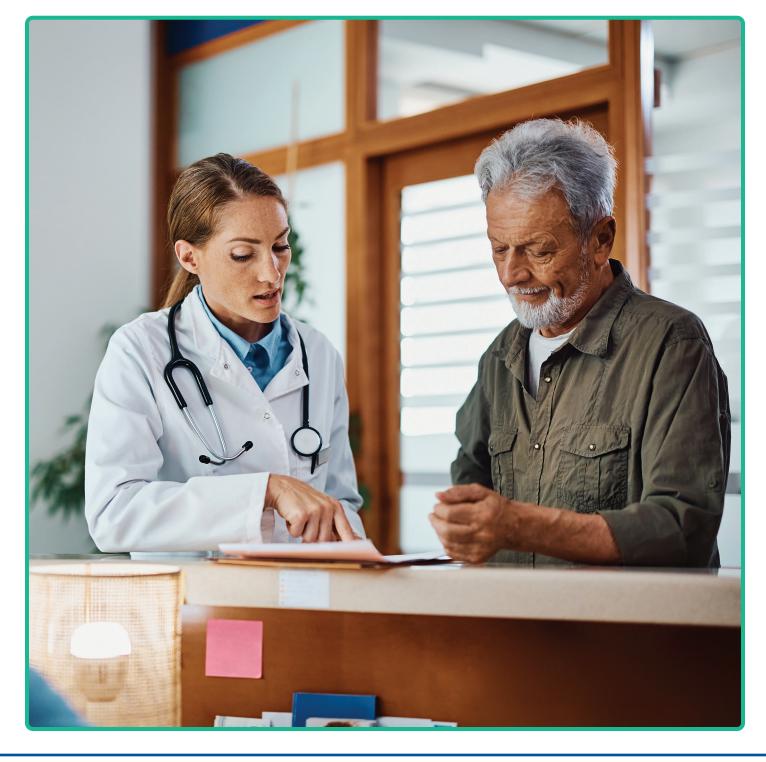


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Hospital Price Transparency







On February 25, 2025, the White House issued an <u>Executive Order</u> to empower consumers with clear, accurate, and actionable health care pricing information. Read the <u>White House fact sheet</u> for more information.

CMS is committed to ensuring consumers have the information they need to make fully informed decisions regarding their health care. Hospital price transparency:

- Stimulates provider competition
- Empowers health care consumers
- Lowers health care costs

Price transparency helps lower health care costs and helps consumers and employers get the best deal on health care by increasing competition among providers.

The <u>Hospital Price Transparency Final Rule</u> requires every U.S. hospital to provide clear, accessible pricing information about the items and services they provide on a publicly available website in 2 ways:

- 1. A comprehensive machine-readable file with all items and services
- 2. A **consumer-friendly display** of shoppable services

These 2 methods help ensure that consumers can find hospital-specific charges for any item or service the hospital provides and can also get a user-friendly, plain language display of pricing information for certain hospital services. This makes it easier for consumers to:

- Shop and compare prices across hospitals
- Assess the cost before getting care

Hospital Compliance

Does this Apply to My Hospital?

The hospital price transparency requirements apply to all hospitals licensed and operating in the U.S. (or U.S. institutions that are otherwise approved as meeting applicable licensing requirements).

- For the definition of a hospital, visit 45 CFR 180.20
- For information about the hospitals that CMS deems already compliant with the hospital price transparency requirements, visit 45 CFR 180.30

Hospitals must affirm that their standard charge information is accurate and complete.



What Do Hospitals Need to Post?

You must post standard hospital charges in 2 ways:

- Machine-readable file (MRF): An MRF that conforms to a required CMS template (JSON or CSV format), data specifications, and data dictionary, and contains standard charges for all hospital-provided items and services, including:
 - a. Gross charges
 - b. Discounted cash prices
 - c. Payer-specific negotiated charges
 - d. De-identified minimum and maximum negotiated charges

For more information, visit 45 CFR 180.50.

