PRICE TRANSPARENCY
FINAL RULE

TRANSPARENCY IN COVERAGE FINAL RULE (CMS-9915-F)

LEGISLATIVE BRIEF

Updated with the latest announcements as of 10.13.2021.

QUEST ANALYTICS
Provider Network Management
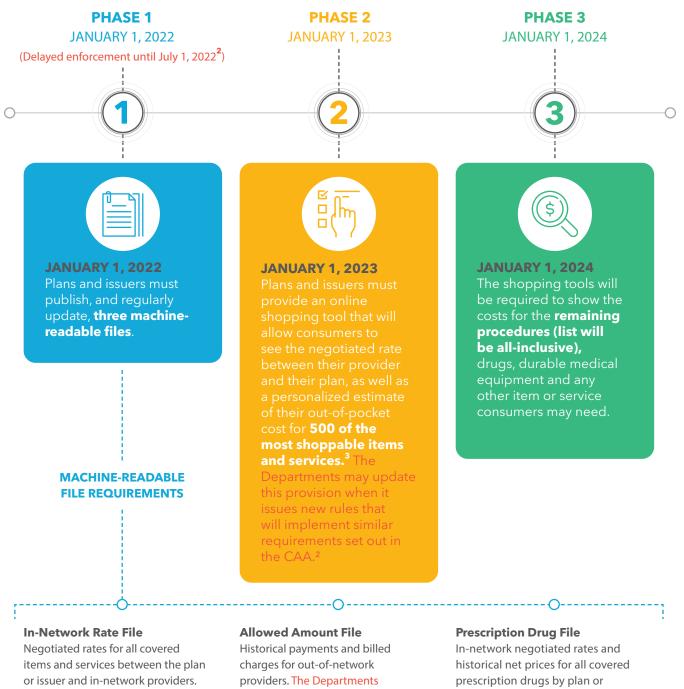
ACCURATE PROVIDER DATA IS MORE IMPORTANT THAN EVER

OVERVIEW

On October 29, 2020, the Department of Health and Human Services (HHS), the Department of Labor, and the Department of Treasury released the final version of the **Price Transparency Rule**. The rule requires most private health plans (self-insured, ERISA), including group health plans and health insurance issuers to publicly disclose the rates they pay healthcare providers for specific services. Additionally, **plans and issuers must provide easy-to-understand personalized information on enrollee cost-sharing for healthcare services.** For the first time, most consumers will be able to get real-time and accurate estimates of their cost-sharing liability for health care items and services from different providers in real time, allowing them to both understand how costs for covered health care items and services are determined by their plan, and also shop and compare health care costs before receiving care.[1] While the rule is designed to make information on healthcare prices available to consumers, here are some of the key highlights we're discussing with our plan partners.

PRICE TRANSPARENCY: TIMELINE AND WHAT IT MEANS FOR HEALTH PLANS

To minimize potential burden of the new requirements, a three-year phase-in approach was adopted. Health plans that prepare today can differentiate their offerings in the market and create a competitive advantage.

PHASE 1
JANUARY 1, 2022
(Delayed enforcement until July 1, 2022[2])

PHASE 2
JANUARY 1, 2023

PHASE 3
JANUARY 1, 2024

1 **2** **3**

JANUARY 1, 2022
Plans and issuers must publish, and regularly update, **three machine-readable files**.

JANUARY 1, 2023
Plans and issuers must provide an online shopping tool that will allow consumers to see the negotiated rate between their provider and their plan, as well as a personalized estimate of their out-of-pocket cost for **500 of the most shoppable items and services.**[3] The Departments may update this provision when it issues new rules that will implement similar requirements set out in the CAA.[2]

JANUARY 1, 2024
The shopping tools will be required to show the costs for the **remaining procedures (list will be all-inclusive),** drugs, durable medical equipment and any other item or service consumers may need.

