



Price Transparency – Using the Data

Prepared for: **2022 Multistate Managed Care Conference**

April 21, 2022

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



*Current Procedural Terminology® (CPT) and Healthcare Common Procedure Coding System® (HCPCS) are registered trademarks of the American Medical Association (AMA).

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

Alternative to Shoppable Services



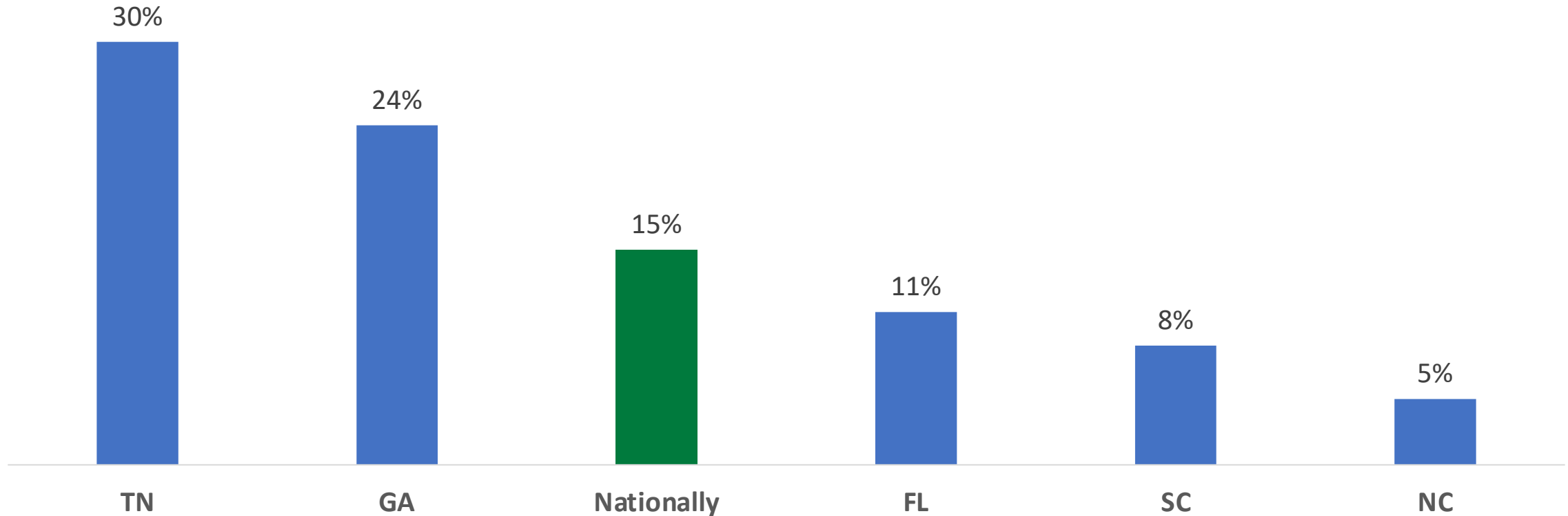
- Providers deemed to meet this requirement if it maintains an Internet-based price estimator tool
 - Must include estimates for any of the identified 70 services as are provided by the hospital plus additional services to total at least 300 shoppable services
 - Estimator would allow consumer to determine 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”

A Few Notes



- 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

% of Hospitals NOT Posting Plan Name



Data Source: Turquoise Health Co.

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).

“Identified” Errors in the Data

1. Failure to provide payer-specific rates
2. Question if all products were included
3. Posting payer names but no rates
4. Posting payer names but no plan names
5. Unclear if professional fees were included
6. Use of estimates, averages, medians
7. Use of rates based on historical payments
8. Failure to update the data
9. Discrepancy in prices between the machine-readable file and shoppable services
10. Failure to include applicable billing codes
11. Difficulty to access – multiple clicks

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



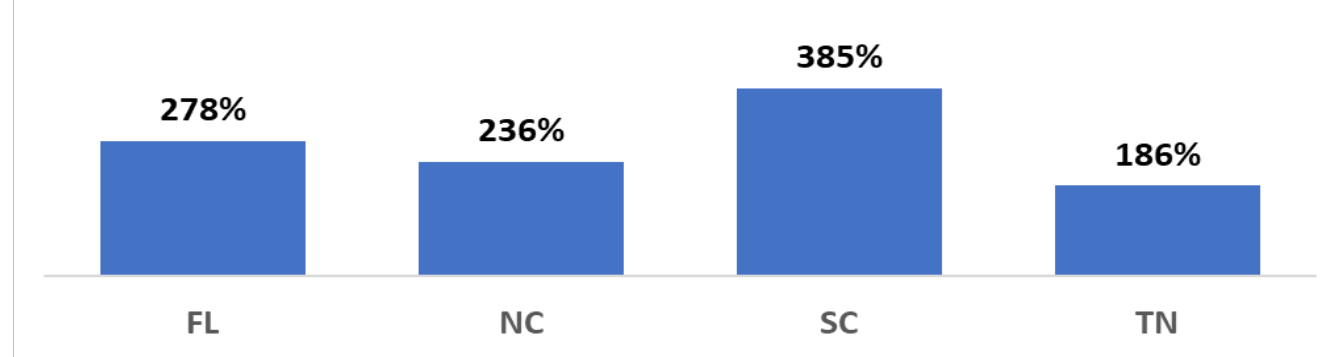
Using the Data

“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

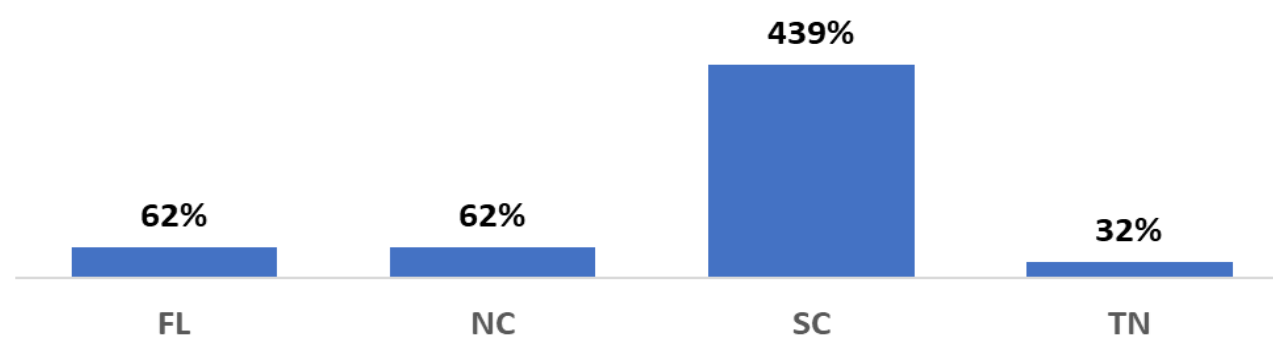
Average Negotiated Commercial Rate as a % of Medicare

