
Price Transparency – Requirements, Outcomes, and Using the Data

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Background



- Requirement of the Affordable Care Act
- Effective January 1, 2019
- Requirement: hospitals must post standard charges for all items and services on a public-facing website in a machine-readable format
 - Applies to all hospitals, including critical access, inpatient rehab, and inpatient psych
 - Revenue codes and charge codes not required
 - Concern regarding use of CPT/HCPCS codes (AMA copyright)
- Subsection (d) hospitals (those paid under IPPS) also required to publish charges by DRG

Executive Order Issued June 24, 2019

Order Expands Transparency

**Goal: Reduce Cost of Care by Increasing Price
Competition**



Requirements: Part 1



- Compliance required January 1, 2021
- Requires charge data to be posted in a single machine-readable file
 - No barriers to access
 - Free of charge, no account or password required
 - No PHI required to access
 - Individual charge level – both actual charge and payer-negotiated charge
 - Five types of “standard charges”
 - Updated at least annually and show date of last update on file
 - Required of each hospital location if there is a different set of standard charges
 - Information not expected to be used by consumers, but rather by employers, other providers, and tool developers

- Displaying shoppable services
 - Standard charges for at least 300 shoppable services or bundles
 - Includes the five types of standard charges
 - Defined as a service that can be scheduled by a health care consumer in advance
 - Services selected for display should be those commonly provided to that hospital's patients
 - 70 bundles identified by CMS – provider must have total of at least 300 even if not all 70 are offered at facility
 - Easily searchable and consumer-friendly
- No barriers to access
- Information updated at least annually

- Providers deemed to meet this requirement if it maintains an Internet-based price estimator tool
 - Must include estimates for any of the 70 identified services as are provided by the hospital plus additional services to total at least 300 shoppable services
 - Estimator would allow consumer to determine what **they will be expected to pay for the service**
 - Prominently displayed on hospital website
 - Without barriers to access such as a fee, registration or establishing user account
- Providers still required to post machine-readable file tied to chargemaster detailing “standard charges”

“Identified” Errors in the Data



- Failure to provide payer-specific rates
- Posting payer names but no rates
- Unclear if professional fees were included
- Use of estimates, averages, medians
- Use of rates based on historical payments
- Failure to update the data
- Discrepancy in prices between the machine-readable file and shoppable services
- Failure to include applicable billing codes
- Difficulty to access – multiple clicks
- Posting payer names but no plan names

- Rule requires that each of the rates is clearly presented with the name of the third-party payer and the plan with which it is associated
 - Example –
 - Insurer has multiple distinct plans –
 - Private plan HMO
 - Private plan PPO
 - Medicare Advantage plan
 - Medicaid managed care plan
- Reporting of rates that could be based on varying units without clear descriptions (per day vs. per case, per CPT line item vs. per bundled service etc.)

Using the Data - Compliance



Penalty for Non-compliance



Noncompliance for CMPs Assessed in CY 2022 and Subsequent Years.

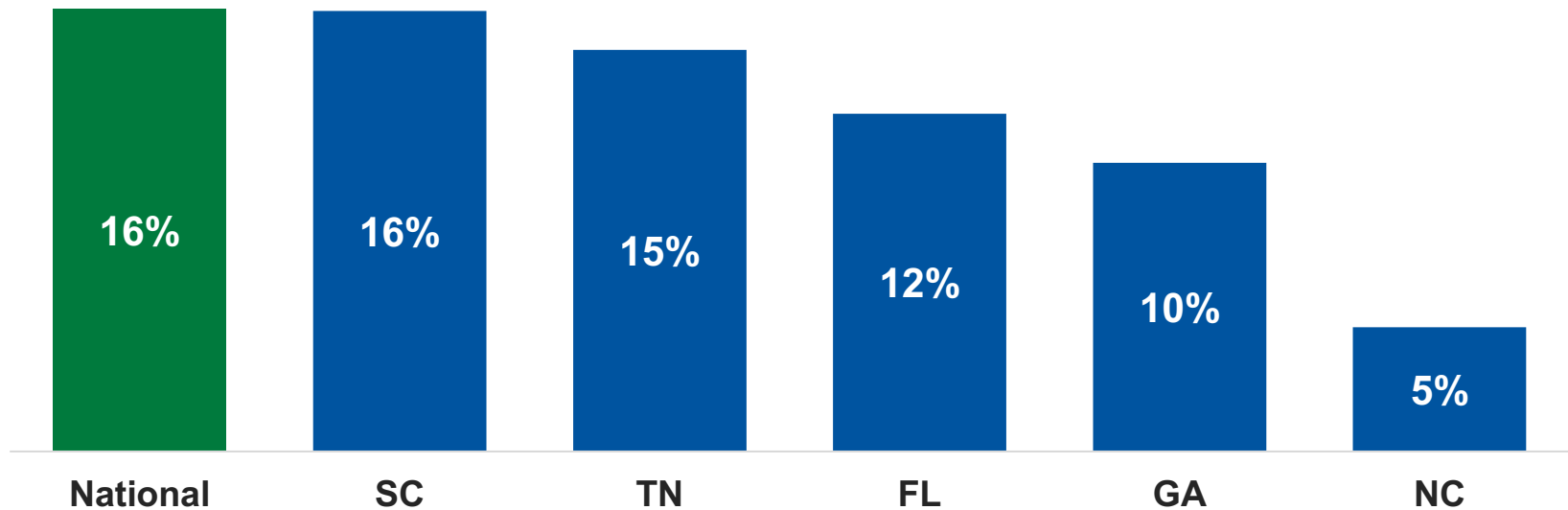
Number of Beds	Penalty Applied Per Day	Total Penalty Amount for full Calendar Year of Noncompliance
30 or less	\$300 per hospital	\$109,500 per hospital
31 up to 550	\$310 - \$5,500 per hospital (number of beds times \$10)	\$113,150 - \$2,007,500 per hospital
>550	\$5,500 per hospital	\$2,007,500 per hospital

Note: In subsequent years, amounts adjusted according to 45 CFR 180.90(c)(3).

