Centers for Medicare & Medicaid Services
Hospital Open Door Forum
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Webinar recording:
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Jill Darling: Hi, everyone. And welcome. We're just going to give one more minute for more folks to join. So, thanks for your patience.

Automated Voice: *Recording in progress.*

Jill Darling: Great. Good morning and good afternoon, everyone. My name is Jill Darling, and I am in the CMS Office of Communications. Welcome to today's Hospital Open Door Forum (ODF). Before we begin with our agenda, I have a few announcements. For those who need closed captioning, I will provide a link for you in the chat function. This webinar is being recorded. The recording and transcript will be available on the CMS Open Door Forum podcast and transcript web page. That link was on the agenda that was sent out, and I will share that as well. If you are a member of the press, please refrain from asking questions during the webinar. If you do have any questions, please email press@cms.hhs.gov. All participants are muted upon entry. For today's webinar, we will have the agenda slide and then we will present slides for our one agenda topic today on the hospital price transparency requirements and then afterwards, I will share our resources like during the Q&A portion of the call. We will be taking questions at the end of the agenda. We know that we will be presenting and answering questions on the topic listed on today's agenda. We ask that any live questions related to the topics presented during today's call. If you do have any questions unrelated to the agenda item, we may not have the appropriate person on the call to answer your question. As such, we ask that you send any of your unrelated questions to the appropriate policy component, or you can send your email to the ODF resource mailbox, which I will provide, and we will get that to the appropriate component for a response. You may use the raise hand feature at the bottom of your screen, and we will call on you when it is time for Q&A. Please introduce yourself and what organization or business you are calling from. When the moderator says your name, please unmute yourself on your end to ask a question and one follow-up question, and we will do our we will do our best to get to your questions. And now, I will turn the call over to our Chair, Joe Brooks.

Joe Brooks: Great. Thank you very much, Jill. And hello, everyone. We appreciate you being here with us today. As Jill said, we have a very short agenda but not short on importance and detail. Specifically, we will be covering hospital price transparency requirements, as mentioned a little while ago. And with that said, since the topic list for the agenda is quite short, just to reiterate as Jill mentioned, we are most likely not going to have a variety of people available to answer questions outside of the topic that is listed on the agenda. So please ensure that you reach

out to the appropriate policy component if you have a question you need to ask that is not related to the topic on the agenda, as well as feel free to submit your email to the Open Door Forum email inbox. With that said, why don't we get started? I will turn it over to our speaker, Terri Postma. Terri?

Terri Postma: Great. Thank you very much. Thanks for giving me the opportunity to talk about hospital price transparency today and the upcoming deadlines. Go ahead, Jill, next slide. Just a quick disclaimer that this presentation is for education purposes. I would strongly encourage you to go to the websites that are listed in this presentation to view the resources that I'm going to point out to you and to read them very carefully. It will help you make sure that you are compliant with the requirements that are coming up. OK, next slide, please.

OK. I'm going to go through, briefly, the requirements. These are not all the requirements but I'm going to highlight the ones that we updated in the last, in the CY (calendar year) 2024 OPPS (Outpatient Prospective Payment System) and ASC (Ambulatory Surgical Center) Final Rule. The hospital price transparency regulation is—relies on authorities under the Public Health Service Act. That's very different than Medicare, which relies on authorities through the Social Security Act. So, it's really important that you understand that there are these differences and—and—I'm going to go through some of the definitions that are little bit different than the definitions that you may be used to under Medicare. So, this is under the Public Health Service Act and the law literally 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 diagnosis-related groups. Starting on January 1, 2021, CMS finalized rules requiring each hospital operating in the United States to fulfill their requirements that the law demands in two ways. First, as a comprehensive machine-readable file (MRF) with all hospital standard charges for all items and services provided by the hospital, and then to take some of that information and repackage it in a way for 300 shoppable services in a consumer-friendly format. So those are the two main requirements. Next slide, please.

