



# Pricing Transparency Compliance for Rev Cycle Leaders

HFMA AK & WA Chapter | 4/29/24

Joe Wisniewski

Head of Platform

Growth

joe@turquoise.health

219-707-0554





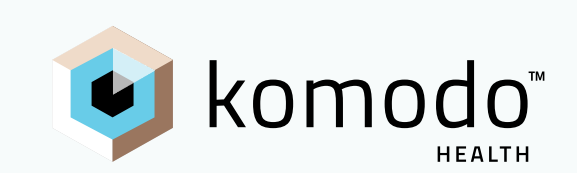
# What we do.

Turquoise Health is building a platform to unlock healthcare prices and simplify payer-provider contracts.

100+ CUSTOMERS



STRATEGIC PARTNERS



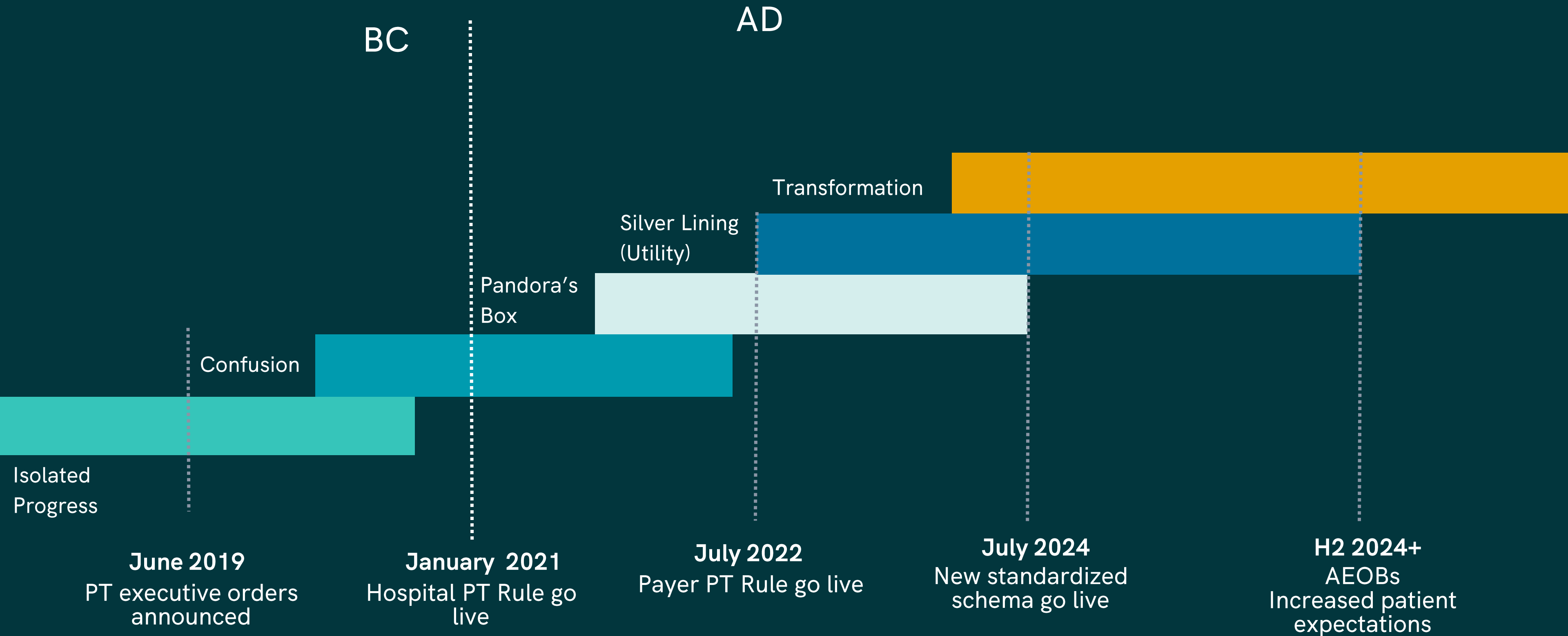
## TURQUOISE HEALTH SYSTEM ROI

 **Win payer negotiations.**

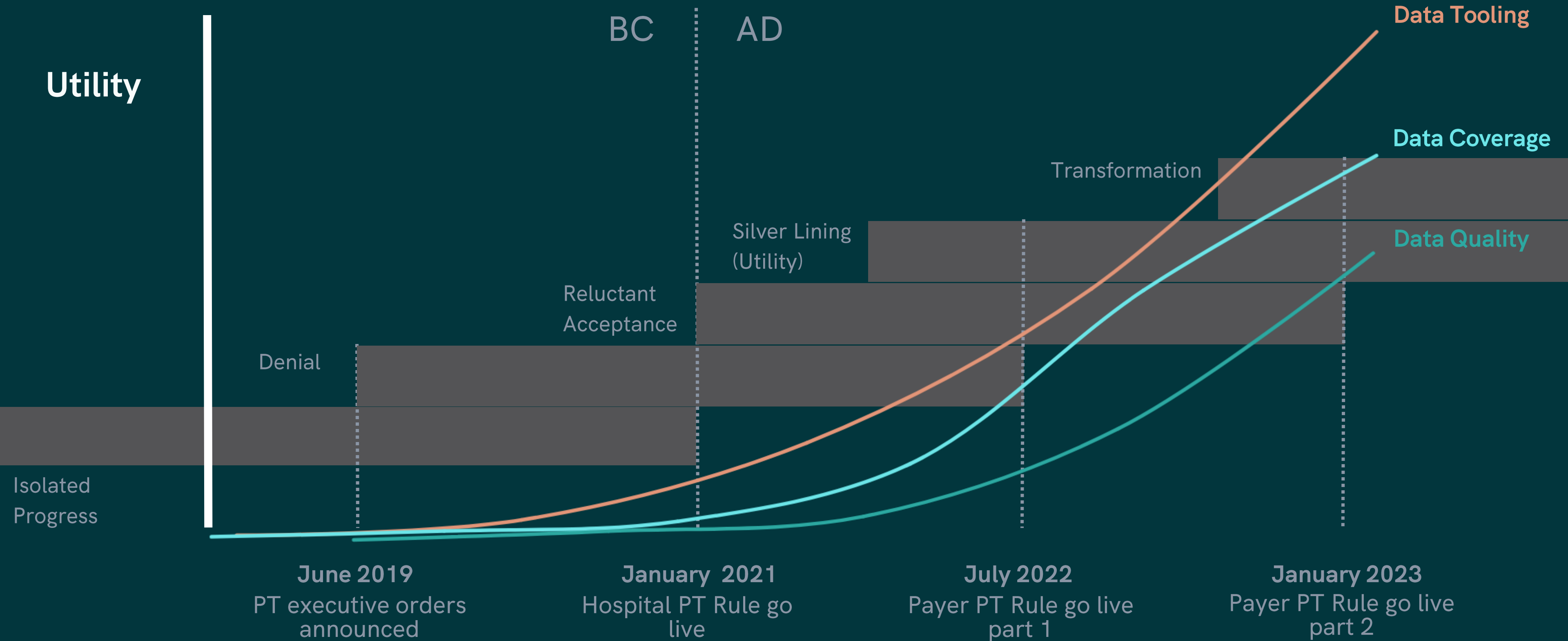
 **Supercharge RCM and managed care efficiency.**

