

Hospital Price Transparency

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Hospital Price Transparency

Final Rule is effective on January 1, 2021

- ▶ An executive order signed by the President in June 2019 directed the Department of Health and Human Services to develop rules requiring hospitals to publish—in a consumer-friendly format—prices “that reflect what people actually pay for services.”
- ▶ The resulting Rule aims to equip healthcare consumers with pricing data, promote consumer empowerment and the ability to shop for healthcare, and, hopefully, decrease costs
- ▶ A hospital as defined by CMS is not limited to an institution enrolled in Medicare, but, for the applicability of the Rule, excludes federally owned and operated hospitals such as the Veteran’s Administration and hospitals operated by the Indian Health Service

Hospital Price Transparency Requirements of the Final Rule

- ▶ In addition to the current requirement to post the hospital's chargemaster on their websites, the January 1, 2021 Final Rule requires hospitals to publish online, in a machine-readable file, *their payer-specific negotiated rates for 300 "shoppable services" and the hospital's standard charges*
- ▶ Of those published services, CMS has identified *70 that must be included if the services are provided by the hospital*
- ▶ Additionally, the standard charges they must publish include the *gross charge, payer-specific negotiated charge, discounted cash price, and the de-identified minimum and maximum negotiated charge*

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Hospital Compliance

- ▶ CMS will monitor compliance by reviewing complaints that individuals or entities submit to CMS regarding hospitals' non-compliance with the Rule
- ▶ If after investigating such complaints CMS finds a hospital to be non-compliant, CMS may take additional actions against it—issuing a written warning, requesting a corrective action plan to address the non-compliance, and potentially issuing a civil monetary penalty (CMP) that would include the notice of imposition published on a CMS website
- ▶ The maximum daily dollar amount for a CMP would be \$300, but will be adjusted annually using a multiplier determined by the Office of Management and Budget

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Definition of Items and Services

- ▶ All items and services—including individual items and services and service packages a hospital could provide to a patient in connection with an inpatient admission or outpatient department visit—for which the hospital has established a standard charge
- ▶ Examples from CMS include, but are not limited to: supplies and procedures, room and board, use of the facility and other items (facility fees), services of employed physicians and non-physician practitioners (professional charges), and any other items or services for which a hospital has established a standard charge

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Definition of Charges

CMS has defined standard charges to mean “gross charges” and “payer-specific negotiated charges.”

All of the following types of prices must be posted:

- ▶ Gross charges - The charge for an individual item or service that is reflected on the hospital’s chargemaster. This rate does not include any discounts.
- ▶ Payer-specific negotiated charges - The charge that the hospital has negotiated with a third-party payer for an item or service. This rate does not include the amount ultimately paid by the insurer or patient for an item or service, just the negotiated base rate. Additionally, this rate does not include non-negotiated payment rates, such as those for fee-for-service Medicare or Medicaid. Charges negotiated by third-party payer managed care plans (i.e., Medicare Advantage plans and Medicaid managed care plans, etc.) are required to be made public.

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Definition of Charges, continued

- ▶ Discounted cash price - This rate is the discounted rate a hospital would charge individuals who pay cash, or the cash equivalent, for an individual item or service or service package. The published rate would be ***unrelated to any charity care or bill forgiveness*** that a hospital may choose or be required to apply to a particular individual's bill.
- ▶ De-identified minimum and maximum negotiated charge - These charges are the lowest and highest charges a hospital has negotiated with all third-party payers for an item or service. The lowest and highest de-identified negotiated charge must be published for each item or service the hospital provides.

Hospital Price Transparency Machine-Readable File Definition

- ▶ The five types of standard charges must be published in two ways:
 - ▶ The first is a comprehensive machine-readable file that makes public all standard charge information for all hospital items and services.
 - ▶ The second is a consumer-friendly display of common “shoppable” services derived from the machine-readable file. CMS’ intent is for the second option to be a shorter list for consumers seeking to compare costs for common shoppable services hospital-by-hospital.
- ▶ The following must be included in the machine-readable file:
 - ▶ ***Description of each item or service*** (including both individual items and services and service packages)
 - ▶ The corresponding ***gross charge*** that applies to each individual item or service when provided in, as applicable, the hospital inpatient setting and outpatient department setting

Hospital Price Transparency Machine-Readable File Definition

- ▶ The corresponding *payer-specific negotiated charge* that applies to each item or service when provided in, as applicable, the hospital inpatient setting and outpatient department setting; *the name of the third-party payer must clearly be associated with the appropriate payer-specific charges*
- ▶ The corresponding *de-identified minimum negotiated charge* that applies to each item or service when provided in, as applicable, the hospital inpatient and outpatient department setting
- ▶ The corresponding *de-identified maximum negotiated charge* that applies to each item or service when provided in, as applicable, the hospital inpatient setting and outpatient department setting

