



Hospital Price Transparency Webcast

Moderated by Leah Nguyen
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After the presentation we will have a question-and-answer session. To submit a comment or to ask a question by the web, locate the Q&A box on the left-hand side of your screen, type your question in the open area, and click new questions.

It is now my pleasure to turn today's program over to Leah Nguyen. Leah, go ahead.

Announcements & Introduction

Leah Nguyen: This is Leah Nguyen from the Provider Communications Group here at CMS, and I'm your moderator today.

Welcome to this Medicare Learning Network webcast on Hospital Price Transparency. Before we get started, there are a few items that I'd like to cover. You can download a copy of today's presentation by clicking on the Handout button on the bottom of your screen. This webcast is open to everyone. If you're a member of the press, you're welcome to listen, but please don't ask questions during the Q&A session. Send your inquiries to press@cms.hhs.gov.

I'll now turn the call over to Rhonda Sheppard from the Performance Based Payment Policy Group of the Center for Medicare.

Presentation

Rhonda Sheppard: Thank you, Leah. Good afternoon everyone and welcome. As with all good government presentations, we'll be using a couple of acronyms during our presentation. The first being Administrative Law Judge, referred to as ALJ, and Personal Identifying Information, referred to as PII.

Next slide, please. On November 15, 2019, CMS finalized policies that laid the foundation for a patient-driven health care system by making prices for items and services provided by all hospitals in the United States more transparent for patients, so that they can be more informed about what they might pay for hospital items and services.

The final rule further advances CMS's commitment to increasing price transparency. These requirements apply to each hospital operating in the United States and is effective January 1, 2021.

Next slide, please. Starting on January 1, 2021, each hospital operating in the United States will be required to provide clear accessible pricing information online about items and services that they provide. Each hospital is required to make this information available in two ways, as a comprehensive machine-readable file with all items and services, and in a display of shoppable services in a consumer-friendly format.



We believe that this information is necessary to promote price transparency in health care and to ensure public access to hospital standard charges. By disclosing hospital standard charges, we believe that the public, including patients, employers, clinicians and other third parties, will have the information necessary to make more informed decisions and make it easier for consumers to shop and compare prices across hospitals and estimate the cost of care before going to the hospital.

We believe the impact of these final policies will help to increase market competition and ultimately drive down the cost of health care services, making them more affordable for all patients.

Next slide please. So first, who must comply with these requirements? The final rule defines hospital to mean any institution in any state in which the state or applicable local law provides for the licensing of a hospital, that is licensed as a hospital pursuant to such law or is approved by the agency of the state or locality responsible for licensing hospitals as meeting the standards established for licensing.

So, for purposes of our final rule, and these requirements, we defined a state to include each of the several states, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, America – American Samoa, and Northern Mariana Islands. This definition includes all Medicare-enrolled institutions that are licensed as hospitals, or approved as meeting licensing requirements, as well as any non-Medicare-enrolled institutions that are licensed as a hospital by the state or approved as meeting licensing requirements for the state.

We also note that federally owned or operated hospitals, for example, hospitals operated by the Indian Health Service Program, the U.S. Department of Veterans Affairs, or the U.S. Department of Defense are regarded as being in compliance already with the requirements for making public their standard charges.

Next slide please.

Based on feedback from the 2019 OPPS, hospital price transparency requirements, as well as the 2020 proposed rule, CMS finalized five standard charges. And they include the gross charge, that is the charge for an individual item or service that is reflected on a hospital's chargemaster absent any discounts. As we noted in the final rule, gross charges may also be referred to as billed charges, or billed amounts that appear on a patient's explanation of benefits as the first charge listed.

Additionally, gross charge is the same as the charge that is referenced in the CMS's provider reimbursement manual, and that hospital's use to create cost reports for Medicare purposes.

Secondly, is the discounted cash price, defined as the charges that applies to an individual who pays cash or cash equivalent for a hospital item or service.

The third standard charge is the payer's specific negotiated charge. This is the charge that a hospital has negotiated with a third-party payer for an item or service. We finalize this type of standard charge related to negotiated rates, because most consumers—over 90 percent, in fact—rely on a third-party payer to cover at least a portion of the cost of their health care.



This negotiated rate is sometimes called the contracted rate, the in-network amount, or allowed charges. And it can be significantly lower than what a hospital would charge an individual who did not have an insurance company negotiating discounts on his or her behalf. This negotiated rate is reflected in the patient's explanation of benefits after the health care service has been provided.

