

A MEDICARE LEARNING NETWORK® (MLN) EVENT

Hospital Price Transparency: Encoding the January 1, 2025 Requirements in the Machine-Readable File & Tips for Implementation

October 21, 2024

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Hospital Price Transparency Regulation Introduction

- The Hospital Price Transparency regulation implements Section 2718(e) of the <u>Public Health Service</u> <u>Act</u> and requires each hospital operating within the United States to establish (and update) and make public a yearly list of the hospital's standard charges for items and services provided by the hospital, including for diagnosis-related groups established under section 1886(d)(4) of the Social Security Act.
- Starting on January 1, 2021, each hospital operating in the United States was required to make this information available in two ways:

As a comprehensive machine-readable file (MRF) with all standard charges for all items and services

<u>AND</u>

As a display of standard charges for 300 shoppable services in a consumer-friendly format





CY 2024 OPPS/ASC Final Rule Regulatory Updates

CMS finalized new <u>Hospital Price Transparency</u> requirements in the <u>CY 2024 Hospital Outpatient Prospective Payment System and Ambulatory Surgical Center Payment System Final Rule</u>. These new requirements include:

January 1, 2024 🔾

Improving Access to Hospital Machine-Readable Files (MRFs): Hospital websites must include a TXT file in the root folder with MRF and contact information (45 CFR 180.50(d)(6)(i)). Hospitals must place a 'footer' at the bottom of the hospital's homepage that links to the webpage that includes the machine-readable file (45 CFR 180.50(d)(6)(ii)).

July 1, 2024

New Data Elements and Format Standardization:

- Hospital MRFs must conform to the CMS template layout and data specifications (180.50(c)(2)).
- Expanded set of data elements including, as applicable: hospital and MRF information, each type of standard charge (including payer-specific negotiated charges by payer and plan), item/service description, relevant billing codes (180.50(b)(2)).
- Hospital must affirm that it has included all applicable standard charge information in the MRF, and that the information encoded is true, accurate, and complete (180.50(a)(3)(ii)).

January 1, 2025

Additional Required Data Elements: Hospitals must encode additional new data elements including: 'Estimated Allowed Amount', 'Drug Unit of Measurement', 'Drug Type of Measurement', and 'Modifiers'.



HPT Resources



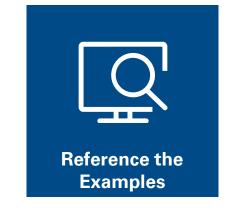


Building Your MRF











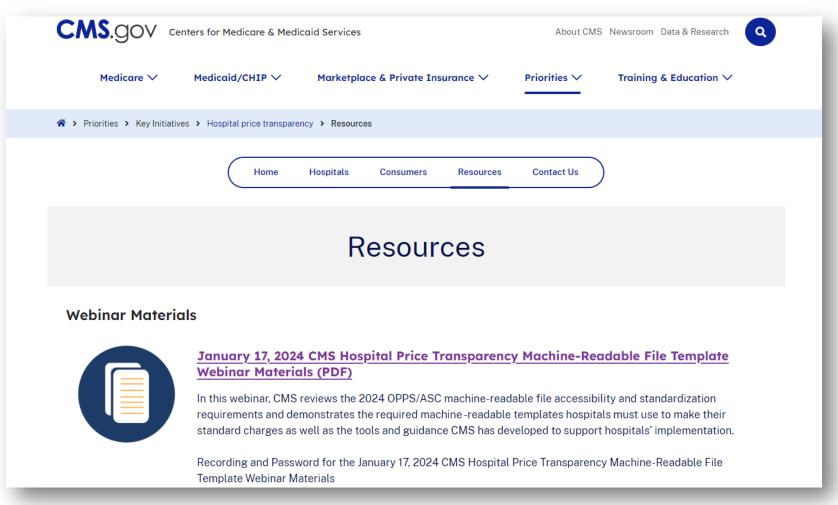




Review HPT Resources

Review the CMS HPT
Website Resources Page
for links to guidance in the
form of:

- FAQs
- Step-by-Step guides
- Links to HPT GitHubbased tools and the HPT Data Dictionary GitHub Repository
- Webinar Recordings



https://www.cms.gov/priorities/key-initiatives/hospital-price-transparency/resources

