



Heather Pritchard

Executive Director, Revenue & Enablement

# Price Transparency in 2025: What You Need To Know



Matt Goss
VP, Revenue Strategy

## Meet Your Team



Heather Pritchard

Executive Director,
Revenue & Enablement



Matt Goss
VP, Revenue Strategy

## Agenda

- 1 Price Transparency The Why
- 2 CMS Price Transparency Requirements for 2025
- Compliance Assessment of Hospitals
- 4 Enforcement Actions
- Leveraging the Data for Improved Negotiations & Financial Position

## Price Transparency – The Why

## Original Price Transparency Regulations

#### WHY:

Healthcare services in the US is often unclear, frustrating, very expensive and requires navigation of often conflicting information (payer/patient cost sharing information, EOBs and hospital & professional billing.

CMS identified the hidden negotiated charges/rates as a starting point to empower patient to price shop to lower their cost of care.

#### **FINAL RULE STATED:**

"We believe there is a direct connection between transparency in hospital standard charge information and having more affordable healthcare and lower healthcare coverage costs."

# CMS Price Transparency Requirements Current Published Rules

## **POLL QUESTION**

### Is your hospital's MRF compliant?

- A. Yes, we feel confident our MRF is compliant and have used the CMS validator tool.
- B. Yes, we feel confident our MRF is compliant but have not used the CMS validator tool.
- C. Yes, our MRF should be compliant since we use a vendor.
- D. Unsure or have doubts that the MRF is fully compliant.

# MACHINE READABLE FILES 2024 / 2025 Requirements & Dates

### TABLE 151A: Implementation Timeline for CMS Template Adoption and Encoding Data Elements

Requirement	Regulation cite	Implementation (Compliance) Date
	MRF INFORMATION	(compliance) zace
MRF Date	45 CFR 180.50(b)(2)(i)(B)	July 1, 2024
CMS Template Version	45 CFR 180.50(b)(2)(i)(B)	July 1, 2024
HOS	SPITAL INFORMATION	
Hospital Name	45 CFR 180.50(b)(2)(i)(A)	July 1, 2024
Hospital Location(s)	45 CFR 180.50(b)(2)(i)(A)	July 1, 2024
Hospital Address(es)	45 CFR 180.50(b)(2)(i)(A)	July 1, 2024
Hospital Licensure Information	45 CFR 180.50(b)(2)(i)(A)	July 1, 2024
S	TANDARD 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
Payer 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		July 1, 2024
Amount	45 CFR 180.50(b)(2)(ii)(C)	
Payer-Specific Negotiated Charge –		July 1, 2024
Percentage	45 CFR 180.50(b)(2)(ii)(C)	Into 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	43 CTR 160.50(b)(2)(ll)(C)	July 1, 2024
Charge	45 CFR 180.50(b)(2)(ii)	July 1, 2021
De-identified Maximum Negotiated		July 1, 2024
Charge	45 CFR 180.50(b)(2)(ii)	-
ITEM &	SERVICE INFORMATION	
General Description	45 CFR 180.50(b)(2)(iii)(A)	July 1, 2024
Setting	45 CFR 180.50(b)(2)(iii)(B)	July 1, 2024
Drug Unit of Measurement	45 CFR 180.50(b)(2)(iii)(C)	January 1, 2025

\*Per 45 CFR 180.50 and Table 151A & B page 1462

Drug Type of Measurement	45 CFR 180.50 (b)(2)(iii)(C)	January 1, 2025									
CODING INFORMATION											
Billing/Accounting Code	45 CFR 180.50(b)(2)(iv)(A)	July 1, 2024									
Code Type	45 CFR 180.50(b)(2)(iv)(B)	July 1, 2024									
Modifiers	45 CFR 180.50(b)(2)(iv)(C)	January 1, 2025									

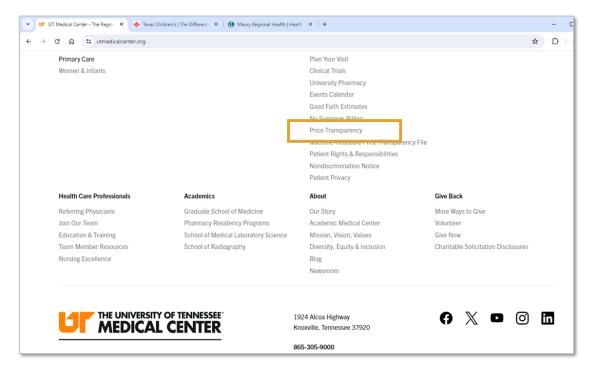
#### TABLE 151B: Implementation Timeline for Other New Hospital Price

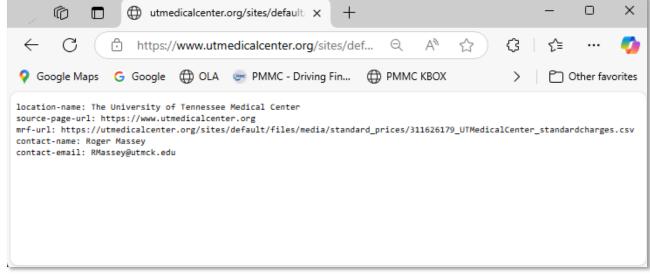
#### **Transparency Requirements**

Requirement	Regulation Cite	Implementation (Compliance) Date
Good faith effort	45 CFR 180.50(a)(3)(i)	January 1, 2024
Affirmation in the MRF	45 CFR 180.50(a)(3)(ii)	July 1, 2024
Txt file	45 CFR 180.50(d)(6)(i)	January 1, 2024
Footer link	45 CFR 180.50(d)(6)(ii)	January 1, 2024

## Standardization of Location

- Hospital Homepage Must Have "Price Transparency" Link Directly to the Machine-Readable File (MRF)
- Direct Links to the MRF in a .txt file in the hospitals root folder and in a footer on the hospital's homepage As an example: <a href="www.utmedicalcenter.org/cms-hpt.txt">www.utmedicalcenter.org/cms-hpt.txt</a>