By making both the gross and payer-specific negotiated charges available, consumers could have the information necessary to create what could be considered an explanation of benefits in advance of their service, rather than having to wait months after services were rendered to understand the extent of their health care cost obligations.

The fourth standard charge required is the De-identified Minimum Negotiated Charge. And this is the lowest charge that a hospital has negotiated with all the third-party payers for an item or service.

And the fifth and final standard charge defined in the final rule is the De-Identified Maximum Negotiated Charge. This is the highest charge that a hospital has negotiated with all of the third-party payers for an item or service.

Next slide please. And now for some fun and games, we're going to test your knowledge of the hospital price transparency rule with a couple of polling questions.

True or false? Each item service provided by the hospital must have all five types of corresponding standard charges. Again, think back to the five standard charges I just went over and ask yourself, does the hospital have to provide all five types of standard charges for every item and service provided by the hospital? Please select your answer, true or false?

Give it just a second more. Okay and the poll is closing. People are still answering. I'll wait just a minute.

Okay, please close the poll. And there's our – the results are in. So, it looks like 69 percent indicated that they believe the hospital must have all five types of standard charges for each item or service. While the other 30 percent indicated that they think that this is a false statement.

And the answer is, next slide, false. The requirement is that a hospital posts the standard charge as applicable for each item or service the hospital provides.

For example, your hospital may provide itemized services as found in your hospital chargemaster that only have corresponding gross charges but do not have corresponding payer-specific negotiated charges. Similarly, your hospital may provide service packages that have corresponding payer-specific negotiated charges but no corresponding gross charge.

Okay. And we'll do one more. The hospital price transparency final rule requires hospitals to calculate the historical average reimbursement by payer in order to be able to post the payer-specific negotiated standard charge. Is this statement true or false? Please select your answer.



Again, the hospital price transparency final rule requires hospitals to calculate the historical average reimbursements by payer in order to be able to post the payer-specific negotiated standard charges. True or false?

Okay. We'll just give it a couple more seconds more and we will go ahead and close the poll, please. Okay, so, we have 30 percent have indicated that the statement is true, while the other 69 percent have indicated that they believe the statement to be false. And the answer is, next slide, false.

The payer-specific negotiated charge is defined as a charge that a hospital has negotiated with a third-party payer for an item or service. For each third-party payer with whom your hospital has negotiated charges, you should consult your contract and rate sheets to identify and collect the data elements that are required as applicable for your display.

Hospital Items and Services

Okay. And now we'll continue on with our presentation, which hospital items and services are included? We finalized our definition of hospital items and services to mean all items and services that a hospital provides, including individual items and services, as well as service packages that could be provided by hospital to a patient in connection with an inpatient admission or an outpatient department visit for which the hospital has established a charge.

Examples of hospital items and services include but are not limited to, supplies and procedures, room and board, use of the facility, and other items. Often these are called facility fee, services and employed physicians and employed non-physician practitioners generally reflected as professional charges, and any other items or services for which the hospital has established a standard charge as we define them. That is an establishment of any of the five standard charges.

Okay. We have another polling question for you. True or false? All hospital items and services are found in the hospital chargemaster.

Again, all hospital items and services can be found in a hospital chargemaster. Is this a true statement or is it false?

Okay. Just a few more seconds and we will close the poll to get your answers in. Okay, close the poll, please. This one's pretty close. We have 41 percent of our participants think that all items and services are found in the hospital chargemaster, while 58 percent of you think that it's not, that they are not. And the correct answer is false.

Hospitals must post the standard charge as applicable for each item and service the hospital provides. This would include items and services that are provided as service packages. An example of a service package could be a procedure, or it could be a per-diem. These such items and services are not found in the chargemaster because the chargemaster is a list of itemized items or services, not service packages.



Posting of Standard Charges

Okay. Under the final rule, hospitals are required to make their standard charges public in two ways. The first way is a comprehensive machine-readable file. This is a single machine-readable file that contains all five types of standard charges. The gross charges, the discounted cash price, payer-specific negotiated, de-identified minimum and maximum negotiated charges, all of the items and services provided by the hospital.

Based on public comment, we believe this information and format is the most directly useful for employers, providers, and tool developers who could use the data in consumer-friendly price transparency tools, or who may integrate the data into electronic medical records and shared decision-making tools for use at the point of care.