And the Data As Reported Show -



Percent of Hospitals NOT Posting Plan Name*



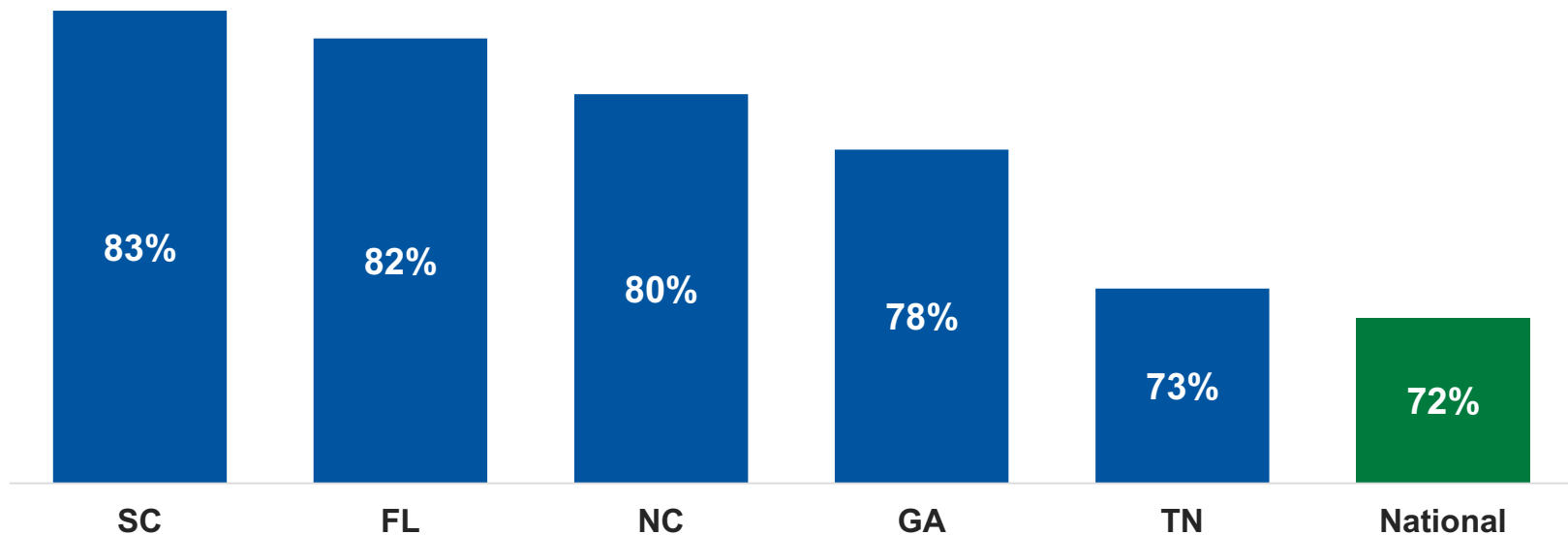
Data source: Turquoise Health Co.

*As of June 2022

And the Data As Reported Show -



Percent of Hospitals Posting Price Transparency Data Nationally*



Data source: Turquoise Health Co.

*Approx. 4,550 hospitals have posted nationally as of June 2022

- Semi-Annual Hospital Price Transparency Compliance Report – February 2022
- Errors identified –
 - Number of insurance plans includes less than those listed on hospital's website
 - Issue of personally identifiable information
 - Use of price ranges
 - Use of blank fields or N/A: NOT ERRORS

The No Surprises Act: Good Faith Estimates



Good Faith Estimate



- Any provider furnishing healthcare services to self-pay patient
 - Self-pay patient requests GFE (i.e., “any discussion or inquiry regarding potential costs of items or services under consideration”)
 - Services scheduled at least 3 business days in advance for self-pay patient (regardless of request for pricing information)
- GFE applies to “healthcare facilities” and “healthcare providers”
 - State-licensed institutions such as hospitals, ASCs, RHCs, FQHCs, laboratories, imaging centers
 - Physician or other healthcare provider who is acting within scope of practice of that provider’s state-issued license or certification (including air ambulance provider)

Convening Provider and Co-provider



- Who is who?
 - Convening provider = scheduling provider
 - Co-provider = furnishes services directly related to primary service
- Through 2022, include all items and services for which provider bills (including purchased services)
- Self-pay rates
 - List charges inclusive of discounts (even if 100% discount)
- Beginning January 1, 2023, what is the consequence of –
 - How will co-providers view charges for convening provider?
 - Opportunity to re-evaluate self-pay rates, chargemaster?

Using the Data – Price and Rate Analysis



It is imperative that the current FFS payment systems be managed carefully and continuously improved. Medicare is likely to continue using its current FFS payment systems for some years into the future. This fact alone makes unit prices—their overall level, the relative prices of different services within a sector, and the relative prices of the same service across sectors—of critical importance. Constraining unit price increases can induce providers to control their own costs and to be more receptive to new payment methods and delivery system reforms.

March Report to Congress 2022

Some states (Hawaii, Arkansas, and Washington) had relative prices below 175 percent of Medicare prices, while other states (Florida, West Virginia, and South Carolina) had relative prices that were at or above 310 percent of Medicare prices.

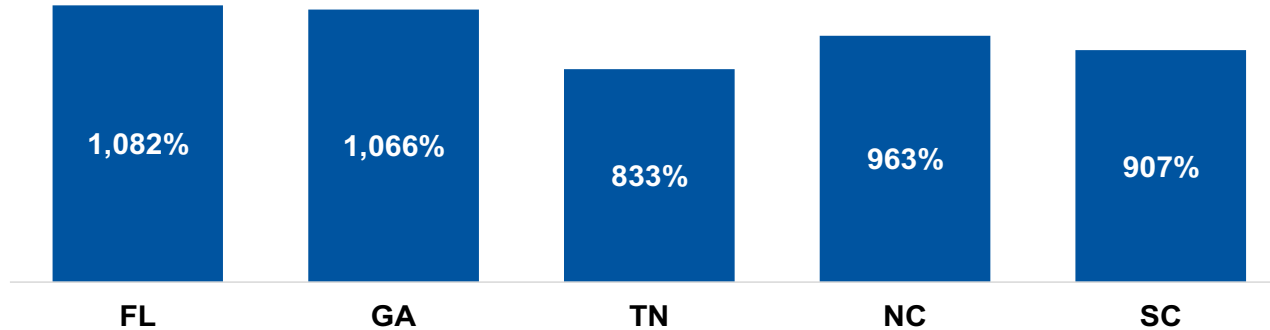
In 2020, across all hospital inpatient and outpatient services (including both facility and related professional charges), employers and private insurers paid 224 percent of what Medicare would have paid for the same services at the same facilities.

Prices Paid to Hospitals by Private Health Plans, 5/17/22

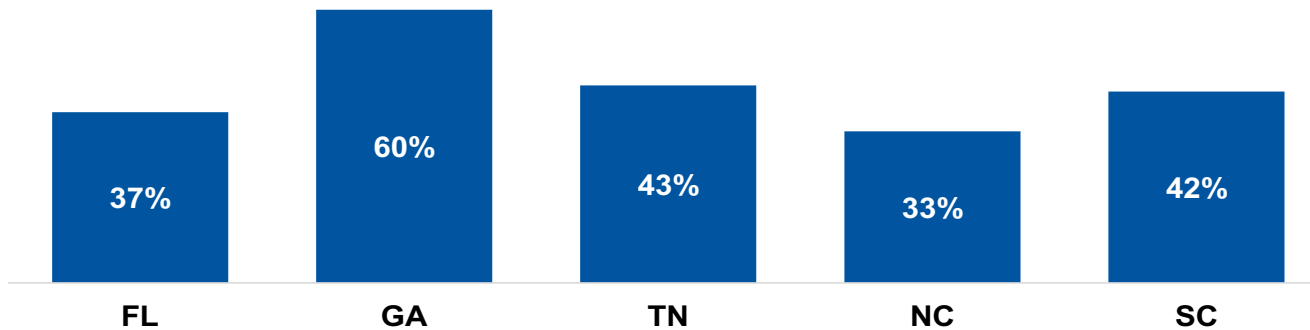
And the Data Show



Average Negotiated Commercial Rate as a % of Medicare CT Scan of the Head/Brain without Contrast (70450)



Average Negotiated Commercial Rate as a % of Billed Charges CT Scan of the Head/Brain without Contrast (70450)



Data source: Turquoise Health Co.