## Standardized File Format & Requirements

hospital_rla	st_upda version			owledge and belief,	the hospital has incl	uded all applical	ble standard charge information in acc	cordance with t	he requiremen	nts of 45 CFR 18	30.50, and	the information en
ARNOT O( 3	/6/2024 2.0.0	ARNOT O( 600 Roe A 0701000	TRUE									
descriptio co	de 1 code 1	ty code 2 code 2 ty code 3	code 3 tycode 4	code   4   ty setting	drug_unit_drug_typ	e standard_ star	ndard_ payer_nar plan_nam modifiers	standard_stan	dard_standard	d_ estimated st	tandard_s	tandard_standard_
ROOM & E												32.9 percent o
ROOM & E		Sample Fil	0 1607/	2005 arno	t odden	medica	l-center_standard	dehara	os (* cs	-1/1		32.9
ROOM & E		Sample Fil	E - 100/43	oguo_ai ilu	t-oguen-	illeuica	i-center_standart	uchaig	es (".cs	<b>9 V</b> <i>)</i>		32.9
ROOM & E												32.9
ROOM & E												32.9
ROOM & E	1E+08 CDM	0121 RC		inpatient		981	981 MVP HEAL MVP HEALTH PLAN -	ALL PLANS		1E+09	431.64	882.9
ROOM & E	1E+08 CDM	0121 RC		inpatient		981	981 POMCO IN POMCO INC - ALL PLA	ANS		1E+09	431.64	882.9
ROOM & E	1E+08 CDM	0121 RC		inpatient		981	981 EMBLEM F EMBLEM HEALTH - AL	LL PLANS		1E+09	431.64	882.9
ROOM & E	1E+08 CDM	0121 RC		inpatient		981	981 FIDELIS CA FIDELIS CARE-EXCHA	NGE - ALL PLAN	S	1E+09	431.64	882.9
ROOM & E	1E+08 CDM	0121 RC		inpatient		981	981 AMERIHEA AMERIHEALTH MCR	ADV - ALL PLAN	S	1E+09	431.64	882.9
ROOM & E	1E+08 CDM	0121 RC		inpatient		981	981 HUMANA HUMANA (CHOICE CA	882.9	90	1E+09	431.64	882.9 percent o
ROOM & E	1E+08 CDM	0121 RC		inpatient		981	981 HUMANA HUMANA MCR ADV			1E+09	431.64	882.9
ROOM & E	1E+08 CDM	0121 RC		inpatient		981	981 MARTINS MARTINS POINT MC	R ADV - ALL PLA	NS	1E+09	431.64	882.9
ROOM & E	1E+08 CDM	0121 RC		inpatient		981	981 TRICARE - TRICARE - ALL PLANS	S		1E+09	431.64	882.9
ROOM & E	1E+08 CDM	0121 RC		inpatient		981	981 INDEPENDINDEPENDENT HEALT	TH - ALL PLANS		1E+09	431.64	882.9
ROOM & E	1E+08 CDM	0121 RC		inpatient		981	981 CIGNA - A CIGNA - ALL PLANS			1E+09	431.64	882.9
ROOM & E	1E+08 CDM	0121 RC		inpatient		981	981 HEALTHN( HEALTHNOW - ALL P	LANS		1E+09	431.64	882.9
ROOM & E	1E+08 CDM	0121 RC		inpatient		981	981 BLUE CROSBLUE CROSS COMM -	ALL OTHER PLA	NS	1E+09	431.64	882.9
ROOM & E	1E+08 CDM	0121 RC		inpatient		981	981 BLUE CROSBLUE CROSS MCR AD	V		1E+09	431.64	882.9
ROOM & E	1E+08 CDM	0121 RC		inpatient		981	981 BLUE CROS BLUE CROSS MCAID	431.64	44	1E+09	431.64	882.9 percent o
ROOM & E	1E+08 CDM	0121 RC		inpatient		981	981 SELF PAY ( SELF PAY DISCOUNT	981	100	1E+09	431.64	882.9 percent o
ROOM & E	1E+08 CDM	0121 RC		inpatient		981	981 GEISINGEF GEISINGER - ALL PLA	NS		1E+09	431.64	882.9
ROOM & E	1E+08 CDM	0121 RC		inpatient		981	981 AETNA - A AETNA - ALL PLANS			1E+09	431.64	882.9
ROOM & E	1E+08 CDM	0121 RC		inpatient		981	981 UHC - ALL UHC - ALL PLANS			1E+09	431.64	882.9
ROOM & E	1E+08 CDM	0121 RC		inpatient		981	981 UPMC HEAUPMC HEALTH PLAN	- ALL PLANS		1E+09	431.64	882.9
ROOM & E	1E+08 CDM	0121 RC		inpatient		981	981 MVP HEAL MVP HEALTH PLAN -	ALL PLANS		1E+09	431.64	882.9
ROOM & E	1E+08 CDM	0121 RC		inpatient		981	981 POMCO IN POMCO INC - ALL PLA	ANS		1E+09	431.64	882.9
ROOM & E	1E+08 CDM	0121 RC		inpatient		981	981 EMBLEM FEMBLEM HEALTH - AL	LL PLANS		1E+09	431.64	882.9
ROOM & E	1E+08 CDM	0121 RC		inpatient		981	981 FIDELIS CA FIDELIS CARE-EXCHA	NGE - ALL PLAN	S	1E+09	431.64	882.9

# MACHINE READABLE FILES MRF Testing Tools

CMS published 3 easy to use tools to help hospitals:

- 1. Test layouts & data specifications
- 2. Test naming convention requirements
- 3. Test requirements for .txt file



The Centers for Medicare and Medicaid Services (CMS) has developed and maintains tools to support hospitals in meeting some of the machine-readable file (MRF) requirements for Hospital Price Transparency.

The **online validator** tests machine readable files against the required CMS template layouts and data specifications (<u>45 CFR 180.50(c)</u> (2)). The online validator runs in a user's web browser, and it is recommended for nontechnical users.

The **command-line interface (CLI) validator** tests machine readable files against the required CMS template layouts and data specifications (45 CFR 180.50(c)(2)). The CLI is a downloaded tool that runs locally in the user's terminal, and it is recommended for technically proficient users validating multiple files simultaneously or integrating the validator into a software pipeline.

The **MRF naming wizard** assists users in generating the MRF file name in accordance with the naming convention requirements (45 CFR 180.50(d)(5)).

The **TXT file generator** assists users in generating a TXT file with the required attributes of information to improve accessibility to MRFs (45 CFR 180.50 (d)(6)(i)).

