on a publicly available website
- Easily accessible, without barriers
- Digitally searchable
- Updated at least once annually
- Patient estimator tool is an approved option



SHOPPABLE SERVICES
FILE (CONT.)

- Contain the following data elements
 - **Description of each item**
 - **Ancillary services connected identified service**
 - **Indicator of CMS-specified services not offered**
 - **Discounted Cash Price:** the charge that applies to an individual who pays cash, or cash equivalent, for the shoppable service
 - **Payer-specific negotiated charge:** the charge that a hospital has negotiated with a third-party payer for the shoppable service. Each payer-specific charge must be associated with the name of the third-party payer.
 - **De-identified minimum negotiated charge:** the lowest charge that a hospital has negotiated with all third-party payers for the shoppable service
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EXECUTIVE ORDER ON PRICE TRANSPARENCY

FEBRUARY 25, 2025

“Making America Healthy Again” Executive Order

- Reiterates mandates actual prices (not estimates) for hospitals and insurers


Key Actions:

- Standardizes pricing for easier comparison
- Strengthens enforcement within 90 days

Implications:

- Increased audits, penalties, and potential litigation
- Aligns with 2019 Executive Order goals





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TALES FROM A SMALL HOSPITAL

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ALLEGHANY HEALTH

- 25-bed Critical Access Hospital (CAH) in Sparta, North Carolina
- Shoppable Services were posted using a free tool
- Like many other CAHs, they struggled to identify 300 unique shoppable services
 - Limited patient volumes
 - Limited services
- Received a Hospital Price Transparency Warning notice from CMS stating the hospital was noncompliant with requirements

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MORE ABOUT THE VIOLATION

- CMS evaluates hospital compliance using several methods
 - Auditing hospitals' websites
 - Evaluating complaints made to CMS
 - Reviewing individuals' or entities' analysis of noncompliance
- Allegany
 - Received notice on a Tuesday in November stating review of the hospital's website had occurred on the previous Wednesday
 - Specific violations were provided
 - Violation for not posting a Comprehensive Machine-Readable File
 - Violation related to displaying Shoppable Services, specifically, no consumer-friendly list of standard charges was found
 - Was provided 90 calendar days to remediate the violations



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CMS VIOLATIONS CAUSE IMMEDIATE CONCERN



Who could help to remediate the issue?



90 calendar days might not be enough time to complete the project



How much would remediation cost?