Hospital Price Transparency Machine-Readable File Definition

- ▶ The corresponding *discounted cash price* that applies to each item or service when provided in, as applicable, the hospital inpatient setting and outpatient department setting
- ▶ Any code used by the hospital for purposes of accounting or billing for the item of service, including but not limited to: Current Procedural Terminology (CPT) codes, Healthcare Common Procedure Coding System (HCPCS) codes, Diagnosis-Related Group (DRG) codes, National Drug Code (NDC), or other common payer identifiers

Hospital Price Transparency Machine-Readable File Definition

- ▶ Additionally, the file must be a single digital file in a machine-readable format. A portable document format (PDF) would not meet this definition because the data contained within the PDF file cannot be easily extracted without further processing or formatting
- ▶ Acceptable formats include .XML, .JSON, and .CSV formats
- ▶ The file must be displayed on a publicly available website and be accessible free of charge, without a user having to establish an account or password
- ▶ The file must be updated at least once in a 12-month period, and the date of the last update must be clearly indicated within the file or otherwise clearly associated with the file

Hospital Price Transparency Shoppable Services Definition

- ▶ A shoppable service is a service that can be *scheduled* by a healthcare consumer in advance
- ▶ When the shoppable service is customarily accompanied by the provision of ancillary services, a hospital must present the shoppable service as a grouping of related services, meaning that the charge for the primary shoppable service is displayed along with the charge for ancillary services
- ▶ Examples of shoppable services include certain imaging and laboratory services, medical and surgical procedures, and outpatient clinic visits

Hospital Price Transparency Shoppable Services Definition

- ▶ CMS has specified 70 shoppable services for which corresponding standard charges must be made public, if a hospital provides the services
- ▶ A hospital must select the additional **230 shoppable services based on the services' utilization or billing rates in the previous year**
- ▶ It must take into consideration the **frequency** with which it provides services to the population served when determining the hospital-selected shoppable services
- ▶ The hospital must publish a minimum of 300 shoppable services

Hospital Price Transparency Shoppable Services Definition

Hospitals must include the following corresponding data elements when displaying the three types of standard charges for its list of shoppable services:

- ▶ A plain-language description of each shoppable service
- ▶ An indicator when one or more of the 70 CMS-specified shoppable services are not offered by the hospital
- ▶ The payer-specific negotiated charge that applies to each shoppable service (and to each corresponding ancillary service, as applicable), clearly associated with the name of the third-party payer and plan
- ▶ The discounted cash price that applies to each shoppable service; if the hospital does not offer a discounted cash price for one or more of the shoppable services, the hospital must list its undiscounted gross charge

Hospital Price Transparency Shoppable Services Definition

- ▶ The de-identified minimum negotiated charge that applies to each shoppable service (and to each corresponding ancillary service, as applicable)
- ▶ The de-identified maximum negotiated charge that applies to each shoppable service (and to each corresponding ancillary service, as applicable)
- ▶ The location at which the shoppable service is provided, including whether the posted payer-specific negotiated charge for that location applies to the provision of that service in the inpatient setting, the outpatient department setting, or both
- ▶ Any primary code used by the hospital for purposes of accounting or billing for the shoppable service, including, as applicable, the CPT code, the HCPCS code, the DRG, or other common service billing code

Hospital Price Transparency

The 70 CMS-specified shoppable services

Evaluation & management services	2020 CPT/HCPCS primary code
Psychotherapy, 30 min	90832
Psychotherapy, 45 min	90834
Psychotherapy, 60 min	90837
Family psychotherapy, not including patient, 50 min	90846
Family psychotherapy, including patient, 50 min	90847
Group psychotherapy	90853
New patient office or other outpatient visit, typically 30 min	99203
New patient office of other outpatient visit, typically 45 min	99204
New patient office of other outpatient visit, typically 60 min	99205
Patient office consultation, typically 40 min	99243
Patient office consultation, typically 60 min	99244
Initial new patient preventive medicine evaluation (18-39 years)	99385
Initial new patient preventive medicine evaluation (40-64 years)	99386

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The 70 CMS-specified shoppable services

Laboratory & pathology services	2020 CPT/HCPCS primary code
Basic metabolic panel	80048
Blood test, comprehensive group of blood chemicals	80053
Obstetric blood test panel	80055
Blood test, lipids (cholesterol and triglycerides)	80061
Kidney function panel test	80069
Liver function blood test panel	80076
Manual urinalysis test with examination using microscope	81000 or 81001
Automated urinalysis test	81002 or 81003
PSA (prostate specific antigen)	84153-84154

Hospital Price Transparency

The 70 CMS-specified shoppable services

Blood test, thyroid stimulating hormone (TSH)	84443
Complete blood cell count, with differential white blood cells, automated	85025
Complete blood count, automated	85027
Blood test, clotting time	85610
Coagulation assessment blood test	85730

Hospital Price Transparency

The 70 CMS-specified shoppable services

Radiology services	2020 CPT/HCPCS primary code
CT scan, head or brain, without contrast	70450
MRI scan of brain before and after contrast	70553
X-Ray, lower back, minimum four views	72110
MRI scan of lower spinal canal	72148
CT scan, pelvis, with contrast	72193
MRI scan of leg joint	73721
CT scan of abdomen and pelvis with contrast	74177
Ultrasound of abdomen	76700
Abdominal ultrasound of pregnant uterus (greater or equal to 14 weeks 0 days) single or first fetus	76805
Ultrasound pelvis through vagina	76830
Mammography of one breast	77065
Mammography of both breasts	77066
Mammography, screening, bilateral	77067