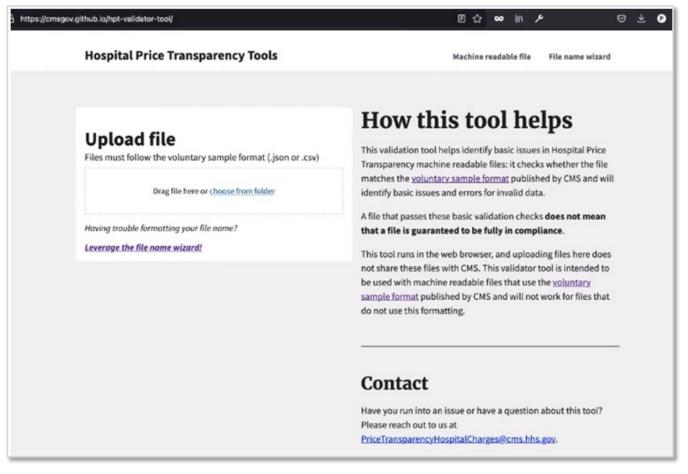


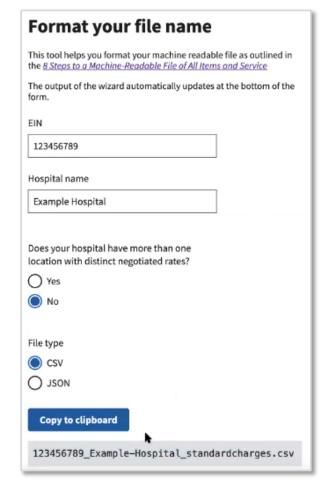




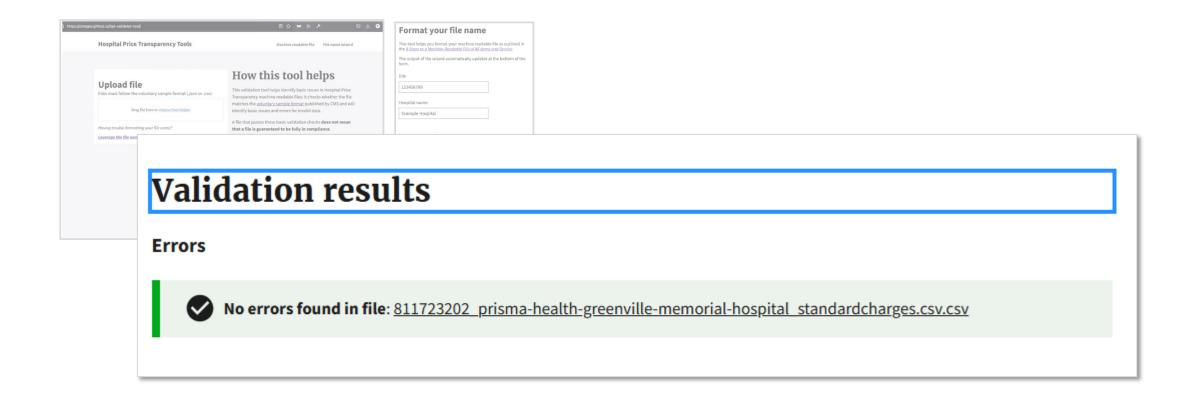


# PUTTING ACCURACY FIRST Validator

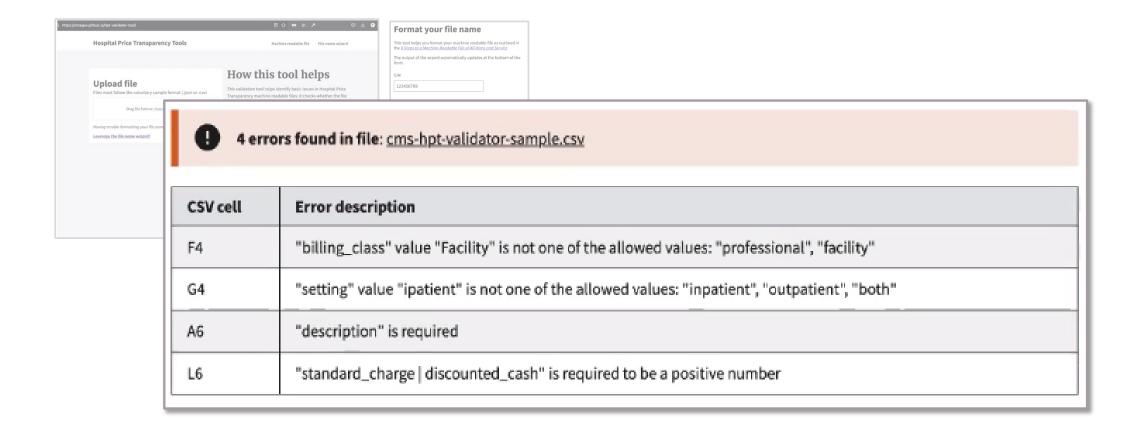




# PUTTING ACCURACY FIRST Validator



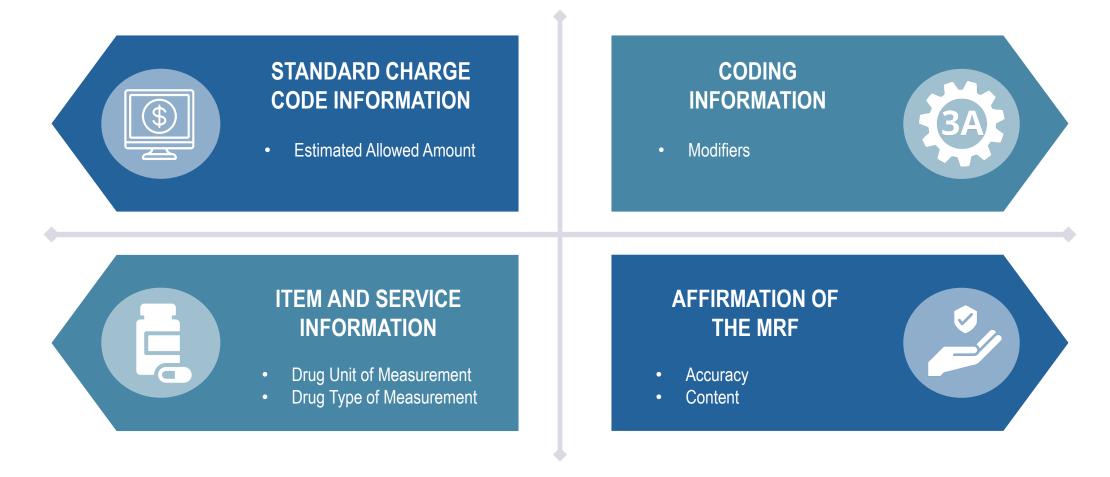
# PUTTING ACCURACY FIRST Validator



# Issues Beyond Validator Check

hospital_name	last_upda	version	hospit	hospita	license_n	To the be	st of its kr	owledge a	nd belief,	the hospit	tal has inclu	ıded all apr
Hospital	2025-01	2.0.0	State	Addres	3.42E+08	TRUE						
description	code 1	code   1	code 2	code 2	code 3	code 3 t	cod code	modifiers	setting	billing_cla	drug_unit	drug_type
PBB ALBUTEROL INHAL	10007613	CDM	636	RC	J7613	HCPCS			outpatien	facility		
PBB INJECTMETHYLPREDNISOL	10002930	CDM	636	RC	J2930	HCPCS			inpatient	facility		
APPENDECTOMY WITH COMPLEX	233-2	APR-DE	RG						inpatient	facility		
Therapy Modifiers for a PTA or an	OTA							co GO	outpatien	facility		
Therapy Modifiers for a PTA or an	OTA							GP CQ	outpatien	facility		
Minimum Assistant Surgeon								81	outpatien	facility		
Pre-Op Only								56	outpatien	facility		

## Most Recent Requirements – Jan. 1, 2025



## Creating Context for Hospital Standard Charges



'Data elements' are information or categories of information that you will use to contextualize the standard charges your hospital has established.

## Creating Context for Hospital Standard Charges

### Three Ways to Display Payer-specific Standard Charges

'Payer-specific Negotiated Charge' Data Elements:	Description
Dollar Amount	Payer-specific negotiated charge (expressed as a dollar amount) that a hospital has negotiated with a third-party payer for a corresponding item or service.
Percentage	Payer-specific negotiated charge (expressed as a percentage) that a hospital has negotiated with a third-party payer for a corresponding item or service. This data element will contain the numeric representation of the percentage not as a decimal (70.5% is to be entered as "70.5" and not ".705").
Algorithm	Payer-specific negotiated charge (expressed as an algorithm) that a hospital has negotiated with a third-party payer for the corresponding item or service.

Display a payer-specific negotiated charge as a <u>dollar amount</u> whenever possible. If the payer-specific negotiated charge results in a variable dollar amount for members of a payer/plan combination, then display the payer-specific negotiated charge as a percentage or algorithm and calculate the 'Estimated Allowed Amount' in dollars.

## Creating Context for Hospital Standard Charges

### Payer-specific Negotiated Charge Contextual Information

**Required Contextual Information:** For each 'payer-specific standard charge' your hospital has established, you must encode a '<u>standard charge methodology'</u>.

#### 'Standard Charge Methodology' Data Element:

Valid Values	Methodology Description
Case Rate	A flat rate for a package of items and services triggered by a diagnosis, treatment, or condition for a designated length of time.
Fee Schedule	The payer-specific negotiated charge is based on a fee schedule. Examples of common fee schedules include Medicare, Medicaid, commercial payer, and workers compensation.
Percent of Total Billed Charge	The payer-specific negotiated charge is based on a percentage of the total billed charges for an item or service. This percentage may vary depending on certain pre-determined criteria being met.
Per diem	The per day charge for providing hospital items and services.
Other	If the standard charge methodology used to establish a payer-specific negotiated charge cannot be described by one of the types of standard charge methodology above, select 'Other' and encode a detailed explanation of the contracting arrangement in additional notes.

## Creating Context for Hospital Standard Charges

### What standard charge information am I required to include?

In order to ensure inclusion of a dollar amount in the hospital machine-readable files and to make hospital prices more transparent, CMS is issuing the following guidance:

- As required in the CY 2024 OPPS/ASC final rule, hospitals must encode a standard charge dollar amount in the machine-readable file (MRF) if it can be calculated, including the amount negotiated for the item or service, the base rate negotiated for a service package, and a dollar amount if the standard charge is based on a percentage of a known fee schedule.
- Hospitals should discontinue encoding 999999999 (nine 9s) in the estimated allowed amount data element within the MRF and should instead encode an actual dollar amount.