 **Avoid fines and save time on transparency compliance.**

# Stages of Price Transparency



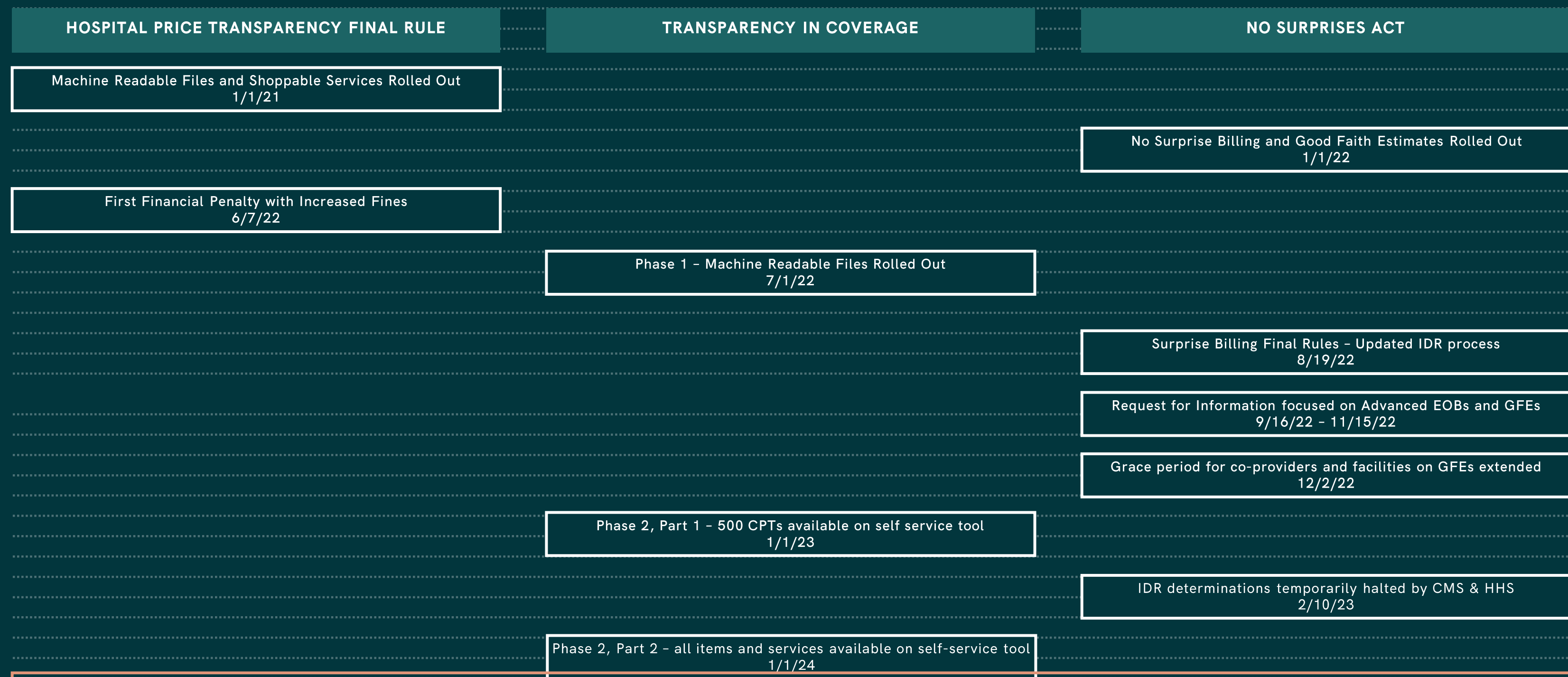
# Stages of Price Transparency





# The shift from "BC" to "AD"

## REGULATION TIMELINE



**WE ARE HERE**



# Data for all items and services.



## Hospital Data

- Hospital charge information such as line item descriptions, place of service or NDC
- Commercial negotiated rates
- List and cash price
- Contractual Medicare Advantage rates



## Payer Data

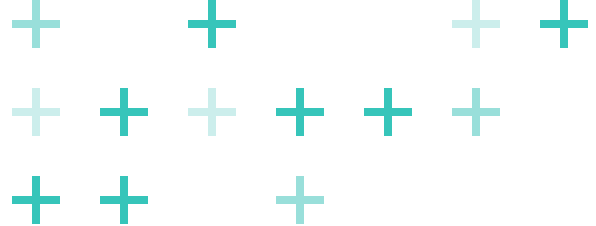
- Professional fees for individual practitioners and medical groups
- Freestanding imaging, behavior health, ASC, DME, and labs
- Excludes Managed Medicaid and Medicare Advantage

Both sets have hospital-based items and services including professional fees, drugs, and devices.



# Legislative and Regulatory

A government-fueled transparency frenzy.



# Hospital Compliance

2 FINES IN 2022 - 12 IN 2023

## Enforcement Actions

Below is a list of civil monetary penalty (CMP) notices issued by CMS.

Date Action Taken		Hospital Name	CMP Amount	Effective Date
<a href="#">2022-06-07 (PDF)</a>		Northside Hospital Atlanta	\$883,180.00	2021-09-02
<a href="#">2022-06-07 (PDF)</a>		Northside Hospital Cherokee	\$214,320.00	2021-09-09



# Stage 1: Red Mustangs going 90 MPH.



Hospitals not posting any MRF or patient estimator tools on their website.