MRI of the brain without contrast (70557)



Average Negotiated Commercial Rate as a % of Billed Charges

MRI of the brain without contrast (70557)



Price Analysis



- Show how prices (billed charges) vary across markets
- Billed charges by state:

MRI of the brain (70553)

State	Low	High	Median	Average
NY	\$180	\$7,804	\$767	\$1,352
GA	\$245	\$7,615	\$1,754	\$2,272
NC	\$109	\$6,554	\$2,612	\$2,506
SC	\$106	\$22,336	\$2,717	\$2,695
TN	\$68	\$7,824	\$1,966	\$2,770
FL	\$5	\$57,090	\$2,836	\$4,215

EKG 12-lead (93005)

State	Low	High	Median	Average
NY	\$1	\$1,950	\$47	\$72
NC	\$6	\$5,000	\$158	\$187
FL	\$5	\$24,641	\$206	\$343
SC	\$6	\$19,111	\$189	\$420
TN	\$10	\$4,741	\$356	\$589
GA	\$16	\$22,216	\$158	\$633

Data Source: Turquoise Health Co.

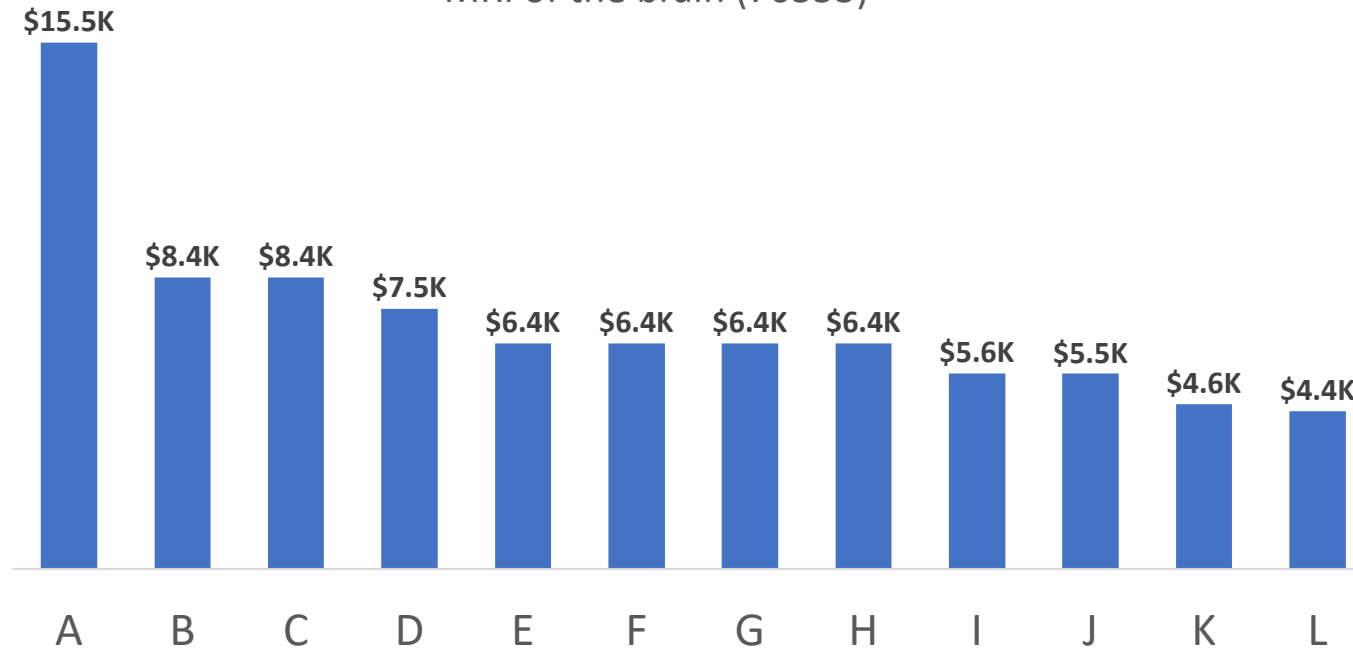
Price Analysis (*continued*)



- 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)



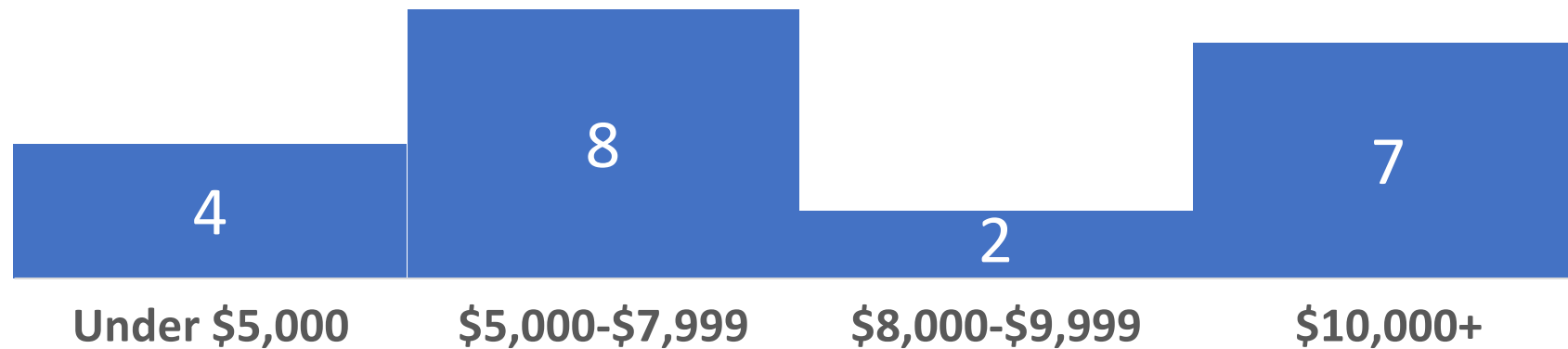
Data Source: Turquoise Health Co.

Price Analysis (*continued*)



- 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
 - Web site, soon to be mobile app
 - Allows consumers to compare prices

Hospital Billed Charges Histogram (Ft. Lauderdale, FL)
MRI of the brain (70553)



Data Source: Turquoise Health Co.

