Compliance FAQ

August 31, 2021

The Transparency in Coverage Final Rule Frequently Asked Questions

This FAQ summarizes the provisions of The Transparency in Coverage final rule (the Transparency Rule) released by the Department of Health and Human Services (HHS), the Department of Labor, and the Department of the Treasury (the Departments).

Summary of Federal Legislation

What are the new requirements of the federal legislation enacted by the Transparency Rule that affect group health plans?

Public Disclosure Requirement – Effective with plan year start dates on and after July 1, 2022.

Previously the effective date had been January 1, 2022. However, pursuant to an FAQ issued by Departments of Labor, HHS, and the Treasury (the Departments) on August 20, 2021, the Departments will defer enforcement of the requirement to make public the machine-readable files for in-network rates and out-of-network allowed amounts and billed charges, until July 1, 2022. Additionally, the Departments will defer enforcement of the Transparency Rule requirement that plans and issuers publish machine-readable files relating to prescription drug pricing pending further rulemaking.

Individual Disclosure Requirement - Effective with plan year start dates on and after January 1, 2023

In brief, detail on the Public Disclosure Requirement:

- Plans will be required to make available to the public via a website, two* separate machine-readable files that include detailed pricing information as follows:
  - Negotiated rates for all covered items and services for in-network providers
  - Historical payments to, and billed charges from, out-of-network providers

**Please note prior to the FAQ issued by the Departments, prescription drug pricing was a third required machine-readable file.*

In brief, detail on the Individual Disclosure Requirement:

- Plans will be required to make available to participants, beneficiaries and enrollees (or their authorized representative), through an internet-based self-service tool and in paper form upon request, personalized out-of-pocket cost information and the underlying negotiated rates for all covered health care items and services, including prescription drugs.

What is the purpose of the Transparency Rule?

The goal of the Transparency Rule is to make health care price information accessible to consumers and other stakeholder and to allow for easy comparison-shopping prior to an individual receiving medical care.

Public Disclosure Requirement

What is the purpose of this requirement?

The goal of the public disclosure requirement is to make health care price information accessible by large data files to consumers and other stakeholders, such as research firms, for study and comparative data set development using plan in network, out of network, and prescription drug data.

What is a machine-readable file?

Data in a format that can be automatically read and processed by a computer, such as CSV, JSON, XML, etc.

What is the purpose of these machine-readable files?

To allow a digital representation of data or information in a file to be imported and/or read into a computer system for further processing and used for research purposes.

How truly public is this information?

Fully public. This data must be available without cost or member log in.

How can the data be accessed?

By visiting a public website that will be available on the HPI main website (hpitpa.com)

Is an account or log in information needed to see the data?

No.

Does access to this data cost money?

No.

How often is the data updated?

Monthly.

What does the data consist of?

In-Network Files

- Applicable to each option under the plan
- Name of option
- 14 digit HIOS (or 5 digit if 14 digit not available) or EIN if no HIOS
- Billing Code for each covered service/treatment/supply (with description of each)
- All applicable rates
- Negotiated rates
- Underlying fee schedules
- Derived amounts (amount assigned by plan for internal accounting, reconciliation or submitting data in accordance with 45 CFR 153.710(c)
- Applicable rates must be:
  - Reflected in dollar amounts
  - Associated with NPI, TIN and Place of Service Code for each provider
  - Associated with the last date of the contract term for each provider specific rate that applies to each covered service/item
  - Indicated with a notation where reimbursement arrangement other than a standard fee for service arrangement
    - Bundled payment
    - Capitation

Out of Network File

- For each option (same as In Network)
- Billing code/description (same as in-network)
- Unique allowed amounts and billed charges for covered OON services/treatments
  - 90 day period that begins 180 days prior to publication of the file
  - Must omit data with respect to service and provider if reporting would require payments in connection with less than 20 different claims under a single plan or coverage during that day period.
- Each unique OON amount must be:
  - Reflected in dollar amounts
  - Associated with NPI, TIN and Place of Service Code for each out of network provider

When is the data available?

July 1, 2022

What is HPI doing to meet this requirement?

HPI's network partners will provide us with links to their machine readable files which we will post on our public website and be made available for July 1, 2022. The links will direct to the network partner website where the needed information will be accessible.

Will the creation and management of this machine readable file system have a cost impact to clients?

No.

Individual Disclosure Requirement

What is the purpose of this requirement?

To provide a self-service tool so the consumer (member) can view estimated cost sharing liability information with respect to covered services treatments/network providers prior to having a medical procedure.

What does a self-service tool mean?

An online tool that allows users the ability to develop rapid reports while empowering users to analyze their own data — in this case, the users own estimated cost sharing liability.

Is an account or log in information needed to see the data?

Yes, the member's plan information and log in credentials will be needed.

Is there any cost to the member to access this data?

No.

How often is the data updated?

Rolling updates, for example as new providers enter or exit networks and member specific costs and deductibles change due to use of services.

What can this data show the member?

Accumulated amounts

- Where the member stands with deductible, OOP max, treatment/visit limits.
- Does not include premiums and balance billing.

Pre-requisites

- Prior authorization, step therapy, concurrent review.

In-network rates

- Contracted rate even if not used by the plan to calculate cost-sharing liability, fee schedule.
- Reflected as a dollar amount.

OON Allowed Amount (the max the plan will pay) or any other rate that provides a more accurate estimate.

- Reflected as dollar amount unless payment under plan is percentage of billed charge

Where does the data come from?

Plan specific data and the underlying negotiated rates for all covered health care items and services, including prescription drugs.

Are there limits on what data will be available to members?

For plan years that begin on or after January 1, 2023: An initial list of 500 shoppable services as determined by the Federal Agencies will be required to be available.

For plan years that begin on or after January 1, 2024: The remainder of all items and services will be required to be available.

When is the data available?

January 1, 2023

What is HPI doing to meet this requirement?

HPI is partnering with a vendor to create and implement the Transparency Tool for January 1, 2023 and January 1, 2024.

Can a member request a paper copy?

Yes.

Is this a true representation of what a member will pay or is it an estimate?

An estimate.

Will the creation and management of the self-service tool have a cost impact to clients?

The costs for the use of the Tool by clients' members is to be determined as we finalize our discussions with the vendor. Costs will not apply until the initial January 1, 2023 implementation date. Further details will be issued as soon as this is determined.

How to Contact HPI

Where can clients obtain more information?

Please reach out to your Account Managers for assistance.