



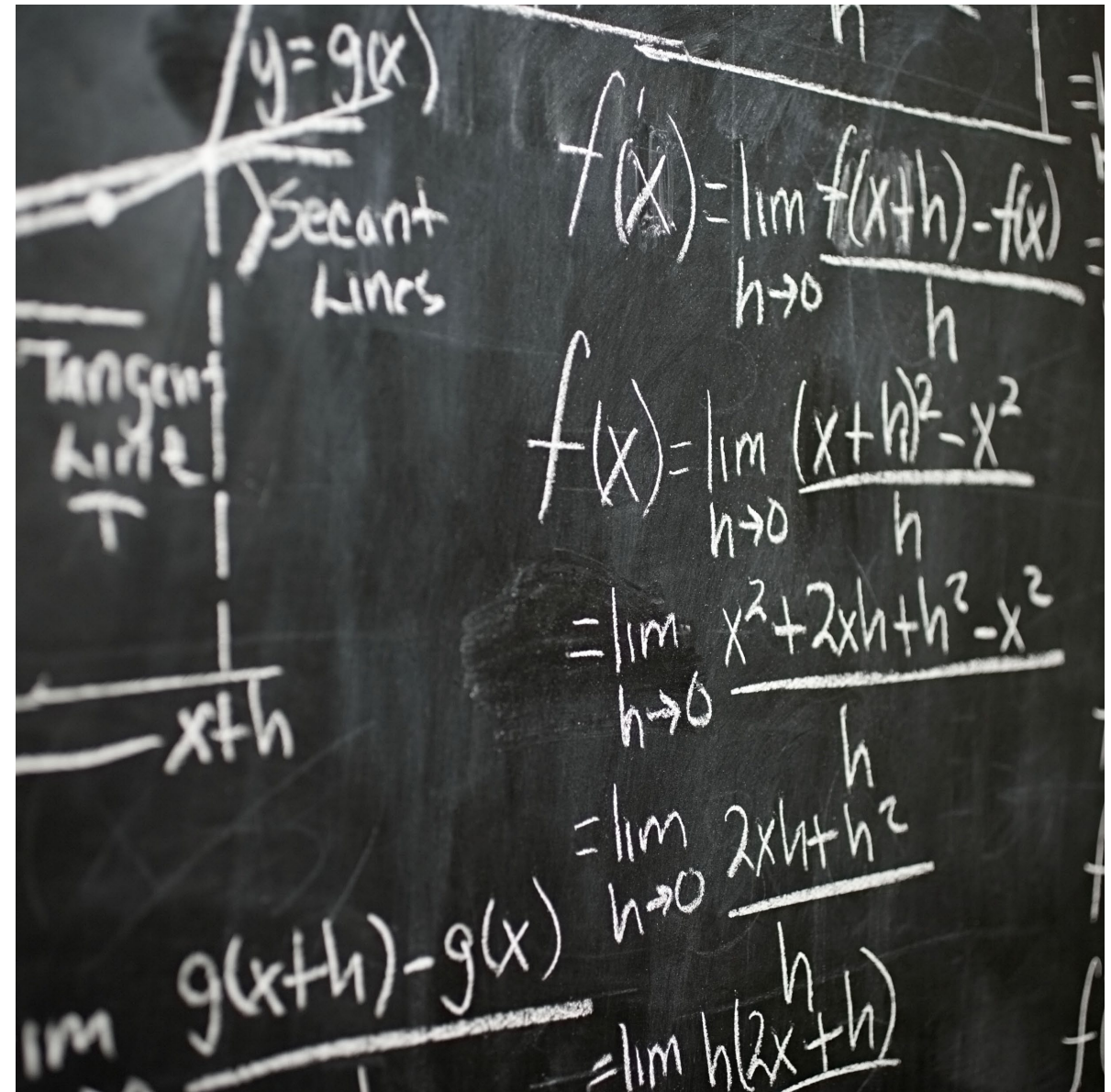
Greater Heartland HFMA Spring Conference 2026

The Evolution of Price Transparency

April 9, 2026

Learning Objectives

1. Discuss what is new for Hospital Price Transparency for 2026
2. Discuss what TiC (transparency in Coverage) is
3. Discuss how the Price Transparency machine-readable file will affect the Hospital cost report



Agenda

1. Common Definitions
2. Background/ Timeline
3. Penalties
4. Audit Process
5. New for 2026
6. On the Horizon



Speaker Introduction



Victoria Duffel, MAFM, CRCR, CPC, CFE
Revenue Integrity, Senior Manager
Hospital Price Transparency Subject Matter Expert
Victoria.Duffel@us.forvismazars.com