**As of June 2022*

Price Analysis



- Show how prices (billed charges) vary across markets
- Billed charges by state:

CT Scan of the Head/Brain without Contrast (70450)

State	Low	High	Median	Average
FL	\$155	\$19,209	\$2,934	\$3,006
NC	\$579	\$5,109	\$2,135	\$2,961
SC	\$450	\$8,188	\$2,210	\$2,208
TN	\$337	\$6,300	\$2,401	\$1,884
GA	\$272	\$5,389	\$1,813	\$1,794

EKG 12-lead (93005)

State	Low	High	Median	Average
NC	\$50	\$10,655	\$460	\$1,393
SC	\$97	\$4,722	\$460	\$707
FL	\$13	\$31,567	\$480	\$676
TN	\$112	\$1,917	\$366	\$443
GA	\$91	\$41,730	\$230	\$414

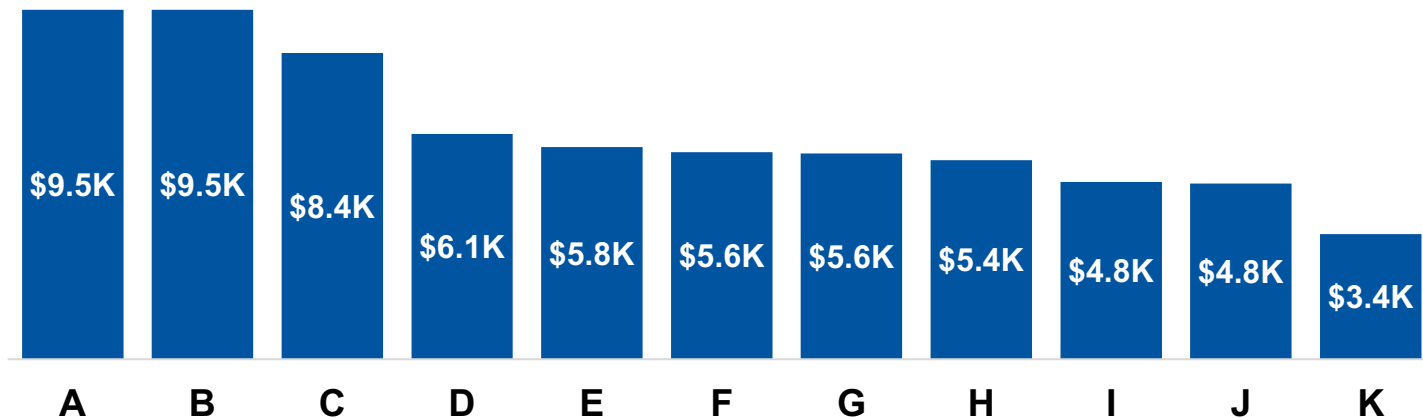
Data source: Turquoise Health Co.

*As of June 2022

- Show how prices vary within a hospital or across a single system

Average Billed Charge by Facility within a system

CT Scan of the Head/Brain without Contrast (70450)



- Allow for the identification of lower-priced providers
 - Good faith estimate for self-pay “shoppers”
 - GoodBill, as reported in *Crain’s Detroit Business*
 - Initially COVID tests only
 - Allows consumers to compare prices
 - How far will patients drive for the best medical care prices

Hospital Billed Charges Histogram (Charlotte)

CT Scan of the Head/Brain without Contrast (70450)



- National Alliance for Healthcare Purchaser Coalitions
 - Getting to Fair Price: A Playbook for Employers/Purchasers and Regional Business Coalitions on Health
 - Understanding of how to use the latest hospital price transparency tools
 - Insight into employer fiduciary rights and responsibilities
 - Actionable market- and policy-based strategies to drive value-based care
 - A few thoughts –
 - The 2019 median US commercial breakeven point is 127 percent of Medicare
 - 10-20 percent is a reasonable markup from the Medicare price
- It is imperative that your hospital's prices are realistic for your market
 - Prices will be in the public domain more than ever

- Show the comparison of negotiated commercial rates as published in urban vs. rural areas
 - Question of financial pressures on rural areas

Reported negotiated rates by state for Pneumonia (DRG 195)

State	Average		
	Urban	Rural	Rural/Urban
FL	\$10,200	\$9,934	97%
GA	\$10,019	\$8,581	86%
NC	\$8,513	\$8,274	97%
SC	\$11,235	\$10,392	93%
TN	\$9,281	\$8,087	87%

State	Median		
	Urban	Rural	Rural/Urban
FL	\$9,580	\$5,305	55%
GA	\$9,777	\$8,082	83%
NC	\$7,929	\$7,174	90%
SC	\$11,652	\$10,340	89%
TN	\$8,695	\$6,841	79%

**As of June 2022*

- Show how negotiated rates vary across markets
 - Data could be used by plans or providers in future negotiations
 - Use in Independent Dispute Resolution process

Negotiated rates by state for Pneumonia (DRG 195)¹

State	Minimum	Maximum	Average
FL	\$4,030	\$18,469	\$10,239
SC	\$4,195	\$15,859	\$9,995
GA	\$4,047	\$15,746	\$8,693
NC	\$3,711	\$18,536	\$8,533
TN	\$3,690	\$16,979	\$7,571

¹Filtered for commercial payers

Data source: Turquoise Health Co.

**As of June 2022*

Rate Analysis – Florida



Shoppable Service

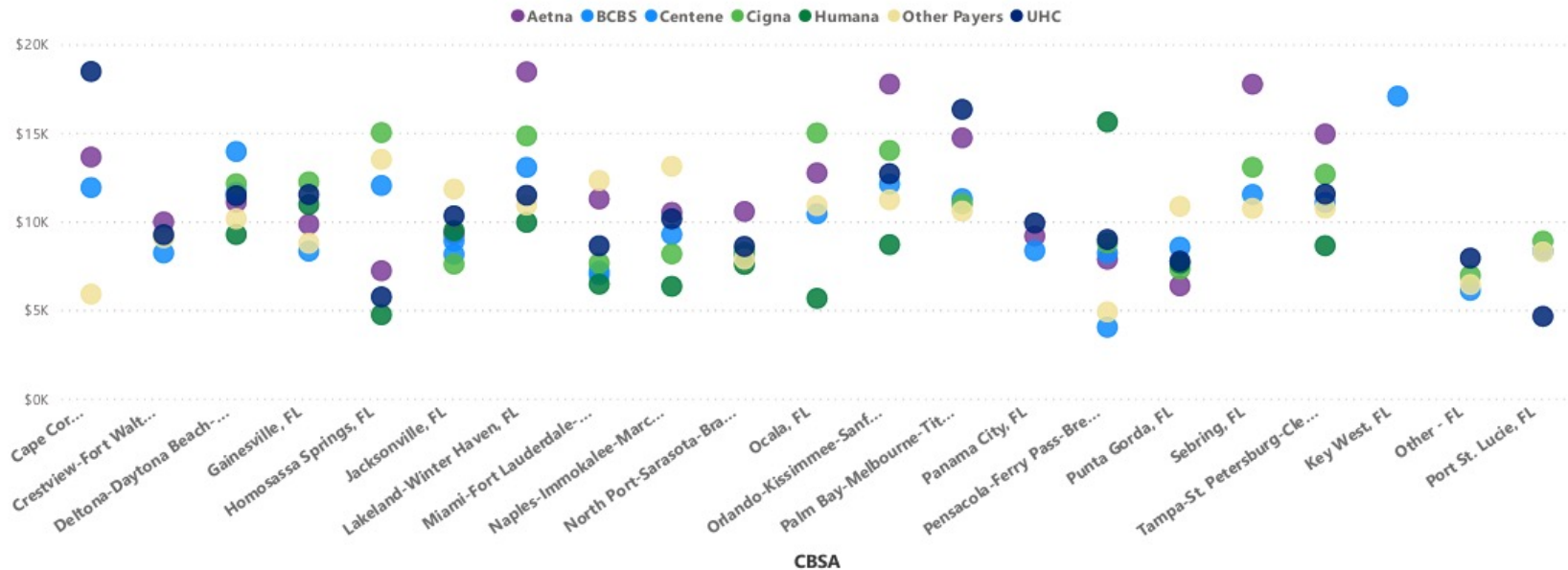
195 - SIMPLE PNEUMONIA AND PLEURISY WITHOUT CC/MCC