## Stage 2: Going 75 on the highway.



CMS issued 12 fines issued in 2023. Started fining for specific issues like missing payers in MRFs.

# Upcoming Stage 3: Red light cameras



CMS lays the foundation for more efficient enforcement with new templates, certification of accuracy, footer link and text file, public postings, etc.

# Transparency MRF Standardization Forthcoming: Federal Update

**CMS released the  
OPPS Final Rule  
including a mandated  
standard hospital MRF  
schema by 7/1/2024.**

## What you need to know

The final rule standard includes:

- New data elements (to further define information about each charge)
- New validation rules (including a new expected allowed field)
- Columns for payment methodology, which allows for cleaner cross-hospital comparisons + payer-file comparisons

**CMS Free Validator Tool for your Files:**

<https://cmsgov.github.io/hpt-tool/online-validator/>

# Requirements for 1/1/24

## KEY HIGHLIGHTS

### Good faith effort

Each hospital must make a good faith effort to ensure data in the MRF is true, accurate, and complete

### Text file

A text file must be added to the root folder of each hospital website pointing to a direct download link of the machine-readable file

### Footer link

A link to the hospital’s price transparency resources must be included in the footer of each hospital home page

### Public enforcement actions

CMS may now publicize all compliance actions or assessments to its website, not just those receiving civil monetary penalties

**TABLE 151B: Implementation Timeline for Other New Hospital Price**

**Transparency Requirements**

Requirement	Regulation Cite	Implementation (Compliance) Date
Good faith effort	45 CFR 180.50(a)(3)(i)	January 1, 2024
Affirmation in the MRF	45 CFR 180.50(a)(3)(ii)	July 1, 2024
Txt file	45 CFR 180.50(d)(6)(i)	January 1, 2024
Footer link	45 CFR 180.50(d)(6)(ii)	January 1, 2024

The screenshot shows the CMS.gov website interface. At the top, there is a navigation bar with the CMS.gov logo and a search icon. Below the navigation bar is a dark blue header for the "Hospital Price Transparency Menu". The main content area features a light gray box titled "Enforcement Actions". Below this box, a paragraph states: "Below is a list of civil monetary penalty (CMP) notices issued by CMS." At the bottom of the screenshot, a table is partially visible with the following headers: "Date Action Taken", "Hospital Name", "CMP Amount", and "Effective Date". A vertical "Feedback" button is located on the right side of the table.

\*CMS published Text file instructions [here](https://cmsgov.github.io/hpt-tool/txt-generator/):  
<https://cmsgov.github.io/hpt-tool/txt-generator/>

# Preparing for 7/1/24

## KEY HIGHLIGHTS

### CMS Templates

one of three accepted file formats detailing how hospitals must encode their standard charges

- JSON
- CSV Wide
- CSV Tall

### Standard Charge Methodology

a description of the contract provision used to calculate each payer-negotiated rate (e.g., “case rate”, “per diem”)

### Pricing Algorithms

description of the pricing algorithm used when a payer negotiated rate cannot be listed as a dollar amount (e.g., % of claim charges)