01

Common Definitions



Common Definitions

- **Price Transparency** – is a regulation where hospitals need to provide a file of their standard charges and their consumer-friendly charges that include plan reimbursable rates, so patients can estimate their financial responsibility.
- **Machine-Readable File (MRF)** includes reimbursement for packaged services and line level charges. Packaged Services are services with all inclusive pricing
 - Line Level Charges are CDM charge lines that are individually priced
- **Shoppable Service File (SSF)** includes reimbursement for all expected charge lines for a select procedure. (Hospital versus Payor)
- **TiC (Transparency in Coverage)** federal regulation requiring health plans and insurers to publicly post negotiated rates

Common Definitions continue

- **Algorithm** – alternative way to express reimbursement when standard reimbursement cannot (outliers)
- **Modifiers** – modifiers and descriptions of how they change the standard reimbursement
- **Pharmacy Unit of Measurement** – actual units given to a patient
- **Pharmacy Type of Measurement** – type of the units given to a patient
- **Percentile** – calculated by taking the Allowed Amount from the 835 by procedure and payor|plan, then calculating the 10th, median and 90th percentile

Common Definitions continue

- **CMS GetHub**

- Templates – CSV Wide/ Tall and JSON
- Data Dictionary
- Discussion Board
- Examples
- Timelines

- **Tool**

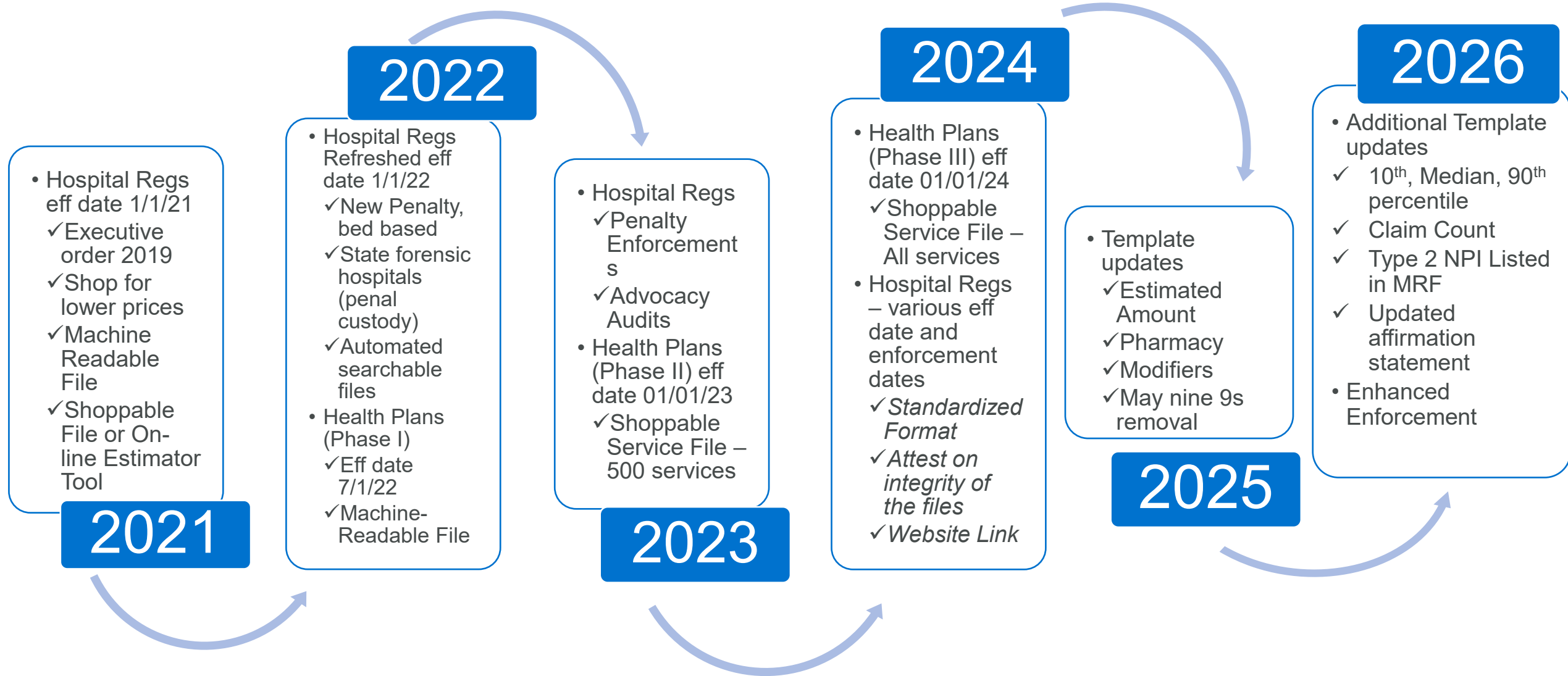
- Online Validator: Cosmetic, 3 Sections (Header, General & Payor/ Plan)
- MRF Naming Wizard
- TXT File Generator