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
TN	\$3,782	\$9,755	\$6,330
NC	\$3,738	\$12,964	\$8,173
GA	\$4,476	\$13,366	\$8,416
FL	\$4,647	\$13,670	\$8,698
SC	\$7,410	\$17,121	\$10,762

¹ Filtered for the following payors: Blue Cross, United Healthcare, Cigna, and Aetna.

Data Source: Turquoise Health Co.

Rate Analysis – Tennessee



Shoppable Service

195 - Pneumonia

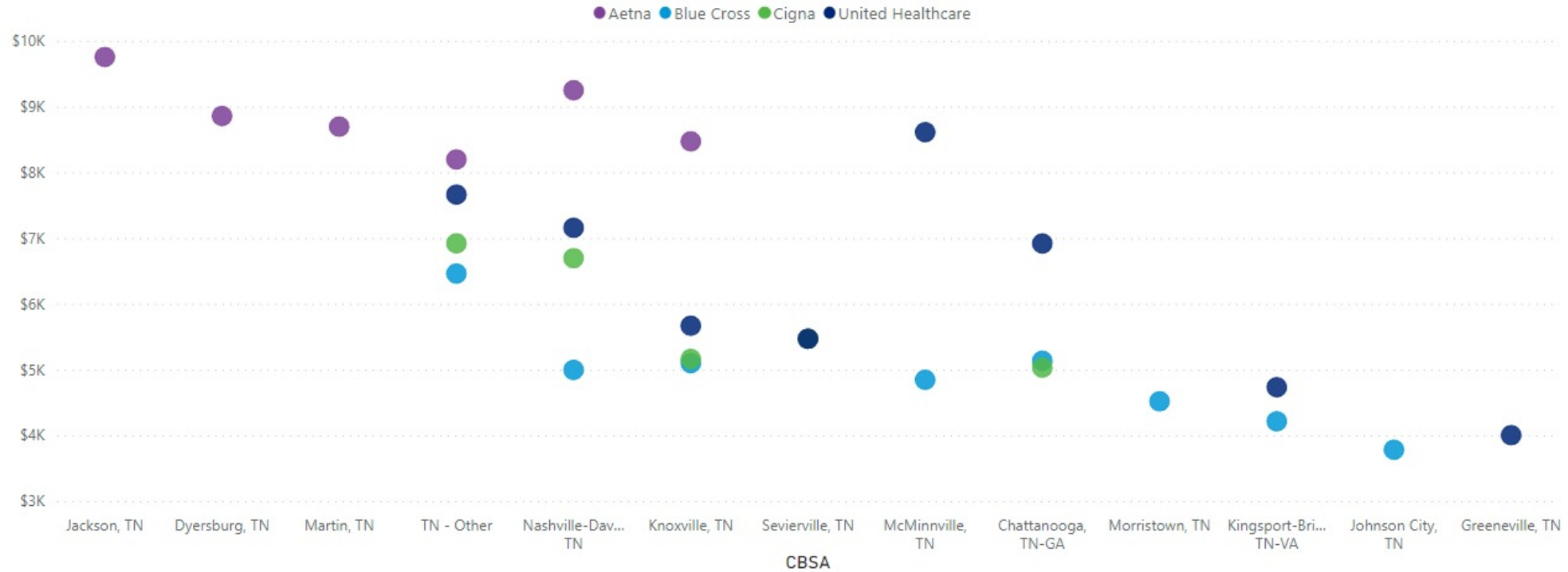
Negotiated Rates

Minimum	Maximum	Average
\$3,782	\$9,755	\$6,330

Provider State:
 Payer Name:
 Code Type:

Shoppable Service:
 Confidence Interval: -

Shoppable Service Summary (Negotiated Rates)



Data Source: Turquoise Health Co.

Rate Analysis – North Carolina



Shoppable Service

195 - Pneumonia

Negotiated Rates

Minimum	Maximum	Average
\$3,738	\$12,964	\$8,173

Provider State

NC

Payer Name

All

Code Type

All

Shoppable Service

Pneumonia

Confidence Interval

0

85

Shoppable Service Summary (Negotiated Rates)



Data Source: Turquoise Health Co.

Rate Analysis – Georgia



Shoppable Service

195 - Pneumonia

Negotiated Rates

Minimum	Maximum	Average
\$4,476	\$13,366	\$8,416

Provider State

GA

Payer Name

All

Code Type

All

Shoppable Service

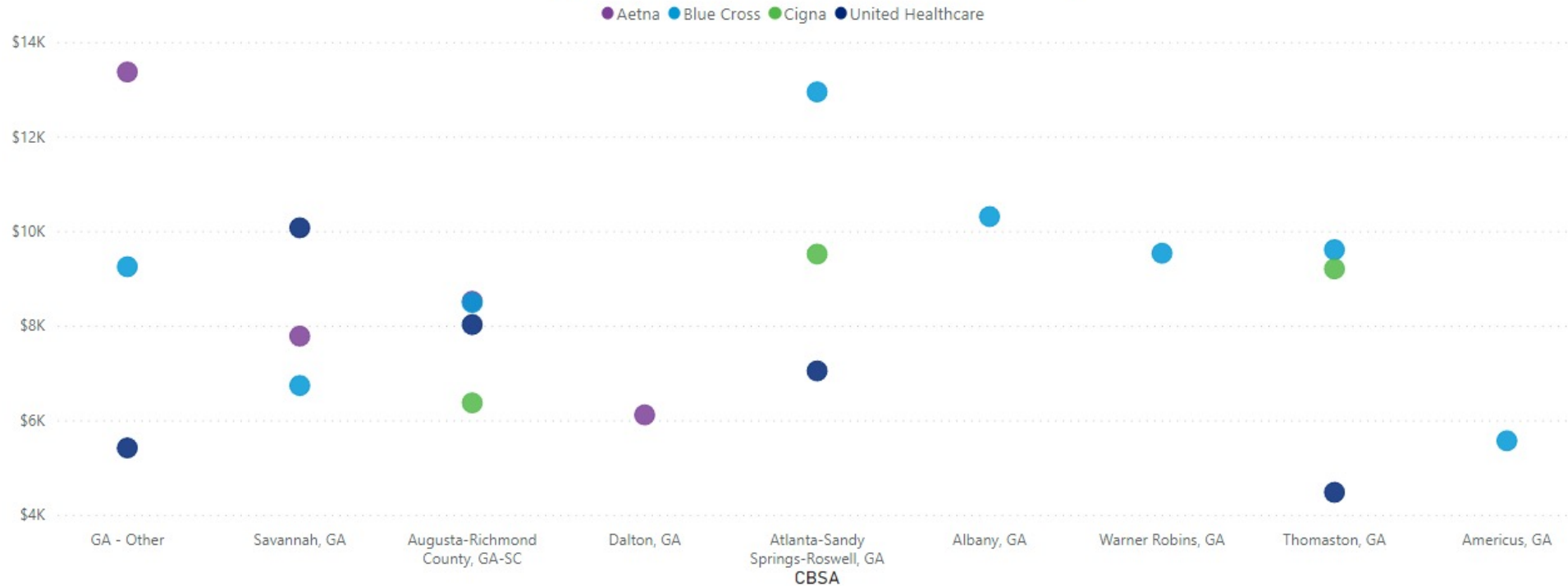
Pneumonia

Confidence Interval

0

85

Shoppable Service Summary (Negotiated Rates)



Data Source: Turquoise Health Co.

