



## Recommendations for Complying with Federal Price Transparency Regulations

Among the myriad changes implemented under the Affordable Care Act is the requirement for hospital pricing transparency. Section 2718 requires:

“each hospital operating within the United States shall for each year establish (and update) and make public (in accordance with guidelines developed by the Secretary) a list of the hospital’s standard charges for items and services provided by the hospital including for diagnosis-related groups established under section 1886(d)(4) of the Social Security Act.”

The Secretary of HHS subsequently issued the 2015 IPPS final rule requiring:

"Our guidelines for implementing section 2718(e) of the Public Health Service Act are that hospitals either make public a list of their standard charges (whether that be the charge master itself or in another form of their choice), or their policies for allowing the public to view a list of those charges in response to an inquiry."

And finally, the 2019 IPPS final rule requiring:

“Effective January 1, 2019, hospitals must make a list of their current standard charges available via the internet on a public facing website in machine-readable format.”

These requirements apply to all hospitals, including critical access hospitals. CMS has indicated that additional policymaking related to price transparency is likely. After discussion with CMS, the American Hospital Association and our colleagues in other states, we have the following recommendations for posting your charges to comply with the law.

### What is required by January 1, 2019.

1. All hospital charges that are included in the charge master must be made available via the internet, and updated at least annually.

2. Data Format: Charge information should be provided in CSV, XML or JSON format – formats that can be downloaded into a spreadsheet. Formats like word or PDF would not comply with the regulation.
3. Charge Information: Charge information should include a short description of the procedure and the charge. While it is not necessary to post the entire charge master, it must be the source of the information. The American Medical Association, which owns the copyright to the CPT codes, has indicated that organizations that have a valid and current CPT license for their charge master are permitted to post their charge master for the limited purpose of complying with the 2019 IPPS/LTCH final rule. Organizations that do not have a current license for their revenue cycle management system which uses CPT content, please contact the AMA [http:// info.commerce.ama-assn.org/ama-data-file-request](http://info.commerce.ama-assn.org/ama-data-file-request).”

### **Items to help your facility prepare for making your charges public.**

1. Review your charge master and be sure you can explain your pricing methodology to the public.
2. Talk to your accounting firm about the best way to implement the regulations.
3. Prepare your staff team and board for the information to become available to the public.
4. Designate someone on your staff as the point person for answering questions from the public regarding your charges.
5. Note when the charge information on your website was last updated on the posted charges page.
6. For items with prices that change more often than annually, you may want to note them as variable in your list of charges and refer patients to your designated point person for up to date pricing.
7. Include disclaimer language so that patients understand that charges listed are not necessarily their final bill. Here is some basic disclaimer language:

#### **General Price Transparency Disclaimer Language:**

This list of charges reflects the standard charges for inpatient and outpatient services provided at \_\_\_\_\_ (hospital). The hospital’s charges are the same for all patients, but the patient’s financial responsibility for services provided may vary, depending upon payment plans negotiated with individual health insurers as well as reimbursement schedules set forth by public payers such as Medicare and Medicaid. Patients should contact our staff (list name, email, phone number, etc.) for assistance. These charges do not include items or services that may be billed separately for physician services, lab, diagnostic services, etc.

#### **Legal Disclaimer Language:**

Language indicating that the listed charges do not constitute a contract.

## **Items that are not required, but may help patients better understand your charge information.**

1. Additional Information on quality and patient satisfaction. Consider sharing links to your quality or HCAHPS scores.
2. Links to insurance company estimating websites for beneficiaries.
3. Talking points explaining reimbursement.
4. HFMA Resource – Understanding Health Care Prices: A Consumer Guide.  
<https://www.hfma.org/DownloadAsset.aspx?id=22288>



**Kansas Hospital Association**  
**December 3, 2018**