



HEALTH CARE BULLETIN

HIGHLIGHTS

- The DOL released three model disclosure documents as appendices to a proposed transparency rule.
- The documents are intended to be used to satisfy the proposed disclosure requirements.
- The proposed rule would require plans and issuers to disclose certain information regarding consumer costs.

IMPORTANT DATES

November 15, 2019

The Departments issued model disclosure documents in conjunction with a proposed rule on transparency in health care.

January 14, 2019

Comments on the proposals must be submitted by Jan. 14, 2019.

Provided By:

Cowden Associates, Inc.

DOL ISSUES MODEL HEALTH CARE TRANSPARENCY DISCLOSURE DOCUMENTS

OVERVIEW

The Department of Labor (DOL) has released the following **three model disclosure documents** related to a November [proposed rule](#) on transparency in coverage for group health plans and health insurers in the individual and group markets.

- ✓ [Proposed Transparency in Coverage Model Notice](#)
- ✓ [Proposed Negotiated Rate Data Elements](#)
- ✓ [Proposed Allowed Amount Data Elements](#)

These documents were issued as appendices to the proposed rule, and are intended to be used to satisfy its disclosure requirements.

ACTION STEPS

The transparency in health coverage proposals would apply to issuers of insured plans and sponsors of self-insured group health plans. However, they would not apply to grandfathered plans.

The Departments have requested comments on both the proposed rule and the required disclosure documents. Comments must be submitted by Jan. 14, 2020.

COWDEN

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

Health Care Transparency Proposed Rule

The November proposed rule would impose new transparency requirements on group health plans and health insurers in the individual and group markets—including self-insured plans. Specifically, the proposed rule includes the following two approaches intended to make health care price information accessible to consumers and other stakeholders, allowing for easy comparison-shopping.

- ✓ First, each non-grandfathered group health plan or health insurance issuer offering non-grandfathered health insurance coverage in the individual and group markets would be required to disclose personalized out-of-pocket cost information for all covered health care items and services through an internet-based self-service tool and in paper form available to participants, beneficiaries and enrollees (or their authorized representative) upon request. This includes estimates of the individual's cost-sharing liability for health care for different providers.
- ✓ Second, each non-grandfathered group health plan or health insurance issuer offering non-grandfathered health insurance coverage in the individual and group markets would be required to disclose to the public (including stakeholders such as consumers, researchers, employers and third-party developers) the in-network negotiated rates with their network providers and historical payments of allowed amounts to out-of-network providers through standardized, regularly updated machine-readable files.

The proposed rule would impose new transparency requirements on group health plans and health insurers in the individual and group markets—including self-insured plans.

The provisions included in the proposed rule are proposed to apply for plan years (or, in the individual market, policy years) beginning on or after one year after the finalization of the rule.

Model Disclosure Documents

In conjunction with the proposed rule, the DOL issued the following model disclosure documents:

- ✓ **Proposed Transparency in Coverage Model Notice**—As part of an estimate of an individual's cost-sharing liability, the proposed rule requires plans and issuers to provide a notice of any required prerequisite for the item or service, and a notice explaining certain limitations that are applicable to the individual's cost-sharing liability estimate. This model notice is intended to satisfy those notice requirements under the proposed rules.
- ✓ **Proposed Negotiated Rate Data Elements**—Under the proposed rule, plans and issuers must disclose in-network provider negotiated rates through a machine-readable file posted on an internet website. The "negotiated rate" is the amount a plan or issuer (or a third party on behalf of the plan or issuer) has contractually agreed to pay an in-network provider for covered items and services. This model



disclosure includes a table that identifies proposed data elements that a plan or issuer would be required to include in each negotiated rate machine-readable file.

- ✓ **Proposed Allowed Amount Data Elements**—Under the proposed rule, plans and issuers must disclose certain data elements to the public, including allowed amounts for out-of-network providers, through a machine-readable file posted on an internet website. This model disclosure includes a table that identifies data elements that a plan or issuer would be required to include in each allowed amount machine-readable file.