**TABLE 151A: Implementation Timeline for CMS Template Adoption and Encoding**

#### Data Elements

Requirement	Regulation cite	Implementation (Compliance) Date
<b>MRF INFORMATION</b>		
MRF Date	45 CFR 180.50(b)(2)(i)(B)	July 1, 2024
CMS Template Version	45 CFR 180.50(b)(2)(i)(B)	July 1, 2024
<b>HOSPITAL INFORMATION</b>		
Hospital Name	45 CFR 180.50(b)(2)(i)(A)	July 1, 2024
Hospital Location(s)	45 CFR 180.50(b)(2)(i)(A)	July 1, 2024
Hospital Address(es)	45 CFR 180.50(b)(2)(i)(A)	July 1, 2024
Hospital Licensure Information	45 CFR 180.50(b)(2)(i)(A)	July 1, 2024
<b>STANDARD CHARGES</b>		
Gross Charge	45 CFR 180.50(b)(2)(ii)	July 1, 2024
Discounted Cash	45 CFR 180.50(b)(2)(ii)	July 1, 2024
Payer Name	45 CFR 180.50(b)(2)(ii)(A)	July 1, 2024
Plan Name	45 CFR 180.50(b)(2)(ii)(A)	July 1, 2024
Standard Charge Method	45 CFR 180.50(b)(2)(ii)(B)	July 1, 2024
Payer-Specific Negotiated Charge –Dollar Amount	45 CFR 180.50(b)(2)(ii)(C)	July 1, 2024
Payer-Specific Negotiated Charge – Percentage	45 CFR 180.50(b)(2)(ii)(C)	July 1, 2024
Payer-Specific Negotiated Charge – Algorithm	45 CFR 180.50(b)(2)(ii)(C)	July 1, 2024
Estimated Allowed Amount	45 CFR 180.50(b)(2)(ii)(C)	January 1, 2025
De-identified Minimum Negotiated Charge	45 CFR 180.50(b)(2)(ii)	July 1, 2024
De-identified Maximum Negotiated Charge	45 CFR 180.50(b)(2)(ii)	July 1, 2024
<b>ITEM &amp; SERVICE INFORMATION</b>		
General Description	45 CFR 180.50(b)(2)(iii)(A)	July 1, 2024
Setting	45 CFR 180.50(b)(2)(iii)(B)	July 1, 2024
Drug Unit of Measurement	45 CFR 180.50(b)(2)(iii)(C)	January 1, 2025
Drug Type of Measurement	45 CFR 180.50 (b)(2)(iii)(C)	January 1, 2025
<b>CODING INFORMATION</b>		
Billing/Accounting Code	45 CFR 180.50(b)(2)(iv)(A)	July 1, 2024
Code Type	45 CFR 180.50(b)(2)(iv)(B)	July 1, 2024
Modifiers	45 CFR 180.50(b)(2)(iv)(C)	January 1, 2025

# How do I affirm that the MRF is accurate per the new Final Rule requirement?

“

To the best of its knowledge and belief, this hospital has included all applicable standard charge information in accordance with the requirements of 45 CFR 180.50, and the information encoded in this machine-readable file is true, accurate, and complete as of the date indicated in this file.

PAGE  
1385

TABLE 151B: Implementation Timeline for Other New Hospital Price

Transparency Requirements

Requirement	Regulation Cite	Implementation (Compliance) Date
Good faith effort	45 CFR 180.50(a)(3)(i)	January 1, 2024
Affirmation in the MRF	45 CFR 180.50(a)(3)(ii)	July 1, 2024
Txt file	45 CFR 180.50(d)(6)(i)	January 1, 2024
Footer link	45 CFR 180.50(d)(6)(ii)	January 1, 2024

# Looking to 1/1/25 and beyond

## KEY HIGHLIGHTS

### Estimated Allowed Amount

the average dollar amount that the hospital has historically received for an item or service (e.g., using 835 data)

### Detailed Drug Information

the associated drug units and type of measurement (e.g., "1", "ML") must be parsed into separate fields

### Modifiers

modifiers must be encoded as a separate element when there is a reimbursement impact

