



2022 SUMMER CPE SYMPOSIUM: WHAT'S HOT IN HEALTHCARE

Pricing Transparency: Using the Data

Session 1 | July 28, 2022

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WE ARE AN INDEPENDENT MEMBER OF HLB—THE GLOBAL ADVISORY AND ACCOUNTING NETWORK

Introductions



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Background



CMS Price Transparency: 2019

Requirement of the Affordable Care Act

Effective January 1, 2019

Requirement: hospitals must post standard charges for all items and services on a public-facing website in a machine-readable format

- Applies to all hospitals, including critical access, inpatient rehab, and inpatient psych
- Revenue codes and charge codes not required
- Concern regarding use of CPT/HCPCS codes (AMA copyright)

Subsection (d) hospitals (those paid under IPPS) also required to publish charges by DRG

Executive Order Issued June 24, 2019

Order Expands Transparency

Goal: Reduce Cost of Care by Increasing Price Competition



Requirements: Part 1



Compliance required January 1, 2021

Requires charge data to be posted in a single machine-readable file

- No barriers to access
 - Free of charge, no account or password required
 - No PHI required to access
- Individual charge level – both actual charge and payer-negotiated charge
 - Five types of “standard charges”
- Updated at least annually and show date of last update on file
- Required of each hospital location if there is a different set of standard charges
- Information not expected to be used by consumers, but rather by employers, other providers, and tool developers

Requirements: Part 2



Displaying shoppable services

- Standard charges for at least 300 shoppable services or bundles
 - Includes the five types of standard charges
- Defined as a service that can be scheduled by a health care consumer in advance
- Services selected for display should be those commonly provided to that hospital's patients
- 70 bundles identified by CMS – provider must have total of at least 300 even if not all 70 are offered at facility
 - Easily searchable and consumer-friendly

No barriers to access

Information updated at least annually

POLLING QUESTION #1

Alternative to Shoppable Services

Providers deemed to meet this requirement if it maintains an Internet-based price estimator tool

- Must include estimates for any of the 70 identified services as are provided by the hospital plus additional services to total at least 300 shoppable services
- Estimator would allow consumer to determine what they will be expected to pay for the service
- Prominently displayed on hospital website
 - Without barriers to access such as a fee, registration or establishing user account

Providers still required to post machine-readable file tied to chargemaster detailing “standard charges”

“Identified” Errors in the Data

Failure to provide payer-specific rates

Posting payer names but no rates

Posting payer names but no plan names

Unclear if professional fees were included

Use of estimates, averages, medians

Use of rates based on historical payments

Failure to update the data

Discrepancy in prices between the machine-readable file and shoppable services

Failure to include applicable billing codes

Difficulty to access – multiple clicks

Identified Errors

Rule requires that each of the rates is clearly presented with the name of the third-party payer and the plan with which it is associated

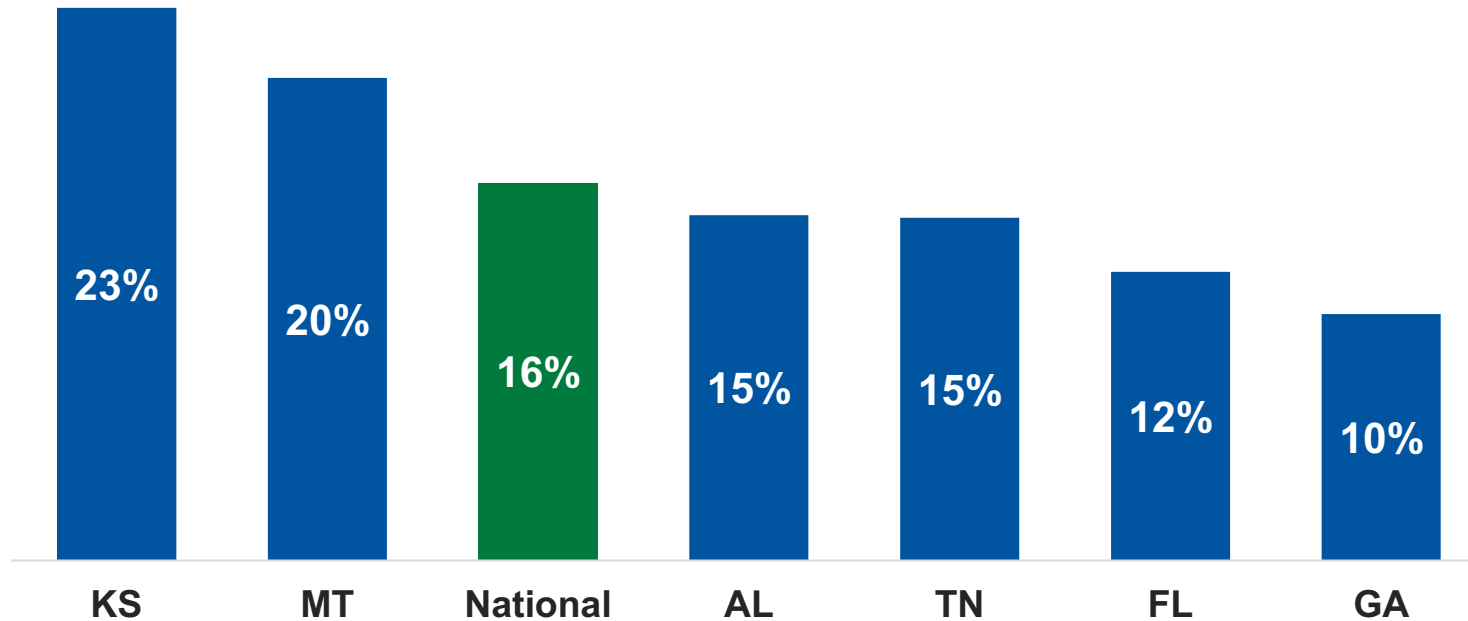
- Example –
 - Insurer has multiple distinct plans –
 - Private plan HMO
 - Private plan PPO
 - Medicare Advantage plan
 - Medicaid managed care plan