## Creating Context for Hospital Standard Charges

## Estimated Allowed Amount: How is it defined and when do I need to encode data?

- At 45 CFR § 180.20 we defined "estimated allowed amount" as the average dollar amount that the hospital has historically received from a third-party payer for an item or service.
- This algorithm or percentage is based on the contract the hospital has with a particular payer for a particular plan, and the estimated allowed amount would be the average reimbursement in dollars that it has received from the payer in the past.
- Hospitals are required to encode a dollar value for the "estimated allowed amount" data element, when a payer-specific negotiated charge can only be expressed as an algorithm or percentage. This includes:
  - hybrid scenarios where the standard charge dollar is a base rate and there is an algorithm that accounts for additional individualized charges;
  - · where the standard charge is a percent that cannot be calculated as a dollar figure; and
  - where the standard charge is an algorithm



Check that the estimated allowed amount is calculated at the plan level.

## Creating Context for Hospital Standard Charges

### **How do I calculate the Estimated Allowed Amount?**

- CMS is not prescriptive as to the source of the data.
- We believe hospitals should retain flexibility, in the interest of reducing burden, to determine the best data source for calculating the estimated allowed amount.

#### **Potential Data Source**

One source hospitals may consider using is information from the EDI 835 electronic remittance advice (ERA) transaction, the electronic transaction that provides claim payment information, including any adjustments made to the claim, such as denials, reductions, or increases in payment, would appear to meet this requirement as the data in the 835 form is used by hospitals to track and analyze their claims and reimbursement patterns.

## Creating Context for Hospital Standard Charges

### **Drug Type Measurement**

- The measurement type that corresponds to the established standard charge for drugs as defined by either the National Drug Code or the National Council for Prescription Drug Programs.
- The following valid values for Drug Type of Measurement are based on two sets of industry standards; National Drug Code and National Council for Prescription Drug Programs:

Standard Name	Valid Value
Grams	GR
Milligrams	ME
Milliliters	ML
Unit	UN
International Unit	F2
Each	EA
Gram	GM

## Creating Context for Hospital Standard Charges

#### **Modifiers**

- Include any modifier(s) that may change the standard charge that corresponds to a hospital item or service, including a description of the modifier and how it changes the standard charge.
- CMS allows hospitals flexibility in their approach, and has provided an example of one approach on the HPT Data Dictionary GitHub Repository:

description	modifiers	setting	standard_charge Platform_Health  PPO negotiated_percentage	additional_payer_notes   Platform_Health   PPO
				150% payment adjustment for the item or service
Bilateral procedure	50	both	150	to which the modifier is appended
				62.5% of the amount for the item or service to
				which this modifier is appended for each co-
Co-surgeon	62	both	62.5	surgeon
				93.75% of the amount for the item or service to
Bilateral procedure with				which this combination of modifiers is appended
co-surgeon	50 62	both	93.75	for each co-surgeon

#### **CLICK FOR RESOURCE**

CMS Price Transparence File Samples: Wide, Tall, .JSON

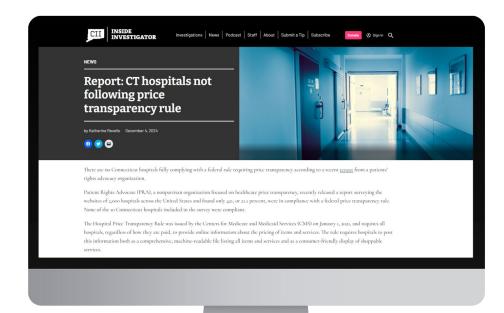
# Price Transparency Compliance Assessment of Hospitals

## **BRAIN BREAK QUESTION**

### Which musician(s) have advocated for price transparency?

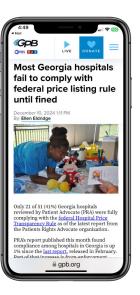
- A. Foo Fighters
- **B.** Jelly Roll
- C. Lainey Wilson
- D. Fat Joe

# Price Transparency Back in the News









# HOSPITAL COMPLIANCE PatientRightsAdvocate.org

## PRA's 7<sup>th</sup> Semi-Annual Hospital Price Transparency Report



- National Review of 2000 Hospital MRFs
- Report posted in July-Aug '24
- Only 21.1% (421 hospitals) were fully compliant

#### **Example (New York) Assessment of 96 Hospital**

- 8 were compliant with no noted issues
- 37 did not pass the CMS Validator Format Check
- 16 did not include all payers and plans
- 40 did not have the correct File Naming Convention
- 16 did not have the correct Min / Max Data
- Format Summary
  - 51 CSV
  - 32 Zip
  - 11 JSON
  - 2 xlsx

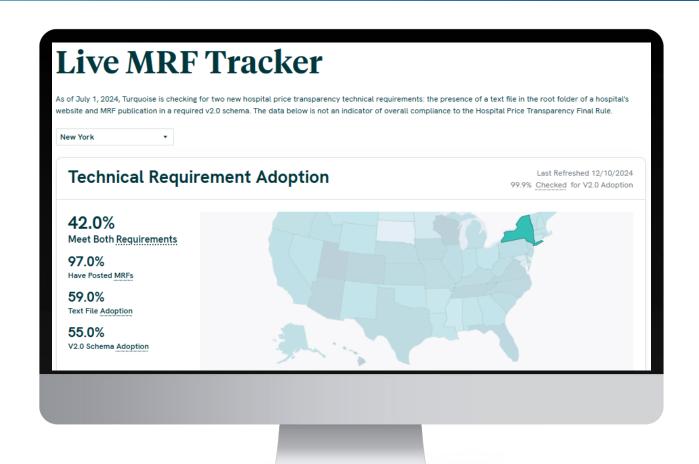
### **EXPLAINATION OF NON-COMPLIANCE**

## PatientRightsAdvocate.org

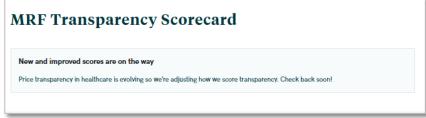
	Hospital Name	City	State	Compliance	/et	iking D	and Sufficient States	Sens Re	gired.	a de les	The city	Stand Property and	A Trans	and the special of	a Charge	Barge Medicine	dales to	reed Productive	de Cad	a Price	and tell	July Bronger Hoode Title  Explanation	Download Date
	1157 Valley Hospital Medical Center	Las Vegas	NV	Noncompliant	N	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	CSV		MRFfails to identify payer and plan names for all negotiated charges.	8/1/24
5	Sample Explanation:			Noncompliant	N	N	-	-		-	-	-	-		Y	Y	-	Y	Y	CSY		MRF does not conform to the required form and manner requirements.	07/1/2024
				Compliant	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	CSV			7/4/24
•	With does not comorn			Noncompliant	N	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	Y	Y	Y	CSY		MRF fails to fully and accurately disclose deidentified minimum and maximum negotiated charges. MRF fails to encode percents per form and manner requirements.	7/19/24
•	requirements.				N	Y	Y	Y	Y	N	Y	Y	Y	N	N	Y	Y	Y	Y	CSY		MRF fails to include all payer and plan names. MRF fails to encode percents per form and manner requirements. MRF filename does not conform to naming convention.	7/8/24
•	MRF filename does no conform to naming convention.	τ		Noncompliant	N	Y	N	Y	Y	N	Y	Y	Y	Y	N	Y	Y	Y	Y	CSY		MRF header information is incomplete, inaccurate or missing. MRF fails to include all payer and plan names. MRF filename does not conform to naming convention.	7/8/24
		ils to	į	Noncompliant	N	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	ison	csv	MRF header information is incomplete, inaccurate or missing.	7/20/24
•	provide cash prices. Public website hosting	; the		Noncompliant	N	Y	Y	Y	Y	N	N	N	Y	Y	Y	Y	Y	Y	Y	CSY		MRF fails to include all payer and plan names. MRFfails to identify payer and plan names for all negotiated charges. MRF fails to fully and accurately disclose deidentified minimum and maximum negotiated charges.	7/8/24
	Machine-Readable File not include or include			Noncompliant	N	Y	Y	Y	Y	N	Y	Y	Y	N	Y	Y		Y	Y	zip		MRF fails to include all payer and plan names. MRF fails to encode percents per form and manner requirements.	7/11/24
	conforming .txt file in t folder.	the roo	t	Noncompliant	N	N	-	•	ovrig				-		N	Y	N	N	Y			MRF does not conform to the required form and manner requirements. MRF filename does not conform to naming convention. Price Estimator Tool fails to provide cash prices. Public website hosting the Machine-Readable File does not include or includes a noncomforming .txt file in the root folder.	7/16/24