The definition of a hospital is really important to understand. The final rule defines "hospital" to mean any institution in any state that licenses hospitals or approves institutions to function as a hospital, OK? So that is all states, including the District of Columbia and the territories. And this definition would include all Medicare-enrolled institutions that are licensed as hospitals as well as any non-Medicare enrolled institutions that are licensed as or approved by the state to be a hospital. We did carve out or deem certain hospitals to have already met requirements, and those include the VA (Veterans Affairs) hospitals, military treatment facilities, and hospitals operated by the Indian Health Program. We further updated this in the CY 2022 rule to include hospitals that are forensic hospitals that care for folks that are institutionalized due to through the court system and care for those patients, solely care for those patients. Next slide, please.

All right, so what is a "standard charge?" Again, this is really important to understand because we finalized five different types of standard charges. And so, each of these standard charges, hospitals must compile and represent in a machine-readable file. There are five types of standard charges. There are the gross charges that are found in hospital chargemasters. These are the prices that are found in the hospital chargemasters, also called the CDM (charge description

master). These are the charges that are put on the claims that hospitals submit to payers. A second type of standard charge is called the discounted cash price. Some hospitals have developed just kind of cash prices that apply to individuals who want to pay in cash or cash equivalent for a hospital item or service. And if a hospital has established discounted cash prices, those must also be in the file. The payer-specific negotiated charges—these are the charges that your hospital has negotiated with a third-party payer for an item or service, and these must be listed in the file by payer and plan. These typically aren't found in hospital chargemasters but rather in—derived from the contracts that hospitals engage with the payer. And again, these must be listed by payer and plan. And then, the fourth and fifth type of standard charges are the de-identified minimum and the de-identified negotiated maximum. And this is both the lowest and highest charge, respectively, that the hospital has negotiated with the third-party payer across all their—all the payers and all the plans for an item or service. OK, next slide.

Again, another definition. What are hospital "items and services?" And again, this definition of the Public Health Service Act is very broad. We finalized the hospital "items and services" to mean all items and services, including individualized items and services that might be found on, for example, on a chargemaster as well as any service packages such as DRGs (Diagnosis Related Groups) where the hospital has negotiated a payer-specific negotiated charge with a payer. And so, any of these are items and services any items and services provided by the hospital to a patient in connection with not just an inpatient admission but also an outpatient department visit for which the hospital has established a standard charge. So, it's very, very broad. Examples include supplies and procedures, room and board, facility fees for outpatient settings, also services of employed physicians and non-physician practitioners, which are generally reflected as professional charges, and any other items or services for which the hospital has established a standard charge. All right, next slide.

I referenced the CY 2024 OPPS/ASC final rule. We are coming up on some—on a critical deadline of July 1, 2024. And so that's why I wanted to—that's why I'm pleased that I was able to participate today and bring you this information, just as a reminder, especially for the—I know that many, many hospitals have been working diligently toward this date, but I wanted to make sure we spread the news far and wide so that nobody—nobody—misses it. So, one of the first things we did, changes that we made in that CY 2024 rule was January 1 deadline, which obviously has passed, and that had to do with improving access—machine-readable access to machine-readable files. And that had to do with hospitals, including a TXT file in the root folder with the machine-readable file contact information and also placing a footer at the bottom of—of—your hospital's homepage that links to the webpage that includes the machine-readable file. I'm not going to go into detail on these two things. I'm really today focused on the July 1, 2024, deadline, which are this new standardized format and template that we established through rulemaking. So, and new data elements that must be included in the machine-readable file. So starting July 1, just in a month's time here, your hospital's machine-readable file must conform to the CMS template layout and data specifications that we have made public on the CMS GitHub site that I'm going to talk through with you in a moment. We also expanded a set of data elements or categories of data that hospitals must include in the machine-readable file. And the data for those data elements are included as applicable. So those new data elements include things like hospital and machine-readable file information, it includes categories for each type of

standard charge, including the payer-specific negotiated charges by payer and plan, item and service description, and relevant billing codes. And then additionally, within this machine-readable file format, this new layout, your hospital must affirm that it's included all applicable standard charge information in your machine-readable file, and that that information that you've encoded in that file is true, accurate, and complete. Starting January 1, 2025, a few additional required data elements or categories will be included in those files, and those include something that we called in the final rule, the Estimated Allowed Amount, the Drug Unit of Measurement and Drug Type of Measurement, and also Modifiers. I'm not going to go over those today, but just so you can plan ahead, that deadline is coming up on January 1. All right, next slide, please.