Rate Analysis – Florida



Shoppable Service

195 - Pneumonia

Negotiated Rates

Minimum	Maximum	Average
\$4,647	\$13,670	\$8,698

Provider State
 FL

Payer Name
 All

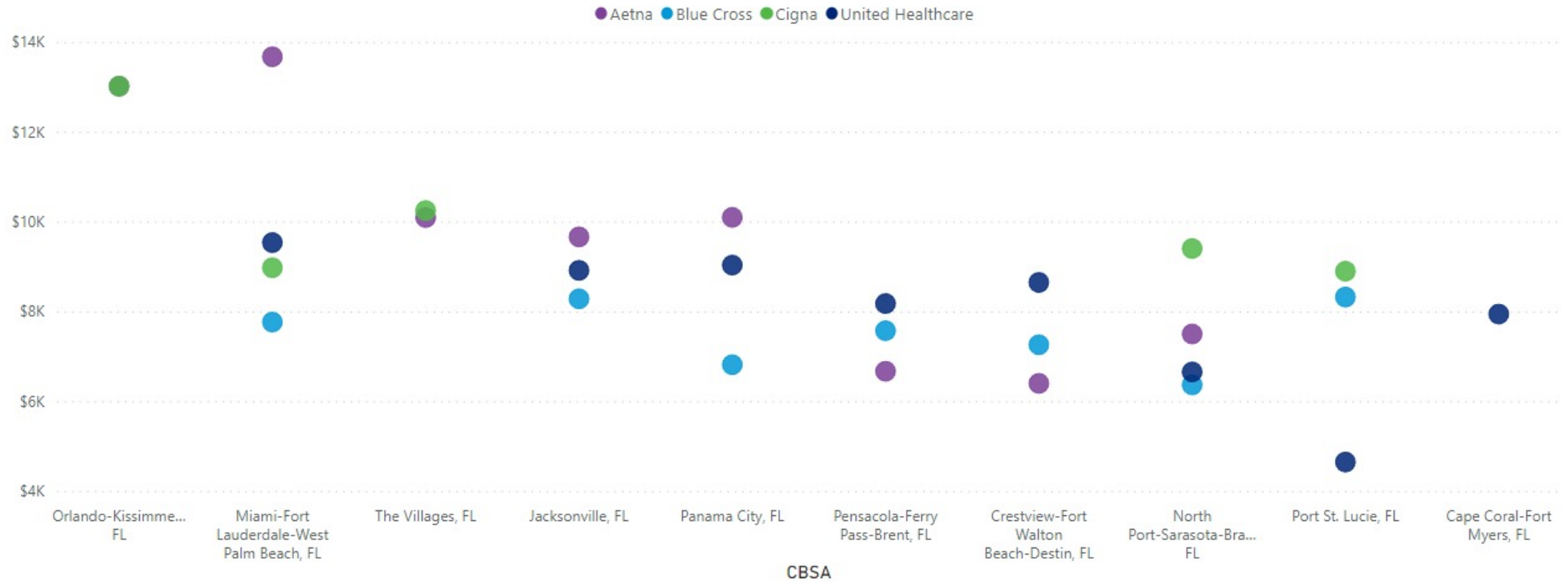
Code Type
 All

Shoppable Service
 Pneumonia

Confidence Interval
 0 85

Shoppable Service Summary (Negotiated Rates)

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Data Source: Turquoise Health Co.

Rate Analysis – South Carolina



Shoppable Service

195 - Pneumonia

Negotiated Rates

Minimum	Maximum	Average
\$7,410	\$17,121	\$10,762

Provider State
 SC

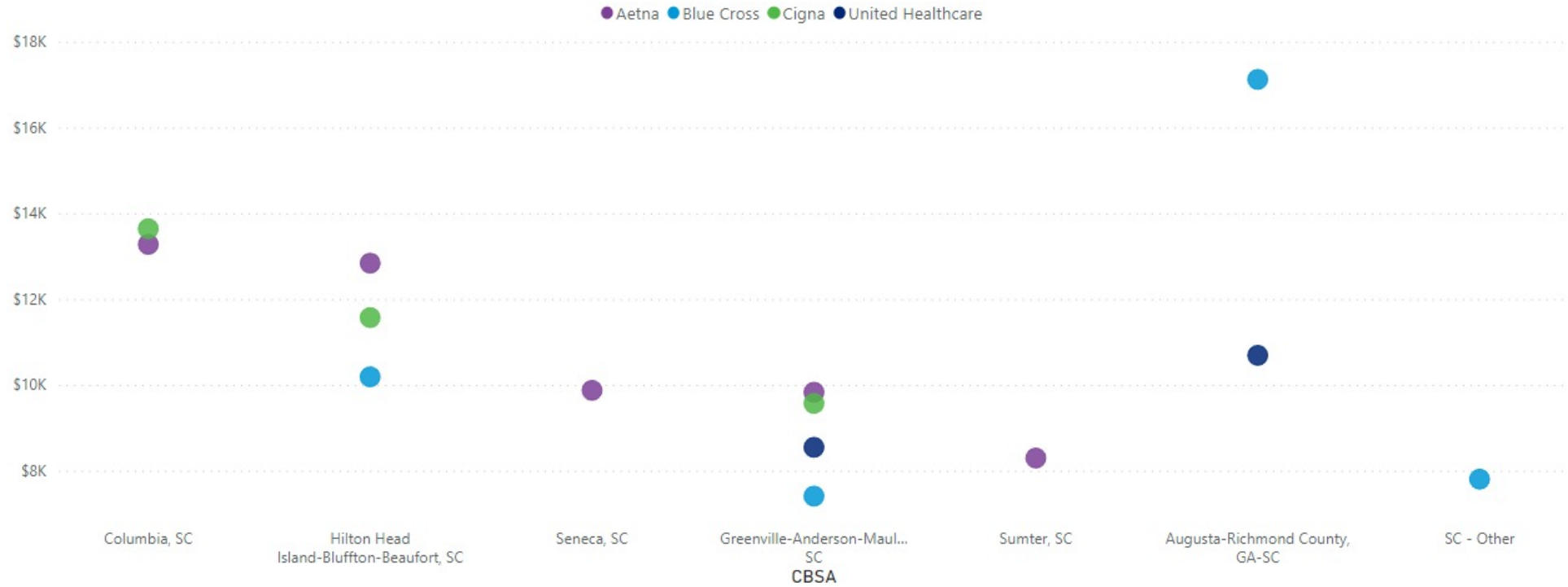
Payer Name
 All

Code Type
 All

Shoppable Service
 Pneumonia

Confidence Interval
 0 85

Shoppable Service Summary (Negotiated Rates)



Data Source: Turquoise Health Co.