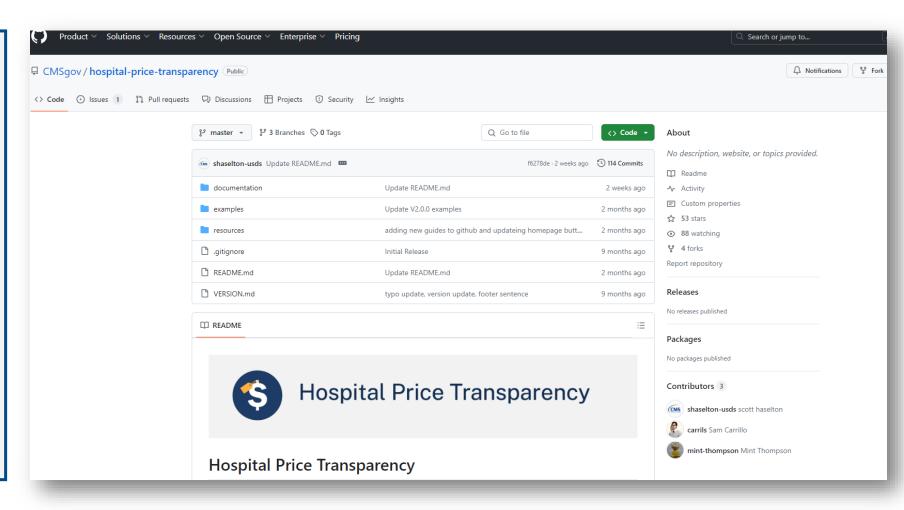




Select a Template

Navigate to the CMS
Hospital Price
Transparency Data
Dictionary GitHub
Repository to review and select one of the three required template layouts:

- CSV Wide
- CSV Tall
- JSON



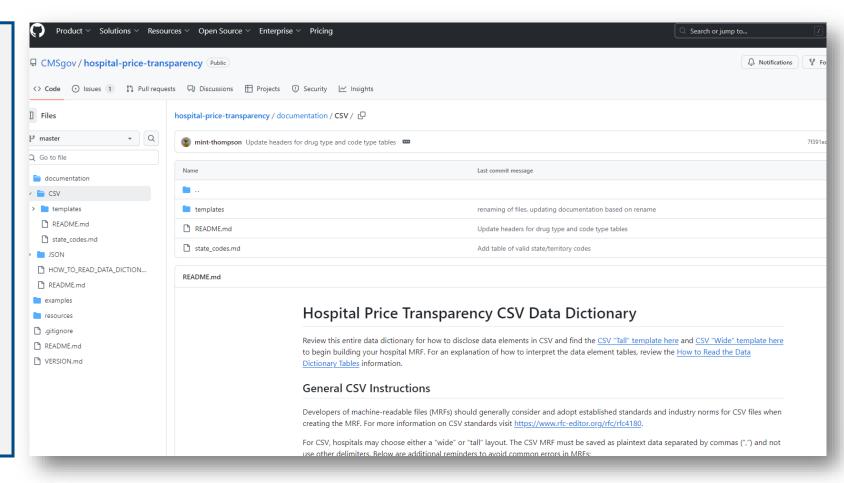
https://github.com/CMSgov/hospital-price-transparency





Follow the Data Dictionary

Navigate to the data dictionary, located on GitHub, for detailed technical specifications on how to encode your data in your selected CMS template.



