

Fact Sheet on Hospital Price Transparency

1. Federal rules require both hospitals and insurers to provide data on negotiated rates.

- The federal rule requiring hospitals to both publish machine readable files and provide a list of shoppable services went into effect in January 2021, when hospitals were facing incredible challenges dealing with the pandemic and the ongoing workforce crisis.
- Health insurance companies and self-funded employers must also publicly post machine readable files and shoppable services. Inexplicably, CMS gave insurers a full 18 to 24 months longer to comply with the requirements.

2. Wisconsin hospitals are complying with the federal rule.

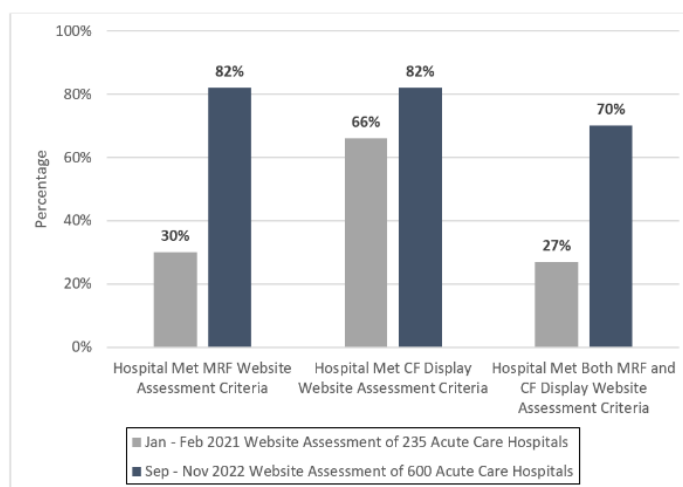
- CMS has levied a total of four fines against hospitals in the U.S. as of April 28, 2023. None of these hospitals are Wisconsin hospitals.
- Turquoise Health is an independent price transparency company that has downloaded and reviewed about 5,400 hospital data files from across the country. Turquoise Health is one of the leading organizations in utilizing the data made available by the CMS price transparency rule. Their credibility has been on display multiple times over the past year as they have testified in front of various federal and state committees on price transparency. Turquoise provides a star rating for how complete a hospital's files are. According to the star rating currently available publicly on their website, Wisconsin's hospitals average a 4.5 out of 5 stars, indicating a high level of compliance with the federal rule.

3. Across the country, high compliance is increasing.

- Turquoise Health gives 81% of short-term acute care hospitals a rating of four or five stars for completeness of their machine-readable files.
- According to CMS in 2022, hospitals increased compliance significantly from 2021 to 2022 and continue to steeply trend upward:
 - 70% of hospitals had complied with both the shoppable services information and the machine-readable file requirements, up from 27% in 2021;
 - 82% met the shoppable services information requirement in 2022 (up from 66% in 2021); and
 - 82% met the machine-readable file requirement (up from 30% in 2021). This is a more than twofold increase in compliance year over year, a measure of progress worth noting rather than ignoring.

<https://www.healthaffairs.org/content/forefront/hospital-price-transparency-progress-and-commitment-achieving-its-potential>

Exhibit 2. Comparison of Jan.-Feb. 2021 and Sept.-Nov. 2022 website assessment results



Source: CMS analysis.

4. More enforcement is coming from CMS.

- As of April 27, CMS had issued 730 warning letters to hospitals and required 269 corrective action plans for violations. CMS has issued monetary penalties to four hospitals, and the remainder of the hospitals under review have worked with CMS to correct any issues raised or are in the process of doing so.
- On April 27, CMS released [updated guidance](#) on their process for monitoring and enforcing the Hospital Price Transparency rule. The new guidance makes three changes to the enforcement process:
 - CMS will no longer issue warning letters to hospitals that do not appear to have made any attempt to comply with the rule and instead will go straight to requesting a corrective action plan, as the first enforcement step, significantly shortening the timeline for the hospital to come into compliance.
 - Corrective action plans will now need to be completed within 45 days. Previously, CMS allowed hospitals to propose a completion deadline (typically between 30-90 days) in their CAP.
 - CMS will automatically impose CMPs if CAPs are not submitted or completed by their deadlines.

5. Consumers should also be able to receive price information from their health insurance company.

- 95% of Wisconsinites receive health care coverage through an insurer or employer. There is little disagreement that insurers are the best place for consumers to receive this information as the insurer has the most information about which providers are in or out of network, the member's copayment and status toward meeting their deductible, and the price the insurer has negotiated with all providers.
- Health insurance companies and self-funded employers also have a federal mandate to provide machine readable files and shoppable services information, yet they are left out of this legislation.

6. With the hospital data readily available, the private sector is already using this data and providing online tools for consumers. These tools can only be enhanced when health insurance companies and employers comply with the law.

- Turquoise Health is already using the hospital files to provide a publicly available, free of charge, robust online hospital price comparison tool. You can access the tool [here](#).
- In a recent report, Turquoise also identified other private sector companies using this data. These include Milu Health (proactive health spend savings for patients and employers), Certainly Health (consumer-facing booking with set prices) and Finestra Health (crowdsourced price transparency data from patient bills) as its competitors of note.
- As noted above, the private sector is responding very quickly to the federal transparency law and is already providing price and quality information that is free, publicly accessible and easy to use. This is well ahead of any state legislation and is being done without new state rules, regulations and fines. In other words, the law, at least for hospital price transparency, is working.