### **HOSPITAL COMPLIANCE**

## **Turquoise Health**







## CMS Price Transparency Enforcement

### PRICE TRANSPARENCY REGULATIONS

## Enforcement and Fines – To Date

#### **Increased Notices from CMS but No Increase in Issuing Fines**

#### **Fines Overview**

- Up to \$2M based on hospital size
- 2022: Two Fines
- 2023: Twelve Fines
- 2024: One Fine
- Range from \$56k \$979k

#### **Common Steps**

- Written Communication of Issue (Warning Notice & Request of Corrective Action Plan)
- Follow up Review by CMS (~3-4 months later) to Assess Hospital's Response
- If Necessary, Impose a Civil Monetary Penalty (CMP)
- Ability for Hospital to Request Hearing (30-day window for online request)

### PRICE TRANSPARENCY REGULATIONS

## Enforcement and Fines – To Date

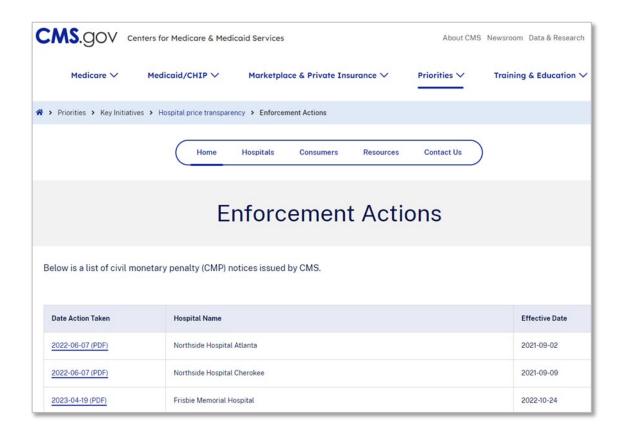
#### **Common Reasons for Compliance Letters**

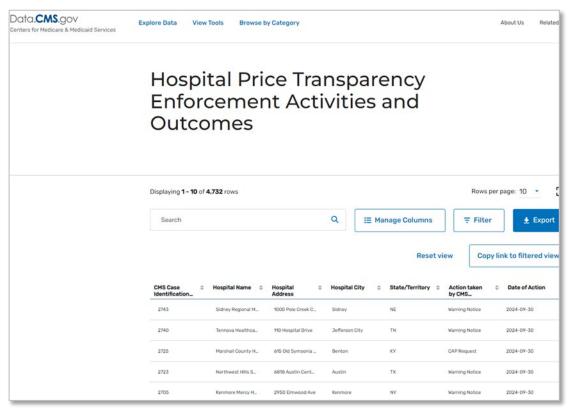
- Failure to include all corresponding data elements (section 45CFR 180.50(b))
- Failure to update the standard charge information annually (section 45CFR 180.50(b))
- Failure to provide an adequate description for each item and service (section 45CFR 180.50(b)(1))
- Failure to follow the naming convention specifically: <ein>\_<hospital-name>\_standardcharges.[json|csv] (section 45CFR 180.50(d)(5))
- Failure to provide the txt file in the root folder: (section 45CFR 180.50(d)(6i))
- Failure to list all payer specific negotiated rates (section 45CFR 180.50(b)(3))
- Failure to list all de-identified minimum negotiated charges (section 45CFR 180.50(b)(4))
- Failure to list all de-identified maximum negotiated charges (section 45CFR 180.50(b)(5))
- Failure to include all codes used by the hospital for purposes of accounting or billing for the item or service, including but not limited to CPT, HCPCS, DRG, NDC or other common payer identifiers (section 45CFR 180.50(b)(7))

#### **ENFORCEMENT ACTIONS**

## Marketplace Research

### Warning Notices, CAP Requests, Met Requirements, & Monetary Penalties





#### **ENFORCEMENT ACTIONS**

## Sample Communication Letters

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services 7500 Security Boulevard, Mailstop: C5-15-12 Baltimore, Maryland 21244-1850



Center for Medicare

January 22, 2025

#### RE: Hospital Price Transparency Warning Notice

Dear

The Centers for Medicare & Medicaid Services (CMS) issues this warning notice because it has determined that CFR §180.20 and is noncompliant with the price transparency requirements for hospitals to make standard charges public. We determined via a review of http://www. , completed on January 22, 2025, that your hospital is noncompliant with requirements under 45 CFR part 180 (https://www.cfr.gov/current/itle-45/subchapter-E/part-180).

#### Comprehensive Machine-Readable File Requirements

Each hospital must make public a machine-readable file containing a list of all standard charges for all items and services as provided in § 180.50. (45 CFR §180.40(a))

#### Violations

CMS has determined, after review of the publicly available website referenced above that is in violation of the requirements to make public its list of standard charges as specified at 45 CFR §180.50. Your hospital's violations include:

 Failure to conform the machine-readable file to the CMS template layout, data specifications, and data dictionary for purposes of making public the standard charge information, as required at 45 CPR 180.50(c/2).

Confidential or Privileged: This communication contains information intended for the use of the individual(s) to whom it is addressed and may contain information that is privileged, confidential, or exempt from other disclosures under applicable law. If you are not the intended recipient, you are notified that any disclosure, printing, copying, distribution, or use of the contents in prohibitod.

#### Actions Your Hospital Must Take

Your hospital must take action to correct the deficiency or deficiencies identified by CMS within 90 calendar days of the date of this notice. Failure to comply with the hospital price transparency requirements may result in further compliance actions as specified in 45 CFR part 180 subpart C. Additionally, CMS requires your hospital acknowledge receipt of the warning notice by emailing the Hospital Price Transparency inbox at HPTCompliance@cms.hhs.gov within 5 business days of the date of this notice, as required by 45 CFR 180.700(i). Please include your hospital's CEO/President name, title, e-mail, and phone number. If your CEO/President will not be the official representative communicating with CMS regarding this matter, please also include in the email the designee's name, title, e-mail, and phone number.

It is incumbent upon the hospital to be in full compliance with all requirements of 45 CFR 180, including updates to the regulation made in the Hospital Price Transparency CY 2024 Hospital Outpatient Prospective Payment System and Ambulatory Surgical Center Payment System Final Rule, https://www.federalregister.gov/documents/2023/11/22/2023-24293/medicare-program-hospital-outpatient-prospective-payment-and-ambulatory-surgical-center-payment. Nothing in this notice indicates a determination of compliance with respect to any other requirements not explicitly addressed in this notice.

#### **Additional Resources**

CMS finalized new Hospital Price Transparency requirements in the CY 2024 Hospital OPPS and ASC Payment System Final Rule (88 FR 81540). For additional information, please review this Fact Sheet at https://www.cms.gov/newsroom/fact-sheets/hospital-price-transparency-fact-sheet and the information on our website at https://www.cms.gov/priorities/key-initiatives/hospital-price-transparency-including the following resources.

Hospital Price Transparency – Data Dictionary GitHub repository at https://github.com/CMSgov/hospital-price-transparency

On this repository you can:

- Access the CMS templates and data dictionary with technical instructions for encoding required standard charge information.
- · Get technical support.