Using the Data - Compliance



And the Data Show -

Percent of Hospitals NOT Posting Plan Name*

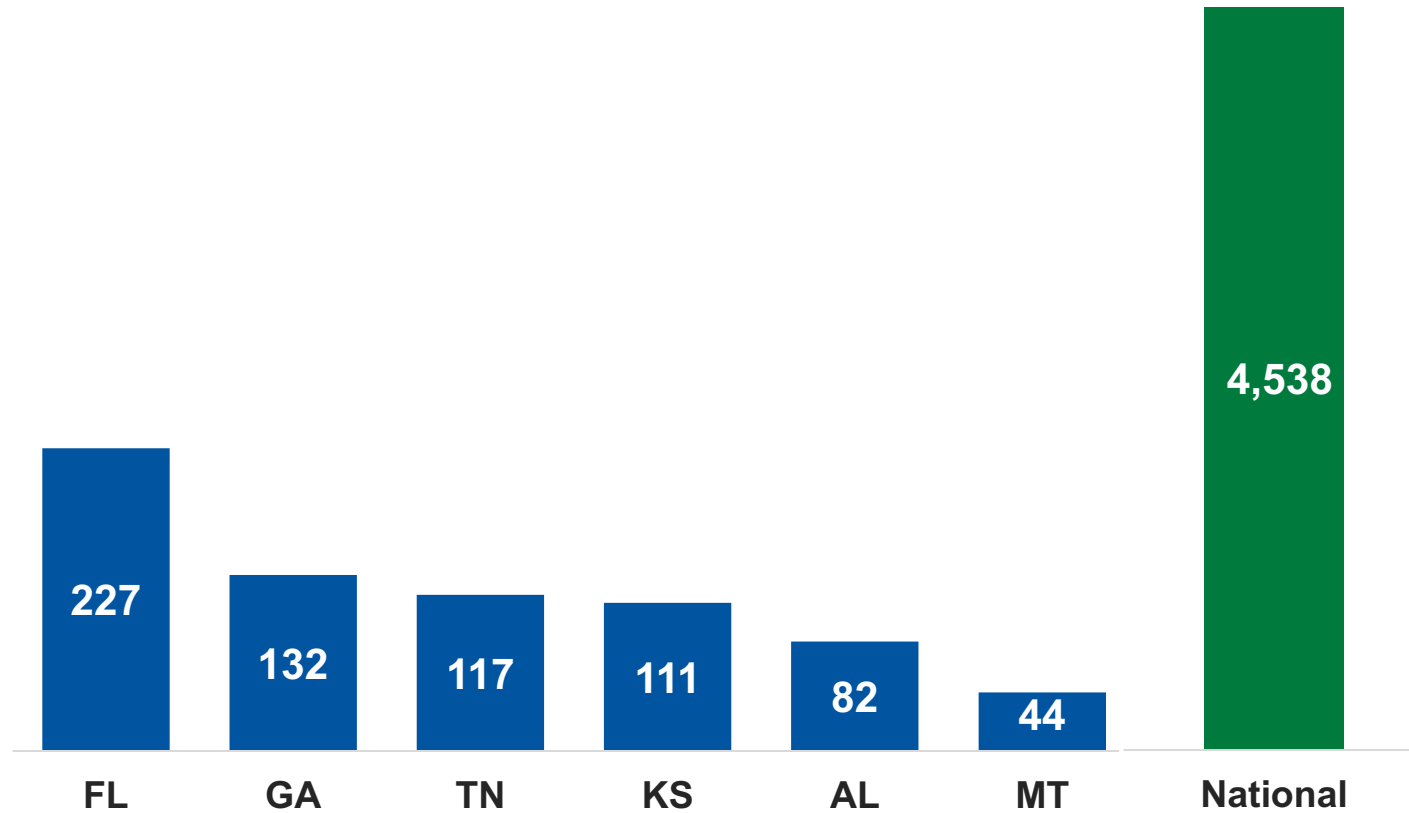


Data source: Turquoise Health Co.

*As of June 2022

And the Data Show -

Number of Facilities Posting Price Transparency Data Nationally*



Data source: Turquoise Health Co.

*As of June 2022

Penalty for Non-compliance

Noncompliance for CMPs Assessed in CY 2022 and Subsequent Years.

Number of Beds	Penalty Applied Per Day	Total Penalty Amount for full Calendar Year of Noncompliance
30 or less	\$300 per hospital	\$109,500 per hospital
31 up to 550	\$310 - \$5,500 per hospital (number of beds times \$10)	\$113,150 - \$2,007,500 per hospital
>550	\$5,500 per hospital	\$2,007,500 per hospital

Note: In subsequent years, amounts adjusted according to 45 CFR 180.90(c)(3).

Patient Rights Advocate.org

Semi-Annual Hospital Price Transparency Compliance Report – February 2022

Errors identified –

- Number of insurance plans includes less than those listed on hospital's website
- Issue of personally identifiable information
- Use of price ranges
- Use of blank fields or N/A: NOT ERRORS

POLLING QUESTION #2

Surprise Billing and Good Faith Estimates



Surprise Billing

Emergency Services

- Applies to emergency services furnished –
 - At out-of-network facility, and/or
 - By out-of-network provider furnishing services at facility (regardless if facility in-network or out-of-network)
- “Emergency services”
 - EMTALA definition +
 - Post-stabilization services (observation, inpatient, outpatient) if treating physician determines patient cannot be safely moved to another facility using non-medical transport)
 - Potential issues with downstream providers

Surprise Billing

Non-emergency services

- Applies to services furnished at in-network facility by out-of-network provider
 - Does not apply to any non-emergency services furnished at out-of-network facility
- Consent to balance billing
 - ONLY if patient has opportunity to select provider in advance (surgeon)
 - Hospital-based physicians cannot obtain consent to balance bill

Good Faith Estimate

Any provider furnishing healthcare services to self-pay patient

- Self-pay patient requests GFE (i.e., “any discussion or inquiry regarding potential costs of items or services under consideration”)
- Services scheduled at least 3 business days in advance for self-pay patient (regardless of request for pricing information)
- GFE applies to “healthcare facilities” and “healthcare providers”
 - State-licensed institutions such as hospitals, ASCs, RHCs, FQHCs, laboratories, imaging centers
 - Physician or other healthcare provider who is acting within scope of practice of that provider’s state-issued license or certification (including air ambulance provider)

Convening Provider and Co-provider

- Who is who?
 - Convening provider = scheduling provider
 - Co-provider = furnishes services directly related to primary service
- Beginning January 1, 2023, what is the consequence of –
 - Failure to request co-provider information?
 - Failure of co-provider to provide information?

Completing the GFE

- Through 2022, include all items and services for which provider bills (including purchased services)
- Self-pay rates
 - List charges inclusive of discounts (even if 100% discount)
 - Opportunity to re-evaluate self-pay rates, chargemaster?

Using the Data – Price and Rate Analysis



MedPAC

It is imperative that the current FFS payment systems be managed carefully and continuously improved. Medicare is likely to continue using its current FFS payment systems for some years into the future. This fact alone makes unit prices—their overall level, the relative prices of different services within a sector, and the relative prices of the same service across sectors—of critical importance. Constraining unit price increases can induce providers to control their own costs and to be more receptive to new payment methods and delivery system reforms.

March Report to Congress 2022

Rand Report: 2022

Some states (Hawaii, Arkansas, and Washington) had relative prices below 175 percent of Medicare prices, while other states (Florida, West Virginia, and South Carolina) had relative prices that were at or above 310 percent of Medicare prices.

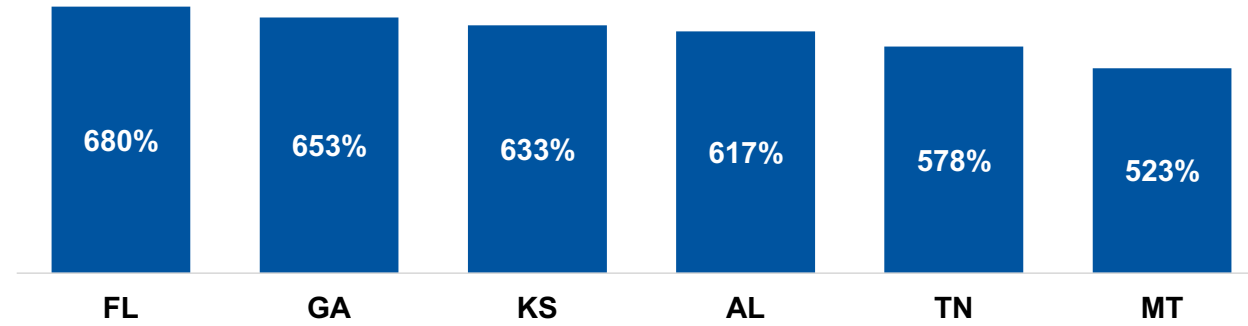
In 2020, across all hospital inpatient and outpatient services (including both facility and related professional charges), employers and private insurers paid 224 percent of what Medicare would have paid for the same services at the same facilities.