The second way hospitals are required to make public their standard charges is a display of at least 30, excuse me, 300 consumer-friendly shoppable services or as many shoppable services as the hospital provides if it's less than 300.

The list of 300 shoppable services would include 70 CMS-specified shoppable services, and another 230 hospital-selected shoppable services that are provided by the hospital. The shoppable services list must contain a plain language description of the services, must be grouped with ancillary services, and must provide four of the standard charges, the discounted cash prices, the payer-specific negotiated charges, and de-identified minimum and maximum negotiated charges.

In the final rule, we define shoppable service as a service that could be scheduled by a health care consumer in advance. We believe that these requirements will allow health care consumers to directly make an apples-to-apples comparison of common shoppable services across hospital settings.

Okay. Another polling question to test your knowledge. If my hospital chooses to use a price estimator tool as an alternative to meeting the requirements for making public the standard charges for shoppable services in a consumer-friendly manner, the price estimator tool must meet all the same requirements for posting the standard charges for shoppable services, including the requirement that no personal identifying information may be requested, such as patient insurance information. So is this statement true or is it false?

Again, the price estimator tool must meet all the same requirements for posting the standard charges for shoppable services, including the requirement that no PII may be requested, such as patient insurance information. Is this a true or false statement? Please select your answer.

Okay. Looks like the responsiveness slowed down. So, we have 58 percent that indicated that the statement is true, and the other 41 percent indicated the statement is false. And the correct answer is false.

If a hospital chooses to use the price estimator tool to meet the second of the two main requirements, the price estimator tool must meet three criteria. First, it must provide estimates for as many as 70 CMS-specified shoppable services that are provided by the hospital and as many additional hospital-selected shoppable services as necessary for a combined total of at least 300 shoppable services.



Second, it must allow health care consumers to at the time they use the tool, obtain an estimate of the amount that they will be obligated to pay the hospital for the shoppable service. And third, it must be prominently displayed on the hospital's website and accessible to the public without charge and without having to register or establish a user account or password.

In the hospital price transparency final rule, we specifically did not include a requirement that no PII be collected. Because we recognize that insurance and other information may be necessary to provide patients with real-time personalized out-of-pocket price estimates.

Next slide.

We will monitor and assess hospitals' compliance with these requirements in ways such as evaluating complaints that we receive from individuals or entities, by reviewing individuals' or entities' analysis of noncompliance, and auditing hospital websites. If CMS concludes the hospital is non-compliant with one or more of the requirements to make public a machine-readable file of standard charges for all items and services or is non-compliant with displaying shoppable services in a consumer-friendly manner, CMS may take compliance actions, which would generally but not necessarily be in the following order. We may provide a written warning notice to the hospital regarding the specific violation or request a corrective action plan from the hospital. And we may impose a civil monetary penalty on the hospital and publicize the penalty on the CMS website.

If the hospital fails to respond to CMS's request to submit a corrective action plan or comply with the requirements of the corrective action plan, CMS may impose a civil monetary penalty on a hospital not to exceed \$300 per day.

CMS may also issue subsequent notices of imposition of a CMP where an investigation reveals that there is continuing justification that results from the same instances of noncompliance.

The rule establishes an appeal process for hospitals to request a hearing before an Administrative Law Judge of the civil monetary penalty. The Administrator or CMS, at his or her discretion, may view in whole or part the ALJ's decision.

And our last polling question for the day, hospitals may apply for a hardship waiver or exception to meeting the hospital price transparency requirements. True or false? Hospitals may apply for a hardship waiver or exception to meeting the hospital price transparency requirements. Is the statement true or false?

Okay, give it just a few more seconds, well, poll is closed. And 33 percent of you indicated that this is a true statement, while 66 percent indicate they believe the statement to be false. And the correct answer is false.

The hospital price transparency final rule contains no provisions that address waivers or hardship exemptions. And irrespective of circumstances, CMS did not anticipate any delay in the effective date of the hospital price transparency final rule requirements for any hospitals with respect to which the regulation applies.

In the final rule, we took into consideration and agreed with commenters concerning or regarding burden with respect to the proposed January 1, 2020, effective date. Consequently, we finalized the policy to delay the



effective date 1 year to January 1, 2021. We believe this provided hospitals with sufficient time to collect and display the standard charge information as required under this rule.

And with that, I will turn the rest of the presentation over to Dr. Terri Postma. Thank you very much.