02

Background/ Timeline



Timeline



Where are we now

- **Machine Readable files**
 - Template
 - 07.01.24 changes (new template, validator tool)
 - 01.01.25 changes (Estimated Amount, Pharmacy, Modifiers)
 - 01.01.26 changes (10th/median/90th percentiles, claim count, NPI, affirmation statement)
- **Shoppable Service Files OR Estimator Tool (Consumer Friendly File)**
- **Root Txt File (for searchability)**
- **Footer link – Must Say “Price Transparency”**

03 Penalties



Penalty Scale

Bed Size	Per Day	Maximum per Day	Maximum per Year
30 or fewer	\$300 per day	\$300	\$109,500
31 or greater	\$10 for each bed	\$5,500	\$2,007,500

Examples:

Bed #	Days	Per Day	Max Per Day	Methodology Applied	Total Penalty
29	175	\$300	\$300	\$300 * 175 days	\$52,500
676	60	\$6,760	\$5,500	\$10*676 = \$6,760 (exceeds the max) Default to max \$5,500 * 60 days	\$330,000
521	365	\$5,210	\$5,500	\$10*521 = \$5,210 \$5,210 * 365 days	\$1,901,650

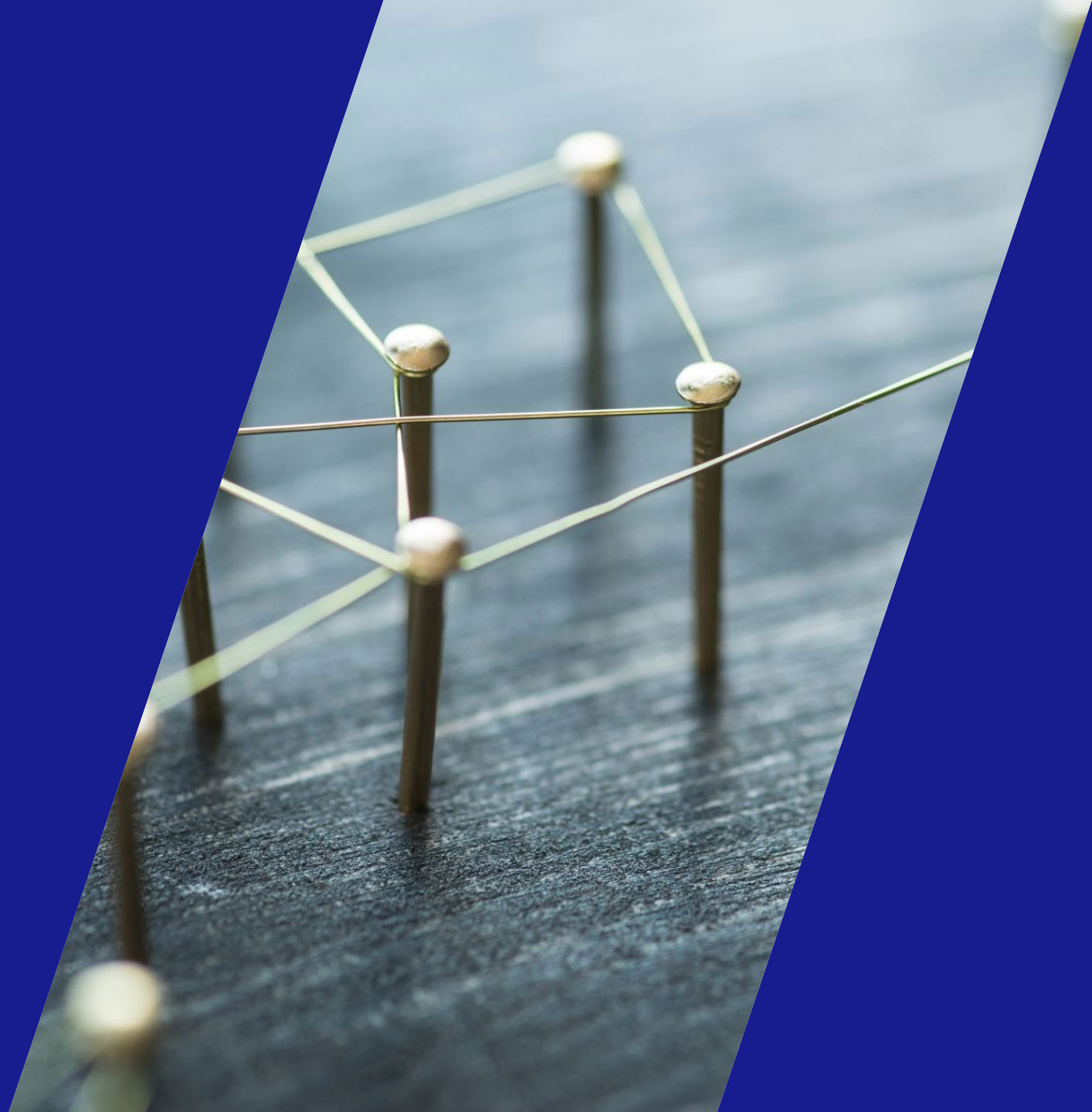
CMS Enforcement Breakdown 01.2021 – 09.2024 :