Negotiated Rate:

Minimum Maximum Average
\$4,030 \$18,469 \$10,239

State: Payer Name: Code Type:
 Service: Confidence Interval:

Shoppable Service Summary (Negotiated Rate)



Data source: Turquoise Health Co.

*As of June 2022

Rate Analysis – Georgia



Shoppable Service

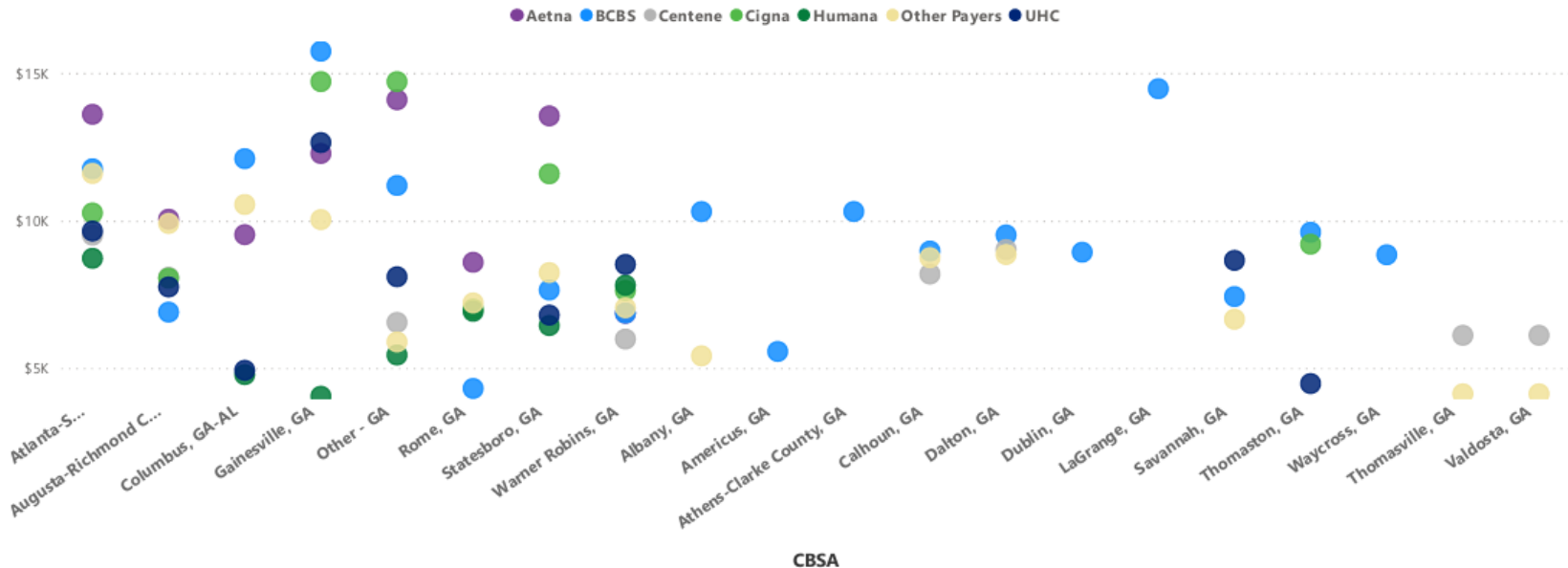
195 - SIMPLE PNEUMONIA AND PLEURISY WITHOUT CC/MCC

Negotiated Rate:

Minimum	Maximum	Average
\$4,047	\$15,746	\$8,693

State: Payer Name: Code Type:
 Service: Confidence Interval:

Shoppable Service Summary (Negotiated Rate)



Data source: Turquoise Health Co.

*As of June 2022

Rate Analysis – North Carolina



Shoppable Service

195 - SIMPLE PNEUMONIA AND PLEURISY WITHOUT CC/MCC

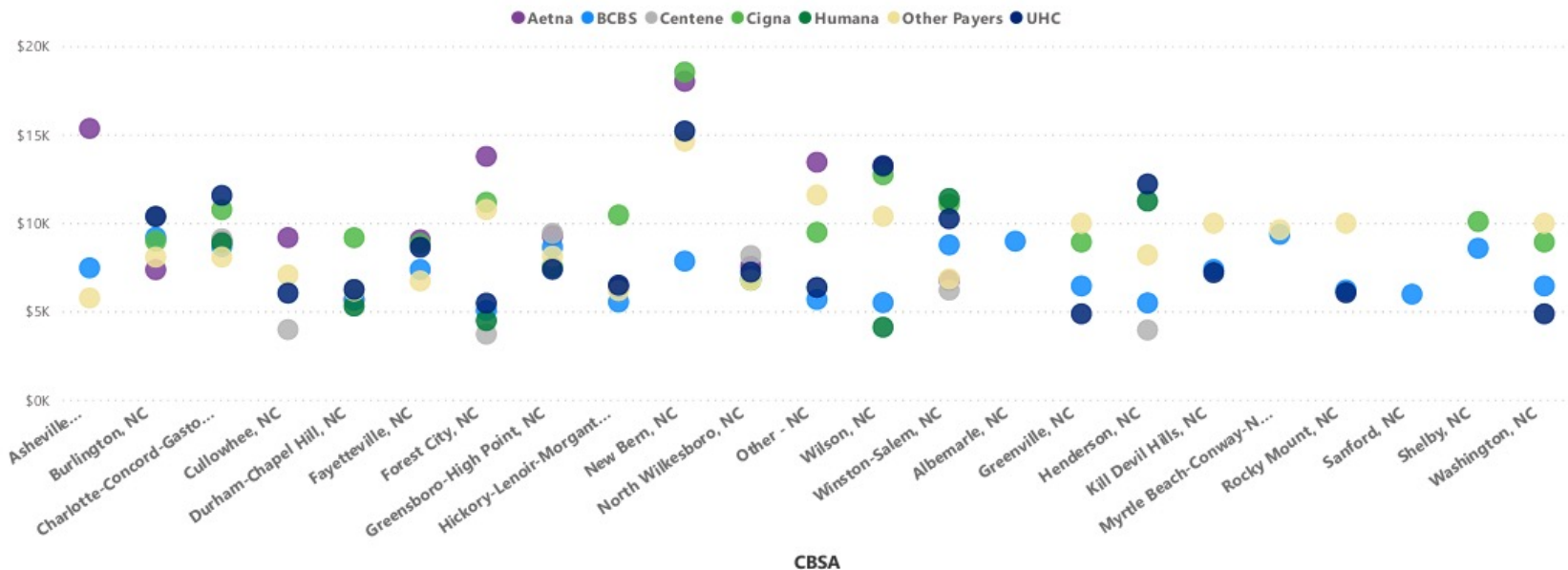
Negotiated Rate:

Minimum	Maximum	Average
\$3,711	\$18,536	\$8,533

State:
 Payer Name:
 Code Type:

Service:
 Confidence Interval: -

Shoppable Service Summary (Negotiated Rate)



Data source: Turquoise Health Co.