Rate Analysis – Urban vs. Rural



- Show the comparison of negotiated commercial rates in urban vs. rural areas
 - Question of financial pressures on rural areas

Negotiated rates by state for MJRLE (DRG 470)

State	Average		
	Urban	Rural	Rural/Urban
SC	\$47K	\$22K	47%
GA	\$27K	\$17K	62%
NC	\$37K	\$29K	77%
TN	\$32K	\$27K	84%

State	Median		
	Urban	Rural	Rural/Urban
SC	\$47K	\$26K	56%
GA	\$25K	\$14K	55%
NC	\$37K	\$29K	78%
TN	\$22K	\$24K	111%

Rate Analysis – South Carolina



Shoppable Service

195 - SIMPLE PNEUMONIA AND PLEURISY WITHOUT CC/MCC

Provider State
 SC

Payer Name
 All

Code Type
 All

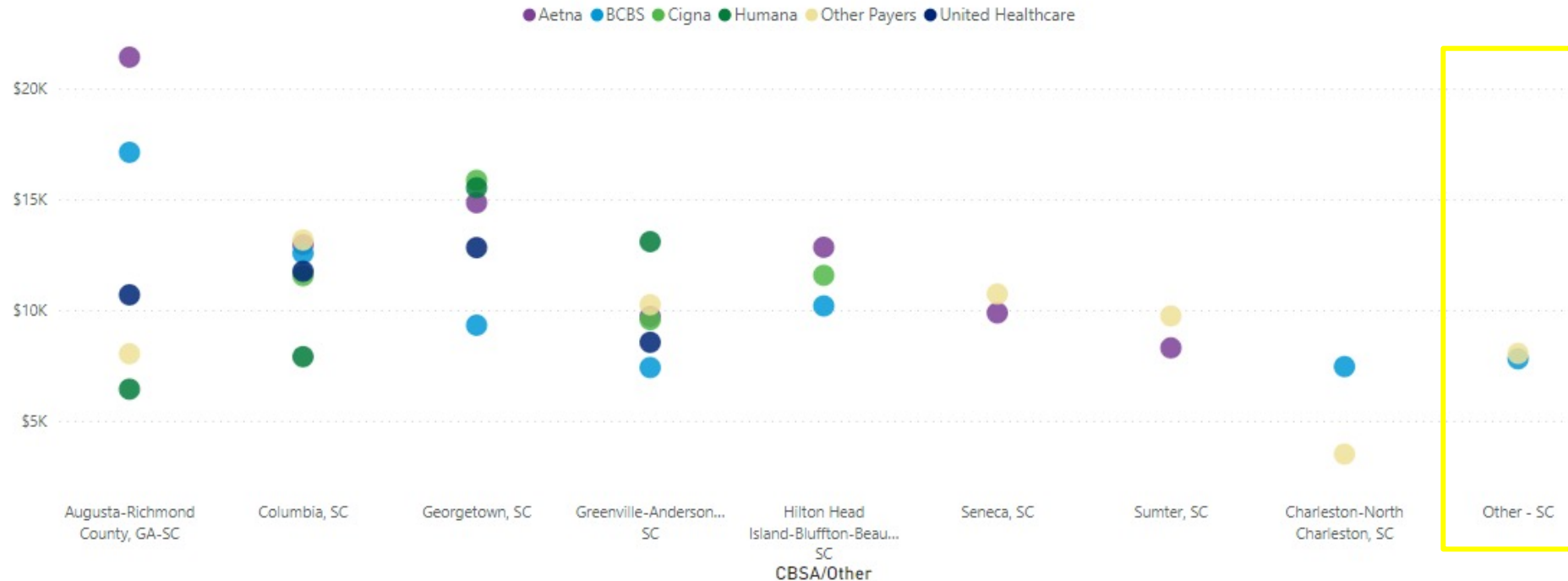
Shoppable Service
 195 - SIMPLE PNEUMONIA AND PLEURISY WITHOUT CC/...

Confidence Interval
 0 85

Negotiated Rates

Minimum	Maximum	Average
\$3,505	\$21,414	\$10,927

Shoppable Service Summary (Negotiated Rates)



Data Source: Turquoise Health Co.