OK, so this link is really important. This is a new document that we've made available to you on our hospital price transparency website called "Steps for Making Public Hospital Standard Charge—Charges—in a Machine-Readable Format Using a Required CMS Template Layout." OK, this document, next slide, is going to go through steps to help you put together your machine-readable files in the way that is required starting July 1. So, and this is why I went through some of those definitions because the definitions are really important to understanding what data your hospital is going to be required to collect and put into these files.

So the first step is to make sure that you've identified every hospital location that is functioning under that hospital license, under the entity that is licensed by the state, and—because you're going to include each of those hospital names and locations in the file, you're going to identify each standard charge that you have established, each of those five types, as well as the corresponding item or service that goes along with that standard charge. And then you're going to select one of the required CMS template layouts. CMS has made available to you three different layouts, two in CSV (comma-separated values) and one in JSON (JavaScript Object Notation). And then you're going to gather and encode your standard charge information in your—in the layout that you choose. You'll affirm the accuracy and completeness of your file. You'll name your machine-readable file according to the required naming convention, and then you'll validate that your standard charge information has been correctly encoded, and you can do that by using—both naming the file and validating the standard charge information that is encoded correctly, you can do that through tools that we've developed that I'm going to show you shortly. Finally, you'll post your machine-readable file prominently on a public-facing website, and then you'll create and add the required TXT file and footer link that points to that file. And then finally, you'll update your files annually. This is a very, very short presentation, so I'm not going to go into all these steps. Again, strongly encourage you to visit our website to read this document. It's there to help you through this. It gives—talks about the definitions of different things and gives links to where these different resources and tools can be found to help you through each of the steps. OK. Next slide, please.

All right, here's the data elements that have to be included in the file. They're expanded beyond the data elements that were initially required prior to the CY 2024 OPPS Rule. Starting July 1, these are the data elements or categories of data that your hospital will encode into a CMS—into the CMS template layout. Next slide, please.

And then, just to emphasize the requirement for the payer-specific negotiated charges, going forward, starting July 1, the—the—templates give you three different ways to display your payer-specific negotiated charges, OK? And remember, these are the standard charges that your hospital has negotiated with each payer in each payer's plan. Some of those negotiated rates, the standard charge that applies to everybody with that payer and plan, can be expressed as a dollar amount. So, for example, if you have a base rate, you can express that as a dollar amount, or if you're working on a fee schedule, you can express that as a dollar amount. But a lot of contracts are very complex and there are complex contracting practices where an algorithm is applied to each claim that comes in, and the reimbursement rate or the payer-specific negotiated charge is individualized based on what the patient had during—during—the course of their stay. And in that case, a standardized dollar amount can only be expressed as either percentage or an algorithm. And so, these standardized templates give you the opportunity to express your payer-specific negotiated charge as a dollar amount, as a percentage or as an algorithm. If you can only express your payer-specific negotiated charges as a percentage or an algorithm, starting January 1, 2025, you're going to have to calculate and display what we named an Estimated Allowed Amount in dollars. And so that's a calculation that you can base on your previous 12 months' reimbursement amounts, for example. We're not prescriptive on how you come up with that estimated dollar allowed amount, but that's the concept is that it's sort of an average for that population, historical average for that population. All right, next slide, please. All right, next slide.