*As of June 2022

Rate Analysis – South Carolina



Shoppable Service

195 - SIMPLE PNEUMONIA AND PLEURISY WITHOUT CC/MCC

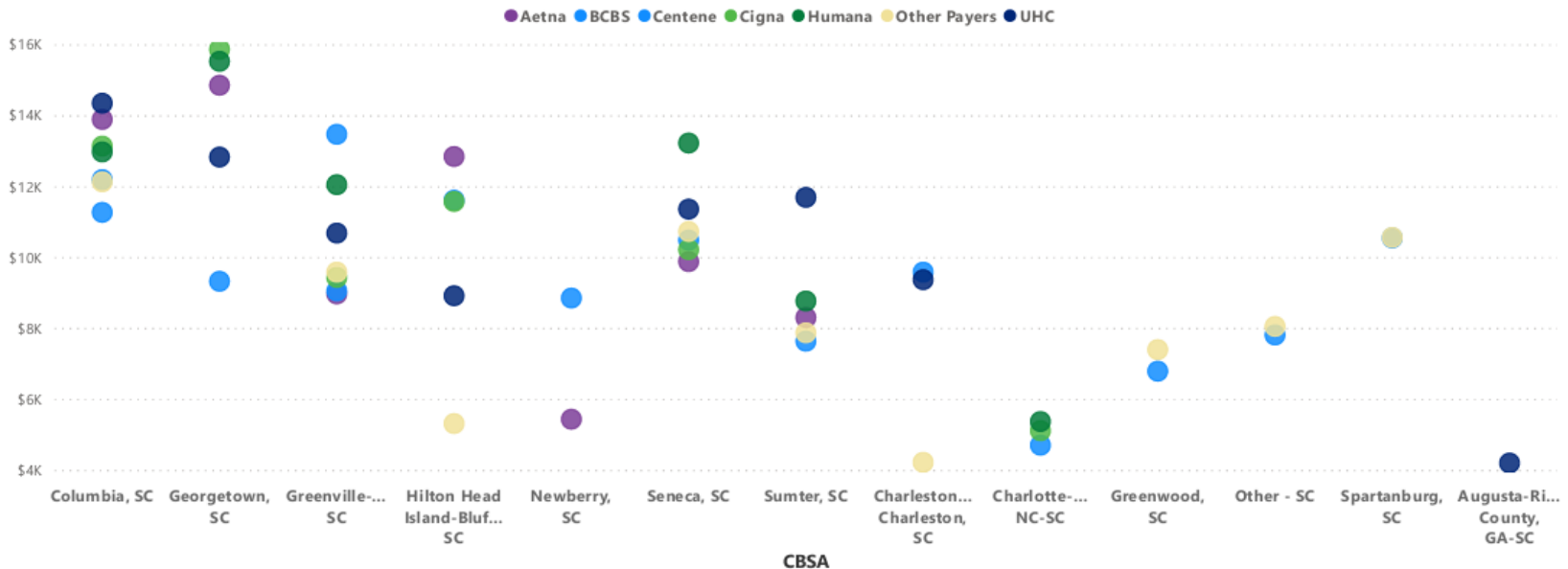
Negotiated Rate:

Minimum	Maximum	Average
\$4,195	\$15,859	\$9,995

State:
 Payer Name:
 Code Type:

Service:
 Confidence Interval:

Shoppable Service Summary (Negotiated Rate)



Data source: Turquoise Health Co.

*As of June 2022

Rate Analysis – Tennessee



Shoppable Service

195 - SIMPLE PNEUMONIA AND PLEURISY WITHOUT CC/MCC

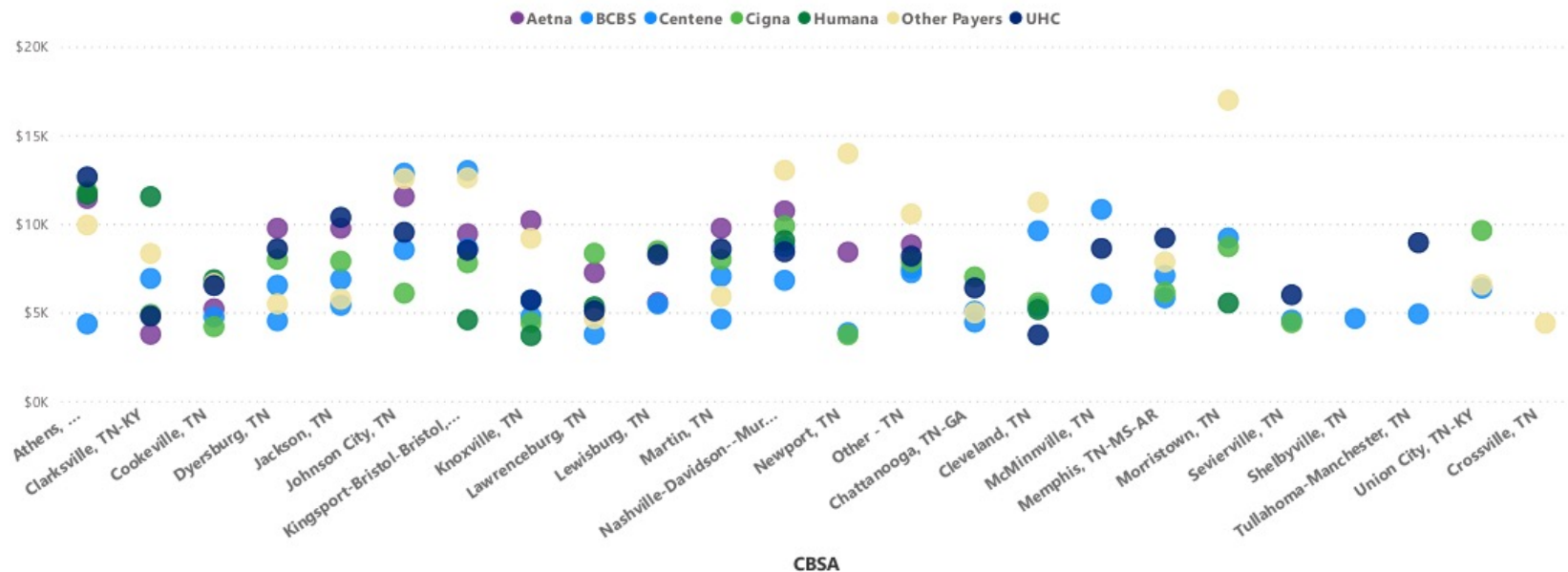
Negotiated Rate:

Minimum	Maximum	Average
\$3,690	\$16,979	\$7,571

State:
 Payer Name:
 Code Type:

Service:
 Confidence Interval: -

Shoppable Service Summary (Negotiated Rate)



Data source: Turquoise Health Co.

