HEALTHSPARQ®

FEDERAL PRICE TRANSPARENCY REQUIREMENTS

TRANSPARENCY IN COVERAGE FINAL RULE (CMS-9915-F)

HEALTHSPARQ BRIEF

OVERVIEW

On October 29, 2020, the Department of Health and Human Services (HHS), Department of Labor, and Department of the Treasury issued the finalrule on price transparency for most non grandfathered group health plans and issuers offering non grandfathered health insurance coverage in the individual and group markets. As consumers pay greater shares of their health care coverage out of pocket, price transparency is seen as critical to help individuals understand their costs before receiving care. The rule requires personalized, out of pocket cost information, and underlying negotiated rates for all covered health care items and services, including prescription drugs, be shared with members or their authorized representatives. The final rules have a phased implementation from 2022 through 2024. There is time for health plans to get ahead of the deadlines and differentiate their offerings in market by getting prepared today.

KEY REQUIREMENTS

Requirement & Date	Transparency Information	Delivered Via
Public Disclouse • Three files published monthly beginning plan years on or after 1/1/22 • Includes: Place of Service Code, tax ID number and NPI	• **In network Rate File** - Negotiated rates for all covered items and se vices for in network providers • **Allowed Amount File** - Historical payments and billed charges for out of network providers that meet a volume threshold • **Prescription Drug File** - Negotiated rates and historical prices for in network pharmacies at the location level	• Machine-readable files
Member Disclosure • Real time cost sharing for 500 services beginning plan years on or after 1/1/23 • Costs for all services beginning plan years on or after 1/1/24	• Estimated cost sharing liability • Accumulated amounts • Negotiated rates • Out of network allowed amounts • Items & services subject to bundled payments • Notice of prerequisites to coverage • Disclosure notice, if applicable	• Internet self-service tool (browser-based website) • Print/paper delivery
Shared Savings and Medical Loss Ratio		
• Plans encouraging members to use lower cost, higher value providers and sharing those savings will be credited under their MLR calculations starting in the 2020 MLR reporting year.		

PLAN CONSIDERATIONS FOR PRICE TRANSPARENCY

- **Rules focus on data not usability.** The final rule is about providing data, but the mandate alone lacks the context and guidance people need to make real-world decisions and plan for the big picture of care. A member facing a procedure with multiple, similar billing codes may not know which one to choose to get the right cost estimate. Surgery may include day-of costs, but there could be evaluation and recovery expenses, not to mention the time involved. Just meeting mandate puts the burden on consumers to understand and figure out the details.
- **Technical challenges.** To deliver line-item detail and real-time accuracy, plans may leverage mock adjudication using their claims processing systems. However, those systems handle only one claim at a time today and take multiple seconds to process each one. People will expect online experiences delivered at the speed of the internet, so planning to address consumer expectations for fast data access will be important.
- **Connecting people with the right care.** While price transparency adds value to decision making, more is needed to ensure members get the right care in a timely manner. Connecting people with alternative venues of care, such as telehealth, and facilitating access to care, such as scheduling appointments right from where they search for care can close gaps and boost satisfaction.
- **Cost information at the point of referral.** Most referral and service decisions are made at the point of care. The mandate doesn't address provider access to member cost estimates. Making cost-sensitive referrals for 'shoppable' services will go a long way toward reducing health care costs.

HEALTHSPARQ APPROACH

- **Proven, personalized cost experiences.** HealthSparq has been delivering personalized price transparency to health plan members for many years, ensuring they have relevant information based on their unique plan benefits and status. We're already working with clients to prepare for the new mandate.
- **Consumer guidance.** Our solutions help people make better health care choices by presenting costs in context to their situation and offering guidance so they can make decisions without having to be experts.
- **Showing the big picture of care.** The experience supports planning and savings opportunities for complex, end-to-end episodes of care with costs, details and time involved for evaluation through recovery.
- **Incentives for cost-effective health care use.** Our integrated shared savings program gives members a reason to use online tools, compare costs and make more cost-effective choices, benefiting a plan's MLR.
- **Flexibility and innovation.** Health insurance products change over time, and as more alternative care options develop, we stay abreast of the industry to support new use cases and consumer needs.

At HealthSparq, we empower people to make smarter health care choices by providing cost and quality information about doctors, hospitals, medical services and medications. We put people at the core of everything we do by conducting continuous usability testing, turning consumer research into product innovations, hosting industry panels featuring everyday people, and bringing human stories to the forefront through our #WTFix campaign. Using these insights, we create solutions to help people understand and navigate the health care system better than ever before. healthsparq.com

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