Template technical requirements. OK, if you go to that link in the slide deck, and I assume Jill, you'll make these slides available. The—if you go to that link or indeed the link that Jill has already shared with you, there were three links she shared with you. One was to the steps document that I just went through. One was for the GitHub website with our technical specifications and the data dictionary, which you can see in the screenshot here. And then, the third is for the tools site, where you can validate that you've encoded the information correctly. So, this is what you'll see if you go to the GitHub data dictionary. And this is an example of the CSV—CSV—data dictionary. There's a different data dictionary for if you choose the JSON schema. But for folks out there like me who are not technically savvy, I would probably start using this—the CSV data dictionary. It's sort of, for me being non-technical, it was more accessible than the JSON. So, this is what the data dictionary looks like in data.gov, and the first two columns there show you what the header for the data element must be encoded as. So, if you choose the tall format in that first column, "the legal business name of the licensee," you would encode in Row 1, Cell 1, "hospital_name," and under that cell, you would you put your—you would put in your hospital name of the licensee. Similarly, if you're using a wide, what we call a "wide format," you'd encode the same thing in Row 1, Cell 1, "hospital_name," and then underneath that, you would put the legal business name of the licensee.

The third column there tells you the name of the data element. So, in this case, it's "hospital_name." And then, the fourth column there shows you the—the—types of valid values that you can put in for that header. And in this case, it's a string, which means that your hospital name contain—can contain any string of characters. And then the description of the data element is "the legal business name of the licensee." And if—the template will not accept a blank spot there, this is data that must be filled in by the hospital. So that's kind of the pattern or format of

the data dictionary. And if you choose a tall format or the wide format each, you just follow down the column to tell you how to encode each of those data elements and then follow across to see what—what—valid values are for those data elements. The difference between the tall and wide formats really is just that the tall format has all the payers and plans in a single column versus where you would encode, you know, each payer in the column and then a column for the plans and you'd encode the plan's names in a separate column.

For the wide format though, then all the payers and plans are sort of in a horizontal format or layout. So, each—for each payer and plan, you'd encode six different—six different payer plan-specific headers, and just repeat those columns over and over for every payer and plan that you have. So that's kind of the difference between the two. And there are examples on this website as you see on the left-hand side of this slide. If you were to click on "Examples," you could find the examples. If you were to click on the templates, you would find the templates for CSV, and I would really strongly encourage you to go to the "Templates" tab there and download it. Download the template that you choose directly from the website, and then you can start populating it from there. That will make it much easier for you to pass the validator check. All right, so this is an example of where there's a wide format with a header error, and in particular, we're going to look at a header error where the person has not encoded the header properly. So, Jill, can you jump to the next slide, please?

All right, so this is an example of the CSV wide format where you see the general data elements are all in Row 1 and encoded in Row 1. And you see that this in this example, the Column 1, that first cell there, which is supposed to have "hospital_name," simply says "hospital." So, this fails the format because you need to put in "hospital_name." And then "West Mercy Hospital," this is a completely made up hospital, and filled in the valid values in Row 2 there for each of those data—general data elements. So, they would just have to fix this to say "hospital_name" and it's going to meet the formatting requirements. And then in Row 3 there, you see the rest of the data elements. So, Row 1 is the general data elements, Row 2 is the valid values for the general data elements, Row 1 and then Row 3 is the rest of the data elements that are encoded across. And then Rows 4 through infinity is—are the valid values for each of the—each of the data elements there. OK. Next slide, please.

OK, here's our tools site. Again, the other link that Jill has been diligently sharing in the chat and also beforehand and also in the agenda for this call. This is our tools site and on this tools site, we've developed something called a validator. This validator tool can be—there are a couple of different ways you can use it. The way I am showing now is the one that you can use on your own browser. So, what you do is you just open up the site, you take your file, once it's finished, you drag it into that spot there that says, "drag file here" and drag it in there. And then once you drag it in there—next slide, please, it'll spit out whatever errors are present. It'll give you these results. So, in this example where there was a formatting header error, it says Row 1, "header column 'hospital_name' is miscoded or missing." And it tells you, you have to include this header and confirm that it's encoded as specified in the data dictionary. And then the validator—if there are any header errors as you're developing these files, the validator is—if there are any head—header errors at all, the validator is just going to stop. So that's the first thing you need to get right are those headers. And that's why I was really strongly recommending that you go to the