*As of June 2022

Rate Analysis – Florida



Shoppable Service

195 - SIMPLE PNEUMONIA AND PLEURISY WITHOUT CC/MCC

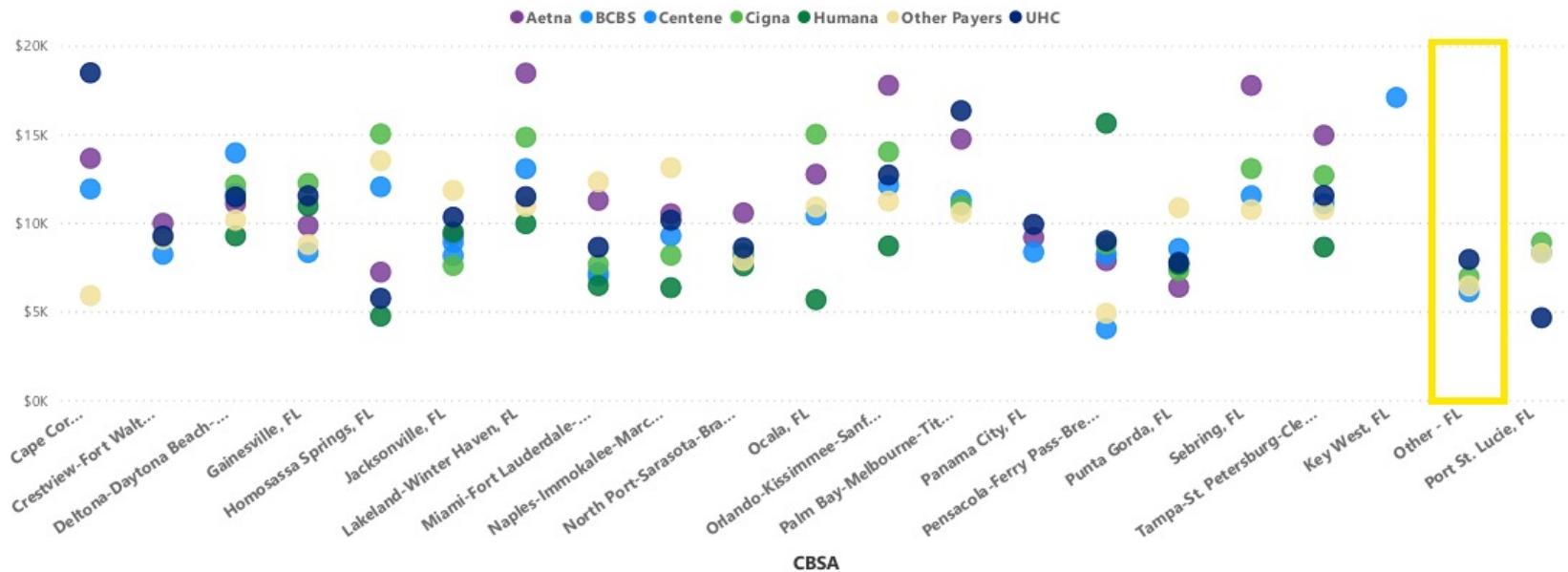
Negotiated Rate:

Minimum	Maximum	Average
\$4,030	\$18,469	\$10,239

State:
 Payer Name:
 Code Type:

Service:
 Confidence Interval: to

Shoppable Service Summary (Negotiated Rate)



Data source: Turquoise Health Co.

*As of June 2022

Rate Analysis – Georgia



Shoppable Service

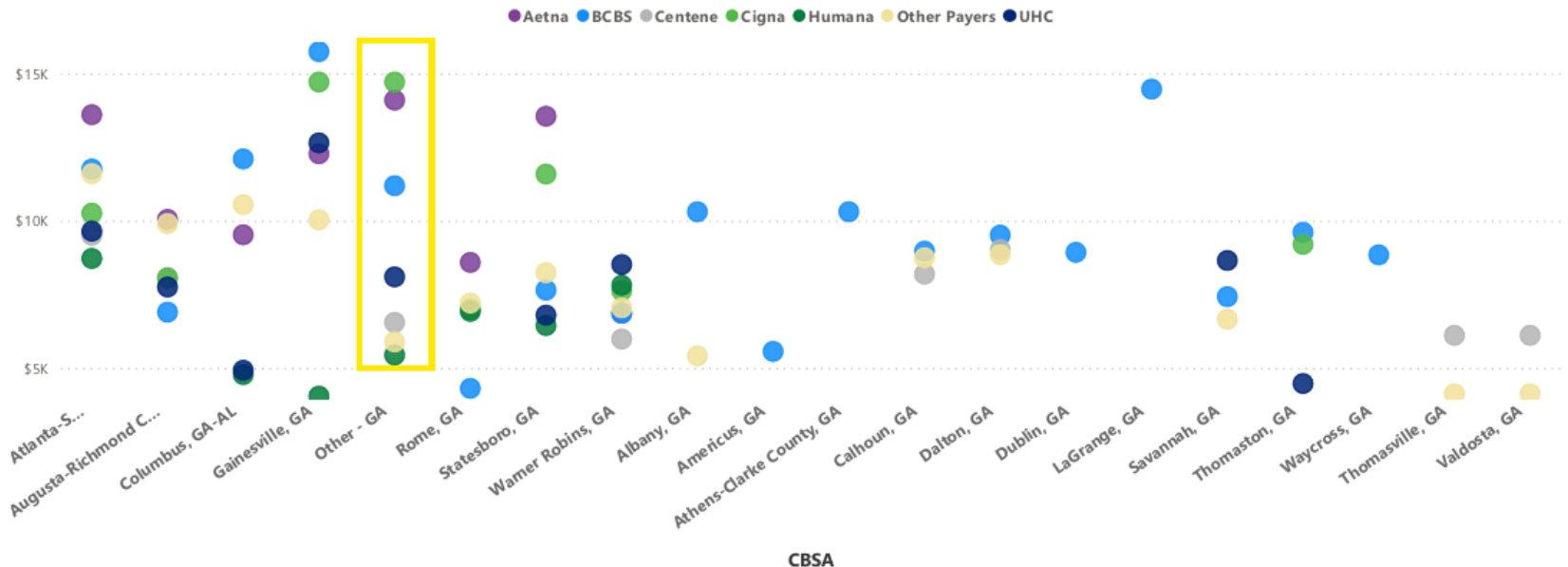
195 - SIMPLE PNEUMONIA AND PLEURISY WITHOUT CC/MCC

Negotiated Rate:

Minimum	Maximum	Average
\$4,047	\$15,746	\$8,693

State: Georgia | Payer Name: All | Code Type: All
 Service: SIMPLE PNEUMONIA AND PLEURISY WITHOUT CC/MCC | Confidence Interval: 0 - 85

Shoppable Service Summary (Negotiated Rate)



Data source: Turquoise Health Co.

