

What is the Price Transparency Rule?

By January 1, 2021, all U.S. hospitals are required to provide clear, accessible pricing information regarding their provided items and services.

Hospital pricing information must be provided in two ways:

1. Publish a comprehensive machine-readable file with standard charges, including negotiated rate information at the individual charge level and by service package. Standard charges should include:
 - Gross charges
 - Payor-specific negotiated charges
 - Discounted cash prices
 - De-identified minimum negotiated charge
 - De-identified maximum negotiated charge
2. Display 300 shoppable services (70 CMS-specified and 230 hospital-selected services) in a consumer-friendly format with standard charge information for the primary service and common ancillary charges
 - Requirements can be met by offering an internet-based price estimator. Hospitals with patient-facing estimation technology are exempt if they can provide estimates for at least 300 shoppable services.

What Does this Mean for Providers?

- Patients will be more informed and educated in understanding service costs and financial information.
- The rule stresses use of patient self-service technology and facilitates a focus on patient retention.
- Competitors will be able to review one another's prices and negotiated rates.
- Should organizations not comply, CMS may publish organizations' noncompliance, provide a written warning notice, request a corrective action plan, and potentially fine the organization \$300 per day per hospital.

What Does this Mean for Consumers?

- Publishing prices can increase consumer awareness and engagement.
- Patients will have ease of access to prices and financial information through online channels.
- Patients will have the opportunity to compare service prices across various provider organizations.

What Providers Need to Do Now.

- Ensure understanding of final rule requirements, payor contract terms and reimbursement.
- Evaluate and consider price estimation tools and capabilities.
- Review and update the charge description master (CDM) and associated pricing strategy, as needed.
- Identify the 230 hospital-selected shoppable services to publish and the 70 services specified by CMS.
- Build the required file with standard charge data by developing a machine-readable CDM.
- Create an independent file containing the 300 identified shoppable services within a consumer-friendly format or make a compliant price estimation tool available.
- Publish files within the organization's website in an appropriate, accessible format.
- Assess and modify impacted processes, policies, and procedures (e.g., patient estimates and liability collection).

We can help.

We can guide your organization through the considerations, decisions, and actions to comply with the Price Transparency Rule so you can avoid the risks and capture the benefits. Drawing on our deep expertise, we'll also provide a comprehensive view of how you can use compliance as an opportunity to advance your organization. Without a significantly greater effort than basic compliance, you can elevate the patient experience — from estimates through billing and collections — while introducing greater speed and cost efficiency to your revenue cycle.



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