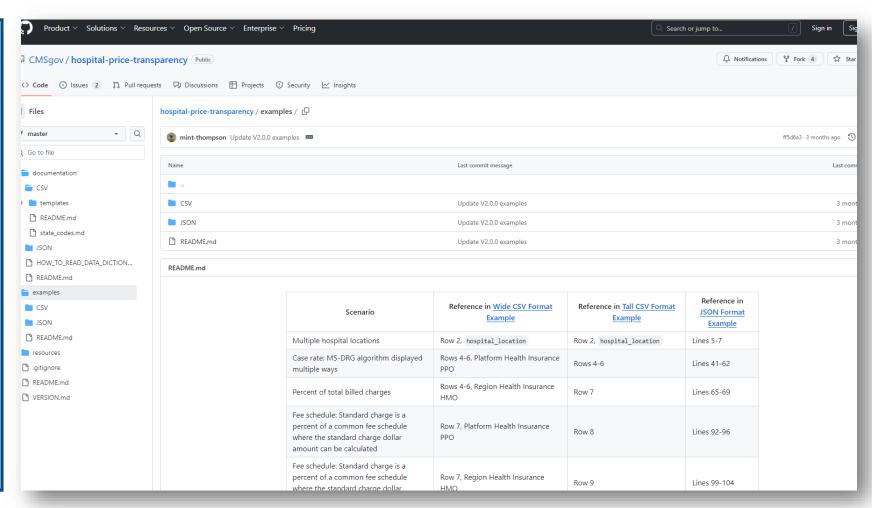
https://github.com/CMSgov/hospital-price-transparency/tree/master/documentation





Reference the Examples

On the CMS Hospital Price Transparency - Data Dictionary GitHub repository, we have provided examples, in both CSV and JSON formats, on how to encode time-based services, unit-based charges and service packages.



https://github.com/CMSgov/hospital-price-transparency/tree/master/examples

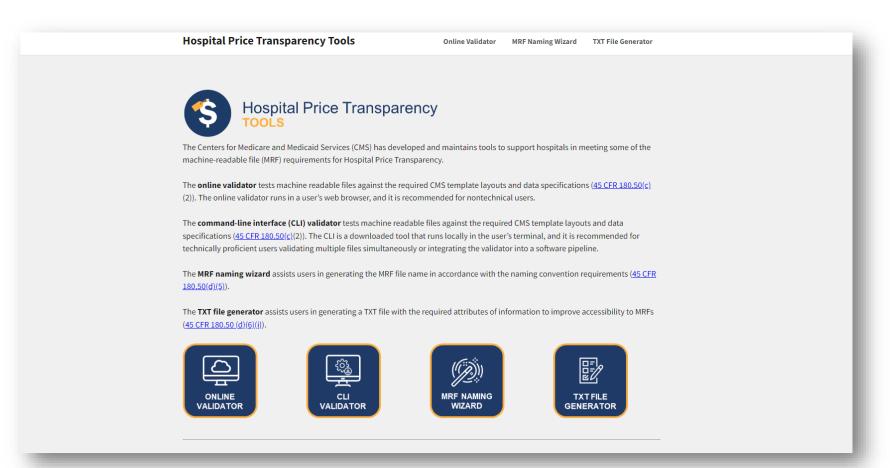




Check Work with HPT Tools

Navigate to the CMS HPT Tools.IO GitHub page to use:

- Online Validator
- CLI Validator
- MRF Naming Wizard
- TXT File Generator



https://cmsgov.github.io/hpt-tool/





January 1, 2025 MRF Requirements





Data Elements Create Context for Hospital Standard Charges



'Data elements' are information or categories of information that you will use to contextualize the standard charges your hospital has established.





Three Ways to Display Payer-specific Standard Charges

'Payer-specific Negotiated Charge' Data Elements:	Description
Dollar Amount	Payer-specific negotiated charge (expressed as a dollar amount) that a hospital has negotiated with a third-party payer for a corresponding item or service.
Percentage	Payer-specific negotiated charge (expressed as a percentage) that a hospital has negotiated with a third-party payer for a corresponding item or service. This data element will contain the numeric representation of the percentage not as a decimal (70.5% is to be entered as "70.5" and not ".705").
Algorithm	Payer-specific negotiated charge (expressed as an algorithm) that a hospital has negotiated with a third-party payer for the corresponding item or service.

Display a payer-specific negotiated charge as a <u>dollar amount</u> whenever possible. If the payer-specific negotiated charge results in a variable dollar amount for members of a payer/plan combination, then display the payer-specific negotiated charge as a percentage or algorithm and calculate the 'Estimated Allowed Amount' in dollars.





Payer-specific Negotiated Charge Contextual Information

Required Contextual Information: For each 'payer-specific standard charge' your hospital has established, you must encode a 'standard charge methodology'.