Hospital Price Transparency Resources

Dr. Terri Postma: Great, thank you so much, Rhonda. I'm Terri Postma, Medical Officer here at CMS. And I'd like to take this opportunity to go into a deeper dive into the resources that we posted earlier this year that are designed to help you prepare for the January 1 effective date.

You can find these resources by following the links that appear on this slide. And on this slide, you'll see a list of those key resources along with their links. They include 8 Steps to a Machine-Readable File. This resource really explains each of the required data elements of the comprehensive machine-readable file, and that includes all standard charges for all items and services that are provided by your hospital. It'll also help you understand each step, from identifying each hospital location with a list of standard charges all the way to posting your file prominently on your public website.

The document, 10 Steps to a Consumer-Friendly Display, talks about that second way that Rhonda referred to about displaying your standard charges, and it explains each of the required elements related to your consumer-friendly display of shoppable services. It walks you through how the definitions finalized in rulemaking that Rhonda went over relate to the display of shoppable services, along with the requirements for posting in a consumer-friendly format.

It also reviews the use of a price estimator tool that your hospital can choose to use as an alternative approach. In the Quick Reference Guide, this is really designed for you to use in conjunction with each of those step-by-step guides to help you determine if your hospital has met all their requirements. This simplistic look at all the elements together in one place is a quick way for you to double check the price transparency information you've gathered for posting.

And then, finally, we've compiled and posted answers to a real wide-ranging list of frequently asked questions that we've received through the hospital price transparency email box since the release of the final rule. The facts cover topics such as general rule provisions, public disclosure requirements, monitoring of compliance, and appeals of civil monetary penalties.

So, let's spend a little time looking at a couple of these documents in more detail. I'm going to start sharing my screen here. All right, so the eight steps, and I really hope that you can see it well on my screen, but if not, you can access the documents online at the links provided in the slide deck. Or I think it might also be in the handout tab for this webinar.

So, I'd suggest starting by putting together all the data that's necessary for this file, because these data are comprehensive and should help you when you're putting together your consumer-friendly display or displaying the information in the consumer-friendly fashion.



So, the opening of this document provides a high-level summary of the requirements; it iterates your hospital must post standard charges in the two ways that Rhonda described, a comprehensive machine-readable file, as well as a consumer-friendly display.

And this eight-step document is designed to address the first of those two ways, the machine-readable file. In the first of several steps, your hospital will identify the standard charges that it has established, the corresponding items and services to which the standard charges apply, and the hospital location to which the standard charge data applies. So that's the first several steps here.

Note that you're not required to post a separate file for each hospital location that's operating under the same hospital license, if one or more of those hospital locations are using a single set of standard charge information in the interest of reducing burden, then you'd only need to post one machine-readable file for all those locations.

If you do use one file for multiple locations, though, be sure that the hospital locations that correspond with the standard charges and the machine-readable file are clearly indicated in the file.

Also note that your hospital must carefully review and evaluate the items and services provided by your hospital and the corresponding standard charges that your hospital has established for them. Your hospital may have established standard charges for items and services that are time-based or unit-based, or your hospital may have negotiated payer-specific negotiated charge for a service package that includes treatment for complications or for follow-up care. So just be sure that when you're going through and thinking through these things, you're thinking about what standard charges your hospital has established, and what items and services are represented by that standard charge.

And so here we give several examples based on some of the inquiries we've received.

The eight steps document then goes on. I'm not going to go through these because Rhonda did a great job reviewing the definitions. The eight steps document then goes on at this point to provide several examples of how your hospital may have established standard charges for certain items and services. But again, you'll have to review and determine for yourself what standard charges your hospital has established, and for what items and services those charges apply.

So, for example, your hospital may have established a payer-specific negotiated charge for a service package. And, as we indicated in the rule, the definition of items and services gives your hospital the flexibility to display the standard charges for service packages your hospital has established in a way that's unique to each of your payer-specific contracts.

For example, if your hospital has negotiated with a third-party payer on a per-diem basis, or it may have negotiated for a service package identified by procedure.

Note that when you list a service package and the standard charge you have established for the rule does not require or expect your hospital to list each and every individual item or service that could be included as part of the service package. Instead, as we said in the rule, you should list the payer-specific negotiated charge and its associated service package as a single line item on the machine-readable file.