"Template" tab and download a template and work from that because with the exception of a few headers where you have to actually insert your hospital-specific information, they're encoded properly for you. So, it'll just help you avoid some of these errors. Unless you're very, very comfortable with the data dictionary, in which case go for it, develop, you know, you can develop it using that alone. But we've really, really tried to provide you with, you know, with a lot of different resources to help you get this right. All right. So next slide, please.

All right, so once you've encoded the headers correctly, then the validator is going to check to make sure that you have encoded the values—all the values that you've encoded are valid and encoded the way the data dictionary directs. So, I wanted to—in this example, I wanted to highlight a particular value error. There's two of them in this file. One, there are these general instructions that you should read very carefully in the data dictionary. For example, in the past, you may have used indicators called "N/A" when you didn't have any applicable data to enter. That is no longer. Don't use "N/A." It will—it's not a valid value and it will fail. So, if you don't have any applicable data to encode, you will just simply leave that cell blank, OK? Going forward, starting with July 1. The one that I've circled here is just a flag that, you know, there—there—are two errors that you're going to see shortly. One is that the person encoded a value as "0." Numeric data elements must be positive numbers. So, if you enter a negative number or a "0," that will generate a deficiency. All numeric data elements must be positive non-zero numbers. And then the other thing is if the data dictionary directs you to—if the valid value says—type says "enum," that means that there are very specific values that you have to put in. So, for example, one valid value, enum valid value for hospital setting is either written out, "inpatient," "outpatient," or "both." Those are the only three options that you'll have for—for—encoding that particular value. And all right, next slide, please. So, encoding anything other than that, well, OK, and here's the data dictionary, just showing or setting, it indicates whether the item or service is provided in connection with an inpatient admission or outpatient department visit, and the valid values are "inpatient," "outpatient," or "both." So, if you encode anything other than exactly those things, "inpatient," "outpatient," or "both," it will generate an error. Next slide, please?

All right, so here, for example, is we're going back to that same file. The person has corrected the data element under Column A, Row 1, for "hospital_name." So now that part is going to pass the validator check, right? But we see here under "setting" that instead of "inpatient," they've erroneously encoded "IP," which you would guess stands for "inpatient" probably, right? But that's not one of the valid values that is allowed by the data dictionary. So next slide. And here under this fictitious "Platform Health Insurance PPO," they've encoded the header correctly according to the data dictionary. I'm not going to go over that in detail. You can look at it yourself in the data dictionary, but trust me, that is encoded properly. However, the valid value or the value that they have encoded is not a positive non-zero value. They've encoded "0." And as we saw, the data dictionary specifically indicates that that is not a valid value. All right, so then this person's going to run their file again through the validator. Next slide, please.

And this time, the validator passes—the headers are all properly encoded. However, now it's generating errors for the "setting" value— "inpatient" or "ip" is not one of the allowed valid values," and it instructs you to, "you must encode inpatient, outpatient, or both." And it tells you

exactly where that error was found. It was found in Column G, Row 4. And then similarly, for that one that we looked at, the payer-specific negotiated rate for "Platform Health Insurance PPO," it says "value '0' is not a positive number" and prompts you to encode a positive non-zero numeric value and tells you exactly which cell the error was found in. It was found in Column L, Row 4. OK? All right. And so, I have thrown a ton at you—next slide, please.

