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# ***NCOIL 2023 Spring Meeting: Hospital Price Transparency***

Aaron Wesolowski

Vice President, Policy Research, Analytics & Strategy

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# *The AHA's Position on Transparency*

- The AHA supports price transparency efforts that help patients access clear, accurate cost estimates when preparing for hospital care.
- The AHA supports streamlining price transparency requirements to avoid patient confusion and duplication of effort that add unnecessary cost and burden to the health care system.
- The AHA will continue to seek opportunities to work constructively and serve as a resource for members and CMS with the goal of getting patients the best possible information.
- Despite hospitals' increasing success providing transparency to patients, there has been extensive mischaracterization of compliance with the Hospital Price Transparency Rule.

# ***Hospital Price Transparency Rule***

- As of Jan. 1, 2021, hospitals are required to publicly post via machine-readable files five different “standard charges”:
  - Gross charges
  - Payer-specific negotiated rates
  - De-identified minimum and maximum negotiated rates
  - Discounted cash prices.
- The rule also requires hospitals to provide patients with an out-of-pocket cost estimator tool or payer-specific negotiated rates for at least 300 shoppable services.

# ***Additional Federal Hospital Price Transparency Policies***

- Good Faith Estimates. The No Surprises Act requires hospitals and other providers to share Good Faith Estimates with uninsured/self-pay patients for most scheduled services.
- Advanced Explanation of Benefits. The No Surprises Act requires insurers to share advanced explanations of benefits with their enrollees, though implementation is currently on hold pending rulemaking. Hospitals will need to provide Good Faith Estimates to health insurers to operationalize this policy.

# Transparency Mechanisms

**Patients face numerous and potentially conflicting sources of pricing information.**

- Under federal rules, patients who seek price information may do so through the following mechanisms:
  - the hospital's machine-readable files;
  - the hospital's online patient cost estimator;
  - the advanced explanation of benefits created by the health plan; or
  - a Good Faith Estimate created by the provider in the event they want to consider their self-pay options.
- State-level policies may direct patients to a variety of other price estimating options.