*As of June 2022

Rate Analysis – North Carolina



Shoppable Service

195 - SIMPLE PNEUMONIA AND PLEURISY WITHOUT CC/MCC

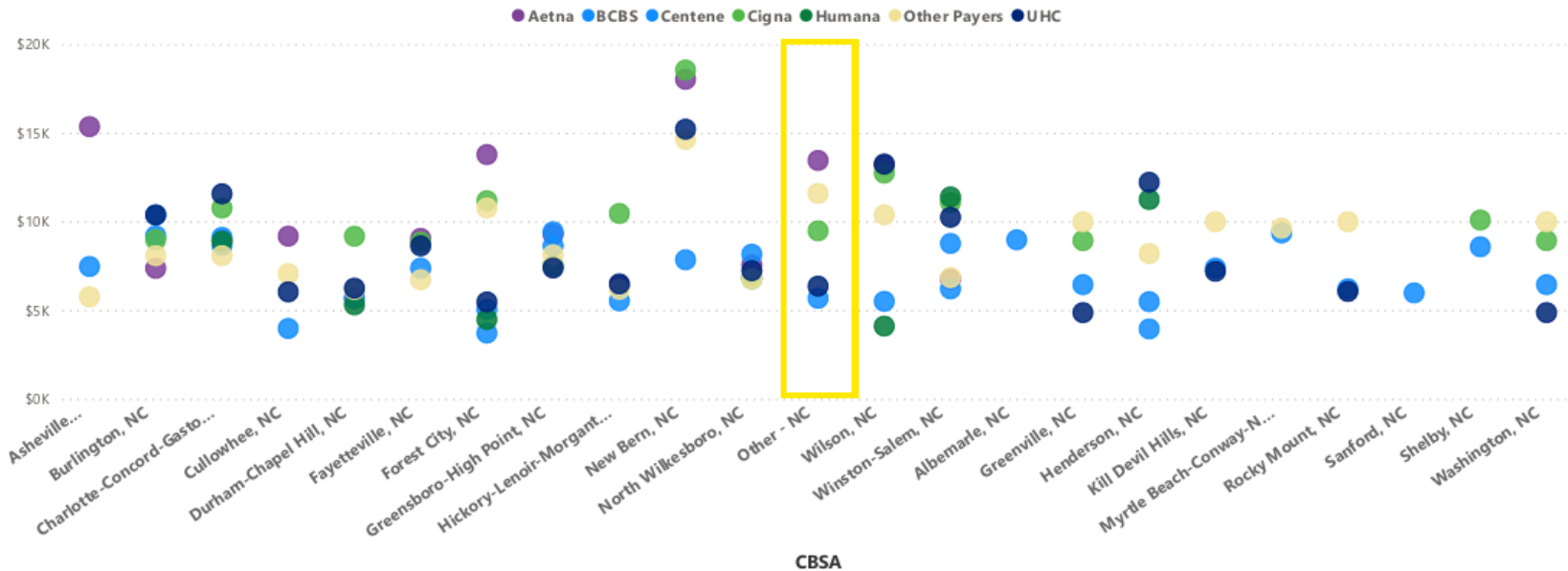
Negotiated Rate:

Minimum	Maximum	Average
\$3,711	\$18,536	\$8,533

State:
 Payer Name:
 Code Type:

Service:
 Confidence Interval: -

Shoppable Service Summary (Negotiated Rate)



Data source: Turquoise Health Co.

*As of June 2022

Rate Analysis – South Carolina



Shoppable Service

195 - SIMPLE PNEUMONIA AND PLEURISY WITHOUT CC/MCC

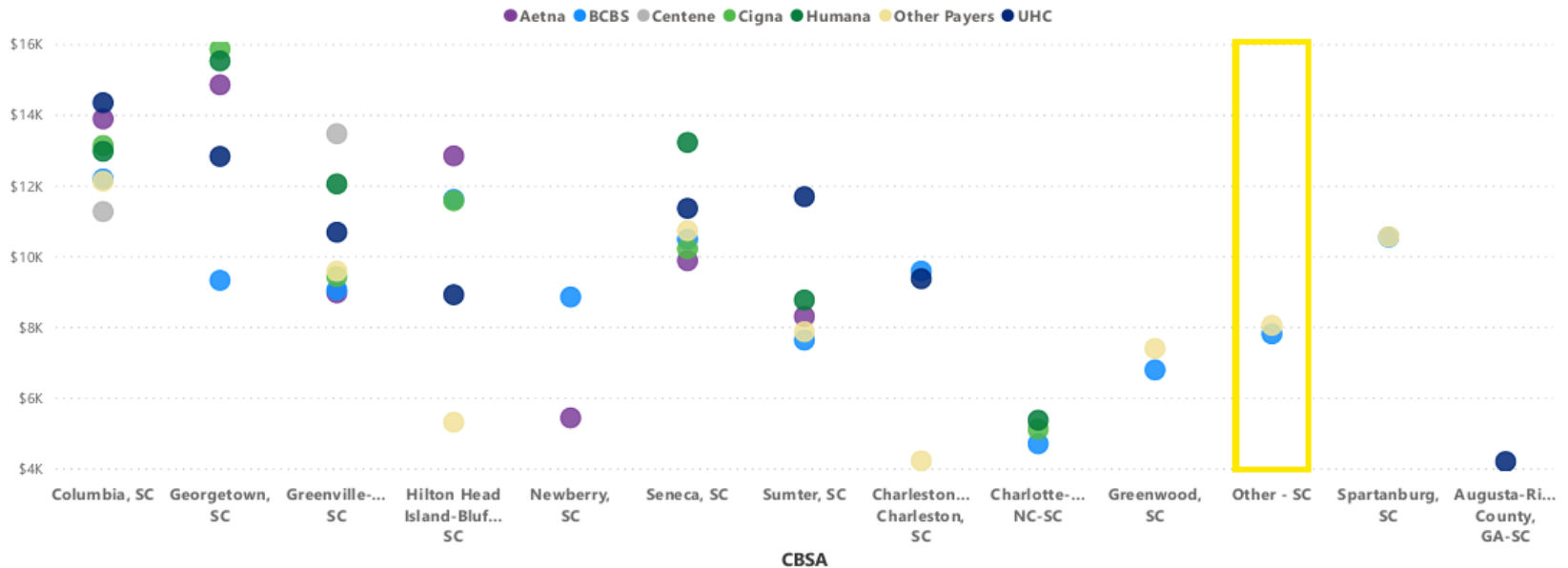
Negotiated Rate:

Minimum	Maximum	Average
\$4,195	\$15,859	\$9,995

State:
 Payer Name:
 Code Type:

Service:
 Confidence Interval:

Shoppable Service Summary (Negotiated Rate)



Data source: Turquoise Health Co.