**TABLE 151A: Implementation Timeline for CMS Template Adoption and Encoding**

**Data Elements**

Requirement	Regulation cite	Implementation (Compliance) Date
<b>MRF INFORMATION</b>		
MRF Date	45 CFR 180.50(b)(2)(i)(B)	July 1, 2024
CMS Template Version	45 CFR 180.50(b)(2)(i)(B)	July 1, 2024
<b>HOSPITAL INFORMATION</b>		
Hospital Name	45 CFR 180.50(b)(2)(i)(A)	July 1, 2024
Hospital Location(s)	45 CFR 180.50(b)(2)(i)(A)	July 1, 2024
Hospital Address(es)	45 CFR 180.50(b)(2)(i)(A)	July 1, 2024
Hospital Licensure Information	45 CFR 180.50(b)(2)(i)(A)	July 1, 2024
<b>STANDARD CHARGES</b>		
Gross Charge	45 CFR 180.50(b)(2)(ii)	July 1, 2024
Discounted Cash	45 CFR 180.50(b)(2)(ii)	July 1, 2024
Payer Name	45 CFR 180.50(b)(2)(ii)(A)	July 1, 2024
Plan Name	45 CFR 180.50(b)(2)(ii)(A)	July 1, 2024
Standard Charge Method	45 CFR 180.50(b)(2)(ii)(B)	July 1, 2024
Payer-Specific Negotiated Charge –Dollar Amount	45 CFR 180.50(b)(2)(ii)(C)	July 1, 2024
Payer-Specific Negotiated Charge – Percentage	45 CFR 180.50(b)(2)(ii)(C)	July 1, 2024
Payer-Specific Negotiated Charge – Algorithm	45 CFR 180.50(b)(2)(ii)(C)	July 1, 2024
Estimated Allowed Amount	45 CFR 180.50(b)(2)(ii)(C)	January 1, 2025
De-identified Minimum Negotiated Charge	45 CFR 180.50(b)(2)(ii)	July 1, 2024
De-identified Maximum Negotiated Charge	45 CFR 180.50(b)(2)(ii)	July 1, 2024
<b>ITEM &amp; SERVICE INFORMATION</b>		
General Description	45 CFR 180.50(b)(2)(iii)(A)	July 1, 2024
Setting	45 CFR 180.50(b)(2)(iii)(B)	July 1, 2024
Drug Unit of Measurement	45 CFR 180.50(b)(2)(iii)(C)	January 1, 2025
Drug Type of Measurement	45 CFR 180.50 (b)(2)(iii)(C)	January 1, 2025
<b>CODING INFORMATION</b>		
Billing/Accounting Code	45 CFR 180.50(b)(2)(iv)(A)	July 1, 2024
Code Type	45 CFR 180.50(b)(2)(iv)(B)	July 1, 2024
Modifiers	45 CFR 180.50(b)(2)(iv)(C)	January 1, 2025



# Digging in on transparency: State updates

## KEY HIGHLIGHTS

- Almost 50% of states have introduced some form of hospital price transparency legislation
- TiC puts states in charge of payer oversight, although there's been minimal headway on file assessment
- WA has passed HB 1508 - AK has not introduced legislation yet.

## KEY LEGISLATIVE THEMES OF WA HB 1508

Establishment of a Committee to lower healthcare costs

---

Committee is allowed to fine payers and providers for “practices causing excessive cost growth” AKA a cap.

---

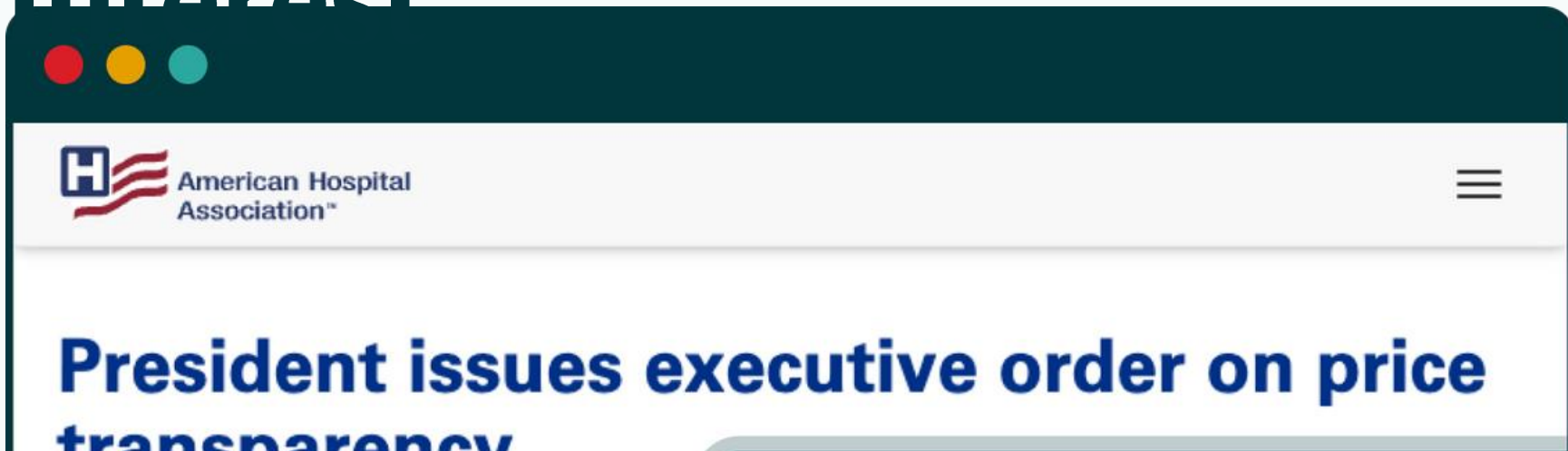
Passed on 3/14/24 & effective 6/6/24.