Rate Analysis – Georgia



Shoppable Service

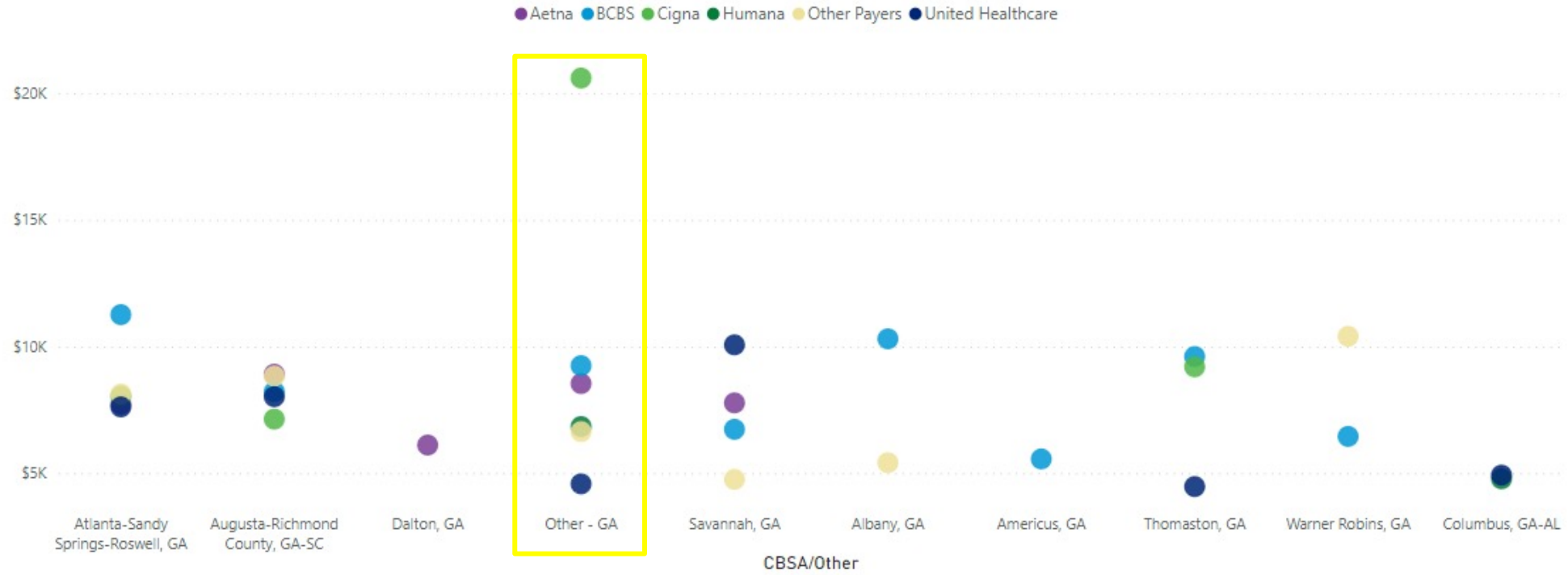
195 - SIMPLE PNEUMONIA AND PLEURISY WITHOUT CC/MCC

Provider State: GA
 Payer Name: All
 Code Type: All
 Shoppable Service: 195 - SIMPLE PNEUMONIA AND PLEURISY WITHOUT CC/...
 Confidence Interval: 0 to 85

Negotiated Rates

Minimum	Maximum	Average
\$4,476	\$20,603	\$7,967

Shoppable Service Summary (Negotiated Rates)



Data Source: Turquoise Health Co.

Rate Analysis – North Carolina



Shoppable Service

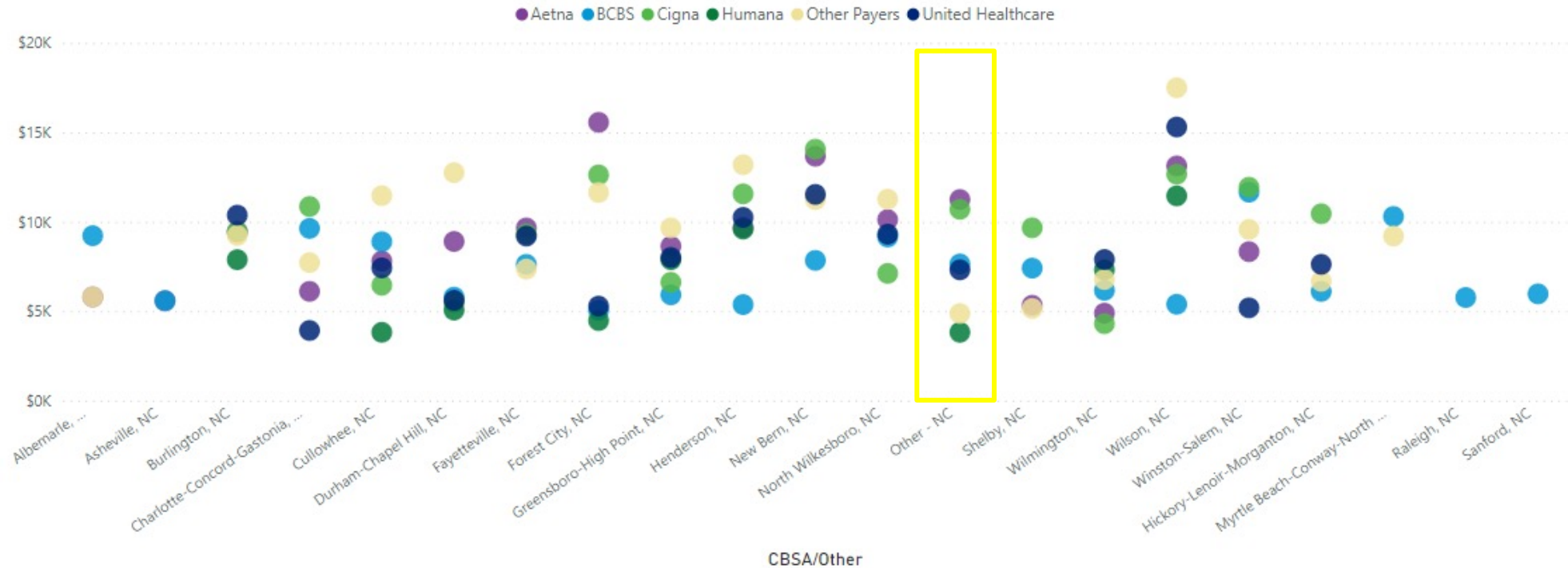
195 - SIMPLE PNEUMONIA AND PLEURISY WITHOUT CC/MCC

Negotiated Rates

Minimum	Maximum	Average
\$3,822	\$17,495	\$8,529

Provider State: NC
 Payer Name: All
 Code Type: All
 Shoppable Service: 195 - SIMPLE PNEUMONIA AND PLEURISY WITHOUT CC/...
 Confidence Interval: 0 to 85

Shoppable Service Summary (Negotiated Rates)



Data Source: Turquoise Health Co.