# of Audits	Met Requirements	% Of Success	Warning Notices	CAP Request	CMP Notice
2,229	735	32.9%	1,494	952	15

[Hospital Price Transparency Enforcement Activities and Outcomes | CMS Data](#)

04

Audit Process



Cosmetic Audit Only

- **CMS Audit Process**

- Test the TXT Root Folder
- Test the Footer Link
- Test the MRF with the Validator Tool
- Test the MRF, open and do visual review (Plans, Modifiers, Est Amt)
- Test the SSF, visual review (Plans, 300 procedures Listed, Details, No PHI/PII)

- **Non-Compliance Letter**

- CMS requires acknowledgement receipt of warning letter within 5 business day of letter date
- Corrective action to become compliant within 90 days of letter date

CMS Non-Compliance Letter

Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mailstop: C5-15-12
Baltimore, Maryland 21244-1850



Center for Medicare

March 17, 2026

Reference Number:

Location:

RE: Hospital Price Transparency Warning Notice

Dear

The Centers for Medicare & Medicaid Services (CMS) issues this warning notice because it has determined that _____ meets the definition of a hospital specified at 45 C.F.R. § 180.20 and is noncompliant with the price transparency requirements for hospitals to make standard charges public. CMS completed a compliance review on March 17, 2026 and has determined that your hospital is noncompliant with requirements under 45 C.F.R. part 180 (<https://www.ecfr.gov/current/title-45/subtitle-A/subchapter-E/part-180>).

Comprehensive Machine-Readable File Requirements

Each hospital must make public a machine-readable file containing a list of all standard charges for all items and services as provided in § 180.50. (45 C.F.R. § 180.40(a))

Violations

CMS has determined that _____ is in violation of the requirements to make public its list of standard charges as specified at 45 C.F.R. § 180.50. Your hospital's violations include:

Actions Your Hospital Must Take

Your hospital must take action to correct the deficiency or deficiencies identified by CMS within 90 calendar days of the date of this notice. Failure to comply with the hospital price transparency requirements may result in further compliance actions as specified in 45 C.F.R. part 180 subpart C. **Additionally, CMS requires your hospital acknowledge receipt of the warning notice by emailing the Hospital Price Transparency inbox at HPTCompliance@cms.hhs.gov within 5 business days of the date of this notice, as required by 45 C.F.R. § 180.70(b)(1). Please include your hospital's CEO/President name, title, e-mail, and phone number.** If your CEO/President will not be the official representative communicating with CMS regarding this matter, please also include in the email the designee's name, title, e-mail, and phone number.

Violations Examples

Failure to comply with 45 CFR §180.50(b)(2)(i)(A) requiring that the hospital name, license number, and location name(s) and address(es) under the single hospital license to which the list of standard charges applies be encoded in the machine readable file.

Failure to conform the machine-readable file to the CMS template layout, data specifications, and data dictionary for purposes of making public the standard charge information, as required at 45 CFR 180.50(c)(2).