'Standard Charge Methodology' Data Element:

Valid Values	Methodology Description					
Case Rate	A flat rate for a package of items and services triggered by a diagnosis, treatment, or condition for a designated length of time.					
Fee Schedule	The payer-specific negotiated charge is based on a fee schedule. Examples of common fee schedules include Medicare, Medicaid, commercial payer, and workers compensation.					
Percent of Total Billed Charge	The payer-specific negotiated charge is based on a percentage of the total billed charges for an item or service. This percentage may vary depending on certain pre-determined criteria being met.					
Per diem	The per day charge for providing hospital items and services.					
Other	If the standard charge methodology used to establish a payer-specific negotiated charge cannot be described by one of the types of standard charge methodology above, select 'Other' and encode a detailed explanation of the contracting arrangement in additional notes.					





Data Element Overview

As of July 1, 2024, hospitals must adopt a CMS template layout and encode data elements according to the technical specifications described in the data dictionary. The highlighted data elements with asterisks are required to be encoded in the MRF as of **January 1, 2025.**

MRF Information				
MRF Date				
CMS Template Version				
Affirmation Statement				

Hospital Information					
Hospital Name					
Hospital Location(s)					
Hospital Address(es)					
Hospital Licensure Information					

Standard Charges
Gross Charge
Discounted Cash Price
Payer Name
Plan Name
Standard Charge Method
Payer-Specific Negotiated Charge - Dollar Amount
Payer-Specific Negotiated Charge - Percentage
Payer-Specific Negotiated Charge - Algorithm
Estimated Allowed Amount*
Additional Generic Notes
Additional Payer-Specific Notes
De-identified Minimum Negotiated Charge
De-identified Maximum Negotiated Charge

Item & Service Information					
General Description					
Setting					
Drug Unit of Measurement*					
Drug Type of Measurement*					

Coding Information
Billing/Accounting Code
Code Type
Modifiers*

^{*-} New required data elements going into effect January 1, 2025.





Estimated Allowed Amount: how is it defined and when do I need to encode data?

- At 45 CFR § 180.20 we defined "estimated allowed amount" as the average dollar amount that the hospital has historically received from a third-party payer for an item or service.
- This algorithm or percentage is based on the contract the hospital has with a particular payer for a particular plan, and the estimated allowed amount would be the average reimbursement in dollars that it has received from the payer in the past.
- Hospitals are required to encode a dollar value for the "estimated allowed amount" data element, when a payer-specific negotiated charge can only be expressed as an algorithm or percentage. This includes:
 - hybrid scenarios where the standard charge dollar is a base rate and there is an algorithm that accounts for additional individualized charges;
 - · where the standard charge is a percent that cannot be calculated as a dollar figure; and
 - where the standard charge is an algorithm



Tip: Check that the estimated allowed amount is calculated at the plan level.





How do I calculate the Estimated Allowed Amount?

- CMS is not prescriptive as to the source of the data.
- We believe hospitals should retain flexibility, in the interest of reducing burden, to determine the best data source for calculating the estimated allowed amount.

Potential Data Source

One source hospitals may consider using is information from the EDI 835 electronic remittance advice (ERA) transaction, the electronic transaction that provides claim payment information, including any adjustments made to the claim, such as denials, reductions, or increases in payment, would appear to meet this requirement as the data in the 835 form is used by hospitals to track and analyze their claims and reimbursement patterns.





What if I don't have enough historic claims data to calculate the Estimated Allowed Amount?

CMS recommends that the hospital encode 9999999999 (nine 9s) in the data element value to indicate that there is not sufficient historic claims history to derive the estimated allowed amount, and then update the file when sufficient history is available.

- As a guide for the threshold for sufficient history, we suggest hospitals use the CMS Cell Suppression Policy established in January 2020.
- Additionally, if the hospital wishes to provide further context for the lack of data they can do so in the appropriate additional notes field.