Rate Analysis – Tennessee



Shoppable Service

195 - SIMPLE PNEUMONIA AND PLEURISY WITHOUT CC/MCC

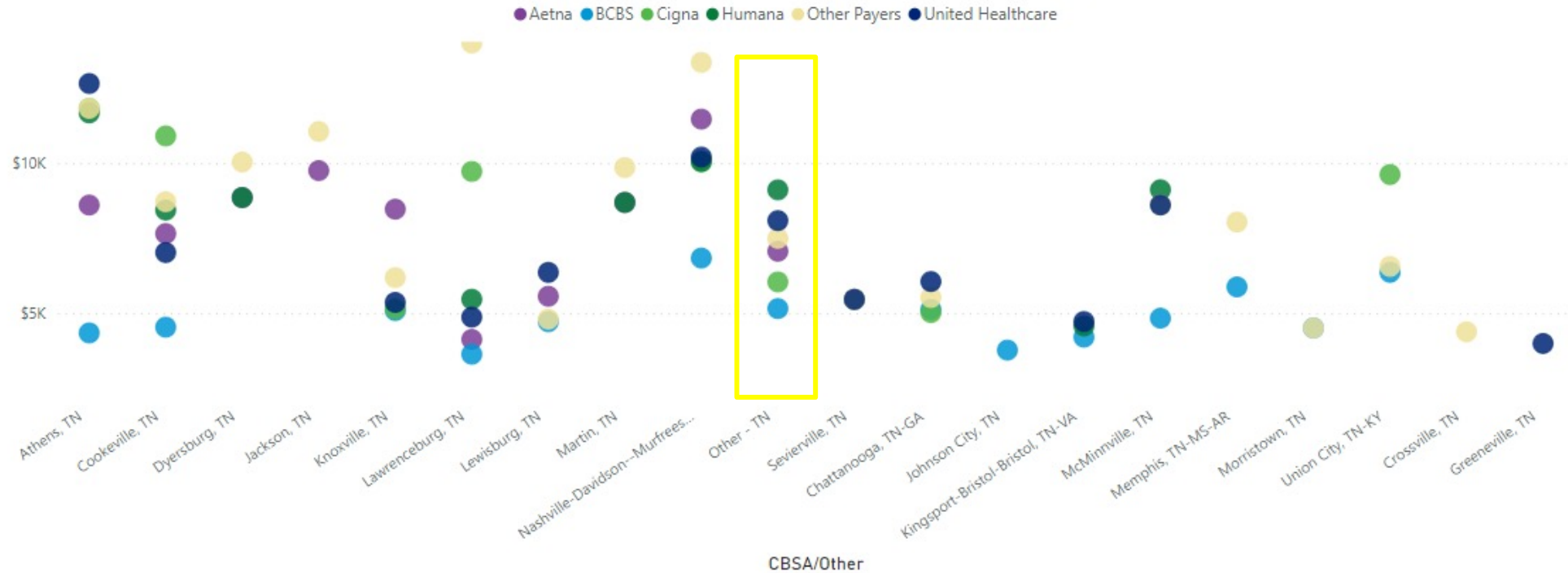
Provider State:
 Payer Name:
 Code Type:

Shoppable Service:
 Confidence Interval: -

Negotiated Rates

Minimum	Maximum	Average
\$3,644	\$13,999	\$7,343

Shoppable Service Summary (Negotiated Rates)

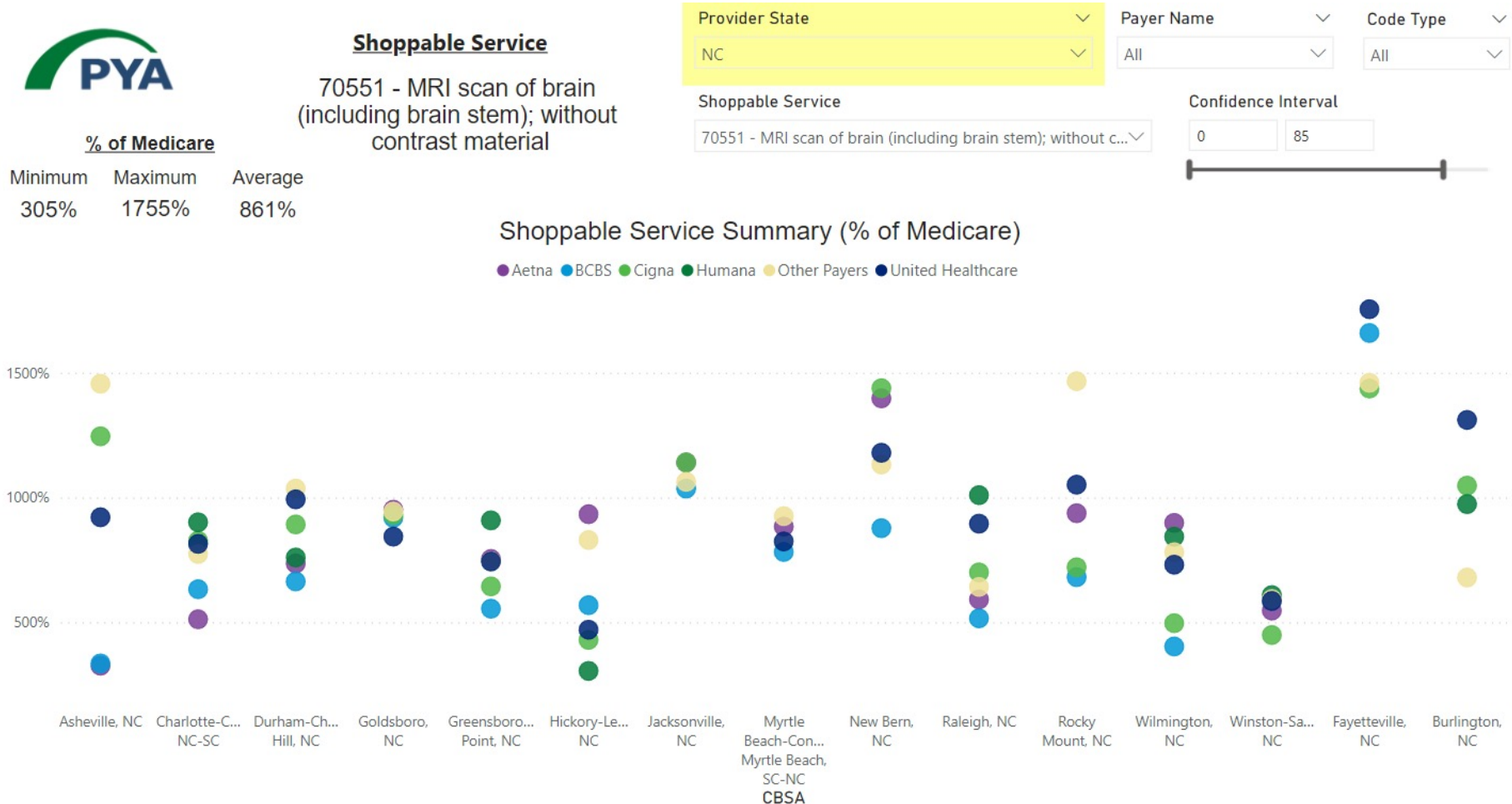


Data Source: Turquoise Health Co.

Rate Analysis – Use Cases



- Use in contracting, rate negotiation, and litigation



Data Source: Turquoise Health Co.