**We update state requirements**

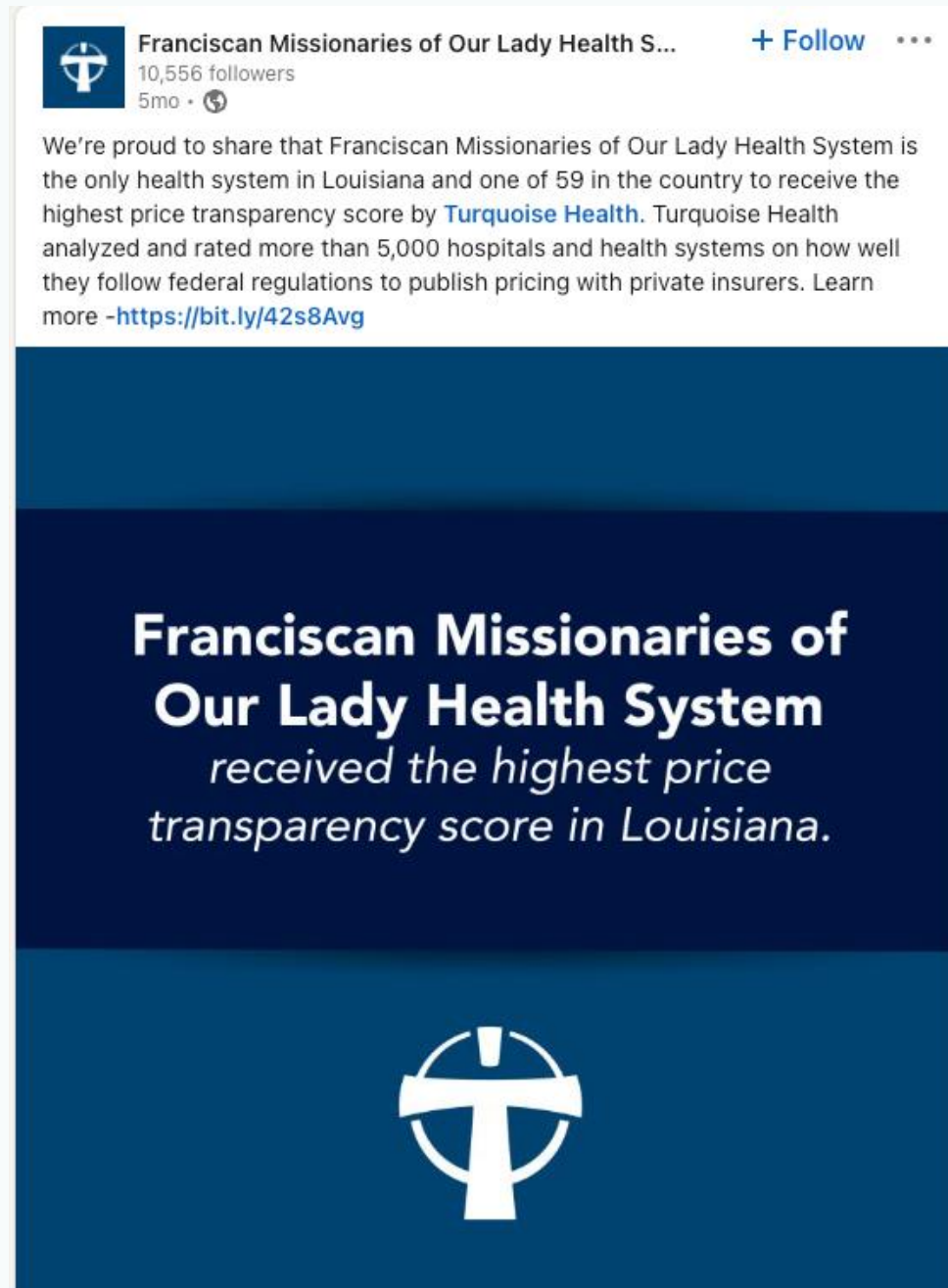
**here:** <https://turquoise.health/tqu/state-level-price-transparency-legislation/>



