

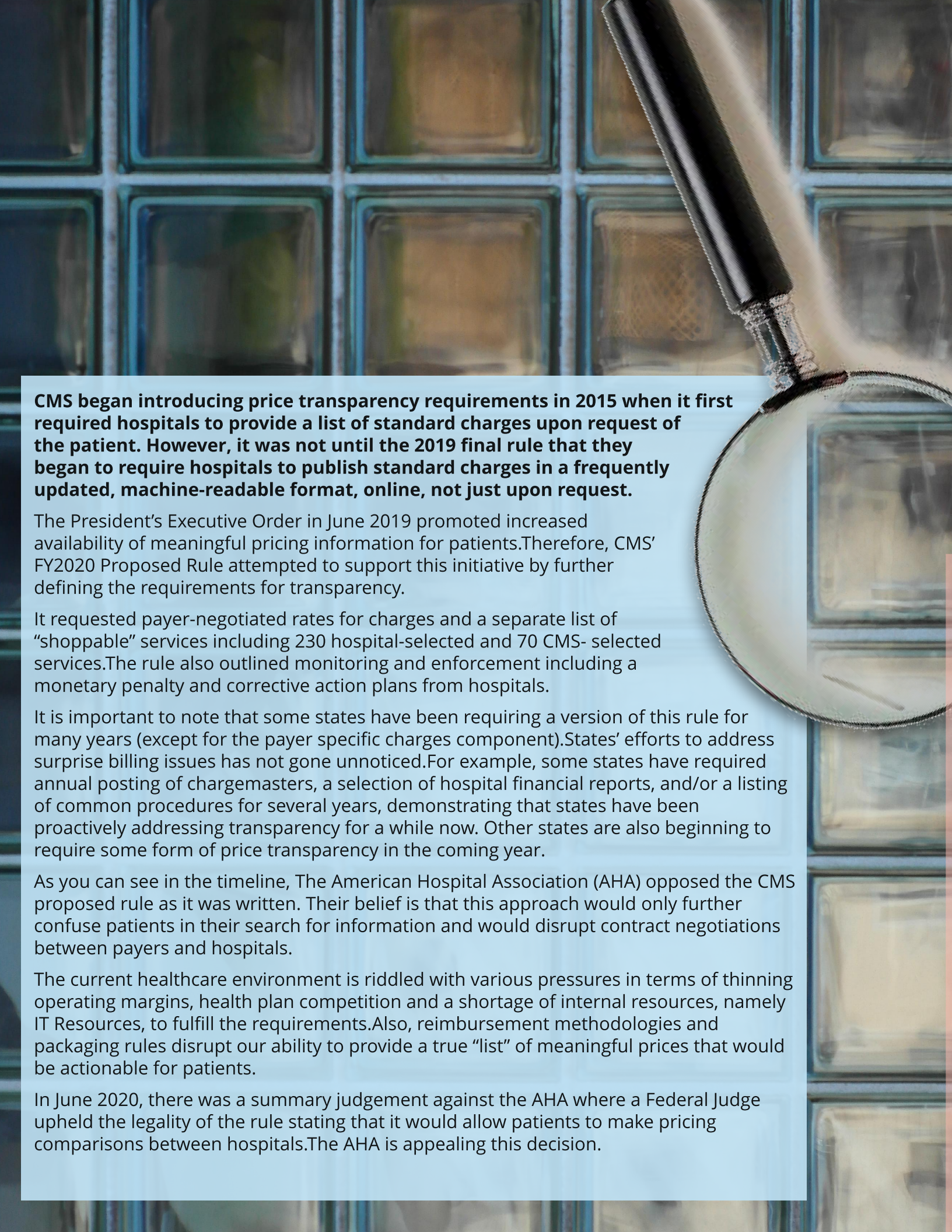
**PRICE**  
**TRANSPARENCY**  
**BOOKLET**

*The Details.  
The Information.  
The Help.*

**PARA**  
HealthCare Analytics



HEALTHCARE  
FINANCIAL  
RESOURCES

A magnifying glass with a black handle is positioned over a grid of small, square glass blocks. The magnifying glass is focused on one of the blocks, making it appear larger and more detailed. The background is a soft, out-of-focus grid of similar blocks.

