



PRICING TRANSPARENCY NON-COMPLIANCE AND HOW TO FIX IT

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OBJECTIVES



What Is Pricing Transparency?

Tales from a Small Hospital

How to Address the Violation

What's in Store for the Future



HOW WOULD YOU RATE YOUR INVOLVEMENT WITH THE PRICING TRANSPARENCY AT YOUR FACILITY?



WHAT IS PRICING TRANSPARENCY?

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



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.



Shoppable Services File

- › 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



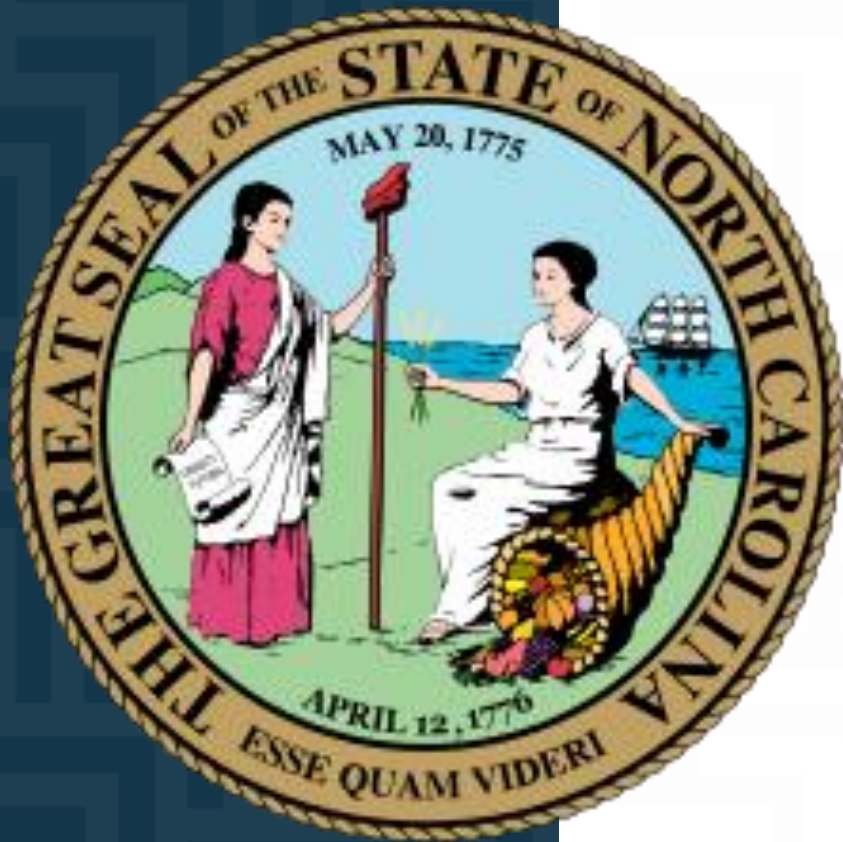
Shoppable Services File (Cont.)

- › 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
 - › **De-identified maximum negotiated charge:** the highest charge that a hospital has negotiated with all third-party payers for the shoppable service



MY HOSPITAL'S OFFERING WAS LAST UPDATED

TALES FROM A SMALL HOSPITAL



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



MY HOSPITAL HAS RECEIVED A VIOLATION NOTICE OR REQUEST FOR CORRECTIVE ACTION PLAN



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



HOSPITAL PRICE TRANSPARENCY ENFORCEMENT

The new guidelines released on April 26, 2023:

- CMS is strengthening enforcement of its hospital transparency rule:
 - Stricter timelines
 - Levying fines more quickly
- Process includes
 - Notice of Violations
 - 90-day window to remediate
 - Corrective Action Plan (CAP)
 - 45-day submission deadline
 - 90-day full compliance
- Hospitals not making any attempt to satisfy the requirement (i.e., those that have not posted any machine-readable file or shoppable services list/price estimator tool)
 - CMS will no longer issue a warning notice instead immediately request that the hospital submit a CAP



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



IT'S NOT A THREAT – IT'S REALITY

Hospital CFO Report

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CMS hits 4 more hospitals with price transparency fines

Andrew Cass - Tuesday, September 5th, 2023

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CMS has **fined** four more hospitals for alleged price transparency violations, according to a Sept. 1 update to its price transparency enforcement website.

The four hospitals were fined between Aug. 22 and 23, according to the website:

- Jacksonville, Fla.-based UF Health North was fined \$979,000.
- Lares, Puerto Rico-based Hospital General Castaner was **fined** \$101,400.
- Dunn, N.C.-based Betsy Johnson Hospital was fined \$99,540.
- Samaritan Hospital-Albany (N.Y.) Memorial Campus was **fined** \$56,940.

The Washington Post
Democracy Dies in Darkness

Two hospitals are being fined for disobeying price transparency rules

Analysis by [Rachel Roubein](#)
with research by [McKenzie Beard](#)

June 9, 2022 at 8:34 a.m. EDT

CMS fines 3 hospitals for alleged price transparency violations

Andrew Cass - Thursday, August 17th, 2023

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CMS has fined three more hospitals for alleged price transparency violations.

According to CMS' price transparency enforcement [website](#):

- Chicago-based Community First Medical Center was **fined** \$847,740 on July 24.
- Marlin, Texas-based Falls Community Hospital and Clinic was **fined** \$70,560 on July 24.
- Salem, Ark.-based Fulton County Hospital was **fined** \$63,900 on July 20.



HOW TO ADDRESS THE VIOLATION

Violation Notices Are Scary

ALLEGHANY'S FIRST STEPS

Reached out to a partner familiar with their facility and pricing transparency

Formed an internal task force to support the project

Acknowledged that a free one-size-fits-most model didn't fit

Started working on a compliant offering



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

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

And then we waited
for the stealth ninja to return



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 remains 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



The stealth ninja returned within 30 days and issued a compliance notice





KEY LEARNINGS

- 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 flexibility in the format of the file, but standard criteria must be met. **Remember, incorrect file naming convention and omission of the last reviewed date will cause a violation.**
- Resources are available to provide support. You don't have to solve this alone.



WHAT'S IN STORE FOR THE FUTURE?

ON A SCALE OF 1 (LOW) TO 5 (HIGH) HOW
CONCERNED ARE YOU ABOUT THE FUTURE OF
PRICING TRANSPARENCY



I AM AWARE OF THE PROPOSED CHANGES TO THE COMPREHENSIVE MACHINE-READABLE FILE



2024 PROPOSED RULE

DRAFT

- Why make the changes
 - Promote standardization of data
 - Enhance accessibility
- Changes to the Comprehensive 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)



CALL TO ACTION

- Review your price transparency offering
 - Shoppable Services – Patient Estimator Tool
 - Comprehensive Machine-Readable File
- Inform appropriate team members how to handle CMS violation notices you may receive
- Watch for HFMA updates on the 2024 final rules





Q&A



COMMITTED TO INCREASING THE IMPACT OF RURAL AND COMMUNITY HEALTHCARE.

Our team of rural and community healthcare experts supports 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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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)



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)



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)



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)



APPENDIX: LIST OF 70 CMS-SPECIFIED SHOPPABLE SERVICES

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)





THANK YOU

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