Failure to ensure that the public website the hospital selected to host its machine-readable file establishes and maintains a link in the footer on its website that is labeled “Price Transparency” and links directly to the publicly available web page that hosts the link to the machine-readable file as required by 45 CFR 180.50(d)(6)(ii)

Failure to ensure that the public website the hospital selected to host its machine-readable file establishes and maintains, in the form and manner specified by CMS a .txt file in the root folder as required by 45 CFR 180.50(d)(6)(i).

05

New for 2026



Federal Register - OPPS

Allowed Amount - UPDATE

- Replace Estimated Amount element with the elements below by leveraging the Allowed Amount from the 835 Electronic Remittance Advice (ERA)
 - Tenth percentile
 - Median percentile
 - Nineth percentile
 - Claim Count

- Next Highest Level

Rank	Claim Remit Value
1	4,500
2	5,671
3	8,800
4	12,487
5	15,988
6	18,999

	Actual	Next Level
10 th	5,086	5,671
Median	10,644	12,487
90 th	17,494	18,999

Federal Register - OPPS

Affirmation Statement - UPDATED

- Past statement was high level, affirming that the file was true, accurate and complete
- New Affirmation Statement includes language to:
 - All standard charges are included in the MRF
 - All negotiated charges are listed in the MRF
 - The hospital attests that the payor-specific negotiated charge is based on a contractual algorithm, percentage or formula
 - Encode within the MRF the name of the hospital chief executive officer, president, or senior official designated to oversee the encoding of true, accurate and complete



Federal Register - OPPTS

National Provider Identifiers Listed - NEW

- New requirement for 2026
- National Provider Identifier (NPI) needs to be listed in the MRF
 - Include all Type 2 Organizational NPIs that start with 27 or 28 taxonomy
 - 27 – Hospital Units (Psych, Rehab, Epilepsy)
 - 28 – Hospitals (LTC, General Acute, CAH, etc.)
- Improve the Transparency in Coverage (TiC) by better comparing the MRF to the Health Plan transparency data
- Possible future expansion for CMS to validate the accuracy of the MRF by comparing them to the Health Plan transparency data
 - Prepare for future audit criteria



Federal Register - OPPS

Enforcement - UPDATED

- Current Enforcement
 - <30 beds \$300 per day; Max \$109,500
 - >30 beds \$10 per bed; Max \$5,500 day and Max \$2,007,500 annually
- **OPPS updates are effective January 1, 2026; enforcement is suspended until April 1, 2026**
- **Enhanced Enforcement**
 - **Reduce the Civil Monetary Penalty by 35%; waiving rights to Administrative Law Judge hearing**



06

On the Horizon



Medicare Advantage Organizations (MAO) and Cost Reporting

- OPPS Final Rule includes language requiring hospitals to report their median Medicare Advantage payor-specific negotiated charges (reimbursement rate)
- Effective for cost reports ending January 31, 2026 and after
- The purpose is to replace the current method of calculating PPS inpatient reimbursement
 - ✓ Current State: MS-DRG Weights that are multiplied by a hospital specific base rate
 - ✓ Future State: Cost Based Weight methodology leveraging the supplemental Medicare Advantage median calculation
 - ✓ New cost report worksheet is S-12
 - ✓ Impact will start in 2029
 - ✓ CMS estimated this will add hours annually to workload
 - ✓ CAH are the exception

CMS Steps per the Regulation

Step 1

- Identify the hospital's MAO from the current machine-readable file; determine the specific negotiated charge by MS-DRG

Step 2

- Sum the number of inpatient discharges by **cost report period** for each MAO, by MS-DRG

Step 3

- List each MS-DRG and include the specified negotiated charge and inpatient discharge for each MAO

Step 4

- Calculate the median amount of all MAOs by MS-DRG for the cost report

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Q&A

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forvis
mazars

Contact

Forvis Mazars

Victoria Duffel, MAFM, CRCR, CPC, CFE
Revenue Integrity, Managing Consultant
Hospital Price Transparency Subject Matter Expert
Victoria.Duffel@us.forvismazars.com

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References



References

[GitHub - CMSgov/hospital-price-transparency](#)

[Federal Register Hospital OPPS - Updated 11/25/2025](#)

[eCFR :: 45 CFR 180.50 -- Requirements for making public hospital standard charges for all items and services.](#)

[eCFR :: 45 CFR 180.60 -- Requirements for displaying shoppable services in a consumer-friendly manner.](#)

[Hospital Price Transparency Enforcement Activities and Outcomes | CMS Data](#)