**CMS began introducing price transparency requirements in 2015 when it first required hospitals to provide a list of standard charges upon request of the patient. However, it was not until the 2019 final rule that they began to require hospitals to publish standard charges in a frequently updated, machine-readable format, online, not just upon request.**

The President's Executive Order in June 2019 promoted increased availability of meaningful pricing information for patients. Therefore, CMS' FY2020 Proposed Rule attempted to support this initiative by further defining the requirements for transparency.

It requested payer-negotiated rates for charges and a separate list of "shoppable" services including 230 hospital-selected and 70 CMS- selected services. The rule also outlined monitoring and enforcement including a monetary penalty and corrective action plans from hospitals.

It is important to note that some states have been requiring a version of this rule for many years (except for the payer specific charges component). States' efforts to address surprise billing issues has not gone unnoticed. For example, some states have required annual posting of chargemasters, a selection of hospital financial reports, and/or a listing of common procedures for several years, demonstrating that states have been proactively addressing transparency for a while now. Other states are also beginning to require some form of price transparency in the coming year.

As you can see in the timeline, The American Hospital Association (AHA) opposed the CMS proposed rule as it was written. Their belief is that this approach would only further confuse patients in their search for information and would disrupt contract negotiations between payers and hospitals.

The current healthcare environment is riddled with various pressures in terms of thinning operating margins, health plan competition and a shortage of internal resources, namely IT Resources, to fulfill the requirements. Also, reimbursement methodologies and packaging rules disrupt our ability to provide a true "list" of meaningful prices that would be actionable for patients.

In June 2020, there was a summary judgement against the AHA where a Federal Judge upheld the legality of the rule stating that it would allow patients to make pricing comparisons between hospitals. The AHA is appealing this decision.

# INTRODUCTION

However, this may become a moot point because on June 30th, a group of Senators introduced the Healthcare PRICE Transparency Act written to demand transparency through legislation.

The group of Republican Senators behind this legislation built on the president's executive order as it would require hospitals and insurers to reveal cash prices and negotiated rates prior to the receipt of medical care. So, although we've been treating it as a CMS Requirement, chances are good that it could become a Federal Law, which eliminates any chance of challenging the requirements in court.

Based on all of this, we are moving forward with implementing Price Transparency solutions effective January 1, 2021, for hospital clients and assisting in the data mining required to report this information to healthcare consumers. We, as an organization, have supported the idea of pricing transparency and true patient estimator tools for many years now. We are advocates of finding a solution that is capable of providing meaningful price information for patients and have worked to fulfill this need for many of our hospitals for many years.

We believe that facilities must go the extra mile to ensure that the information they are providing to patients is useful and intuitive. While we don't agree with some components of the rule and find issue with how some information is displayed, we realize ultimately, something of this nature will be implemented, so we are working with our clients to get them ahead of the curve. So, what does all of this mean, what are the requirements exactly, and what does this look like? The next few pages are a useful guide to CMS Price Transparency.



6/24/2019	President signed Executive Order
12/3/2019	CMS Final Rule Released
12/4/2019	AHA Files Lawsuit Against CMS
1/29/2020	AHA Comments to CMS on Transparency in Coverage
2/4/2020	Government Moves for Summary Judgement
2/28/2020	US Chamber of Commerce & 37 State Hospital Association File Amicus Briefs
3/2/2020	AHA & Others File Briefs to Block Contract Disclosures
3/24/2020	Government's Reply Brief
4/22/2020	Initial Court Date - AHA's Challenge
5/7/2020	Rescheduled Video Hearing from 4/22
6/23/2020	Summary Judgement Against AHA
6/30/2020	Senators Introduce the Healthcare PRICE Transparency Act
1/1/2021	Effective Date of Final Ruling

# THE CLOCK IS TICKING

## DATES, RULES & REGS

*The CMS final rule (CMS-1717-F2) aims to make hospitals' price information readily available to patients, so they can compare costs and make more informed healthcare decisions. Meeting the deadline and maintaining compliance will be no small endeavor for providers. Complying with the mandate will be a large undertaking that requires multi-disciplinary coordination. **PARA HealthCare Analytics and HFRI can help navigate the dates, the rules and the regulations.***

### REQUIREMENT #1

By January 1, 2021, hospitals are required to be in compliance with the Hospital Price Transparency requirements set forth in the CY 2020 Hospital Outpatient PPS Policy Changes (CMS-1717-FS).