- 2. Consumer-friendly display of shoppable services: A display of at least 300 "shoppable services" (or as many as the hospital provides if fewer than 300) that a patient can schedule in advance. This display must:
 - a. Include plain language descriptions of the services
 - b. Group the services with ancillary services
 - c. Provide the discounted cash prices, payer-specific negotiated charges, and de-identified minimum and maximum negotiated charges

Can Hospitals Use a Price Estimator Tool as the Consumer-Friendly Display of Shoppable Services?

Yes, as long as the hospital's price estimator tool:

- Allows consumers, at the time they use the tool, to get an estimate of the amount they must
 pay the hospital for the shoppable service, taking into account their insurance status and cost
 sharing obligations
- Provides estimates for:
 - As many of the 70 CMS-specified shoppable services that the hospital provides
 - As many additional hospital-selected shoppable services as needed for a combined total of at least 300 shoppable services
- Is prominently displayed on the hospital's website
- Allows consumers to access the tool without having to:
 - Pay any charges
 - Register or establish a user account or password

For more information about the consumer-friendly display of shoppable services, visit 45 CFR 180.60.



How Does CMS Monitor & Enforce Price Transparency?

We audit hospitals to ensure they comply with hospital price transparency regulations, and we also investigate <u>complaints</u> submitted to CMS by the public. We leverage automation to complete hospital reviews quickly, accurately, and consistently, and we perform over 200 comprehensive hospital reviews per month.

We have several resources to help hospitals meet accessibility and MRF requirements, including:

- MRF File Naming Wizard
- TXT File Generator
- Validator that tests against the required CMS template and data specifications

For hospitals that don't comply, we may:

- Issue a warning notice
- Request a corrective action plan
- Impose a civil monetary penalty (CMP) and publicize it on a CMS website

CMS is planning a more systematic monitoring and enforcement approach, per the <u>Executive Order</u>. Consistent with standing CMS policies, we will address non-compliance with swift enforcement.

For more information, visit:

- 45 CFR Subpart C
- Hospital Price Transparency Enforcement Updates

All our compliance actions are public and transparent:

- View CMS enforcement actions to date
- Get a list of hospitals that have been issued CMPs
- Visit 45 CFR Subpart D for information about how to appeal a CMP

Patient Information

What Do My Patients Need to Know?

We believe patients should be able to know, long before they open a medical bill, roughly how much a hospital will charge for items and services it provides. Price transparency gives patients the information they need to make informed health care decisions.

Price transparency gives your patients the information they need to make financial decisions about their health care.



Encourage your patients to:

- Review the Data: Hospitals must post standard charges in a consumer-friendly format for services like x-rays, outpatient visits, imaging and laboratory tests, or bundled services (like a colonoscopy).
 When they need an item or service, your patients can look for a hospital's consumer-friendly display of shoppable services (like a Price Estimator Tool) on the hospital's website.
- Be Informed: Before getting care, your patients can get information about the possible hospital
 charges for their care. They can also visit <u>Care Compare</u> to find information about the quality of care
 at over 4,000 Medicare-certified hospitals.
- **Shop Around:** Price transparency gives patients the power to compare prices. Your patients can use this information to find a hospital that works for them.

If a patient can't find a hospital's standard charges online, they can submit a complaint.

Resources

- Learn more about Hospital Price Transparency.
- Visit our <u>Resources</u> for information to support your hospital's implementation efforts, including webinars, FAQs, regulations, checklists, and more.
- Questions? Email the hospital price transparency team.
- Use the Data Dictionary GitHub Repository to get:
 - The CMS MRF templates.
 - Technical instructions for encoding required standard charge information.
 - Technical support.
- Use the Hospital Price Transparency Tools to check your work.
 - The Online Validator ensures MRFs meet CMS template layouts and data specifications, enabling hospitals to identify and fix errors before publication.
 - The HPT TXT Generator helps hospitals create the required cms-hpt.txt file, which supports automated searches for MRFs.
 - The MRF naming tool names your file in alignment with CMS' requirements.

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