

NEWS BRIEF

Provided by: Cowden Associates, Inc.

Proposed Rules Would Require Hospitals to Publish Retail Prices for Health Care Services

On Monday, July 29, 2019, the Centers for Medicare and Medicaid (CMS) proposed [rules](#) that would require all Medicare-participating hospitals to post their negotiated prices for standard health care services. The Outpatient Prospective Payment System (OPPS) & Ambulatory Surgical Center (ASC) proposed rule is intended to increase pricing transparency and help consumers understand the charges they may incur before receiving care.

The newly proposed rules would expand the transparency requirements that were made effective Jan. 1, 2019, by CMS, and are in line with President Donald Trump's June executive order. The president's order directed the Department of Health and Human Services (HHS) to draft rules designed to increase pricing transparency and quality in health care.

What's included in the proposed rules?

The OPPS and ASC proposed rules expand the pricing transparency requirements hospitals must comply with. As of Jan. 1, 2019, Medicare-participating U.S. hospitals are required to post their gross (list) prices for standard health care services in a machine-readable format. While this allowed consumers to see what a service could cost, the price listed wasn't often the price that was charged.

The OPPS and ASC proposed rules, which would take effect Jan. 1, 2020, would require applicable hospitals to post a list of their payer-negotiated prices and plan for a set of "shoppable" services. Specifically, these rules would require hospitals to display negotiated charges online in a machine-readable format for at

least 300 services, including 70 selected by the CMS and 230 selected by hospitals.

The rules would require annual updates to this list, and would impose hefty civil monetary penalties of more than \$100,000 per year for hospitals that don't comply.

.....

"Under this proposal, hospitals will finally have to make their real, negotiated prices known to patients, enabling patients to shop among providers."

- Alex Azar, HHS Secretary

.....

What's next?

These are just proposed rules at the moment, which means no changes will be made effective until the rules are finalized. The agency is currently asking for comments on the proposed rule. The deadline for [submitting comments](#) is Sept. 27, 2019.

We will continue to monitor developments and provide updates as necessary.

COWDEN

444 Liberty Avenue, Suite 605
Pittsburgh, PA 15222
Ph: 412.394.9330
Website: www.cowdenassociates.com