*As of June 2022

Rate Analysis – Tennessee



Shoppable Service

195 - SIMPLE PNEUMONIA AND PLEURISY WITHOUT CC/MCC

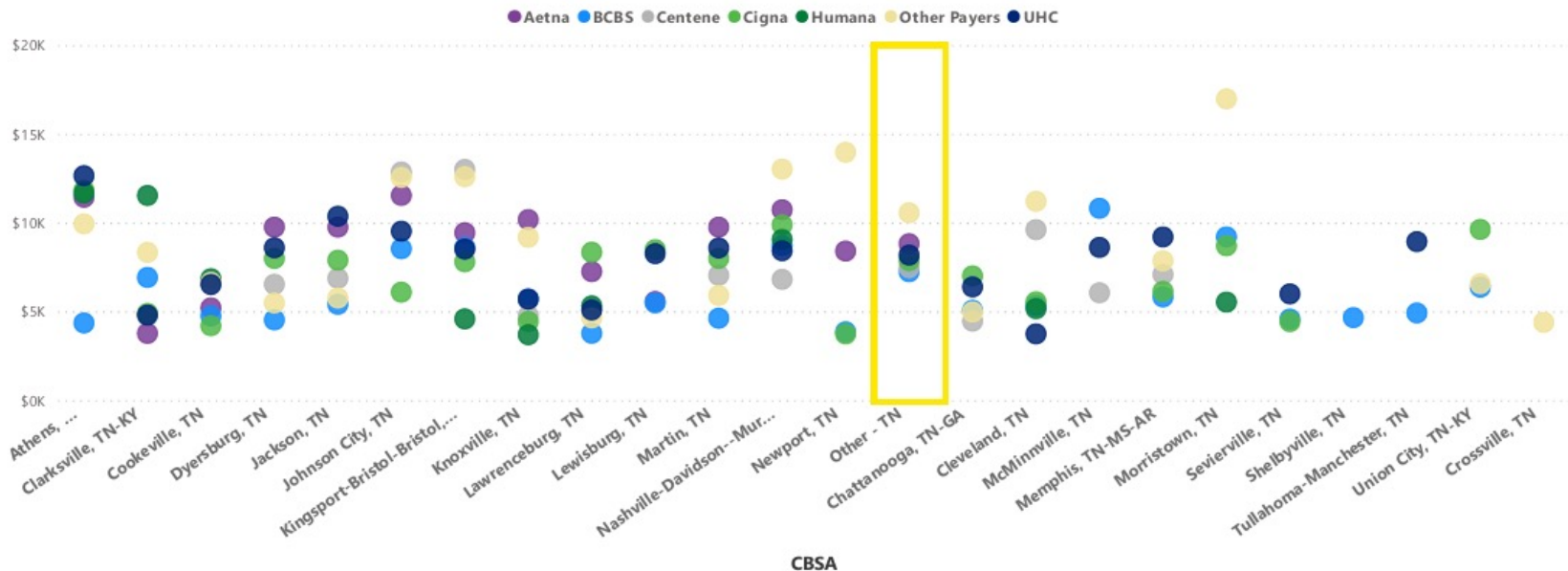
Negotiated Rate:

Minimum	Maximum	Average
\$3,690	\$16,979	\$7,571

State:
 Payer Name:
 Code Type:

Service:
 Confidence Interval: -

Shoppable Service Summary (Negotiated Rate)



Data source: Turquoise Health Co.

*As of June 2022

Peer Analysis



- Pricing and rate analysis



Payer Pricing Detail

Shoppable Service

470 - Major joint replacement or reattachment of lower extremity without major comorbid conditions or complications (MCC).

Health System: All | Facility: All | Payer Class: Commercial | Payer Group: All

Code Type: MSDRG | Shoppable Service Category: All | Shoppable Service: 470 - Major joint replacement or reattachment of lower extremity wit...

System Pricing Summary (Negotiated Rates)

↑ ↓ ↕ 🔍 🔄 ⋮

● Maximum ● Average ● Minimum



Data source: Turquoise Health Co.

Peer Analysis – Children’s Hospital



Payer Pricing Detail

Selected Service

195 - SIMPLE PNEUMONIA AND PLEURISY WITHOUT CC/MCC (26)

Service Category: All | Facility Name: All | State: All | Payer Name: All

Payer Class: Commercial | Code Type: MSDRG | Service Description: 195 - SIMPLE PNEUMONIA AND PLEURISY WITHOUT CC/MCC (26)

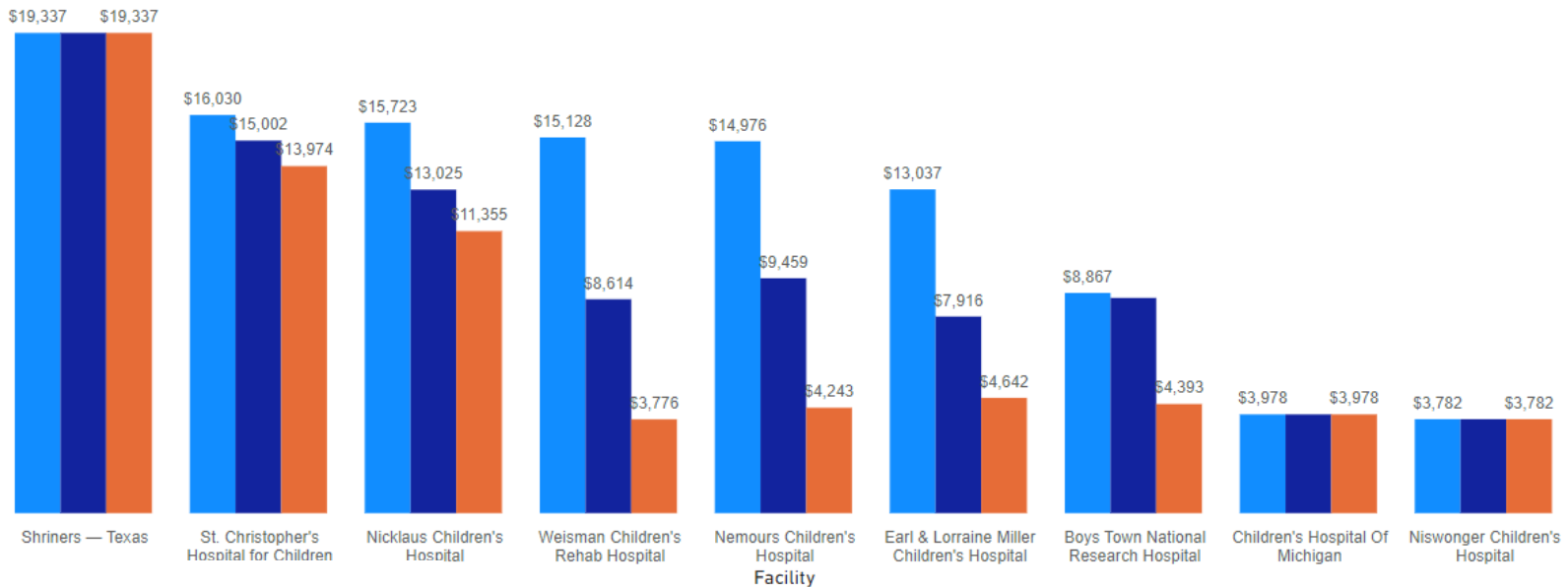
Region: Midwest | Northeast | South | West

>100 Occurrences: No

Confidence Interval: 0 to 85

System Pricing Summary (Negotiated Rates)

● Maximum ● Average ● Minimum



Data source: Turquoise Health Co.

Next Steps



- Make sure your **CDM pricing is rational & realistic** as it will be in the public domain for good faith price estimates
 - Hospital CDM pricing impacts copay amounts, self pay amounts, etc.
- Review your hospital's **Price Transparency data** posted for accuracy and completeness
 - Understand how the data was put together – based on actual contracted rates or estimates/payment amounts which is not correct
 - Make sure your data has proper descriptions for comparability (per day, per case etc.)
 - Make sure your Good Faith Estimate price estimates align with what is reported on your website

Questions

Visit our Public
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Dashboard for your
state:



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