Hospital Price Transparency Tools GitHub at https://cmsgov.github.io/hpt-tool/

On this repository you can:

- Use a validator to test machine readable files against the required CMS template layouts and data specifications 45 CFR 180.50(c)(2).
- Access requirements and technical specifications for the TXT file, as well as an example TXT file.
- Use the TXT file generator tool to create the required TXT file 45 CFR 180.50(d)(6).

Confidential or Privileged: This communication contains information intended for the use of the individual(s) to whom it is addressed and may contain information that is privileged, confidential, or exempt from other disclosures under applicable law. If you are not the intended recipient, you are notified that any disclosure, priviling, copying, distribution, or use of the contents is prehibited.

 Use the MRF file naming tool to create a compliant naming convention for your MRF 45 CFR 180.50(d)(5).

FAQs (https://www.cms.gov/files/document/hospital-price-transparency-frequently-asked-questions.pdf)

TXT file FAQs (https://www.cms.gov/files/document/hospital-price-transparency-txt-file-frequently-asked-questions-faqs.pdf)

Steps to a Machine-readable File (https://www.cms.gov/files/document/steps-machine-readable-file pdf)

10 Steps to a Consumer-Friendly Display (https://www.cms.gov/files/document/steps-making-public-standard-charges-shoppable-services.pdf)

If you have questions, please contact us at HPTCompliance@cms.hhs.gov. We appreciate your prompt attention to this matter.

Confidential or Privileged: This communication contains information intended for the use of the individual(s) to whorn it is addressed and may contain information that is privileged, confidential, or exempt from other disclosures under applicable law. If you are not the intended recipiers, you are notified that any disclosure, printing, copyring, distribution, or use of the contents is prohibited.

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services 7500 Security Boulevard, Mailstop: C5-15-12 Baltimore, Maryland 21244-1850



Center for Medicare

February 17, 2025

Reference Number:

Location:

RE: Hospital Price Transparency - Closure Notice

Dear

The Centers for Medicare & Medicaid Services (CMS) completed a compliance review on February 14, 2025 and has determined that the deficiencies identified in the Warning Notice issued January 22, 2025 have been rectified.

Please consider this a notification that this ends our compliance review referenced in the January 22, 2025 Warning Notice.

CMS may continue to evaluate your hospital's compliance. It is incumbent upon

Ito remain in full compliance with all CMS Hospital Price Transparency requirements at 45 C.F.R. Part 180, including compliance with new regulations that may become effective or implemented after the date of this notice.

If you have questions, please contact us at HPTCompliance@cms.hhs.gov.

-

#### **ENFORCEMENT ACTIONS**

## Marketplace Research

#### **Actions Taken**

Data.CMS.gov reports 6,142 actions taken by CMS related to the price transparency mandate since April 2021.

#### **Specific to North Carolina**

- 157 actions taken by CMS related to the price transparency mandate since April 2021.
- 40 of these actions occurred in 2025 Q1/Q2

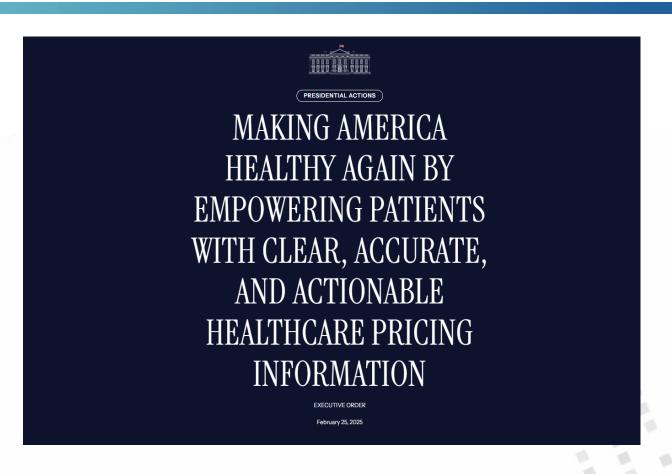
#### **Specific to Texas**

- 569 actions taken by CMS related to price transparency mandate since April 2021.
- 156 of those actions occurred in 2025 Q1/Q2

**CLICK FOR RESOURCE** 

**Data.CMS.gov PT Enforcement Activities** 

#### What's Coming with Price Transparency EO 2.0



- Sec. 3. Fulfilling the Promise of Radical Transparency. The Secretary of the Treasury, the Secretary of Labor, and the Secretary of Health and Human Services shall take all necessary and appropriate action to rapidly implement and enforce the healthcare price transparency regulations issued pursuant to Executive Order 13877, including, within 90 days of the date of this order, action to:
- (a) require the disclosure of the actual prices of items and services, not estimates;
- (b) issue updated guidance or proposed regulatory action ensuring pricing information is standardized and easily comparable across hospitals and health plans; and
- (c) issue guidance or proposed regulatory action updating enforcement policies designed to ensure compliance with the transparent reporting of complete, accurate, and meaningful data.

https://www.whitehouse.gov/presidential-actions/2025/02/making-america-healthy-again-by-empowering-patients-with-clear-accurate-and-actionable-healthcare-pricing-information/

#### What's New After Trump's Executive Order?

✓ New guidance on how to calculate the estimated allowed amount

✓ Discontinuation of utilizing 9 9's code for items and services with no historical data

✓ New requirements due May 22<sup>nd</sup> of 2025

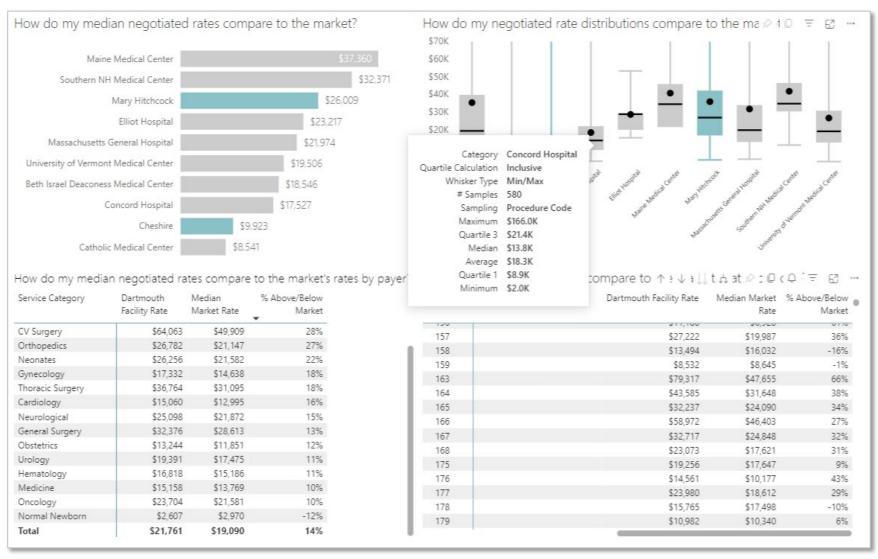
# Leveraging the Data for Improved Insight

#### **POLL QUESTION**

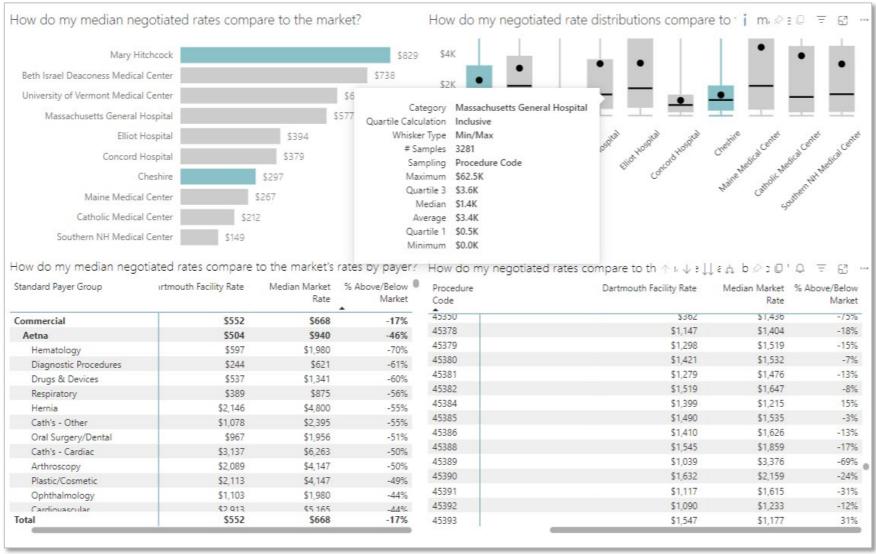
## What's your healthcare organization's experience with leveraging the 'Payer Negotiated Rate' charge data?

