

HEADLINE

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ARTICLE

CMS Announces 2024 Changes to Hospital Price Transparency Rules: The Six Key Changes to Know

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On November 22, 2023, the Centers for Medicare and Medicaid Services (CMS) announced six key changes to its existing price transparency regulations that will go into effect throughout calendar year (CY) 2024.

Under the Hospital Price Transparency Rule, hospitals have been required since January 1, 2021, to create and maintain an updated list of their standard charges. The purpose of the rule is to make the likely cost of healthcare services transparent to patients in order to allow the patient and the patient's family to calculate their financial obligations and to compare costs among facilities *before* receiving healthcare services. Hospitals must publish the standard charges for items and services in two formats on their websites: (1) a comprehensive machine-readable file; and (2) a consumer-friendly display of standard charges (or a price estimator tool) for at least 300 shoppable services that patients can schedule in advance (or as many as the hospital provides if less than 300) grouped with ancillary services that are customarily provided by the hospital. CMS defines "standard charges" as the regular rate established by a hospital for an item or service, including all payer-specific standard charges.

In its CY 2024 OPPS Final Rule (88 Fed. Reg. 81540), CMS made multiple changes to the comprehensive machine-readable file requirements, including creating a template that hospitals must use. To ease the transition, CMS adopted a phased implementation timeline with most changes either going into effect on January 1, 2024, or July 1, 2024. The following is a list of the CY 2024 changes described in CMS' Final Rule with the respective implementation dates:

1. **Effective January 1, 2024:** CMS revised and added several definitions, which include:
 - a. **CMS template:** a CSV format or JSON schema that CMS makes available for purposes of compliance with the requirements of §180.40(a).
 - b. **Encode:** converting hospital standard charge information in a machine-readable format that complies with § 180.50(c)(2)
 - c. **Estimated allowed amount:** the average dollar amount that the hospital has historically received from a third-party payer for an item or service.
 - d. **Machine-readable file:** a single digital file that is in a machine-readable format.
2. **Effective January 1, 2024:** Hospitals are now required to make a good faith effort to affirm the accuracy and completeness of the standard charges displayed in the machine-readable file.

3. **Effective July 1, 2024:** Hospitals must include a statement within the machine-readable file attesting to the accuracy of the standard charge information therein.
4. **Effective July 1, 2024:** Hospitals will be required to display additional data elements in their list of standard charges, including the method used to establish the standard charge, and to encode the standard charge information in a CMS template layout.
5. **Effective January 1, 2024:** CMS is adopting new requirements to improve automated access to the machine-readable file by requiring hospitals include a .txt file in the root folder that includes a direct link to the machine-readable file and a link in the footer on its website that links directly to the publicly available webpage that hosts the link to the machine-readable file.
6. **Effective January 1, 2024:** CMS finalized improvements to its enforcement process by updating its methods to review hospital compliance. These changes include requiring hospitals to acknowledge receipt of warning notices, working with health system officials to address non-compliance issues across a healthcare system, and publishing additional information about CMS' enforcement activities.

CMS modified the machine-readable file requirements to improve its monitoring and enforcement capabilities, improve access to and usability of hospital standard charge information, reduce the compliance burden on providers, and expand its technical guidance. Hospitals should carefully review CMS' guidance and confer with experienced counsel to ensure compliance with the Hospital Price Transparency Rules.

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