Drug Unit of Measurement

- If a standard charge has been established for a drug, hospital are required to indicate the drug unit and type of measurement as separate data elements.
- If the hospital has established a standard charge for a drug, the hospital would be required to encode the file with a description of the drug, including the applicable drug unit and type of measurement as a separate and distinct data element from the description.
- Hospitals should indicate the unit value that corresponds to the established standard charge.
- If a value is encoded in the drug_unit_of_measurement, a value must also be encoded in the drug_type_of_measurement. Conversely, if a value is encoded in the drug_type_of_measurement, a value must be encoded in the drug_unit_of_measurement.



https://github.com/CMSgov/hospital-price-transparency/tree/master/examples





Drug Type of Measurement

- The measurement type that corresponds to the established standard charge for drugs as defined by either the National Drug Code or the National Council for Prescription Drug Programs.
- The following valid values for Drug Type of Measurement are based on two sets of industry standards; National Drug Code and National Council for Prescription Drug Programs:

Standard Name	Valid Value
Grams	GR
Milligrams	ME
Milliliters	ML
Unit	UN
International Unit	F2
Each	EA
Gram	GM





Modifiers

- Include any modifier(s) that may change the standard charge that corresponds to a hospital item or service, including a description of the modifier and how it changes the standard charge.
- CMS allows hospitals flexibility in their approach, and has provided an example of one approach on the HPT Data Dictionary GitHub Repository:

description	modifiers	setting	standard_charge Platform_Health PPO negotiated_percentage	additional_payer_notes Platform_Health PPO
				150% payment adjustment for the item or service
Bilateral procedure	50	both	150	to which the modifier is appended
				62.5% of the amount for the item or service to
				which this modifier is appended for each co-
Co-surgeon	62	both	62.5	surgeon
				93.75% of the amount for the item or service to
Bilateral procedure with				which this combination of modifiers is appended
co-surgeon	50 62	both	93.75	for each co-surgeon



https://github.com/CMSgov/hospital-price-transparency/tree/master/examples





Tips for Implementation





MRF Tip: Select a required template layout from the CMS Hospital Price Transparency GitHub repository

- The CMS template layouts and corresponding data dictionary are located on the CMS Hospital Price Transparency GitHub repository. This repository houses the required CMS templates, in a CSV "tall", CSV "wide" and JSON format, and provides the data dictionary, or technical instruction, on how hospitals must encode standard charge information into MRFs.
- Select one of the three (CSV wide, CSV Tall or JSON) required template layouts. We
 recommend you directly download and use a CSV template from the GitHub repository because
 it is pre-populated with information which can help you avoid some encoding errors.











MRF Tip: Follow the requirements in the data dictionary

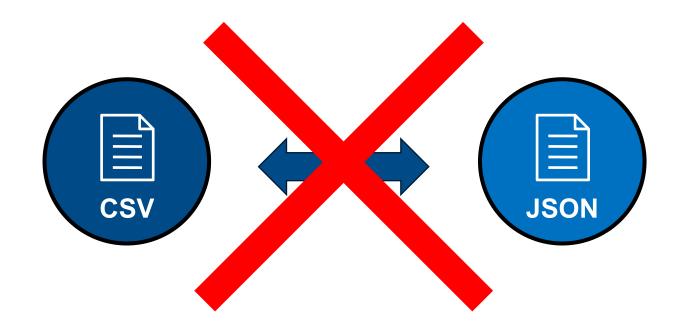
- The CMS template layouts and corresponding data dictionary provide instruction on what to do
 if you have no applicable data to encode under a specific data element.
- CMS no longer suggests hospitals enter an indicator like "N/A" or 0 when using a CSV format.
 You can use the appropriate additional notes field to provide an explanation why there is no applicable data to encode.
- If you have no data to encode under a specific CSV data element, do not remove that data element header from the template. Removing data element headers will generate a deficiency.
- Note: Changing the order of the CSV headers or JSON attributes in the CMS template layouts will not generate a deficiency.
- Hospitals are permitted to include additional optional information through optional data elements
 that are defined in the data dictionary (e.g., billing class and hospital financial aid policy) or
 hospital created data elements.
 - Instructions have been added to support standardization of disclosure of 'financial_aid_policy,'
 'general_contract_provisions,' and 'billing_class.'





MRF Tip: Don't convert your JSON file to CSV or your CSV to XLS!

