



New Price Transparency Policies February 22, 2021

Overview

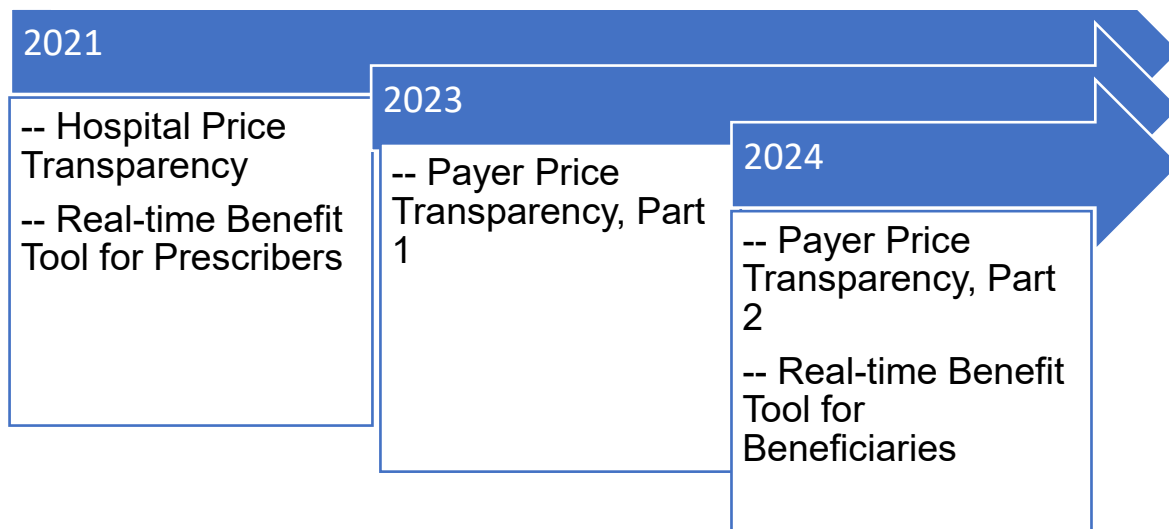
In recent years, the Centers for Medicare & Medicaid Services (CMS) has finalized a series of new price transparency requirements on health plans, hospitals, and prescribers. Together these rules are intended to ensure patients know how much their healthcare will cost in advance and allow them to make more informed and value-conscious decisions. This fact sheet describes the requirements which have effective dates starting January 1, 2021.

The rules include:

- Hospital price transparency
- Payer price transparency
- Part D price transparency
- Part D real-time benefits alerts for prescribers
- Beneficiary real-time benefits tool (RTBT)

On January 15, 2021, CMS released the most recent transparency requirements in the contract year 2022 Medicare Advantage and Part D final rule. In this rule, CMS newly requires Medicare Part D plans to offer real-time comparison tools to Medicare enrollees.¹ The requirement for the beneficiary Real Time Benefit Tool (RTBT) mirrors the new requirement that Part D plans support a prescriber RTBT.

Price Transparency Mandates Starting in 2021 and Beyond



¹ The Biden Administration published an Executive Order on January 21st which allows them to place a “regulatory freeze” on regulations that have been published but whose effective date has not yet passed. The effective date for this rule was March 22. It’s unclear whether the freeze will apply to this rule or not.



Hospital Price Transparency²

- *Compliance Date:*
 - [January 1, 2021](#)
- Hospitals must make public all hospital standard charges for all items and services on the Internet in a single data file that can be read by other computer systems.
- Hospitals must make public payer-specific negotiated charges for 300 common shoppable services (including 70 CMS-specified and 230 hospital-selected) in a manner that is consumer-friendly and update the information at least annually.
- CMS announced plans to audit a sample of hospitals for compliance starting January 2021, in addition to investigating complaints that are submitted to CMS. Hospitals may face civil monetary penalties for noncompliance.³
- A CMS Fact Sheet is [here](#). The final rule is [here](#).

Payer Price Transparency Rule

- *Compliance Dates:*
 - [January 1, 2023](#): An initial list of 500 shoppable services (TBD) will be required to be available via the internet based self-service tool for plan years that begin on or after this date.
 - [January 1, 2024](#): The remainder of all items and services will be required for these self-service tools for plan years that begin on or after this date.
- Rule is overseen by the Department of Health and Human Services (HHS), the Department of Labor (DOL) and the Department of the Treasury (DOT) and is officially referred to as the Transparency in Coverage rule.
- Health plans will be required to give consumers real-time, personalized access to cost-sharing information, including an estimate of their cost-sharing liability, through an internet based self-service tool.
- The final rule is [here](#). CMS [Fact Sheet](#).

Real-time benefit tool – Prescribers

- *Compliance Date:*
 - [January 1, 2021](#)
- Part D plans are required to support a prescriber electronic real-time benefit tool (RTBT) capable of integrating with at least one e-prescribing or electronic health record (EHR) system.
- Plans must adopt tools that give clinicians information they can use to discuss with patients their out-of-pocket costs for Rx drugs when script is written.
- Aims to avoid costly surprises at the pharmacy counter.
- Explanation of Benefits document that patients receive each month to include information on drug price increases and lower-cost therapeutic alternatives.

² The American Hospital Association (AHA) unsuccessfully challenged this rule. On December 29th a federal appeals court ruled against the AHA and the compliance date stands.

³ See: [Hospital Price Transparency | CMS](#) (Accessed January 24, 2021)



- The final rule is [here](#). CMS [Fact Sheet](#).

Real-time benefit tool – Beneficiaries

- *Compliance Date:*
 - January 1, 2023
- Rule requires that the beneficiary RTBT allow enrollees to view a plan-defined subset of the information included in the prescriber RTBT system to include:
 - Accurate, timely, and clinically appropriate patient-specific real-time formulary.
 - Benefit information including cost, all formulary medication alternatives and utilization management requirements.
 - Plans *may* include the net and negotiated prices, pharmacy and provider-specific pricing, and other information they determine will be helpful to enrollees
- Allows plans to choose to use existing secure patient portals, a new portal, or a computer application.
- Plans are required to make this information available to enrollees who call the plan's customer service call center.
- Plans may offer rewards and incentives (RI) to enrollees who log onto the beneficiary RTBT or seek to access this information via the plan's customer service call center.
 - Plans will determine what they consider to be a “reasonable” amount to offer their enrollees, but they cannot offer Amazon gift cards as RI.
- The final rule is [here](#). CMS [Fact Sheet](#).