

HHS FINALIZES HOSPITAL PRICE TRANSPARENCY RULE, HOSPITALS WILL SUE

The Trump administration plans to implement a controversial price transparency rule in 2021 and officials insisted the administration is on solid footing against litigation promised by the hospital industry.

CMS Administrator Seema Verma and HHS Secretary Alex Azar announced the final hospital price transparency rule on November 15th. It was originally proposed as part of the 2020 hospital outpatient rule. HHS also proposed another rule to require most insurance plans and employer-based health groups to disclose price and cost-sharing information.

Verma said that the final hospital price transparency rule will go into effect in January 2021, as opposed to 2020 as was originally proposed.

Beyond the implementation date, the final rule changed little from the original July proposal.

Under the final rule, hospitals will be required to make their standard charges public for all items and services, meaning a hospital's gross charges and payer-specific negotiated charges will be revealed. These public standard charges will have to be machine-readable and include common billing or accounting codes and a description of the item or service, CMS says.

Hospitals will also have to publicly post negotiated charges for "shoppable services" in a consumer-friendly manner. The costs of at least 300 services that hospitals negotiated with specific payers will need to be on display and updated annually. CMS will choose 70 services about which hospitals will need to publicly share costs, while hospitals will be free to choose the remaining 230 services.

The rule also includes monitoring, auditing and corrective action plans to ensure compliance with the price transparency provisions, with a penalty of \$300 per day for hospitals' failure to comply.

The Federation of American Hospitals, the American Hospital Association, the Association of American Medical Colleges and the Children's Hospital Association promised to file a lawsuit challenging the rule.

The hospitals called the final rule a setback for efforts to provide patients with relevant information about cost. The providers fell back on their previous arguments that the rule will be confusing to consumers, will reduce competition and raise prices, and CMS lacked the authority to finalize the rule. ■