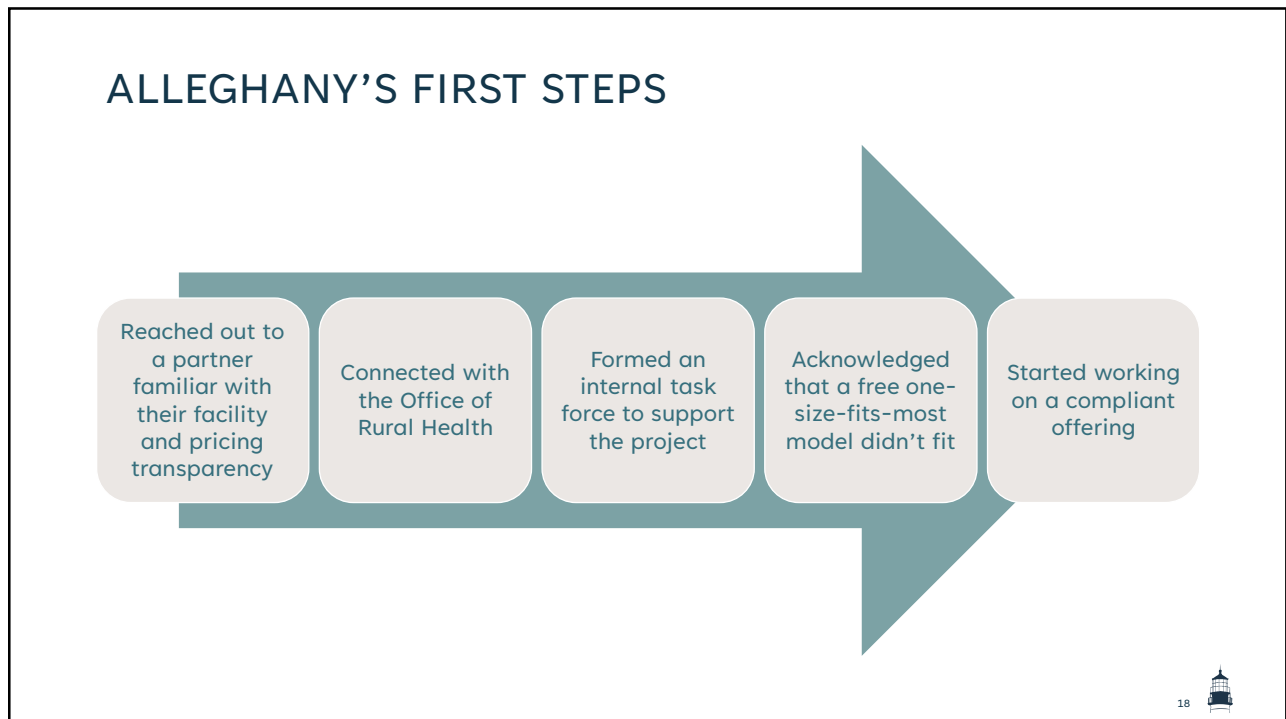


\$300/day fine is substantial for a CAH

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CREATING THE OFFERING

SHOPPABLE SERVICES OFFERING

- Identified 300 total services for inclusion on the list using the hospital and clinic chargemasters
- Worked with Clinical teams for associated ancillary services
- Analyzed payor contracts for payor-specific negotiated charges to be listed for each of the services
- Developed an Excel model to be posted on the Alleghany website

COMPREHENSIVE MACHINE-READABLE FILE

- Included services listed on the hospital and clinic chargemaster
- Did not need to identify associated ancillary services as they were listed separately as part of the entire chargemaster
- Used payor-specific negotiated rates identified through Shoppable Services activities
- Developed a .csv file to be posted on the Alleghany website (.csv Wide Format)

COMPLETED AND POSTED BOTH FILES ONLINE IN UNDER 60 DAYS FROM DATE OF NOTIFICATION



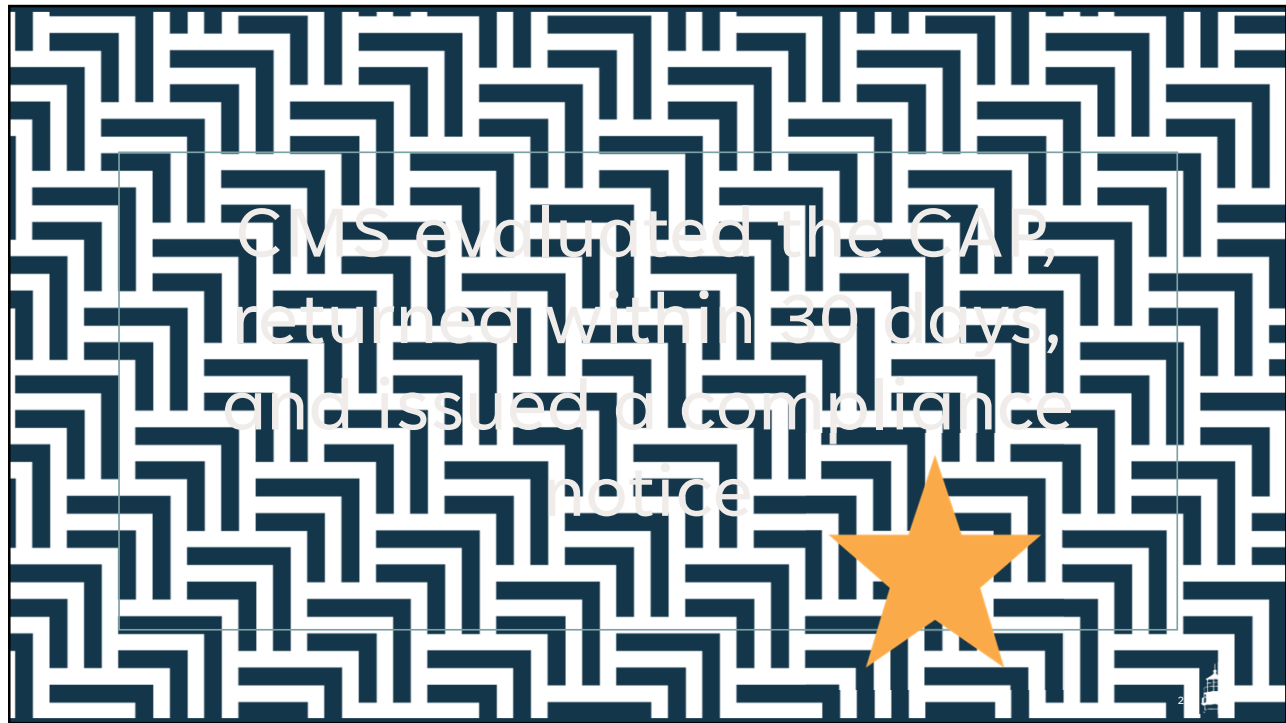
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HOSPITAL PRICE TRANSPARENCY NOTICE OF VIOLATION AND REQUEST FOR CORRECTIVE ACTION PLAN