- A. We have used the data in negotiations successfully
- B. We have the data but haven't leveraged it in negotiations
- C. We found the data to be difficult to work with
- D. N/A my organization isn't a hospital or unsure

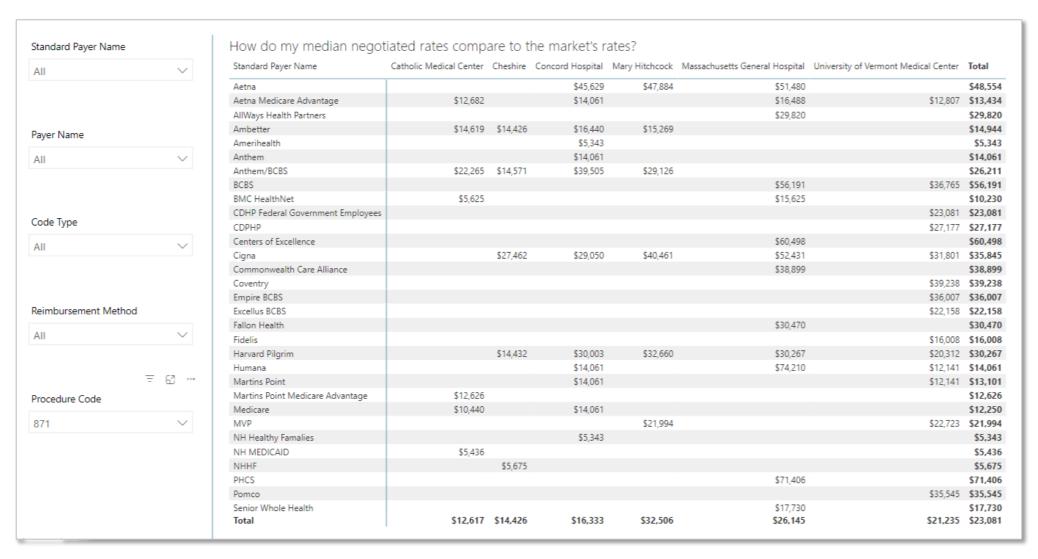
#### Inpatient Rate Comparison – Strategy Assessment



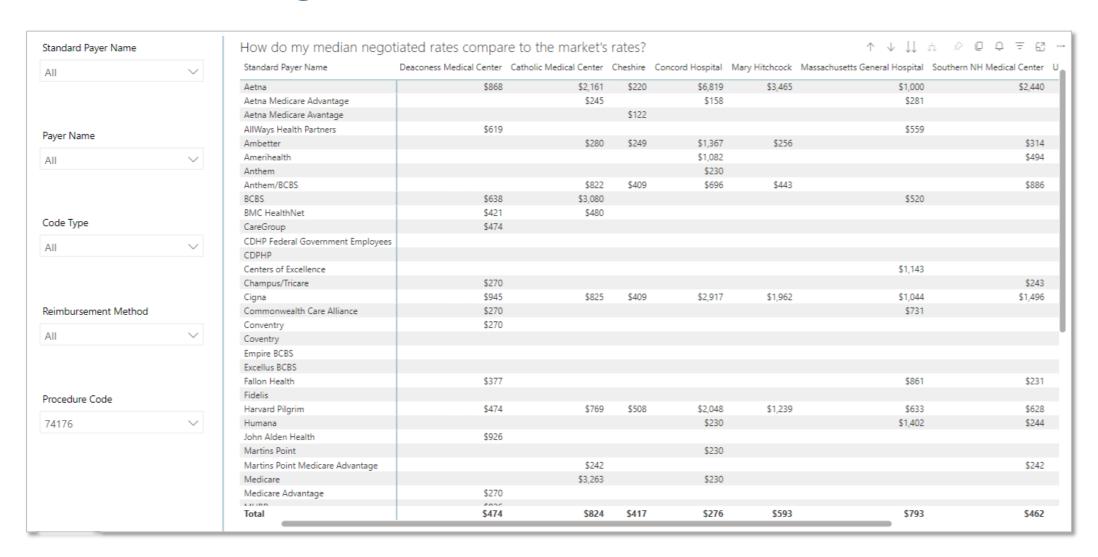
#### **Outpatient Rate Comparison – Strategy Assessment**



#### Inpatient Negotiated Rate - Tactical Assessment



#### **Outpatient Negotiated Rate – Tactical Assessment**



#### **Potential Lesser of Charge Opportunity**

Procedure Code	Service Code	Gross Charge	De-identified max contracted rate	% Above/Below Max Negotiated
044	Inpatient	\$58,999	\$69,189	-17%
057	Inpatient	\$46,061	\$46,618	-1%
069	Inpatient	\$25,613	\$27,295	-7%
072	Inpatient	\$27,598	\$28,140	-2%
083	Inpatient	\$40,278	\$41,006	-2%
092	Inpatient	\$27,271	\$44,494	-63%
093	Inpatient	\$33,496	\$36,938	-10%
123	Inpatient	\$29,776	\$35,575	-19%
156	Inpatient	\$20,176	\$22,463	-11%
164	Inpatient	\$75,882	\$107,985	-42%
177	Inpatient	\$38,798	\$79,085	-104%
215	Inpatient	\$249,239	\$308,997	-24%
224	Inpatient	\$163,199	\$200,794	-23%
227	Inpatient	\$101,675	\$103,424	-2%
244	Inpatient	\$34,438	\$37,057	-8%
245	Inpatient	\$32,515	\$71,858	-121%
266	Inpatient	\$122,188	\$196,712	-61%
301	Inpatient	\$16,895	\$18,028	-7%
312	Inpatient	\$25,213	\$31,109	-23%
332	Inpatient	\$50,021	\$64,395	-29%
342	Inpatient	\$44,647	\$62,599	-40%
351	Inpatient	\$26,936	\$29,400	-9%
354	Inpatient	\$60,999	\$76,133	-25%

			De-identified max	% Above/Below Max
Procedure Code	Service Code	Gross Charge	contracted rate	Negotiated
10006	Outpatient	\$1,325	\$2,131	-61%
10140	Outpatient	\$7,102	\$8,639	-22%
10180	Outpatient	\$10,530	\$11,966	-14%
11043	Outpatient	\$3,875	\$5,086	-31%
11046	Outpatient	\$2,293	\$2,575	-12%
11402	Outpatient	\$7,904	\$8,198	-4%
11640	•			-4% -1%
	Outpatient	\$4,877	\$4,933	
11646	Outpatient	\$7,240	\$9,698	-34%
11770	Outpatient	\$11,501	\$15,914	-38%
12011	Outpatient	\$457	\$488	-7%
12013	Outpatient	\$433	\$669	-55%
12020	Outpatient	\$428	\$542	-27%
12031	Outpatient	\$2,179	\$4,891	-125%
12042	Outpatient	\$2,007	\$3,519	-75%
12051	Outpatient	\$2,131	\$3,197	-50%
12052	Outpatient	\$1,957	\$2,120	-8%
13121	Outpatient	\$3,566	\$3,580	-0%
13122	Outpatient	\$2,325	\$3,580	-54%
13132	Outpatient	\$4,287	\$7,957	-86%
13133	Outpatient	\$3,453	\$4,955	-43%
14040	Outpatient	\$9,646	\$9,886	-2%
14302	Outpatient	\$4,668	\$5,890	-26%
15260	Outpatient	\$8,405	\$9,755	-16%