Prices Paid to Hospitals by Private Health Plans, 5/17/22

And the Data Show -

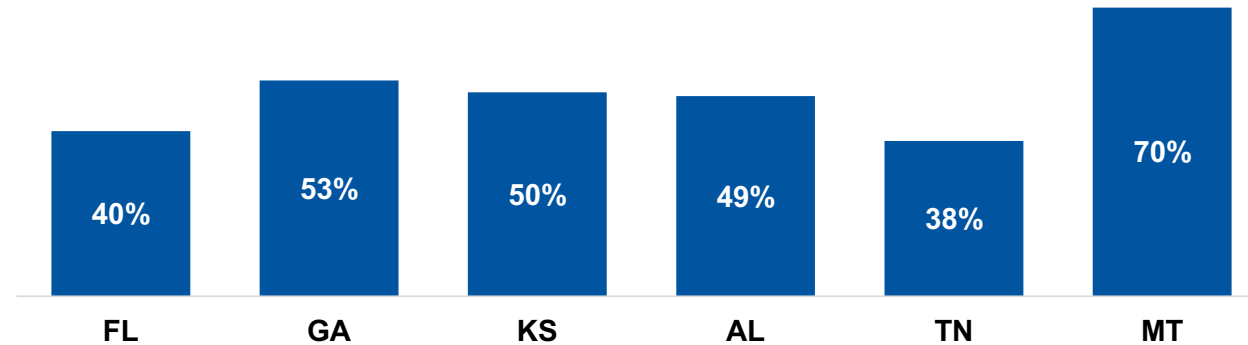
Average Negotiated Commercial Rate as a % of Medicare

MRI of the brain (70553)



Average Negotiated Commercial Rate as a % of Billed Charges

MRI of the brain (70553)



Price Analysis

Show how prices (billed charges) vary across markets

Billed charges by state:

MRI of the brain (70553)

State	Low	High	Median	Average
FL	\$400	\$30,378	\$6,030	\$5,946
TN	\$685	\$16,197	\$5,375	\$5,052
KS	\$1,356	\$13,105	\$4,404	\$4,436
GA	\$1,254	\$21,787	\$3,966	\$4,310
AL	\$703	\$17,128	\$4,104	\$4,120
MT	\$868	\$4,056	\$3,065	\$2,792

EKG 12-lead (93005)

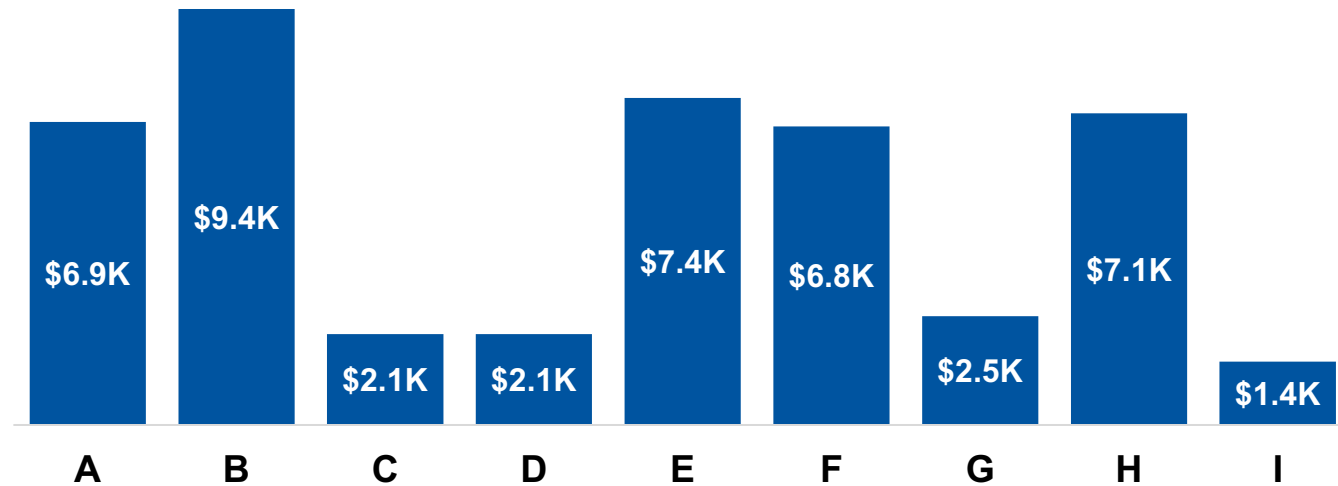
State	Low	High	Median	Average
FL	\$13	\$44,877	\$425	\$774
GA	\$91	\$41,730	\$262	\$705
TN	\$113	\$1,917	\$429	\$512
AL	\$90	\$1,102	\$239	\$305
KS	\$62	\$2,220	\$196	\$262
MT	\$91	\$191	\$186	\$173

Price Analysis

Show how prices vary within a hospital or across a single system

Average Billed Charge by Facility within a system

MRI of the brain (70553)



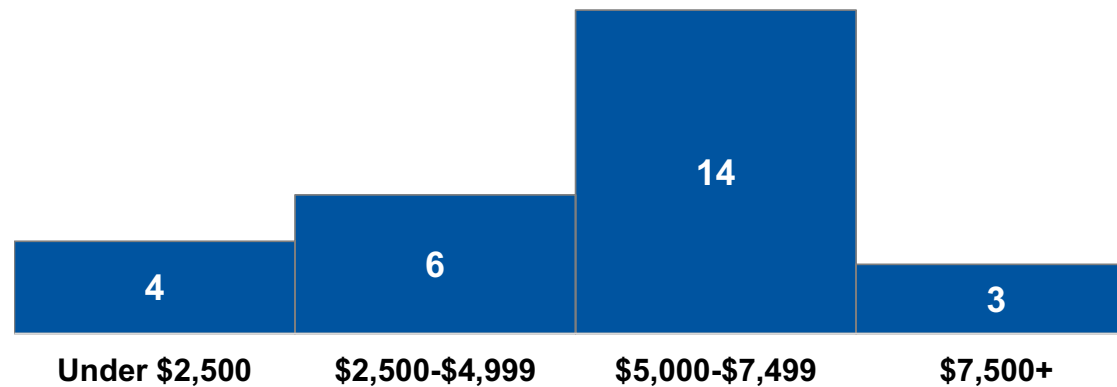
Price Analysis

Allow for the identification of lower-priced providers

- Good faith estimate for self-pay “shoppers”
- GoodBill, as reported in *Crain’s Detroit Business*
 - Initially COVID tests only
 - Allows consumers to compare prices

Hospital Billed Charges Histogram (Atlanta, GA)

MRI of the brain (70553)



Rate Analysis



Show how negotiated rates vary across markets

- Data could be used by plans or providers in future negotiations
- Use in Independent Dispute Resolution process

Negotiated rates by state for Pneumonia (DRG 195)¹

State	Minimum	Maximum	Average	
FL	\$4,030	\$16,330	\$9,207	
KS	\$5,884	\$12,227	\$9,129	
MT	\$7,810	\$8,978	\$8,591	
GA	\$4,157	\$15,008	\$8,351	
TN	\$3,772	\$16,979	\$7,862	
AL	\$3,638	\$19,571	\$6,770	

