



Your questions answered

CMS 2019 Final Rule Regarding Price Transparency

Understanding the CMS final rule

➤ How does CMS define “all standard charges”?

CMS rule states that “all standard charges” must be published. In their response to comments made during the comment period and as published in the final rule in more than one place, CMS makes it clear that they are referring to the chargemaster. Accordingly, at this time, publishing your current charge master description and charge would meet their minimum requirement.

➤ Does “standard charges” refer to a subset or the entire chargemaster?

CMS requires that hospitals publish their entire chargemaster price list. In addition to this, supplying the optional and suggested supplemental average charge per case, while not required, would be helpful to consumers.

➤ Are hospitals required to publish their entire chargemaster, even if this data does not explain what a specific test or procedure cost?

Yes, CMS has made it clear that “all” standard charges from the chargemaster must be published. However, while providing average charge information at the case rate level is not required, offering supplemental data around specific costs and charges might be helpful for consumers.

➤ Are drugs and supplies included in CMS requirements?

CMS requires all chargemaster line item prices to be published. It has not yet specifically required any information beyond that, such as information from supply or pharmacy systems. However, providing this information, perhaps simplified to encompass only top drugs and supplies, may be helpful to consumers if this data is not already provided in chargemaster.

Publishing requirements

➤ Does DRG information need to be made public?

No, DRG information does not need to be made public. However, providing consumers with low, average and high charge information, average charge ranges by DRG, and average charges for outpatient procedures would be more consumer-friendly than chargemaster data alone.

➤ Does state-required public filing of chargemaster data meet CMS requirements around publishing?

No. CMS has specifically stated in the final rule that state or other programs already requiring charges to be published does not satisfy the final rule requirements. CMS wants hospitals to make it available on their website in machine readable format.

➤ Are hospitals required to publish all different fee schedules, or will a default fee schedule meet the requirement?

Most hospitals have the same price for inpatient and outpatient chargemaster line item prices. However, should a hospital have different prices for different patient types, we recommend that both inpatient and outpatient and if applicable other patient types be published. This would ensure clarity for consumers and more important, ensure that the hospital meets the requirements of publishing all “standard” charges.

➤ How does CMS require hospitals to explain any internal changes that take place after charging?

CMS is only asking that you publish your standard charges. Any adjustments, allowances or discounts are not expected to be taken into account at this time.

➤ Is publishing both a chargemaster and encounter level charge data required to meet the requirements?

In its response to comments around the final rule, CMS specifically states that at this time only the chargemaster, defined as “all standard charges” is required to be published. However, CMS does support and Panacea recommends, that average charge ranges by DRG and by outpatient encounter level be published as more consumer friendly information in addition to the chargemaster.

Different charges and types of facilities

➤ Does publishing the information on a hospital association website meet the requirement?

No. CMS has specifically stated in the final rule that while state or other programs may already require charges to be published, this does not satisfy the final rule requirements. CMS wants hospitals to make this information available on their website in machine readable format.

➤ Are any hospitals, such as critical access hospitals, exempt from CMS' transparency requirements?

According to the CMS' response to comments made during the comment period, all hospitals must comply with the requirements. There are no exceptions.

➤ Do hospitals need to publish a range of procedures with corresponding encounter level charges if, for example, they use acuity level for OR procedures and yet their chargemaster utilizes only acuity shells?

At this time, chargemaster acuity shells along with an explanation of how acuity shells might be applied or determined should be sufficient.

➤ Can self-pay prices be used to meet the requirement?

The requirement is that standard prices be published. However, if your facility provides different prices to self-pay patients you can offer this as supplemental clarifying information to help clarify that point to consumers. Patients with insurance, especially out-of-network patients, are certainly required to pay a portion of hospital standard prices and therefore these prices must be published if they are different to those paid by self-pay patients.

➤ How should facilities identify market averages if they provide unique services?

At this time CMS is only requiring that the entire chargemaster be published and is not requiring market averages to be published. Nonetheless, market averages should be used to assess and align charges to be more competitive but revisions to charges should not be made without line item net revenue impact analyses being done. Today vendors, like Panacea, do have available charge data at the HCPCS and CPT4 level for 5,000 hospitals and more

than 600,000 physician and free-standing providers nationwide from which charge data for most unique services and common services can be identified. Additionally, for those services not having HCPCS or CPT4 codes assigned such as operating room, drugs or supplies charge-to-cost mark-up data is available for hospitals nationwide.

➤ **How often should facilities update pharmacy process, bearing in mind that these prices are based on invoiced formulary costs which change frequently?**

CMS requires that charge master line item prices be published. CMS has not yet specifically required any information beyond that, including any information from your supply or pharmacy systems. However, providing this information for top drugs and supplies may be meaningful and helpful for consumers. If you choose to provide this information, we recommend updating monthly or even quarterly.

➤ **Do hospitals need to provide CPT/HCPC information in their online chargemaster to allow for comparison?**

At this time, CMS is not requiring hospitals to provide comparative data. The only requirement is to provide “all standard charges.” At a minimum, this means that only the description and charge are required. However, providing more information will make for a more consumer-friendly online publication.

Publishing copyright-protected information

➤ **How should a hospital publish copyright-protected CPT codes?**

While CMS is not requiring the publishing of CPT/HCPCS codes – description and price is sufficient – clearly CPT/HCPCS codes and other information might be helpful. The AMA owns the copyright to these codes and has indicated that if you are already paying AMA fees via your license fee, or in addition to your license fee, you are not required to pay these fees again should you publish CPT/HCPCS codes.