### REQUIREMENT #2

A comprehensive machine-readable file that includes the specific standard charges for all hospital items and services.

### REQUIREMENT #3

A consumer-friendly display that includes the standard charges for at least 300 "shoppable" services that are grouped with charges for ancillary services that are customarily provided by the hospital.





# SOLUTIONS FOR HOSPITALS

## THE PARA PTT

*In speaking with hospital associations, clients, and business vendor groups, we are finding that we are one of the only vendors who can completely satisfy, to the letter of the law, both CMS requirements in a fully customizable manner.*

Providers will need to publish both machine-readable format files and the patient facing price estimator is a value-add service for enhancing price transparency.

**PARA** will use the CMS Extract file embedded in the Price Transparency Tool tab via the **PARA Data Editor** to build the shoppable items/bundles. This can be done by the hospital, coupled with **PARA's** guidance to ensure all primary procedures are linked to its customarily paired ancillary services.

Turnaround time for the **Price Transparency Tool** is 60 days from submission of completed data, however subject to change as we get closer to the January 1, 2021 deadline.

There is no limit at this time on how many clients **PARA** can assist with the CMS' 2021 price transparency requirements as we are constantly monitoring workload and innovating our automation to support the data mining need for this initiative.

# TAKE A TEST DRIVE DEMO THE PARA TOOL

It's easy to find out just how the Price Transparency Tool from **PARA HealthCare Analytics** works.

Click on the DEMO button to find out just how your patients can navigate through your installed Price Transparency Tool. They'll be impressed that your hospital has made comparing prices simple, accurate and informative.

Try it out! You'll be impressed. But impressing you isn't our goal. Helping your hospital become compliant is our goal.

Once you've taken the "test drive", contact one of our **PARA Price Transparency** experts to get started on your compliance journey.

***PRESS***

***HERE***







# TEN REASONS

Why Hospitals  
Choose The Price  
Transparency  
Tool From  
**PARA**  
**HealthCare**  
**Analytics**  
and HFR

- 1.** Ensure compliance with the January 1, 2019 and January 1, 2021 CMS mandates for Price Transparency:
  - a. Post a listing of all services and prices available at the facility in a machine-readable format
  - b. Include payer specific reimbursement information for all services available at the facility
- 2.** Provide customized and meaningful information for patients. Take the guess work out of obtaining an estimate.
- 3.** Improve collections. Patients will know their liability before the service is provided. They can even prepay!
- 4.** Web based solution. Simple implementation. No software to install.
- 5.** Comprehensive tool that pulls
  - a. Top services at a facility
  - b. User's insurance information via eligibility checking
  - c. Registration information to return usage statistics readily available to the facility

# TEN REASONS, CONT.

6. Highly customizable
  - a. The style and functionality of the tool to be directly embedded on the facility website
  - b. The services available on the Decision Tree and how they are presented (i.e. descriptions, categories)
  - c. The Prices that are presented (e.g., Average Line Charge, Average Package Charge, Average CDM Charge, etc.)
  - d. The programming to meet all expectations and functionality
7. Always up to date with the latest information for all users. With no additional work on behalf of the hospital once implemented. Fully serviced and managed on **PARA's** servers with all data and functionality accessible by the facility through the **PARA Data Editor**.
8. Ongoing feature upgrades and improvements that reflect changes in practice, technology, and services.
9. Reporting capabilities to review all activity on hospital website and what services are being shopped.
10. Most cost-effective solution in the industry. **PARA's** cost to deploy its solution is market competitive and in line with what CMS is saying healthcare organizations should pay for to implement a patient price estimator.



# 10 STEPS TO SUCCESS

1. Take the Price Transparency test drive
2. Contact a **PARA Account Executive** to guide you through the process
3. Identify each hospital location that must make available its list of standard charges
4. Identify all items and services for which your hospital has established a standard charge
5. Gather the required data elements for each item and service
6. Select your file format
7. Name your machine-readable file according to the CMS naming convention
8. Post your machine-readable file prominently on a publicly available website
9. Update your comprehensive machine-readable file annually
10. Double check that you've met the requirements



# LET OUR EXPERTS GUIDE YOU

**DON'T WAIT!  
CONTACT OUR EXPERTS**



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