

TRANSPARENCY IN COVERAGE

Compliance requirements for self-funded employers.



EXECUTIVE SUMMARY

Requirements at-a-glance

1. Publish machine-readable files of in-network and out-of-network rates
2. Provide members with an internet-based price comparison tool

Deadlines

- First requirement (machine-readable files) is enforceable as of July 1, 2022
- Second requirement (price comparison tool) will be enforceable as of January 1, 2023

Penalty

- Up to \$100 per member per day

SIGNIFICANCE

1 in 3 Americans avoid seeking medical care due to cost

60% of Americans who look for healthcare pricing expect it from their health insurer

81% of Americans say that price transparency helps them manage healthcare spend

OVERVIEW

The Transparency in Coverage Final Rule¹ was released in October 2020 by the Department of Health and Human Services (HHS), the Department of Labor and Department of the Treasury and went into effect July 2022. The regulation directly impacts self-funded employers. This ruling is meant to empower plan members to shop for care that is best for them.

REQUIREMENTS

The Transparency in Coverage Final Rule has two key components:

1. Provision of detailed pricing information on in-network and out-of-network rates (i.e. allowed amounts at OON providers) in machine-readable files (MRFs). This means that all pricing details for in- and out-of-network facilities must be published in a format that can be processed by a computer. Files should be published on a public website and be free for anyone to access.
2. Provide an internet-based price comparison tool (i.e. shopping tool) that members can use to estimate out-of-pocket costs for care they are seeking. This tool must provide access to prices of 500 specified items and services. It should include estimated cost-sharing liability, plan status (i.e. accumulated amounts), negotiated rates, out-of-network allowed amounts and a list of items and services that could have bundled arrangements. This requirement ties into future requirements for employers to give an advanced EOB (AEOB) as part of the No Surprises Act (deadline TBD).

TIMELINE

July 1, 2022

MRFs of in- and out-of-network rates

January 1, 2023

Internet-based price comparison tool

¹ <https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/CMS-Transparency-in-Coverage-9915E.pdf>