

Pricing Transparency

Machine-Readable File

The Centers for Medicare & Medicaid Services (CMS) issued two rules effective January 1, 2021 that take historic steps to increase price transparency to empower patients and increase competition among all hospitals, group health plans and health insurance issuers in the individual and group markets. One of the rules is the Calendar Year (CY) 2020 Outpatient Prospective Payment System (OPPS) & Ambulatory Surgical Center (ASC) Price Transparency Requirements for Hospitals to make a machine-readable file containing a list of all standard charges for all items and services public.¹

OUR APPROACH

FTI creates and offers to maintain the standard charges in a machine-readable file using Tableau.

- Charge Description File (CDM)
- Minimum/Maximum Negotiated Charges (Derived)
- Discounted Cash Price
- Six to Twelve months of payor 835's

The Requirement



Per 45 CFR-PART 180, a hospital must make two items public¹

- Report of standard charges for an individual item or service (e.g., listed in the CDM) or package service (e.g., IP DRGs or OP surgical procedures in a machine-readable format)
- Report of standard charges for 300 shoppable services*



Standard Charges Include the Following Elements¹

- Gross charges
- Discounted cash price
- Payer-specific negotiated charge: The charge that a hospital has negotiated with a third-party payer for an item or service (Each payer's negotiation charge must be clearly associated with the name of the third-party payer's name and plan)
- De-identified minimum and maximum negotiated charges
- New Procedure/Service Pricing
- Supply Charge Determination
- Drug Charge Determination
- Time-based Charging
- Bundled Charging

The standard charge report can be constructed from four data sets listed below:^{2,3}

ALL SERVICES*	PRIMARY CODES (DRG OR HCPCS)	DESCRIPTIONS	I GROSS CHARGE	II DISCOUNTED CASH PRICE	III PAYER 1 PLAN 1	III PAYER 1 PLAN 2	III PAYER 2 PLAN 1	III PAYER 2 PLAN 2	VI	V
									DE-IDENTIFIED MINIMUM NEGOTIATED CHARGE	DE-IDENTIFIED MAXIMUM NEGOTIATED CHARGE
Package Services	216	Cardiac valve and other major cardiothoracic procedures with cardiac cath with major cc	Will need to develop based on data analysis							
	460	Spinal fusion except cervical w/o major cc								
	19120	Removal of 1 or more breast growth, open procedure								
	29826	Shaving of shoulder bone using an endoscope								
Individual Services	97110	Therapeutic exercises	\$ 120.00							
	73721	MRI scan of leg joint	\$ 1,678.00							
	72148	MRI scan of lower spinal canal	\$ 1,678.00							
	85027	Complete cbc automated	\$ 80.00							
	85025	Complete cbc w/auto diff wbc	\$ 100.00							

- 1 CDM Data Set**
 - Code
 - Description
 - Charge
 - Identifiable Fields**
- 2 Prompt Pay Discount**
 - Discount %
 - Identifiable Fields**
- 3 Contract Rate Sheets**
 - Payer Code
 - Payer Description
 - Plan Code
 - Plan Description
 - Rate
 - Identifiable Fields**
- 4 Experience Level Package Pricing*****

*Shoppable Services are defined as a service that can be scheduled by a consumer in advance

**Identifiable fields include any elements required to identify unique fee schedules and join data sources together (e.g., ServiceArea, Specialty, Department)

***Experience level package pricing

¹Health and Human Solutions [Nov 7, 2019] [<https://www.hhs.gov/sites/default/files/cms-1717-f2.pdf>] (Jan 10, 2021).

²Centers for Medicare & Medicaid Services [Dec 18, 2020] [<https://www.cms.gov/outreach-and-education/outreachffsprovpartprogprovider-partnership-email-archive/2020-12-18-mlnc-se>] (Jan 10, 2021)

³Centers for Medicare & Medicaid Services [Dec 18, 2020] [<https://www.cms.gov/files/document/hospital-price-transparency-frequently-asked-questions.pdf>] (Jan 10, 2021)

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