- In March 2023, 90 days from the first notice, CMS performed a second review of the Alleghany website
- CMS determined that the hospital remained non-compliant
- **Violations found**
 - **Comprehensive Machine-Readable File**
 - **Did not include any Room and Board charges**
 - **Failure to follow the naming convention specified by CMS, <ein>_<hospital-name>_standardcharges.{json|xml|csv}**
- No violations identified on Shoppable Services file
- 45 calendar days were provided to complete and submit the Corrective Action Plan (CAP)
- Alleghany made the required updates and submitted the CAP in 3 days



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ACT NOW, SAVE LATER

- Not just meant for the large institutions
 - Rural and CAH facilities are not exempt
- Comprehensive machine-readable files and Shoppable Services files contain similar yet unique information
- CMS provides some flexibility, but standard criteria must be met
- **Incorrect file naming convention, omission of the last reviewed date, and missing .txt files will cause a violation**
- Resources are available to provide support. You don't have to solve this alone.



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VALIDATOR RESPONSES

ERRORS

Errors

❗ Using hpt-validator version 1.11.1
 Validator run started at Thu Jul 10 2025 07:18:14 GMT-0500 (Central Daylight Time)
 Validator run completed at Thu Jul 10 2025 07:18:14 GMT-0500 (Central Daylight Time)
 There are at least 250 errors found in the file: [MRF_062624v6.csv](#)
 The first 250 errors are shown below. See the [Hospital Price Transparency Data Dictionary GitHub Repository](#) for detailed technical specifications to understand and address these errors.

CSV cell	Error description
R4	"standard_charge ark_la_tx_mco hmo negotiated_dollar" value "\$375.00" is not a positive number. You must encode a positive, non-zero, numeric value.
R5	"standard_charge ark_la_tx_mco hmo negotiated_dollar" value "\$375.00" is not a positive number. You must encode a positive, non-zero, numeric value.
R6	"standard_charge ark_la_tx_mco hmo negotiated_dollar" value "\$375.00" is not a positive number. You must encode a positive, non-zero, numeric value.
R7	"standard_charge ark_la_tx_mco hmo negotiated_dollar" value "\$375.00" is not a positive number. You must encode a positive, non-zero, numeric value.
R8	"standard_charge ark_la_tx_mco hmo negotiated_dollar" value "\$330.00" is not a positive number. You must encode a positive, non-zero, numeric value.

SUCCESS

Validation results

[Download results as spreadsheet](#)

Errors

✅ Using hpt-validator version 1.11.1
 Validator run started at Thu Jul 10 2025 07:19:45 GMT-0500 (Central Daylight Time)
 Validator run completed at Thu Jul 10 2025 07:19:46 GMT-0500 (Central Daylight Time)
 No errors found in file: [2025 standard charges.csv](#)

Alerts

✅ No alerts found in file: [2025 standard charges.csv](#)

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COMPLIANCE AND ENFORCEMENT TRENDS

- Compliance Rates 2024
- 90.7% of hospitals post MRF
- Only 21.1% fully compliant

- Continued tighter enforcement and possible higher penalties
- Increased visibility for non-compliance

- Enforcement and notices increasing
- Fines ranging from less than \$1,000 to over \$900,000

- Improved usability via third-party apps and vendors
- Integration with AI-driven cost comparison tools