- Some of the data attributes are unique to a specific format, so converting the required JSON schema to a CSV or a CSV to JSON file will not meet the requirements.
- Excel is not a valid format.







MRF Tip: Review the version data element

Use the numeric version number of the CMS template rather than the format.

Incorrect encoding of the 'version' data element

hospital_name	last_updated_on	version	hospital_location	hospital_address	license_number CA
West Mercy Hospital	2024-07-01	CSV Tall	West Mercy Hospital West Mercy Surgical Center	12 Main Street, Fullerton, CA 92832 23 Ocean Ave, San Jose, CA 94088	50056

Corrected encoding of 'version' data element

hospital_name	last_updated_on	version	hospital_location	hospital_address	license_number CA
West Mercy	2024-07-01	2.0.0	West Mercy Hospital	12 Main Street, Fullerton,	50056
Hospital			West Mercy Surgical	CA 92832 23 Ocean Ave,	
			Center	San Jose, CA 94088	





MRF Tip: Review the license number data element

- Hospitals should populate the license number field in the MRF if they have a license number.
- CSV format tip: Replace [state] with your state abbreviation in the license_number | [state] data element.

hospital_name	last_updated_on	version	hospital_location	hospital_address	50056 [state]
West Mercy Hospital	2024-07-01	2.0.0	West Mercy Hospital West Mercy Surgical Center	12 Main Street, Fullerton, CA 92832 23 Ocean Ave, San Jose, CA 94088	California

Corrected encoding of 'license number' data element

hospital_name	last_updated_on	version	hospital_location	hospital_address	license_number CA
West Mercy Hospital	2024-07-01	2.0.0	West Mercy Hospital West Mercy Surgical Center	12 Main Street, Fullerton, CA 92832 23 Ocean Ave, San Jose, CA 94088	50056





MRF Tip: Review common issues with general data elements

- Encode 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.
 - Location name(s) and address(es) must include, at minimum, all inpatient facilities and stand-alone emergency departments.
- Use the location field for the hospital name, and the address field for the complete hospital address, including street, city, state, and zip code.

hospital_name	last_updated_on	version	hospital_location	hospital_address	license_number CA
West Mercy Hospital	2024-07-01	2.0.0	West Mercy Hospital West Mercy Surgical Center	12 Main Street, Fullerton, CA 92832 23 Ocean Ave, San Jose, CA 94088	50056





MRF Tip: Review the affirmation statement

- Ensure the affirmation statement is written exactly as stated in the data dictionary.
- Follow the valid values in the data dictionary.
- CSV format tip: Make sure the affirmation statement appears in a single cell.

hospital _name	last_update d_on	version	hospital_loca tion	hospital_address	license_n umber CA	To the best of its knowledge and belief, the hospital has included all applicable standard charge information in accordance with the requirements of 45 CFR 180.50, and the information encoded is true, accurate, and complete as of the date indicated.
West Mercy Hospital	2024-07- 01	2.0.0	West Mercy Hospital West Mercy Surgical Center	12 Main Street, Fullerton, CA 92832 23 Ocean Ave, San Jose, CA 94088	50056	TRUE

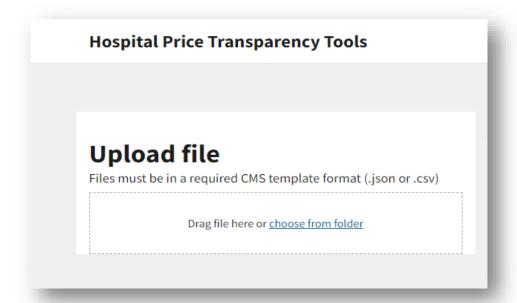
A valid value of "TRUE" is necessary to meet the affirmation statement requirements 45 CFR 180.50(a)(3)(ii).





MRF Tip: Use the validator

 In addition to providing the data dictionaries and templates, to further aid hospitals we have developed an MRF validation tool which can be used by your hospital as an initial check for compliance with the formatting requirements of § 180.50(c).