MACHINE-READABLE FILE REQUIREMENTS

In-Network Rate File
Negotiated rates for all covered items and services between the plan or issuer and in-network providers. The Departments will defer enforcement of this requirement until July 1, 2022.[2]

Allowed Amount File
Historical payments and billed charges for out-of-network providers. The Departments will defer enforcement of this requirement until July 1, 2022.[2]

Prescription Drug File
In-network negotiated rates and historical net prices for all covered prescription drugs by plan or issuer at the pharmacy location level. The Departments will defer enforcement of this requirement pending further rulemaking.[2]

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MORE TRANSPARENCY, MORE NEED FOR ACCURACY IN PROVIDER DATA

Similar to the No Surprises Act, the Price Transparency rule significantly disrupts the playing field for both payers and providers in the Commercial market - and adds another layer to what we call, the Era of Provider Network Transparency. The requirement that all Commercial health plans publish in-network rates per provider in a machine-readable format, assumes all health plans have accurate provider data and directories. This means, to be successful, a plan needs a solid foundation built on accurate provider data.

MORE TO COME

Accuracy of the Information

The Departments are of the view that it is in plans', issuers', and developers' best interests to provide accurate information. The Departments will monitor the accuracy of the information provided through third-party developers and secondary entities. They will take information obtained through this monitoring into account for future regulatory action or guidance, as appropriate.

Further Machine-Readable Technical Guidance

The Departments are developing technical implementation guidance for plans and issuers, which will be available on GitHub, to assist them in developing the machine-readable files.

PREPARE YOUR PROCESS TODAY

Best Practices to Maintain Accurate Provider Data

Successful health plans will use a provider data management tool that is integrated into their workflow and utilized across all teams. Everyone has access to view and share the same real-time data and details about provider data. This approach helps teams better understand each provider's value, enhances cross-team communication and alignment, provides the utmost transparency on the network, allows for quick decision making, reduces excess costs and ensures compliance of the directory.

4 Phases to Establishing a Provider Data Verification Process

PHASE 1

AWARENESS
First, take some time to understand the legislation and your potential risk. Then, begin to create a plan and assemble the necessary team members to execute it.

PHASE 2

PLANNING
Next, you'll want to examine the current state of your provider data. Quest Analytics can help by identifying what's right, wrong and missing in your data through a risk assessment.

PHASE 3

ACTION
To meet the deadline, we recommend you select your business partner at least 6 months prior to your deadline. This allows you to focus the remainder of the quarter on implementing your plan of action into your standard operating procedures.

PHASE 4

EXECUTION
Finally, it's all about the execution. Make final adjustments to ensure you have a well defined and defendable process, that you can maintain overtime, in place when the Departments will begin enforcement July 1, 2022.[3]

In addition to these steps, we recommend health plans include a communication strategy that educates providers on critical responsibilities, such as timely updates, listed in the Price Transparency Rule.

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QUEST ANALYTICS SOLUTIONS FOR SUCCESS

Quest Enterprise Services (QES) includes data, analytics, and expert health care consultants, to help you understand:

What's **right, wrong and missing** in your provider data

Trends to **optimize network performance**

The **freshness** of your provider data

Network **accessibility and adequacy** with only your directory facing providers.

TAKE THE NEXT STEP

You can hear that something works, but seeing the results is entirely different. We find it is most beneficial for you to see the current status of your provider data and discuss how we can assist you with your data management, network adequacy, and provider attestation needs. The next step is a complimentary risk assessment in which we will identify high-risk areas within your provider data. **Start your quest for success today by requesting a free consultation with a Quest Analytics expert. Click here to get started.**

MORE RESOURCES AT YOUR FINGERTIPS

Like what you read? We have more of that kind of intel to share. Click on any title below to begin your next read.

Surprise Billing Resource Hub

Preparing for the Era of Provider Network Transparency

References:
1 – CMS Price Transparency Fact Sheet: https://www.cms.gov/newsroom/press-releases/cms-completes-historic-price-transparency-initiative
2 – FAQs: https://www.dol.gov/sites/dolgov/files/EBSA/about-ebsa/our-activities/resource-center/faqs/aca-part-49.pdf
3 – Final Rule: https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/CMS-Transparency-in-Coverage-9915F.pdf

To request more information, visit:
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