- Challenges will continue
- Large and complex MRF ripe for errors

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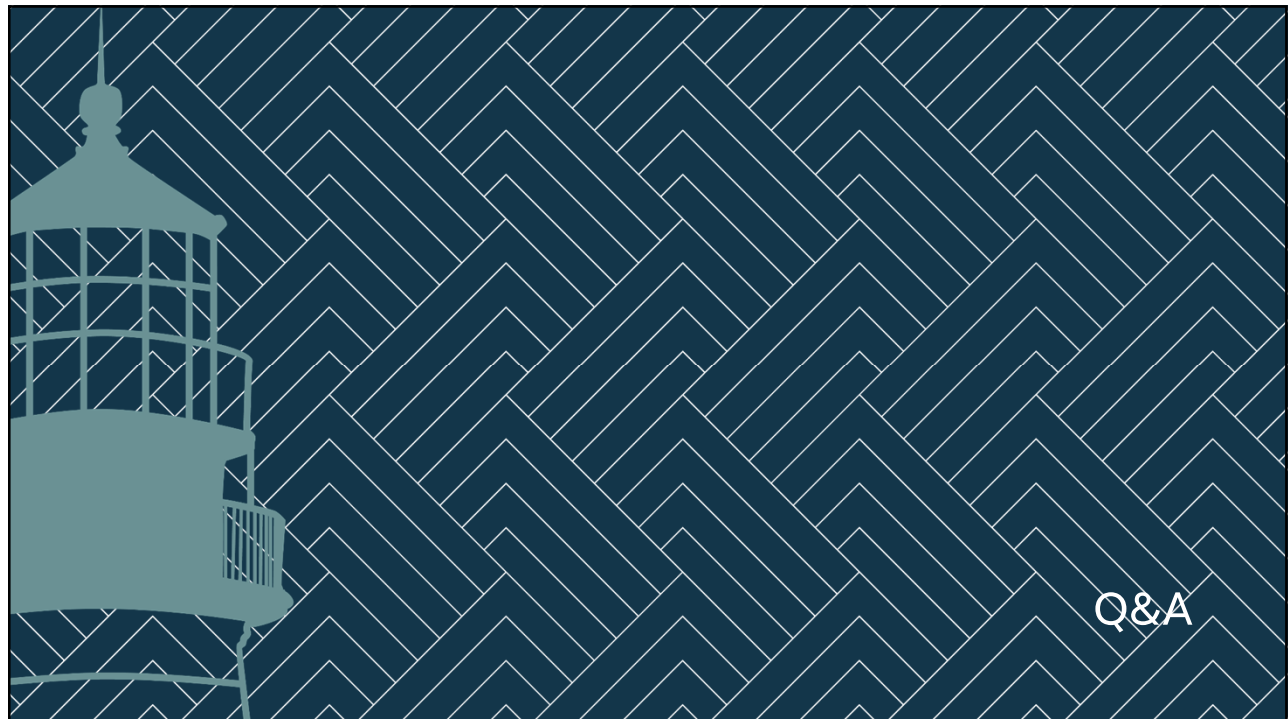
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OTHER ITEMS TO CONSIDER

- | | | | |
|---|------------|--|---------|
| <p>1 Emphasize to IT or the person posting your files not to change formatting or naming convention.</p> | Formatting | <p>4 CMS will allow you to authorize a third-party (consultant) to respond for you if provided in writing.</p> | Support |
| <p>2 If a warning is received, it is critical to respond immediately.</p> | Response | <p>5 Payors are also required to post their rates, stating that they are paying you.</p> | Payors |
| <p>3 The CMS team is willing to work with you towards progress if a violation is responded to promptly.</p> | Progress | <p>6 Organizations like Turquoise and Catalyst are collecting this data for comparison and research.</p> | Data |



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STROUDWATER

COMMITTED TO INCREASING THE IMPACT OF RURAL AND COMMUNITY HEALTHCARE.

Our team of rural and community healthcare experts support the leadership of hospitals, health systems with a rural footprint, and the groups and clinics that form an essential care network across the 97% of the US that is defined as rural.



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STROUDWATER

THANK YOU!

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APPENDIX: LIST OF 70 CMS-SPECIFIED SHOPPABLE SERVICES

Evaluation and Management Services

1. Psychotherapy, 30 minutes (90832)
2. Psychotherapy, 45 minutes (90834)
3. Psychotherapy, 60 minutes (90837)
4. Family psychotherapy, not including patient, 50 minutes (90846)
5. Family psychotherapy, including patient, 50 min (90847)
6. Group psychotherapy (90853)
7. New patient office or other outpatient visit, typically 30 min (99203)
8. New patient office or other outpatient visit, typically 45 min (99204)
9. New patient office or other outpatient visit, typically 60 min (99205)
10. Patient office consultation, typically 40 min (99243)
11. Patient office consultation, typically 60 min (99244)
12. Initial new patient preventive medicine evaluation, for those ages 18 to 39 (99385)
13. Initial new patient preventive medicine evaluation, for those ages 40 to 64 (99386)



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APPENDIX: LIST OF 70 CMS-SPECIFIED SHOPPABLE SERVICES (CONT.)