¹Filtered for commercial payers

Rate Analysis – Alabama



Shoppable Service

195 - SIMPLE PNEUMONIA AND PLEURISY WITHOUT CC/MCC

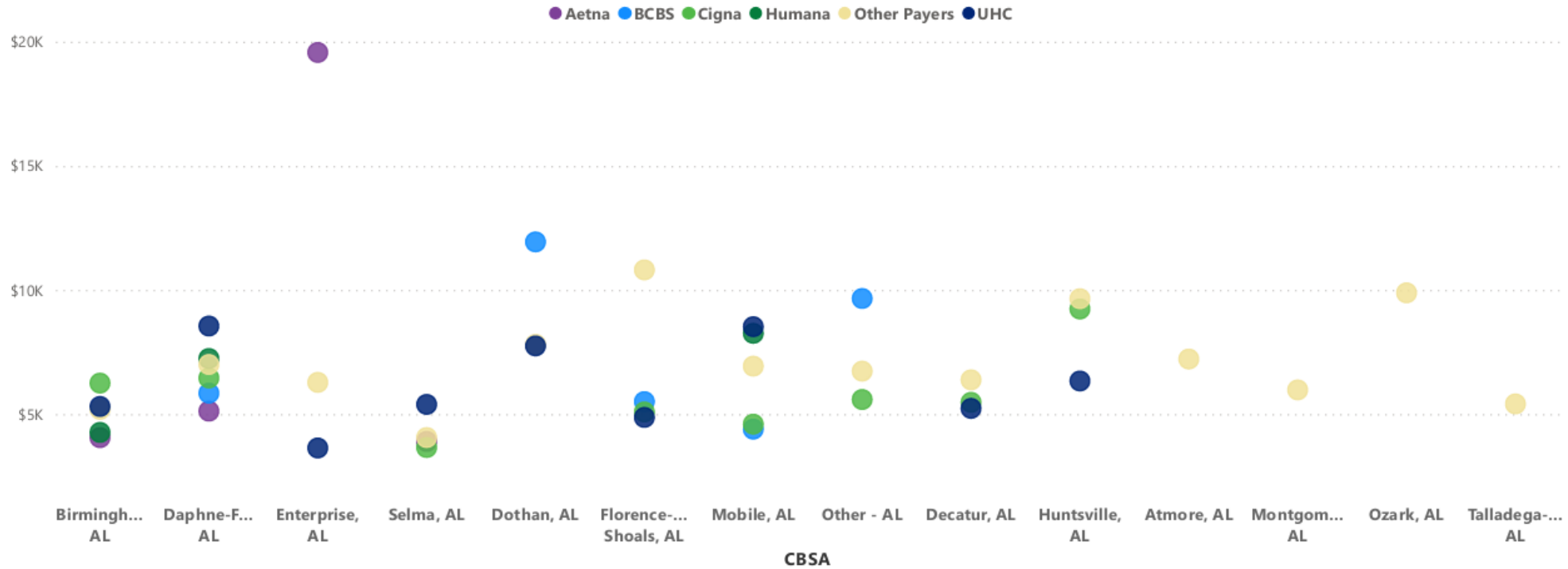
Negotiated Rate:

Minimum	Maximum	Average
\$3,638	\$19,571	\$6,770

State:
 Payer Name:
 Code Type:

Service:
 Confidence Interval: -

Shoppable Service Summary (Negotiated Rate)



Data source: Turquoise Health Co.

Rate Analysis – Florida



Shoppable Service

195 - SIMPLE PNEUMONIA AND PLEURISY WITHOUT CC/MCC

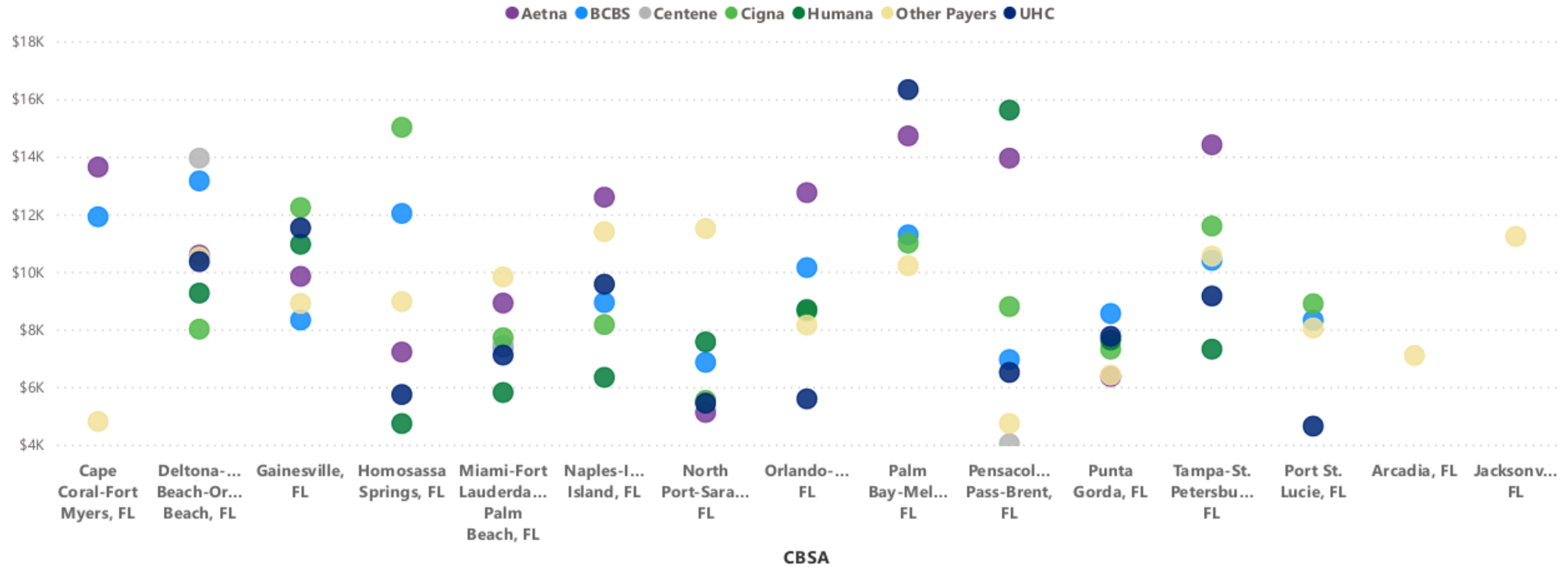
Negotiated Rate:

Minimum	Maximum	Average
\$4,030	\$16,330	\$9,207

State:
 Payer Name:
 Code Type:

Service:
 Confidence Interval: -

Shoppable Service Summary (Negotiated Rate)



Data source: Turquoise Health Co.

Rate Analysis – Georgia



Shoppable Service

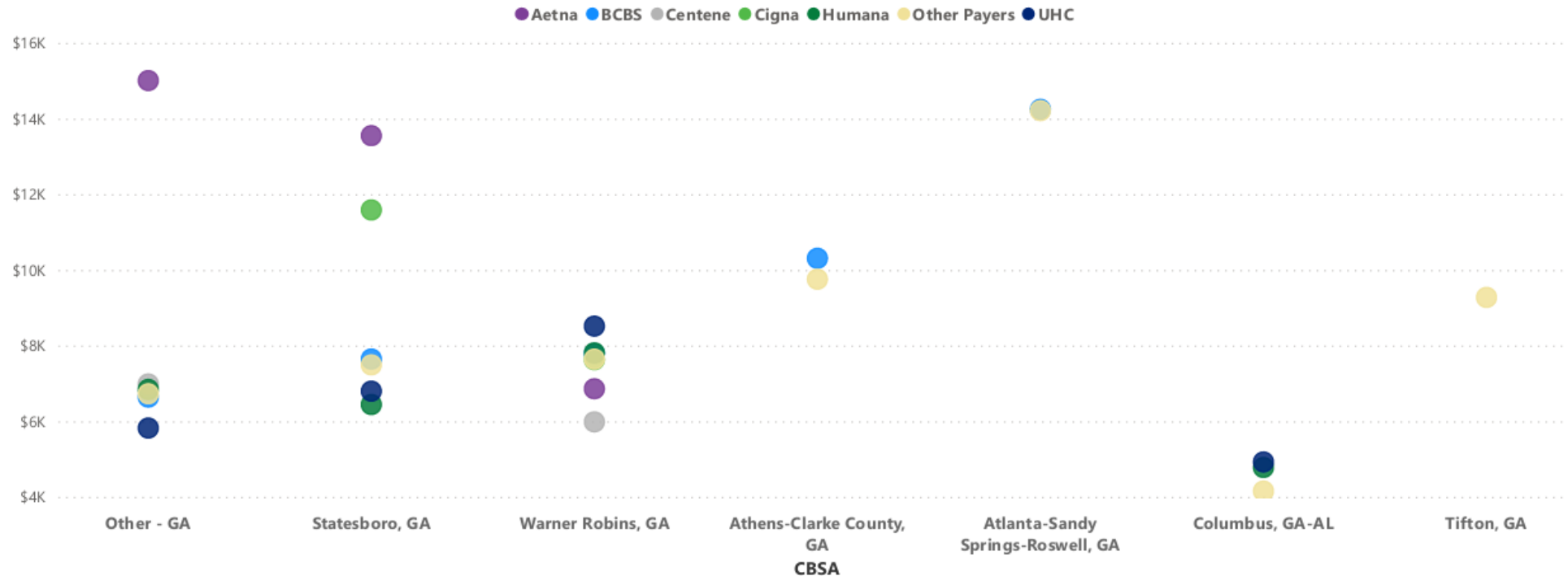
195 - SIMPLE PNEUMONIA AND PLEURISY WITHOUT CC/MCC