For example, if your hospital negotiated a base rate for a procedure, for example, you know joint replacement, then you would indicate the amount of the payer-specific negotiated charge that is the base rate and the corresponding description of the service package. For example, your description might be joint replacement on a single roll of the comprehensive machine-readable file.

Also note that even though you're not required to list each and every individual item or service that could be included as part of the service package, such items and services must be listed separately when your hospital has established a standard charge for them individually.

So, for example, you may have established a gross charge for those individual items and services. Or, for example, in negotiating with payers, you may have established a payer-specific negotiated charge represented by a base rate for a procedure and a separate payer-specific negotiated charge for something related to that procedure.

So, one of the questions we got for example was, will we have a base rate negotiated for joint replacement, but then we've also separately negotiated that we will charge 50 percent of the gross charge for the implant using that surgery.

In that case, you might list the base rate with the description of joint replacement on one line, and the payer-specific negotiated charge that you've negotiated for the implant on a separate line of the machine-readable file.

Finally, please note that the hospital price transparency rule does not require hospitals to undergo complicated calculations. It doesn't require for example, calculation of past reimbursement rate averages, or other calculations based on claims that have been previously submitted. Rhonda went over this a little bit in one of the polling questions.

However, I'd like to note that you are of course free to include any additional information you'd like to share with the public or that you think is necessary to improve your price transparency efforts.

In these last several steps of this document, you'll post your comprehensive machine-readable file online. First, you'll select the file format for posting—you have some discretion to determine the file format, but it must be machine readable as defined by the final rule. Next, you'll name your file according to the CMS specified naming convention that also was finalized in the rule. And then, finally, you'll post the file prominently on a public website.

The file must be posted in such a way that it's freely available to the public and does not require the public to submit personal identifying information to access it. And again, we're talking about the machine-readable file, we're not talking about the second way that you'll post your standard charges, which is the consumer-friendly display, or the alternative, the price estimator tool.

Also, you can use the hospital price transparency checklist that we made available online to double check your file. And also remember that this file, along with the shoppable services file, has to be updated at least annually.



All right let's take a quick look at these 10 steps to making public standard charges for shoppable services. This is the second way that your hospital is required to make public and standard charges. And the opening of this document starts out in the same similar manner to the eight steps document by providing a high-level summary of the requirements. It reiterates that your hospital is required to post standard charges in these two ways, the comprehensive machine-readable file and a consumer-friendly display.

This 10 steps document focuses on the second of the two ways. Now I'm looking at this document, I just wanted to highlight in the document itself highlights in this box. So, before you even start to begin developing your consumer-friendly display according to the requirements of the rule, you should stop and determine if your hospital already has an online price estimator tool. If it does, you should determine if it meets the requirements to be used as an alternative to the consumer-friendly display requirements.

I'm not going to go over these because Rhonda did a good job already of doing that. The price estimator tool needs to meet these three requirements.

I'd also like to reemphasize here that offering a price estimator tool can satisfy the requirement to post shoppable service information in a consumer-friendly format, but it does not satisfy the requirement to display standard charges on a comprehensive machine-readable file. In other words, this price estimator tool can satisfy the second of the two ways that your hospital is required to post its charges. But it doesn't supplant the requirement to post the comprehensive machine-readable file.

Also, we've gotten questions about disclaimers for price estimator tools. So, I just wanted to address that quickly. Because each patient population is unique, CMS has not developed disclaimer language. However, the final rule does give hospitals a great deal of flexibility to add information, including disclaimers, to your display of standard charges.

In fact, in the final rule, we encourage you to consider including notifications related to availability of financial aid, multiple procedure discounts, payment plans, assistance for enrolling in Medicaid or state programs, indicators of quality of care that your hospitals earned, or making the information available in a language other than English.

We also encourage you to really think through very proactively how to make this information the most consumer-friendly you can, and because you're really the ones that understand your patient populations the best.

We've also gotten a number of questions about price estimator tool vendors. We did not have available – we do not have available a list of vendors or vendor products for you. However, I would recommend that before purchasing a price estimator tool or working with an outside consultant, that you do your due diligence and ensure that whatever product you're purchasing, you have certainty it will meet the requirements of this rule.

Moving through this 10 steps document, we review the requirements for posting your standard charges for shoppable services along with the standard charges for the ancillary services your hospital typically provides. I'm not going to read this to you because you can read it for yourselves.



We do remind you here of the definitions so that you can determine and identify the shoppable and ancillary services that are provided by your hospital.