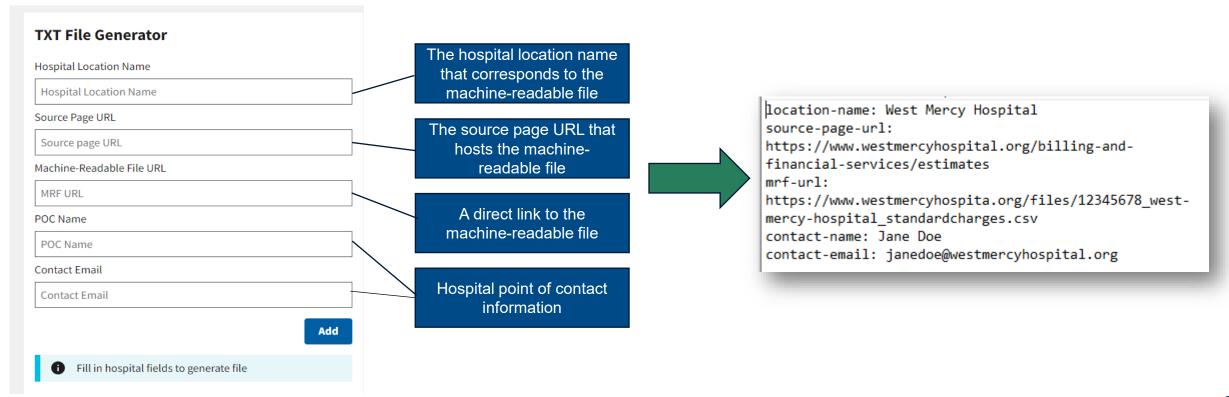
Accessibility Requirement Tips





Accessibility Tip: Use the TXT generator to build your TXT file

Effective January 1, 2024, you must ensure that the public website your hospital selects to host its
machine-readable file establishes and maintains, in the form and manner specified by CMS a .txt file in
the root folder.



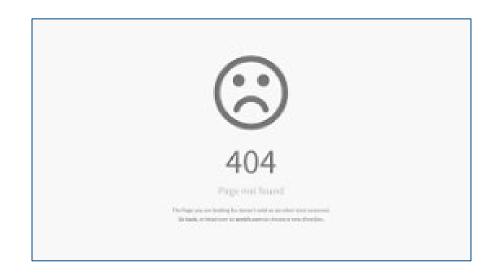




Accessibility Tip: Update the TXT

Beware of broken links in your TXT!

- Remember to update the TXT file when the source page URL or the MRF-URL is updated.
- We suggest, to mitigate confusion, hospitals remove previous links to MRFs.







Accessibility Tip: "Price Transparency" in the footer of your website

Effective January 1, 2024, you must ensure that the public website your hospital selects to host its machine-readable file establishes and maintains, in the form and manner specified by CMS a link in the footer on your website, including but not limited to the homepage, that is labeled "Price Transparency" and links directly to the publicly available web page that hosts the link to the machine-readable file.

- "Pricing Transparency," "Patient Estimates," or "Standard Charges" do not meet the requirement.
- Each time you update your website, we recommend you check that the link is up to date and points to where your MRF is hosted.
- The footer link should go directly to the page from which the MRF is downloaded.





Hospital Price Transparency Resources



Visit the <u>CMS Hospital Price Transparency – Data Dictionary GitHub Repository</u> to access the CMS templates, technical specifications, and get technical support.

Visit the <u>HPT Website Resources Page</u> for more information, including a recording of this presentation.

For additional information, please contact: PriceTransparencyHospitalCharges@cms.hhs.gov





Questions & Answers





Additional Slides





Optional Data Elements

'Hospital Financial Aid Policy' and 'Billing Class' are optional data elements. They are not required to be included in hospital MRFs, but instructions have been added to support standardization of disclosure of these data elements for hospitals that wish to provide more contextual information about their charges.

Data Element	Description
Hospital Financial Aid Policy	The hospital's financial aid policy, also known as charity care or bill forgiveness, that a hospital may choose or be required to apply to a particular individual's bill. This information may be displayed as either a description or as a link to the financial aid or cash price policy on the hospital's website.
General Contract Provisions	Payer contract provisions that are negotiated at an aggregate level across items and services (e.g., claim level).
Billing Class	The type of billing for the item/service at the established standard charge. The valid values are "professional", "facility", and "both".