Negotiated Rate:

Minimum	Maximum	Average
\$4,157	\$15,008	\$8,351

State: Georgia
 Payer Name: All
 Code Type: All
 Service: SIMPLE PNEUMONIA AND PLEURISY WITHOUT CC/MCC
 Confidence Interval: 0 to 85

Shoppable Service Summary (Negotiated Rate)



Data source: Turquoise Health Co.

Rate Analysis – Kansas



Shoppable Service

195 - SIMPLE PNEUMONIA AND PLEURISY WITHOUT CC/MCC

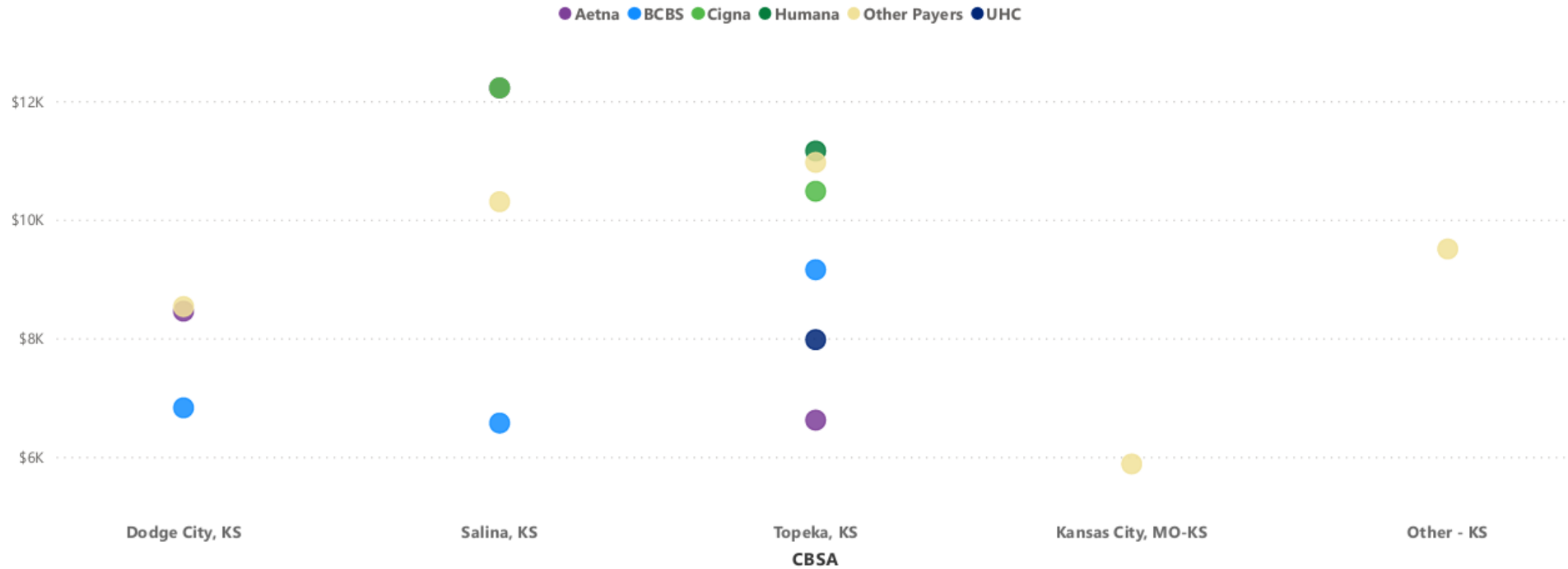
Negotiated Rate:

Minimum	Maximum	Average
\$5,884	\$12,227	\$9,129

State:
 Payer Name:
 Code Type:

Service:
 Confidence Interval: -

Shoppable Service Summary (Negotiated Rate)



Data source: Turquoise Health Co.

Rate Analysis – Montana



Shoppable Service

195 - SIMPLE PNEUMONIA AND PLEURISY WITHOUT CC/MCC

Negotiated Rate:

Minimum	Maximum	Average
\$7,810	\$8,978	\$8,591

State: Payer Name: Code Type:

Service: Confidence Interval:

Shoppable Service Summary (Negotiated Rate)



Rate Analysis – Tennessee



Shoppable Service

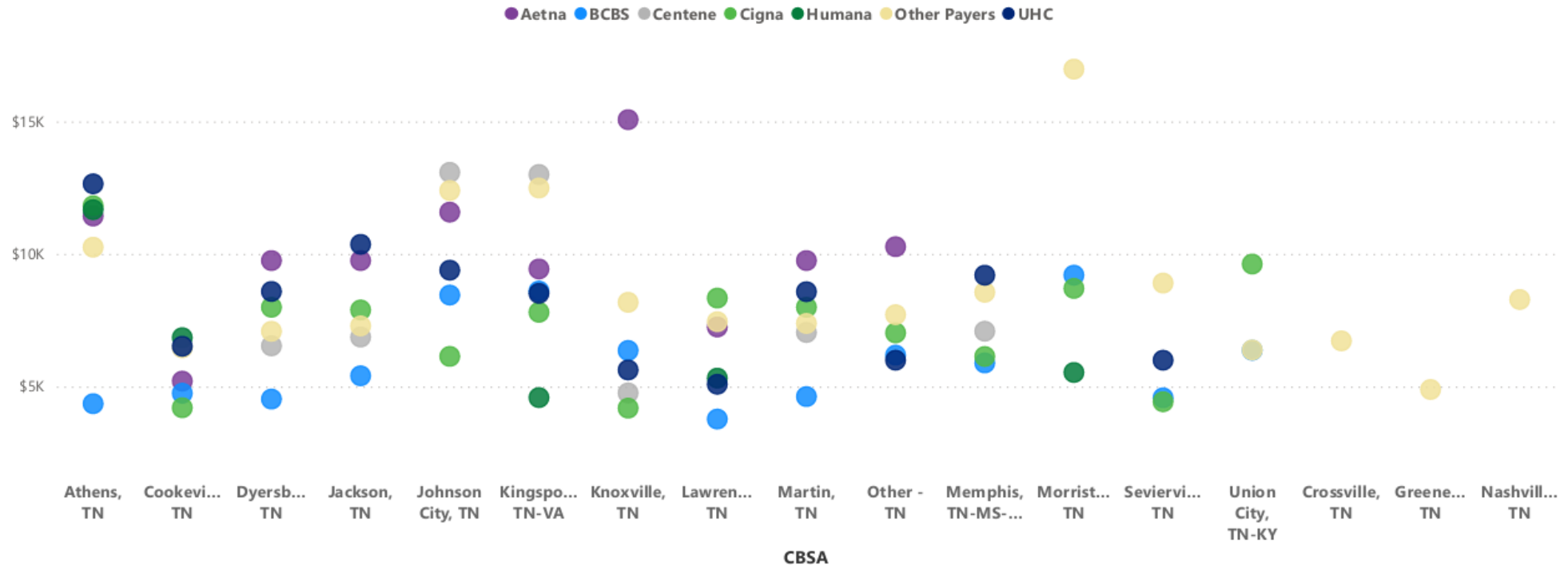
195 - SIMPLE PNEUMONIA AND PLEURISY WITHOUT CC/MCC