Hospital Price Transparency

The 70 CMS-specified shoppable services

Medicine and surgery services	2020 CPT/HCPCS primary code
Cardiac valve and other major cardiothoracic procedures with cardiac catheterization with major complications or comorbidities	216
Spinal fusion except cervical without major comorbid conditions or complications (MCC)	460
Major joint replacement or reattachment of lower extremity without major comorbid conditions or complications (MCC)	470
Cervical spinal fusion without comorbid conditions (CC) or major comorbid conditions or complications (MCC)	473
Uterine and adnexa procedures for non-malignancy without comorbid conditions (CC) or major comorbid conditions or complications (MCC)	743
Removal of 1 or more breast growth, open procedure	19120
Shaving of shoulder bone using an endoscope	29826
Removal of one knee cartilage using an endoscope	29881
Removal of tonsils and adenoid glands patient younger than age 12	42820
Diagnostic examination of esophagus, stomach, and/or upper small bowel using an endoscope	43235

Hospital Price Transparency

The 70 CMS-specified shoppable services

Biopsy of the esophagus, stomach, and/or upper small bowel using an endoscope	43239
Diagnostic examination of large bowel using an endoscope	45378
Biopsy of large bowel using an endoscope	45380
Removal of polyps or growths of large bowel using an endoscope	45385
Ultrasound examination of lower large bowel using an endoscope	45391
Removal of gallbladder using an endoscope	47562
Repair of groin hernia patient age 5 years or older	49505
Biopsy of prostate gland	55700
Surgical removal of prostate and surrounding lymph nodes using an endoscope	55866
Routine obstetric care for vaginal delivery, including pre-and post-delivery care	59400

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The 70 CMS-specified shoppable services

Routine obstetric care for cesarean delivery, including pre-and post-delivery care	59510
Routine obstetric care for vaginal delivery after prior cesarean delivery including pre-and post-delivery care	59610
Injection of substance into spinal canal of lower back or sacrum using imaging guidance	62322-62323
Injections of anesthetic and/or steroid drug into lower or sacral spine nerve root using imaging guidance	64483
Removal of recurring cataract in lens capsule using laser	66821
Removal of cataract with insertion of lens	66984
Electrocardiogram, routine, with interpretation and report	93000
Insertion of catheter into left heart for diagnosis	93452
Sleep study	95810
Physical therapy, therapeutic exercise	97110

Hospital Price Transparency CMS Estimates Hospital Hours

- ▶ CMS estimates the total burden for hospitals to review and post their standard charges for the first year to be 150 hours per hospital at \$11,898.60 per hospital
- ▶ CMS estimates the total annual burden for hospitals to review and post their standard charges for subsequent years to be 46 hours per hospital at \$3,610.88 per hospital

Preparations for January 1, 2021 Final Rule for Hospital Price Transparency

October 2020

1. Review hospital chargemaster to insure hospital charges are in alignment with hospital pricing strategy/policy; review service descriptions for each CPT/HCPCS code
2. Generate and review hospital utilization reports by CPT/HCPCS and Diagnosis Code for the past 12 months.
3. Generate a report listing the shoppable services in frequency of occurrence for the past 12 months

November 2020

1. Review and update hospital chargemaster with 2021 CPT/HCPCS codes
2. Develop reports with all required data elements for the 230 required hospital shoppable services

Preparations for January 1, 2021 Final Rule for Hospital Price Transparency

December 2020

1. Develop report listing the 70 CMS specified shoppable services with all required data elements
 - ▶ Plain language
 - ▶ Indicator when one or more of the services are not offered by the hospital
 - ▶ Payer-specific negotiated charge, clearly identifying the name of third party payer and plan
 - ▶ Discounted cash price; if hospital does not offer a discounted cash price for one or more of the shoppable services the hospital must list its undiscounted gross charge
 - ▶ The minimum and maximum negotiated charge for each shoppable service and corresponding ancillary service, as applicable.
 - ▶ The location at which the shoppable service is provided, including whether the payer negotiated charge for that location applies to inpatient setting, outpatient department setting, or both
 - ▶ Any primary code used by the hospital for the purpose of accounting or billing for the shoppable service

Preparations for January 1, 2021 Final Rule for Hospital Price Transparency

December 2020, continued

2. For January 1, 2021 upload the 70 specified CMS shoppable services and the 230 hospital specific shoppable services to the hospital website

3. The hospital website should clearly display the link to the hospital chargemaster and hospital pricing information on the required 300 hospital shoppable services. There should be NO requirement for user name/password or any other type of barrier for the patient seeking this information

Price Transparency Reports

- ▶ See attached Price Transparency excel reports
- ▶ Thank you for your time!

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