Peer Analysis



- Pricing and rate analysis



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)

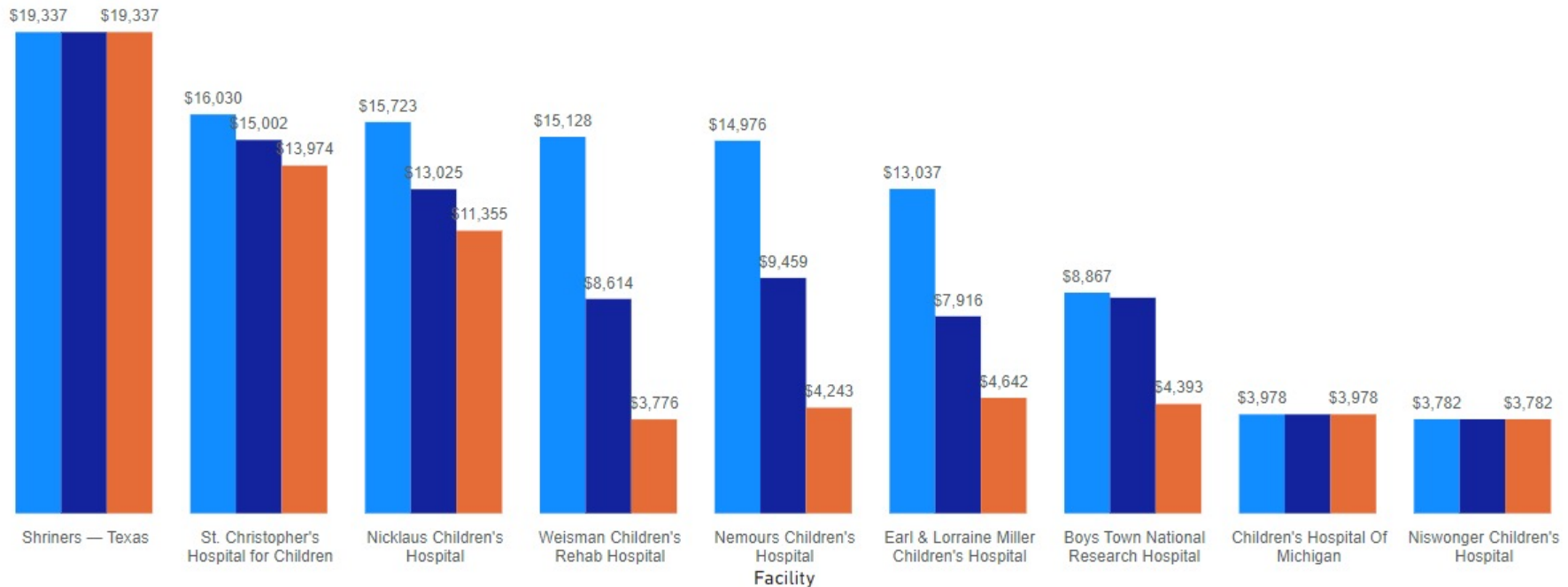
Service Category: All | Facility Name: All | State: All | Payer Name: All

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 - 85

System Pricing Summary (Negotiated Rates)

● Maximum ● Average ● Minimum

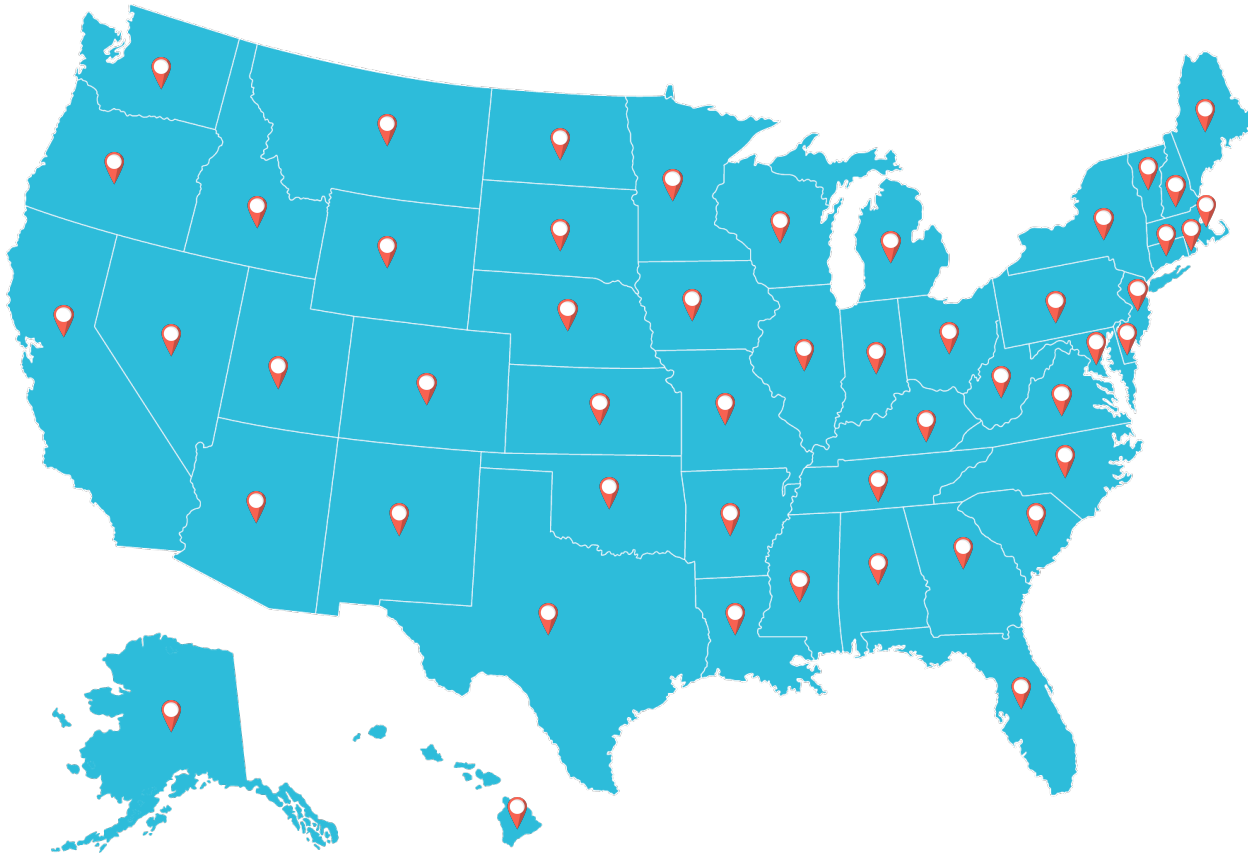


Data Source: Turquoise Health Co.

Questions?



Visit our [Public Negotiated Pricing Dashboard](#) for your state:



Thank you!



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