We re-review in this document the four types of standard charges that Rhonda talked about earlier, that have to be included. We provide guidance for posting the 70 CMS-specified shoppable services. We list them all out for you here.

Remember that if the code is not a code that you use for the specified shoppable services, you are welcome to crosswalk that code to one that you do use for that service.

We provide guidance in step three for how to select additional shoppable services for a total of 300. And then the document takes a deeper dive into ancillary services with examples, not requirements, of simple formats your hospital could use to post the information.

OK. And then the next several steps walk through how to ensure you have included all the data elements required by the rule and to ensure that the information is posted prominently on a publicly available website. And that it is accessible.

The document closes with recommendations to double check that you posted the information required by the rule and a reminder to update the information at least annually.

All right, in the interest of time, here's a look at the checklist. I encourage you to go through and look at this yourself. We've got checklists for each of the requirements. Questions that if you can answer them, check them off, it will help you determine if you've met the rule requirements. Okay.

And then finally, a pretty extensive frequently asked questions document; again, this is based off many of the inquiries that we've received since publication of the final rule, and we have taken great pains to get those answers for you to help you come into compliance starting January 1st. All right, finally, before we move to the Q&A session, let me just stop sharing my screen.

All right. All right, just quickly before we move on to the Q&A session in these last few minutes, I'd like to close this portion of our conversation by encouraging you to embrace a patient-centered approach to care in all forms, which includes providing consumer-friendly resources related to the cost of care.

As we noted in the final rule, research shows that transparency and pricing can be a win-win for both patients and for hospitals. We're all familiar with many surveys that show that more and more patients are desiring and are demanding price transparency and openness.

One study we mentioned in a rule suggested that improving a patient's financial experience would serve as the biggest driver for improving patient satisfaction. Not only that, but health care providers that have been early adopters of price transparency report that providing price estimates to patients ahead of a health care service results in fewer billing-related complaints, decreases revenue loss for the provider, and overall increases patient satisfaction with their care.

Moderator, I think we'd like to move to the Q&A portion of the call now.



Leah Nguyen: Thank you, Dr. Postma. Our experts will now take your questions about hospital price transparency, please submit your questions through the webcast platform or email them to us at the address listed on the resources slide at the end of the presentation.

At this time, I will turn the webcast back over to Dr. Postma for the Q&A session.

Question & Answer Session

Dr. Terri Postma: All right, thank you, Leah. Let's see. Team, do we have any Q&A we want to go over right now?

Heather Grimsley: Sure. Let me get started. The first one we received. Some of the hospital items or services we offer do not have an associated HCPCS or CPT code. Are we still required to list such services? And what should we indicate next to the item or service?

The answer to that question is yes, the hospital price transparency rule does require hospitals to disclose the standard charges for each item or service it provides for which the hospital has established a standard charge, and it must be listed regardless of whether or not the required corresponding data elements are available.

So, the common billing and accounting codes must be included when they're applicable. But if there is an item or service that does not have a corresponding payment or diagnosis code associated with it, it is acceptable to leave the information blank. We do have Table 1 in the final rule that has an example of a display of gross charges, which includes this type of scenario.

Dr. Terri Postma: Great, thank you, Heather. I have a question here regarding the current price transparency rules that went into effect January 1, 2019. If you'll recall, through guidance, CMS published requirements that hospitals make public their chargemasters online in a machine-readable format that went into effect January 1, 2019. And the question is, can this information be removed from the hospital's website and replaced by the hospital price transparency rule? And the answer to that is yes.

Okay, next question here has to do with any extensions to the effective date? And the answer to that is no. Rhonda went over that earlier. Let's see. Heather, do you have another question there?

Heather Grimsley: Sure. What is a base rate per service package? So, to answer that question, the base rate is the payer-specific charge that the hospital has negotiated for a service package. Base rates are typically not found in the hospital chargemaster but can be found in other parts of the hospital billing and accounting systems, what are known as rate sheets found in the hospital in-network contracts with their third-party payers.

So, the base rate is not the final payment or reimbursement rate for the service package received by the hospital for individual patients.

Dr. Terri Postma: Okay, I have another one here. When listing charges are hospitals required to list the HCPCS or CPT codes. One of the data elements that is required is a common billing code for example,

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HCPCS or CPT codes, but as applicable. So, if HCPCS or CPT codes are applicable, then you would list them or you could list other common billing codes, or N/A, if there are no applicable codes.