Negotiated Rate:

Minimum	Maximum	Average
\$3,772	\$16,979	\$7,862

State: Tennessee | Payer Name: All | Code Type: All
 Service: SIMPLE PNEUMONIA AND PLEURISY WITHOUT CC/MCC | Confidence Interval: 0 - 85

Shoppable Service Summary (Negotiated Rate)



Data source: Turquoise Health Co.

Rate Analysis

Show the comparison of negotiated commercial rates in urban vs. rural areas

- Question of financial pressures on rural areas

Negotiated rates by state for Pneumonia (DRG 195)

State	Average		
	Urban	Rural	Rural/Urban
FL	\$9,554	\$7,100	74%
TN	\$9,494	\$7,154	75%
AL	\$6,865	\$6,119	89%
KS	\$9,803	\$8,840	90%
GA	\$8,818	\$7,993	91%
MT	\$8,978	\$8,349	93%

State	Median		
	Urban	Rural	Rural/Urban
TN	\$9,076	\$5,612	62%
FL	\$8,895	\$7,100	80%
AL	\$6,118	\$5,101	83%
GA	\$7,685	\$6,466	84%
KS	\$9,160	\$8,630	94%
MT	\$7,867	\$8,835	112%

Rate Analysis – Alabama



Shoppable Service

195 - SIMPLE PNEUMONIA AND PLEURISY WITHOUT CC/MCC

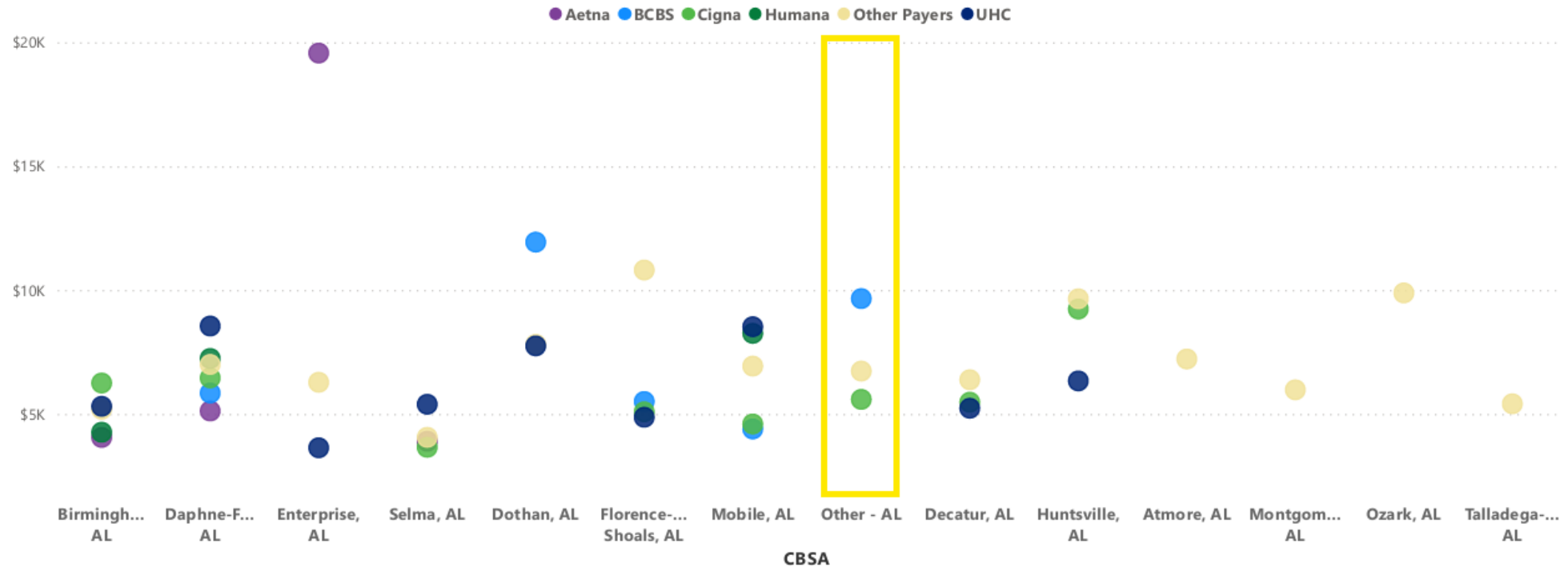
Negotiated Rate:

Minimum	Maximum	Average
\$3,638	\$19,571	\$6,770

State:
 Payer Name:
 Code Type:

Service:
 Confidence Interval: -

Shoppable Service Summary (Negotiated Rate)



Data source: Turquoise Health Co.

Rate Analysis – Georgia



Shoppable Service

195 - SIMPLE PNEUMONIA AND PLEURISY WITHOUT CC/MCC

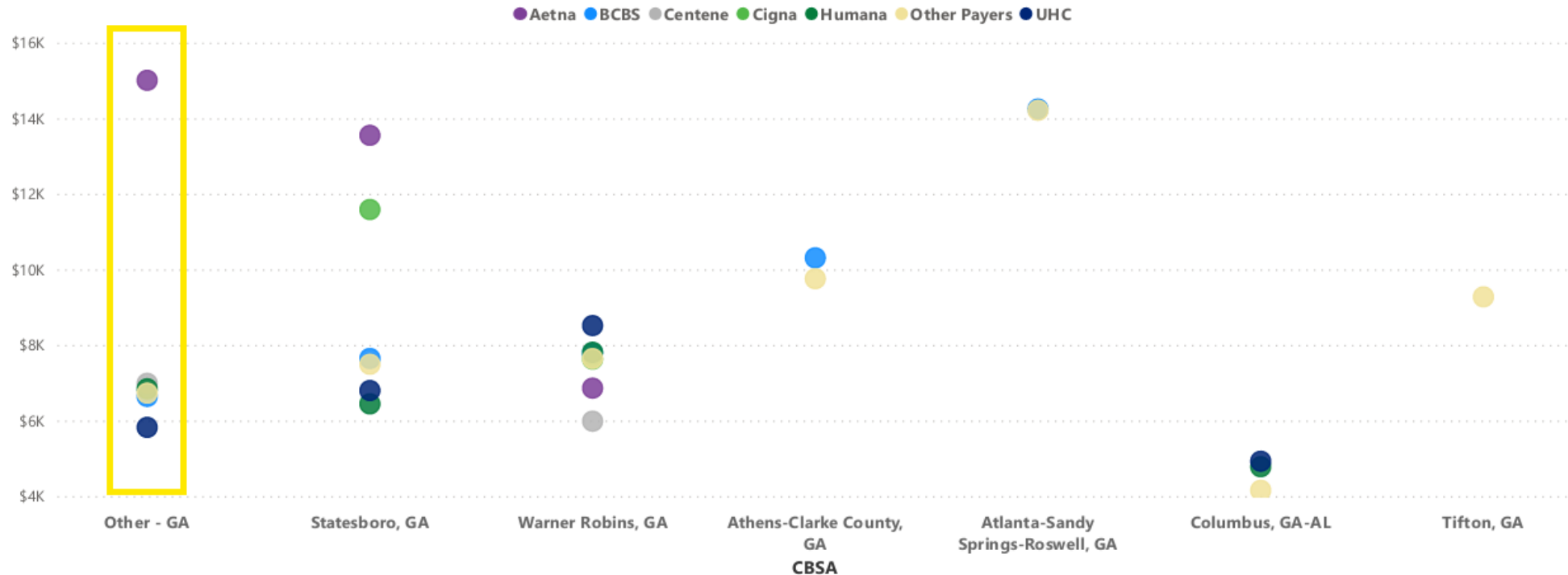
Negotiated Rate:

Minimum	Maximum	Average
\$4,157	\$15,008	\$8,351

State:
 Payer Name:
 Code Type:

Service:
 Confidence Interval: -

Shoppable Service Summary (Negotiated Rate)



Data source: Turquoise Health Co.

Rate Analysis – Kansas



Shoppable Service

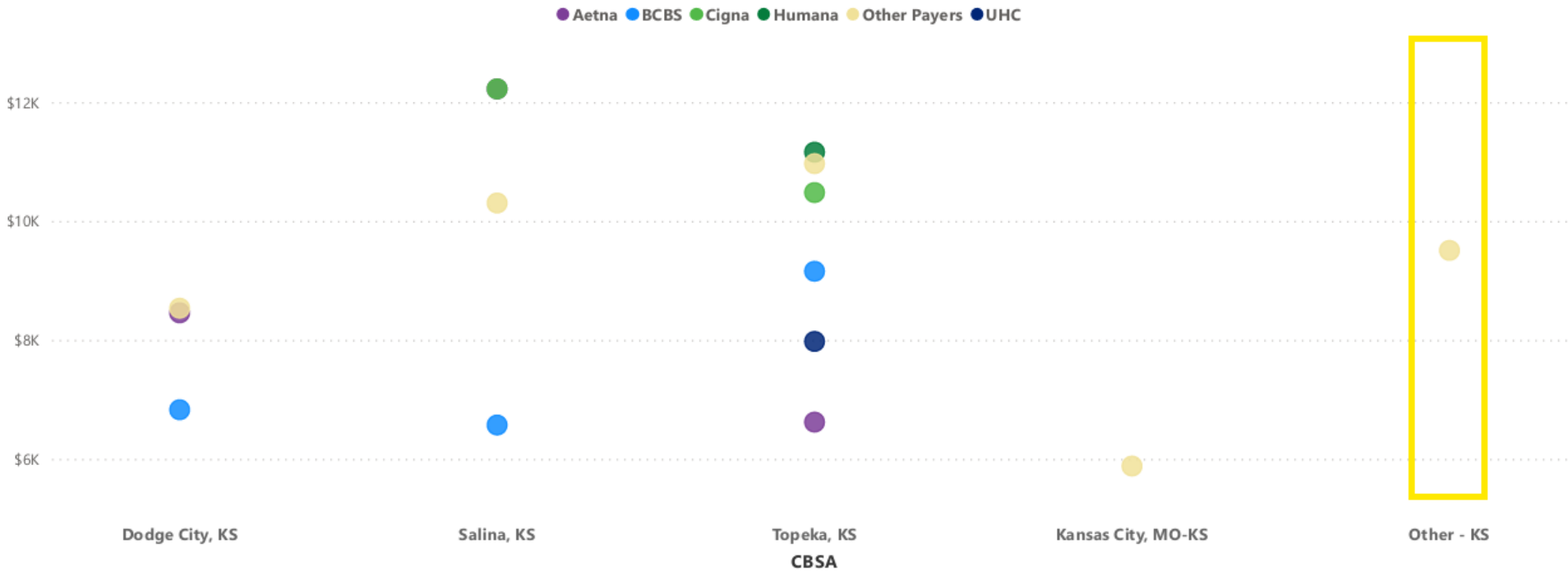
195 - SIMPLE PNEUMONIA AND PLEURISY WITHOUT CC/MCC

Negotiated Rate:

Minimum	Maximum	Average
\$5,884	\$12,227	\$9,129

State: Payer Name: Code Type:
Service: Confidence Interval:

Shoppable Service Summary (Negotiated Rate)



Data source: Turquoise Health Co.

Rate Analysis – Tennessee



Shoppable Service

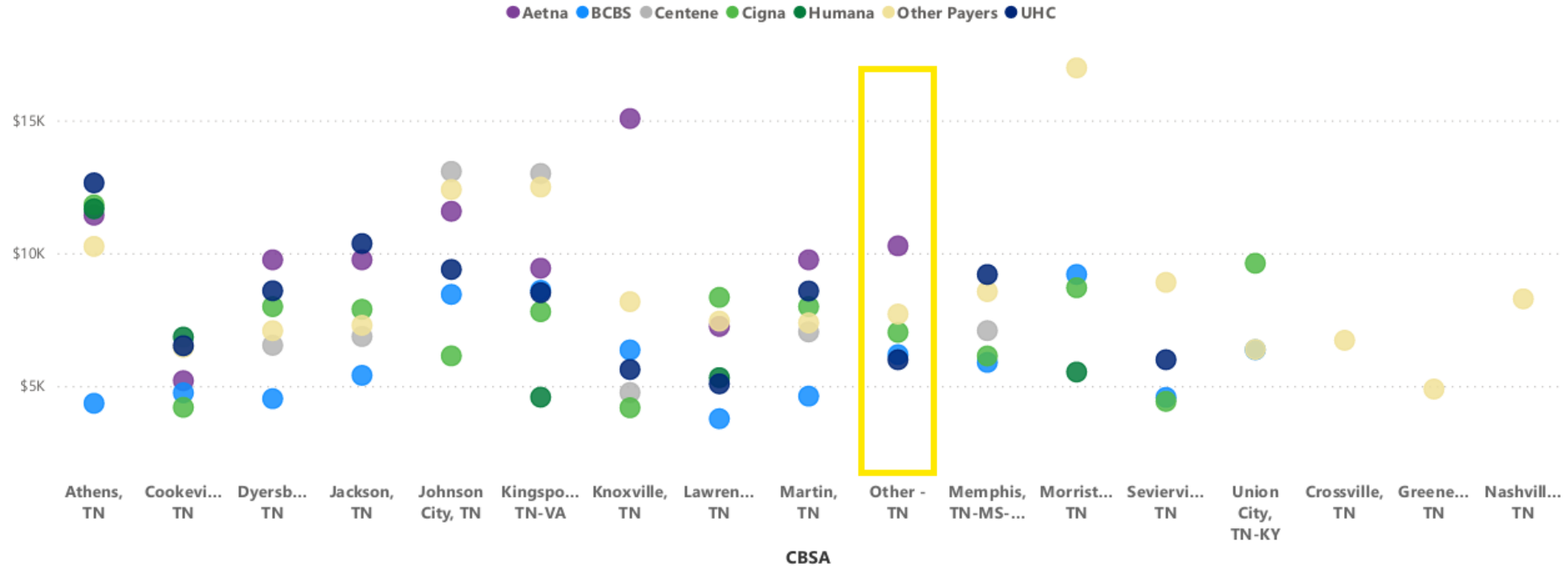
195 - SIMPLE PNEUMONIA AND PLEURISY WITHOUT CC/MCC

Negotiated Rate:

Minimum	Maximum	Average
\$3,772	\$16,979	\$7,862

State: Tennessee | Payer Name: All | Code Type: All
 Service: SIMPLE PNEUMONIA AND PLEURISY WITHOUT CC/MCC | Confidence Interval: 0 - 85

Shoppable Service Summary (Negotiated Rate)



Data source: Turquoise Health Co.