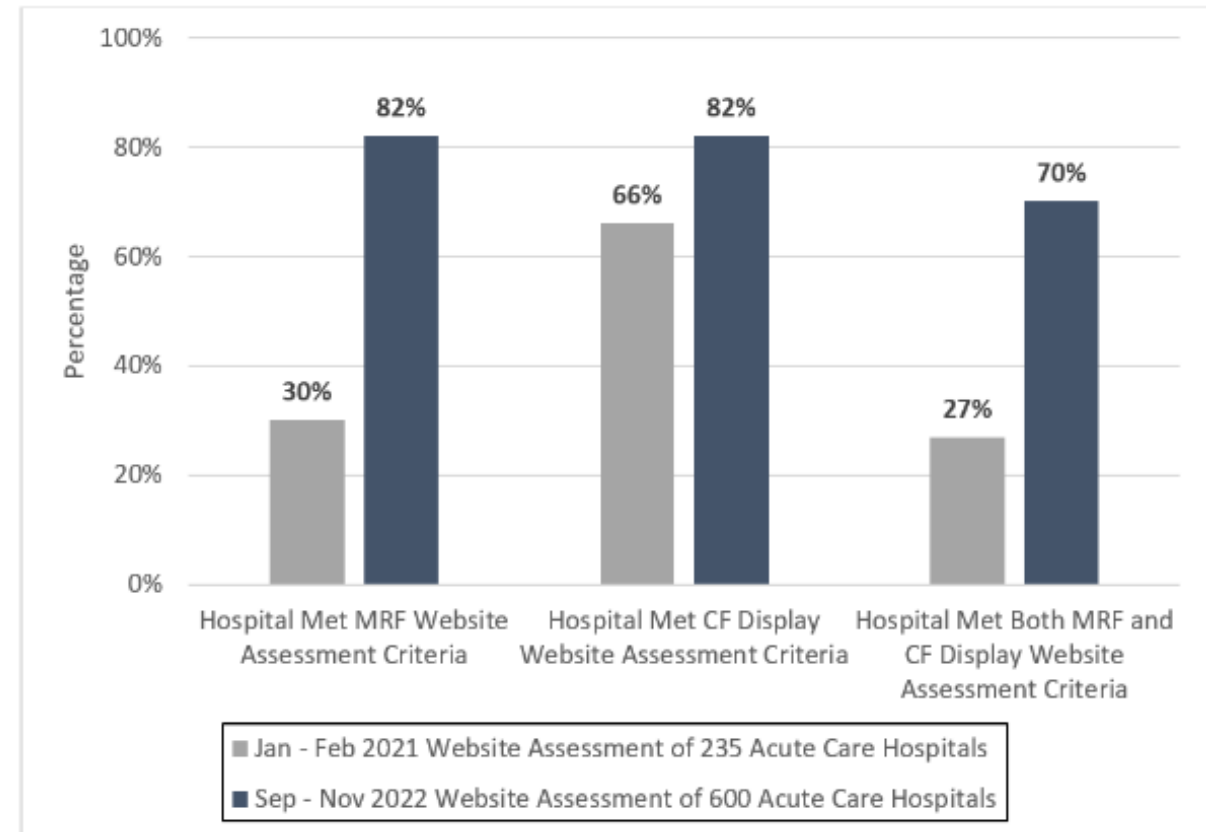
# *Implementation Considerations*

- Hospitals are working to provide the most accurate estimates for what a patient may need to pay.
- While hospitals are working to comply with the requirement to post machine-readable files, the nature of hospital pricing and rate negotiations does not translate easily into a single, fixed rate per service.
- Price transparency tools require large investments of staff time and hospital resources.
- CMS has been working closely with hospitals on compliance.

# Actual Implementation Status

## According to the latest compliance review from CMS...

- “hospitals are putting the hospital price transparency requirements into practice, demonstrating a substantial increase in hospitals meeting website assessment criteria from 27 percent to 70 percent between 2021 and 2022...”
- “We believe the multifaceted effort that CMS has undertaken since initially implementing the regulation... driven this improvement.”
- CMS is exploring several areas in its continued efforts to ensure that hospitals fully comply with the hospital price transparency requirements.



# Others Agree...

- Turquoise Health, a health tech company that analyzes provider and payer data, has also found substantial progress:

**63%** of hospitals (4,064) with cash rates

**65%** of hospitals (4,195) with negotiated rates

**76%** of hospitals (4,909) that have posted a machine-readable file

**60,755,118** total negotiated rates

We have selected over sixty pieces of information crucial to evaluating any hospitals' MRF transparency score. [Here's how, exactly we define and calculate those components.](#) Broadly, these core attributes across relevant MRF categories were generated with input from patients, subject matter experts, and industry specialists after reviewing over 4,000 machine-readable files in 2021. Our intent is to thoughtfully assess the overall usefulness of MRF data elements for building the foundation of patient cost estimates. These categories and criteria are not approved or sponsored by CMS.

**4,909**

Hospitals with an MRF

**564**

Health systems



**Transparency Score Breakdown**



**TURQUOISE TRANSPARENCY SCORECARD**

*\*short-term acute hospitals only*

Bed Quantity	★★ "Partially Incomplete"	★★★ "Partially Complete"	★★★★ "Mostly Complete"	★★★★★ "Complete"
0-25 Beds	161	68	261	573
26-99 Beds	122	80	221	482
100-249 Beds	135	59	198	670
250+ Beds	126	102	290	539
<b>TOTAL</b>	<b>544</b>	<b>309</b>	<b>970</b>	<b>2264</b>
<b>% of Total</b>	<b>13%</b>	<b>8%</b>	<b>24%</b>	<b>55%</b>



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# ***AHA Policy Recommendations***

- Review and streamline the existing transparency policies with a priority objective of reducing potential patient confusion and unnecessary regulatory burden on providers;
- Continue to convene patients, providers and payers to seek input on how to make federal price transparency policies as patient-centered as possible;
- Refrain from advancing additional legislation or regulations that may further confuse or complicate providers' ability to provide meaningful price estimates while adding unnecessary costs to the health care system; and
- Streamline prior authorization and simplify billing to improve patients' financial experience.



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***Thank You***

Aaron Wesolowski

[awesolowski@aha.org](mailto:awesolowski@aha.org)