Okay. Heather, do you have another one?

Heather Grimsley: Sure. I have a question about compliance if a hospital is not compliant. So, CMS does have the authority through the Section 2718 of the Public Health Service Act, to evaluate complaints that we receive from individuals or entities, as well as reviewing individuals' or entities' analysis of noncompliance, and conducting audits of hospitals' websites, and if we conclude that a hospital is not compliant with one or more of the requirements, then we will request a corrective action plan. And if a noncompliance continues, then we may assess a civil monetary penalty, not in excess of \$300 per day, and would also publicize the penalty on the CMS website.

Dr. Terri Postma: Great, thank you, Heather. All right, I have a question here. Will CMS aggregate the locations or websites where hospital machine-readable files can be located? No, CMS does not currently have plans to do that. We talked about that a little bit in the rule and sought comment on that. However, ultimately, we determined not to make that part of the final policy.

All right, another one is do you have to post the payer-specific negotiated rate if your hospital has a price estimator tool that shows the patient's out-of-pocket cost? So, this is a two-parter, because remember, there are two ways that you must post your standard charges.

One of the ways is in the comprehensive machine-readable file. So, in that file, one of the standard charges that you're required to post is the payer-specific negotiated charge for the items and services provided by your hospital. So, the answer to the first part of the question is that, yes, you're still going to have to post your payer-specific negotiated charges in the machine-readable file.

If you choose to use the price estimator tool in lieu of the shoppable services displayed in a consumer-friendly manner, if you choose to use that as the way that you're posting the shoppable services, then that price estimator tool would only have to meet the three requirements that are listed. And if you need a refresher on what those are, you can go back to those documents that I mentioned. But those would be the ability to provide an estimate for as many of the 70 CMS-specified shoppable services that are provided by the hospital and as many additional hospital-selected shoppable services as is necessary for a combined total of at least 300.

Your tools should allow health care consumers to at the time they use the tool obtain an estimate of the amount they will be obligated to pay the hospital for the shoppable service. There's no requirement in the shoppable or sorry, in the price estimator tool. for you to include the payer-specific negotiated charge within that tool. Okay.

Heather, do you have another one on deck?

Heather Grimsley: Sure. Can hospitals provide additional consumer-friendly resources? And I know Terri touched on this a few times. Yes, hospitals are encouraged to embrace a patient-centered approach to care, including providing consumer-friendly resources related to cost of care that will empower patients with pricing

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information to help them make health care decisions that work best for them. So absolutely additional information, especially consumer-friendly resources, are encouraged.

Dr. Terri Postma: Thanks. Okay, I have a couple of questions that are related to the definition of hospital items and services. One is asking about which professional services are covered. And one of them is talking about outpatient services provided by the hospital.

So, I would just encourage you to review and maybe you've had your answer already, because of our review of the definition of hospital items and services, which include but are not limited – well, first of all, the hospital items services means all items and services that a hospital provides, which could be provided by a hospital to a patient in connection with an inpatient admission, or an outpatient department visit for which your hospital has established a charge.

And then examples of those things are supplies and procedures, room and board, facility fees, or – and services have employed physicians and employed non-physician practitioners that are generally reflected as professional charges and any other items and services that your hospital has established as a standard charge. So, I think that answers both of those questions.

Okay. We have a question about whether this rule applies to hospitals located in Maryland? And the answer to that is yes. These rules apply to all hospitals operating in the United States. However, I would note that your hospital is required to post this information and these data elements as applicable. So, I think you're asking this question because of the way that the Maryland Commission sets third-party payer rates essentially for hospitals. Hospitals that are in Maryland generally, as we understand it, do not negotiate their rates with third-party payers as defined in the rule.

So, I think I would suggest that you look at the definitions and look at the various ways the hospitals are establishing their standard charges and determine which data elements and which information as applicable is required for Maryland hospitals to post.

Leah Nguyen: Thank you, Dr. Postma. Looks like that's all the time we have for questions today. At the end of the presentation, you'll find a link to evaluate today's webcast. Evaluations are anonymous, confidential, and voluntary. We hope you'll take a few moments to evaluate your experience. An audio recording and transcript will be available in about 2 weeks at go.cms.gov/mln-events.

I'd like to thank our speakers and all participants who joined us for today's Medicare Learning Network event on Hospital Price Transparency. Have a great day, everyone.

Operator: This concludes today's call. Presenters, please hold.