#### **Inpatient Opportunity Assessment**

Procedure Code	Client Median Negotiated Charge	Competitor 1: Median Negotiated Charge	Competitor 2: Median Negotiated Charge	Competitor 3: Median Negotiated Charge	Market Median Negotiated Charge	Client Volume By Code	Market Median Revenue (Column F*G)	Client Projected Revenue (column B*G)	Opportunity (column H-I)
795	\$2,346	\$311	\$3,719	\$4,005	\$3,033	1,323	\$4,012,209	\$3,104,261	\$907,948
807	\$7,611	\$4,540	\$12,064	\$8,100	\$7,856	1,070	\$8,405,385	\$8,144,273	\$261,112
794	\$17,332	\$24,202	\$7,020	\$21,899	\$19,615	524	\$10,278,407	\$9,081,973	\$1,196,433
788	\$9,946	\$8,325	\$15,764	\$9,915	\$9,931	388	\$3,853,092	\$3,859,133	\$0
806	\$8,686	\$5,181	\$13,768	\$8,935	\$8,811	358	\$3,154,297	\$3,109,717	\$44,580
787	\$12,227	\$10,235	\$19,380	\$11,689	\$11,958	243	\$2,905,854	\$2,971,270	\$0
621	\$17,651	\$23,571	\$27,976	\$22,301	\$22,936	201	\$4,610,190	\$3,547,801	\$1,062,389
871	\$23,064	\$32,205	\$36,555	\$29,140	\$30,673	149	\$4,570,248	\$3,436,475	\$1,133,773
793	\$48,967	\$75,974	\$8,109	\$61,868	\$55,418	138	\$7,647,621	\$6,757,417	\$890,204
101	\$10,581	\$14,776	\$16,771	\$13,369	\$14,072	136	\$1,913,849	\$1,439,068	\$474,782
792	\$28,763	\$40,163	\$9,063	\$36,341	\$32,552	117	\$3,808,549	\$3,365,223	\$443,326
392	\$9,139	\$12,761	\$14,485	\$11,547	\$12,154	97	\$1,178,940	\$886,471	\$292,468
790	\$69,799	\$108,296		\$88,189	\$88,189	90	\$7,937,052	\$6,281,924	\$1,655,128
768	\$14,170	\$8,750	\$15,600	\$13,200	\$13,685	81	\$1,108,482	\$1,147,783	\$0
189	\$14,332	\$20,013	\$22,716	\$18,108	\$19,060	73	\$1,391,400	\$1,046,226	\$345,174
786	\$20,352	\$18,050	\$29,508	\$18,007	\$19,201	73	\$1,401,654	\$1,485,691	\$0
193	\$15,432	\$18,572	\$24,460	\$19,498	\$19,035	70	\$1,332,477	\$1,080,264	\$252,213
785	\$10,078	\$8,435	\$15,973	\$10,017	\$10,048	69	\$693,278	\$695,359	\$0
203	\$8,084	\$5,446	\$12,813	\$10,214	\$9,149	65	\$594,666	\$525,445	\$69,221
330	\$27,595	\$38,532	\$43,737	\$34,865	\$36,699	65	\$2,385,419	\$1,793,652	\$591,768
331	\$19,450	\$27,160	\$30,828	\$24,575	\$25,868	65	\$1,681,388	\$1,264,275	\$417,114
791	\$47,669	\$73,959	\$8,728	\$60,228	\$53,948	62	\$3,344,792	\$2,955,449	\$389,343
641	\$9,090	\$10,940	\$14,407	\$11,485	\$11,212	60	\$672,739	\$545,402	\$127,337
603	\$10,292	\$12,386	\$16,312	\$13,003	\$12,695	58	\$736,284	\$596,920	\$139,365

#### **Inpatient Negotiation Approach**

Procedure Code	Client Median Negotiated Charge	Market Median Negotiated Charge	% Above/Below Median Rate	Client Actual Volume	Client 10% Increase Rate	Lesser of 10% Increase and Median Rate	Lesser of 10% Increase and Median Revenue (column E*G)	Client Revenue (column E*B)	Lesser of 10% Increase and Median Rate Opportunity (column H-I)
794	\$17,332	\$19,615	-12%	524	\$19,065	\$19,065	\$9,990,171	\$9,081,973	\$908,197
793	\$48,967	\$55,418	-12%	138	\$53,863	\$53,863	\$7,433,159	\$6,757,417	\$675,742
790	\$69,799	\$88,189	-21%	90	\$76,779	\$76,779	\$6,910,117	\$6,281,924	\$628,192
621	\$17,651	\$22,936	-23%	201	\$19,416	\$19,416	\$3,902,581	\$3,547,801	\$354,780
871	\$23,064	\$30,673	-25%	149	\$25,370	\$25,370	\$3,780,122	\$3,436,475	\$343,647
792	\$28,763	\$32,552	-12%	117	\$31,639	\$31,639	\$3,701,745	\$3,365,223	\$336,522
003	\$248,019	\$298,484	-17%	13	\$272,821	\$272,821	\$3,546,672	\$3,224,248	\$322,425
795	\$2,346	\$3,033	-23%	1,323	\$2,581	\$2,581	\$3,414,687	\$3,104,261	\$310,426
853	\$58,157	\$81,856	-29%	53	\$63,973	\$63,973	\$3,390,545	\$3,082,314	\$308,231
791	\$47,669	\$53,948	-12%	62	\$52,435	\$52,435	\$3,250,994	\$2,955,449	\$295,545
220	\$61,010	\$77,085	-21%	44	\$67,111	\$67,111	\$2,952,905	\$2,684,459	\$268,446
807	\$7,611	\$7,856	-3%	1,070	\$8,373	\$7,856	\$8,405,385	\$8,144,273	\$261,112
329	\$52,544	\$73,956	-29%	49	\$57,798	\$57,798	\$2,832,118	\$2,574,653	\$257,465
234	\$60,467	\$76,399	-21%	38	\$66,514	\$66,514	\$2,527,528	\$2,297,752	\$229,775
233	\$90,733	\$114,639	-21%	24	\$99,806	\$99,806	\$2,395,344	\$2,177,586	\$217,759
219	\$89,704	\$113,339	-21%	22	\$98,675	\$98,675	\$2,170,846	\$1,973,497	\$197,350
460	\$42,552	\$59,978	-29%	44	\$46,808	\$46,808	\$2,059,534	\$1,872,303	\$187,230
025	\$51,371	\$76,217	-33%	36	\$56,508	\$56,508	\$2,034,305	\$1,849,368	\$184,937
236	\$47,011	\$59,398	-21%	39	\$51,712	\$51,712	\$2,016,784	\$1,833,440	\$183,344
330	\$27,595	\$36,699	-25%	65	\$30,354	\$30,354	\$1,973,017	\$1,793,652	\$179,365
101	\$10,581	\$14,072	-25%	136	\$11,640	\$11,640	\$1,582,974	\$1,439,068	\$143,907
331	\$19,450	\$25,868	-25%	65	\$21,395	\$21,395	\$1,390,702	\$1,264,275	\$126,427
004	\$171,005	\$205,800	-17%	7	\$188,106	\$188,106	\$1,316,739	\$1,197,036	\$119,704

### Questions?

#### **THANK YOU!**





Heather Pritchard

Executive Director,
Revenue & Enablement

Heather.Pritchard@pmmconline.com



Matt Goss
VP, Revenue Strategy
Matt.Goss@pmmconline.com