# Confusion stage lead to press interest



# Positive Hospital Response



The image shows a screenshot of a social media post from the Franciscan Missionaries of Our Lady Health System. The post features a dark blue header with the organization's name and a white cross logo. Below the header, the text reads: "We're proud to share that Franciscan Missionaries of Our Lady Health System is the only health system in Louisiana and one of 59 in the country to receive the highest price transparency score by [Turquoise Health](#). Turquoise Health analyzed and rated more than 5,000 hospitals and health systems on how well they follow federal regulations to publish pricing with private insurers. Learn more -<https://bit.ly/42s8Avq>". Below the text is a dark blue banner with white text that says: "Franciscan Missionaries of Our Lady Health System received the highest price transparency score in Louisiana." At the bottom of the banner is a white cross logo.



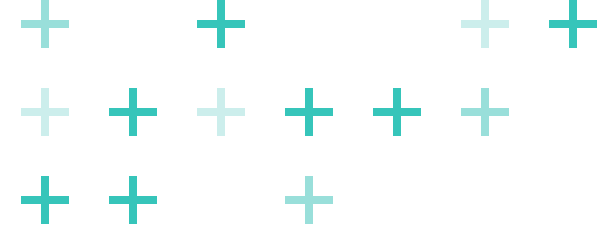
FOR IMMEDIATE RELEASE

Michelle Kafka  
pr@turquoise.health

## First Turquoise Verified Provider in Delaware *ChristianaCare Goes Beyond Compliance*

**San Diego, CA--March 1, 2022**– [Turquoise Health](#), a healthcare tech platform focused on simplifying healthcare reimbursement through pricing transparency, announces today that [ChristianaCare](#) is the first Turquoise Verified provider in Delaware. Turquoise Verified is a free program that highlights pioneering providers who are going beyond the Hospital Price Transparency Final Rule. Providers that become verified will receive a checkmark within their profile page allowing patients, employers, and insurance companies to quickly navigate compliant locations in their areas for healthcare services.

“ChristianaCare is committed to price transparency, because we believe that all patients should have access to clear, accurate cost information so that they can make informed decisions about their care,” said Rob McMurray, ChristianaCare chief financial officer. “We’re pleased to provide this enhanced service to our patients through Turquoise Health that makes it easier to shop for high-quality, affordable care.”



# Proactive strategies vs. box checking

**PROFITS OVER PATIENTS**

*How a Hospital Chain Used a Poor Neighborhood to Turn Huge Profits*

Bon Secours Mercy Health, a major nonprofit health system, used the poverty of Richmond Community Hospital's patients to tap into a lucrative federal drug program.

Compliance isn't just about checking off a box. It's getting your system ready for how to engage members of the press and advocacy groups that question your pricing.

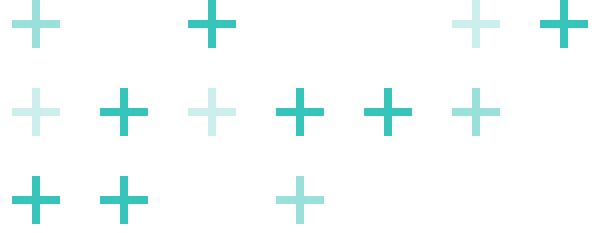
Recommendation: Consider forming a pricing transparency committee or schedule a workshop session with relevant leaders.

**Advocacy group says pricing at Kansas City hospitals isn't clear for patients**



# Potential Committee Action Items

- Establish who is responsible for handling a CMS warning letters.
- Run an exercise with the group on how you'd respond to a negative press event.
  - Who takes charge of the response?
  - What steps are needed to approve a press release?
- If a non-profit system, are there any business decisions made in the last 6 months that could be taken out of context, and imply the organization isn't operating according to its mission?
- Where is your system vulnerable to negative coverage? Strongest?
  - Examples: strong community programs, debt-collections programs, full compliance with pricing transparency mandates.



# Transparency mandates opened Pandora's Box

- The pricing transparency mandates have opened up big questions, which are driving the creation of a new revenue cycle. What happens when:
  - Patient costs have to be calculated ahead of time?
  - Compliance mandates make automated contract management necessary?
  - Patients start to expect more upfront price disclosures?

