

Compliance Today – December 2020 CMS set to implement hospital price transparency rule

By Sascha Matuszak

The Centers for Medicare & Medicaid Services (CMS) will implement hospital transparency rules on January 1, 2021. The agency has released a final rule,^[1] guidance,^[2] and answers to frequently asked questions^[3] to help hospitals get compliant with the new rule. Additional resources are available on the agency's dedicated page.

The new rule requires hospitals to provide pricing information in a machine-readable format that provides easy access for consumers both online and offline. CMS stated on its site that it would be enforcing the new rules effective January 1. Enforcement may include a warning notice, a corrective action plan, or a civil monetary penalty and publication of the penalty on a CMS website.^[4] The changes to the rules governing pricing procedures at hospitals is part of a CMS pricing transparency initiative the agency hopes will increase the ability of consumers to price shop and use clear data to make informed medical choices.

“Because the Hospital Price Transparency Final Rule focuses on charge data that is controlled by providers, specifically hospitals, we view these policies as a first step in ensuring that pricing data necessary to determine out-of-pocket costs is available to consumers,” CMS stated in an answer to one of the frequently asked questions.^[5] “We continue to encourage hospitals to go further in helping individuals understand their financial obligations in advance of receiving a health care service by, for example, creating consumer-friendly price transparency tools and lookups that provide consumer-specific out-of-pocket price estimates.”

1 Medicare and Medicaid Programs: CY 2020 Hospital Outpatient PPS Policy Changes and Payment Rates and Ambulatory Surgical Center Payment System Policy Changes and Payment Rates. Price Transparency Requirements for Hospitals To Make Standard Charges Public, 84 Fed. Reg. 65,524 (November 27, 2019) .

2 CMS, “Hospital Price Transparency: Requirements Effective January 1,” *MLN Connects*, October 1, 2020, <https://go.cms.gov/37oinsG>.

3 CMS, “Hospital Price Transparency Frequently Asked Questions (FAQs),” September 30, 2020, <https://go.cms.gov/34hjXJM>.

4 Medicare and Medicaid Programs: CY 2020 Hospital Outpatient PPS Policy Changes and Payment Rates and Ambulatory Surgical Center Payment System Policy Changes and Payment Rates. Price Transparency Requirements for Hospitals To Make Standard Charges Public, 84 Fed. Reg. 65,525 .

5 CMS, “Hospital Price Transparency Frequently Asked Questions (FAQs).”

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