POLLING QUESTION #3

Peer Analysis



Peer Analysis

Pricing and rate analysis



Payer Pricing Detail

Shoppable Service

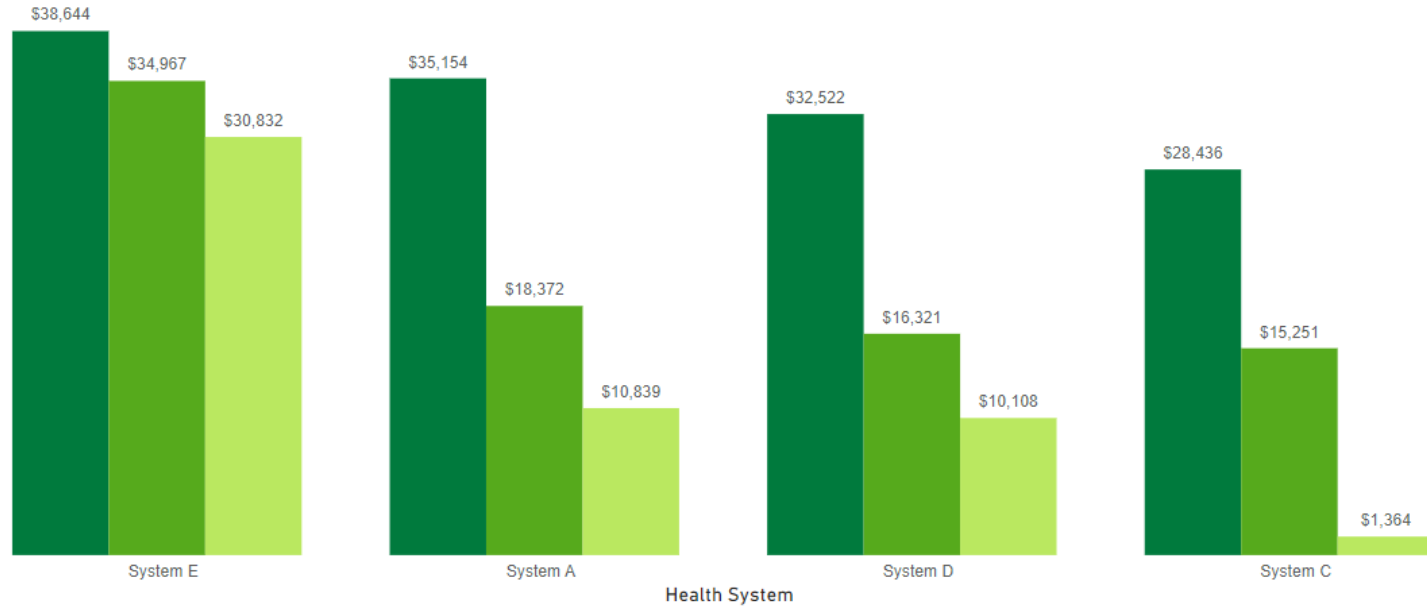
470 - Major joint replacement or reattachment of lower extremity without major comorbid conditions or complications (MCC).

Health System: All
 Facility: All
 Payer Class: Commercial
 Payer Group: All
 Code Type: MSDRG
 Shoppable Service Category: All
 Shoppable Service: 470 - Major joint replacement or reattachment of lower extremity wit...

System Pricing Summary (Negotiated Rates)



● Maximum ● Average ● Minimum



Data source: Turquoise Health Co.

Peer Analysis – Children’s Hospital



Payer Pricing Detail

Selected Service

195 - SIMPLE PNEUMONIA AND PLEURISY WITHOUT CC/MCC (26)

Service Category: All | Facility Name: All | State: All | Payer Name: All

Payer Class: Commercial | Code Type: MSDRG | Service Description: 195 - SIMPLE PNEUMONIA AND PLEURISY WITHOUT CC/MCC (26)

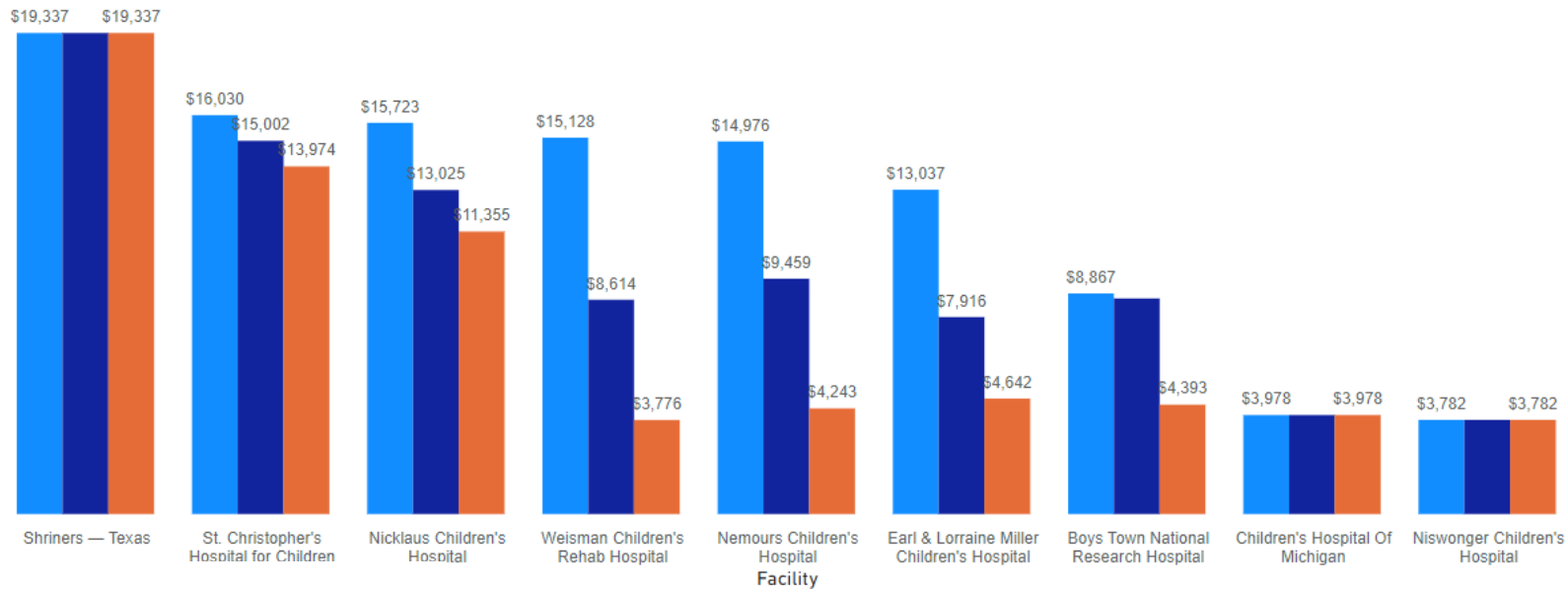
Region: Midwest | Northeast | South | West

>100 Occurrences: No

Confidence Interval: 0 to 85

System Pricing Summary (Negotiated Rates)

● Maximum ● Average ● Minimum



Data source: Turquoise Health Co.

Questions

Visit our Public Negotiated Pricing
Dashboard for your state:



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