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CMS Rule Would Expand Price Transparency, Includes M.D.s, Fines; Viability Is Doubted

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CMS is making strange bedfellows of hospitals and payers with the next phase of price transparency, which would require hospitals to post the charges they've negotiated with all payers, as well as prices for a subset of "shoppable" services, according to the proposed 2020 Outpatient Prospective Payment System regulation announced July 29. That includes charges for hospital-employed physicians' services, although one attorney thinks that's beyond the statutory authority for price transparency, which comes from the Affordable Care Act (ACA). Other experts cast doubt on the viability generally of the price transparency proposal.

CMS assured hospitals that pushing out all this information wouldn't cost much — purportedly $1,000 a year — unless they don't comply. In that case, they would face new civil monetary penalties up to $100,000 a year, the regulation states.

In a press call with reporters, CMS Administrator Seema Verma said starting Jan. 1, 2020, hospitals would have to publish price information and descriptions of services in a way that allows an "apples-to-apples comparison." This isn't novel; a number of states require price transparency, including California.

The proposal follows through on President Trump's June 24 Executive Order on Improving Price and Quality Transparency in American Healthcare to Put Patients First, which required HHS to issue regulations that compel providers and payers to make public the rates they negotiate for health care services so patients can do comparison shopping ("Price Transparency Executive Order Sparks Fear of 'Race to the Bottom,'" *RMC* 28, no. 24).

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