But it's because by this late stage, you should be well on your way to creating this—these files in advance of the July 1 date. CMS does intend to enforce and start looking at hospital files to make sure that they're in compliance with these requirements starting July 1. So, you should be well on your way to complying, but I just wanted to sort of reiterate that these resources are available to you and where to find the resources, make use of them. And if you have any questions at all, we have our email box is available to you for questions. We have the GitHub website has a very active discussion board that has a lot has an opportunity for you to ask questions not only of CMS, but also of your peers who may be dealing with some of the same things. Because a lot of especially the payer-specific negotiator rates are very unique to—each hospital has unique ways of developing those with payers. And so, chances are that there's—there may be another hospital that is struggling to encode that payer-specific negotiated charge based on a complex contracting method that has been devised that may be similar to other hospitals. So that discussion board is a really good place. Also, our examples as folks through the GitHub discussion board have made us aware of different unique contracting practices, we've continually been developing—we will continue to develop examples of—there's still a lot of flexibility in how you're able to encode your data and your hospital-specific information, but there are some—in the examples we give you just that, examples of how you might address or deal with a particular complex contracting method. All right, that's a lot. I'm very happy to take questions if you have any at this time related to hospital price transparency.

Jill Darling: Great, thank you, Terri. We will give it just a moment for folks to use the raise hand feature at the bottom if they have a question or comment.

Moderator Jackie: OK. Yes. It looks like Charron, you are able to unmute yourself.

Charron Quintanar: Hello, my name is Charron Quintanar. I am with St. Rose Hospital in Hayward, California. I'm really grateful for this validation tool. I was just wondering, with the new, more detailed requirements coming next year, specifically with all the drugs and adding modifiers and things like that, is there a plan to make this more user-friendly where hospitals can just kind of enter the data and have something generated through the CMS website? We are a really tiny hospital, so doing—meeting with compliance does create overhead for people. Smaller hospitals that may have to go outside of the hospital to generate such a very detailed data file to have updated annually. So, I was just wondering if there's anything in the works going forward that will make this compliance factor a little easier to meet.

Terri Postma: Yeah, it's an excellent question and that, you know, the fact that some hospitals are very small, and employees wear multiple hats and have to comply with multiple regulations, that is not lost on us, which is why we've been busily developing these tools. The template that you can download, the data dictionary and all the other—the steps document. We're doing

everything that we can to assist you. If there are any other tools or assisted devices that you think would be helpful, we're all ears. I think one of the challenges, though, is that every hospital is unique, and every hospital has a unique set of payers and payer plans and a unique way that the standard charge has been negotiated. So, it's, it would be, I would have to think about how, you know, how we could develop something more off-the-shelf that would apply to every single hospital situation. But so the—I mean the—the closest that we have so far for you are those templates that you can download and then start, you know, if you open it up in a software package, you know, that spreadsheet software package for example, you know, you can, like, start filling it in then and then at least it gives you a start on that. You know—you know—that the format, the layout, you've got that right out of the gate.

Charron Quintanar: Thank you.

Jackie: I don't see any raised hands right now at the moment.

Terri Postma: OK, good. I'm hoping that this is—is—nowhere near looking like something new to—to—the folks on this call. We've been really pressing it pretty strongly for the last several months, you know, the last six months or so, six or seven months since the final rule published, and—and—we've had a lot of webinars about it. So, you know, I'm hoping that that's a sign that folks have already viewed these materials and are comfortable—getting comfortable with them and are getting their questions answered. All right, but if you do have any other questions moving forward, please let Jill know and she can pass them on to us. You can contact us through our email box and—or through that—probably the best way is through the GitHub website discussion board. Thank you very much for being here today and for having me.

Jill Darling: Great. Thank you, Terri. I'll pass it back to Joe for closing remarks.

Joe Brooks: Perfect. Thank you, Jill. And thank you, Terri. I appreciate your presentation today as well as the visual aids. I'm sure that was helpful to a lot of people. And thank you for every—to everyone for joining us this afternoon. As you'll hear us repeatedly say, if you have further questions, feedback, or requests for topics that you'd like to hear more about in the future, please email us at hospital_odf@cms.hhs.gov. We appreciate hearing from you very much. This will conclude today's call. Have a great afternoon and enjoy the rest of your week. Thank you.