Laboratory and Pathology Services

14. Basic metabolic panel (80048)
15. Blood test, comprehensive group of blood chemicals (80053)
16. Obstetric blood test panel (80055)
17. Blood test, lipids (80061)
18. Kidney function panel test (80069)
19. Liver function blood test panel (80076)
20. Manual urinalysis test with examination using microscope (81000 or 81001)
21. Automated urinalysis test (81002 or 81003)
22. Prostate specific antigen (84153 or 84154)
23. Blood test, thyroid stimulating hormone (84443)
24. Complete blood cell count, with differential white blood cells, automated (85025)
25. Complete blood count, automated (85027)
26. Blood test, clotting time (85610)
27. Coagulation assessment blood test (85730)



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APPENDIX: LIST OF 70 CMS-SPECIFIED SHOPPABLE SERVICES (CONT.)

Radiology Services

28. CT scan, head or brain, without contrast (70450)
29. MRI scan of brain before and after contrast (70553)
30. X-Ray, lower back, minimum four views (72110)
31. MRI scan of lower spinal canal (72148)
32. CT scan, pelvis, with contrast (72193)
33. MRI scan of leg joint (73721)
34. CT scan of abdomen and pelvis with contrast (74177)
35. Ultrasound of abdomen (76700)
36. Abdominal ultrasound of pregnant uterus, greater or equal to 14 weeks 0 days, single or first fetus (76805)
37. Ultrasound pelvis through vagina (76830)
38. Mammography of one breast (77065)
39. Mammography of both breasts (77066)
40. Mammography, screening, bilateral (77067)



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APPENDIX: LIST OF 70 CMS-SPECIFIED SHOPPABLE SERVICES (CONT.)

Medicine and Surgery Services

41. Cardiac valve and other major cardiothoracic procedures with cardiac catheterization with major complications or comorbidities (216)
42. Spinal fusion except cervical without major comorbid conditions or complications (460)
43. Major joint replacement or reattachment of lower extremity without major comorbid conditions or complications (470)
44. Cervical spinal fusion without comorbid conditions or major comorbid conditions or complications (473)
45. Uterine and adnexa procedures for non-malignancy without comorbid conditions or major comorbid conditions or complications (743)
46. Removal of 1 or more breast growth, open procedure (19120)
47. Shaving of shoulder bone using an endoscope (29826)
48. Removal of one knee cartilage using an endoscope (29881)
49. Removal of tonsils and adenoid glands patient younger than age 12 (42820)
50. Diagnostic examination of esophagus, stomach, and/or upper small bowel using an endoscope (43235)
51. Biopsy of the esophagus, stomach, and/or upper small bowel using an endoscope (43239)
52. Diagnostic examination of large bowel using an endoscope (45378)
53. Biopsy of large bowel using an endoscope (45380)



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APPENDIX: LIST OF 70 CMS-SPECIFIED SHOPPABLE SERVICES (CONT.)

Medicine and Surgery Services

54. Removal of polyps or growths of large bowel using an endoscope (45385)
55. Ultrasound examination of lower large bowel using an endoscope (45391)
56. Removal of gallbladder using an endoscope (47562)
57. Repair of groin hernia patient age 5 or older (49505)
58. Biopsy of prostate gland (55700)
59. Surgical removal of prostate and surrounding lymph nodes using an endoscope (55866)
60. Routine obstetric care for vaginal delivery, including pre-and post-delivery care (59400)
61. Routine obstetric care for cesarean delivery, including pre-and post-delivery care (59510)
62. Routine obstetric care for vaginal delivery after prior cesarean delivery including pre-and post-delivery care (59610)
63. Injection of substance into spinal canal of lower back or sacrum using imaging guidance (62322 or 62323)
64. Injections of anesthetic and/or steroid drug into lower or sacral spine nerve root using imaging guidance (64483)
65. Removal of recurring cataract in lens capsule using laser (66821)
66. Removal of cataract with insertion of lens (66984)
67. Electrocardiogram, routine, with interpretation and report (93000)
68. Insertion of catheter into left heart for diagnosis (93452)
69. Sleep study (95810)
70. Physical therapy, therapeutic exercise (97110)

