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**CLIENT
APPRECIATION
WEEK**





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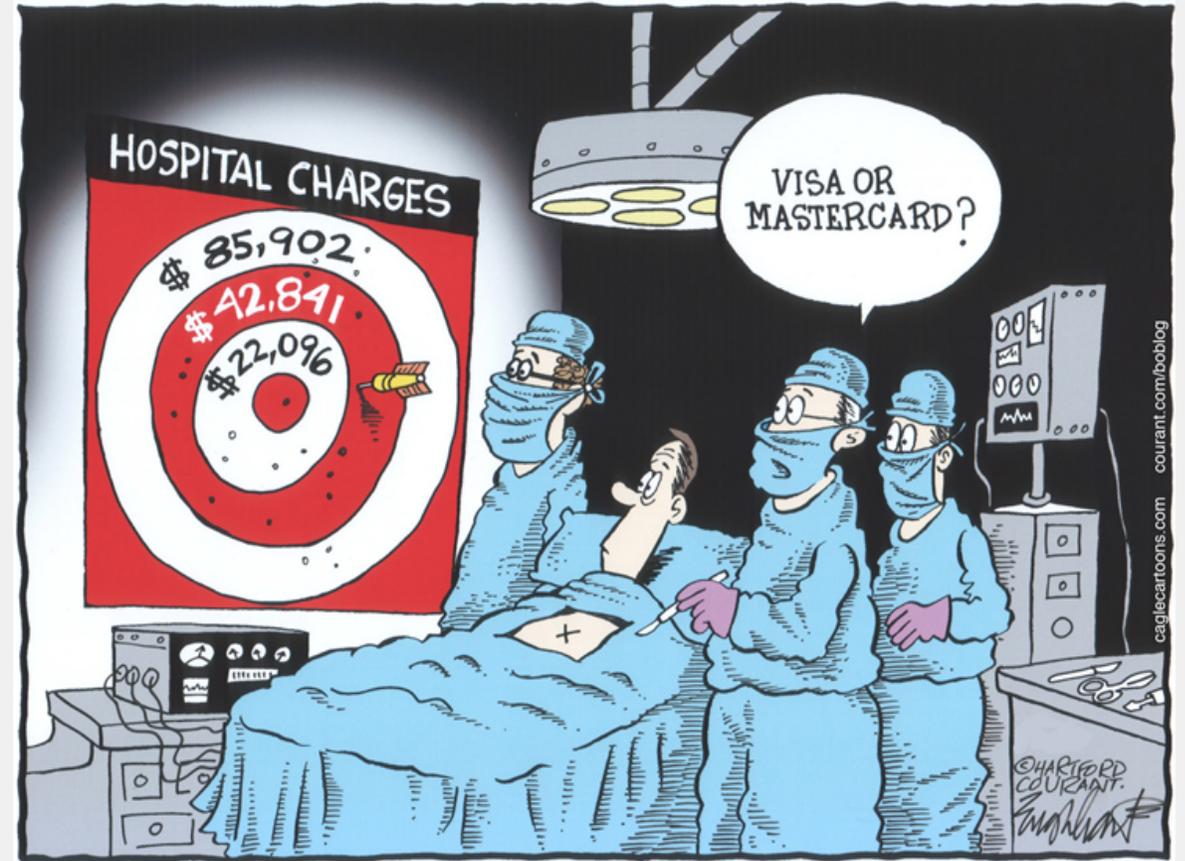
Preparing for the 2021 Hospital Price Transparency Requirements

The Who, What, Where, When, How

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Brief History of Price Transparency



History of Price Transparency

May 2010

Section 2718(e)
Bringing Down the
Cost of Health Care
Coverage

August 2018

FY 2019 IPPS Final
Rule

Hospitals required to
provide a machine-
readable file of
standard charges

November 2019

CY 2020 Price
Transparency
Requirements for
Hospitals

August 2014

FY 2015 IPPS Final
Rule

Hospitals required to
make public a list of
their **standard charges**

June 2019

Executive Order on
Improving Price and
Quality Transparency

Price Transparency Regulations



WHAT Are The Required Components

- A list of **standard charges** for all items and services
- Description for each item or service
- Any code used by the hospital for purposes of accounting or billing
 - Does not include revenue codes
- Annual updates to the data with date indicators

WHAT Are The Required Components

- **Standard Charges**

- Gross Charges with associated charges for ancillary services
- Payer-specific negotiated charges for all third-party payers
- Cash or self-pay charge
- Deidentified minimum charge
- Deidentified maximum charge

WHAT Are The Required Components

- **Standard Charges**

- Multiple charges may need to be posted if the charges are substantially different when performed in different areas of the hospital
 - *For example, ER charge versus OP clinic charge for the same service*

WHAT Are The Required Components

A list of 300 shoppable services with 70 of the services defined by CMS and the remainder defined by each hospital

- Plain-Language Description for services and service packages
- Indicator if the hospital doesn't perform one of the 70 services
- Indicator for OP versus IP services
- Any code used by the hospital for purposes of accounting or billing (except rev codes)

WHAT Are The Required Components

- File must clearly identify the hospital location on a publicly-available website
- Files must be made available in machine-readable format such as .XML, .JSON, or .CSV formats
 - Files must be searchable
 - No requirement for the files to be downloadable
- Files must have standard naming convention
 - <ein>_<hospitalname>_standardcharges.[json|xml|csv]

WHO Must Comply with Price Transparency

Definition of “Hospital”

Any facility licensed by a State or locality as a hospital, or that is approved by the agency of such State or locality responsible for licensing hospitals, as meeting the standards established for such licensing, will be considered a “hospital”.

- Includes CAH, SCH, IRF and IPF
- Does not include ASC, physicians not employed by the hospital, freestanding diagnostic facilities, or federally owned or operated hospitals (IHS, VA, DOD, or Military Treatment Facilities)

WHO Must Comply with Price Transparency

Exception to the Requirements

Hospitals that voluntarily offer an Internet-based price estimator tool are deemed to have met the requirements for shoppable services

- Tool must allow consumers to obtain an estimate of the amount they will be obliged to pay the hospital for the service
- Provide estimates for the 70 CMS-defined services (ones the hospital provides)
- Be prominently displayed on the hospital's website
- Be accessible without charge and without having to register

WHEN Do The Regulations Take Effect



January 1, 2021

WHERE Will The Information Be Published

Files must be published on a publicly-available website

- Information should be available without charge and without requiring registration (no username and password required)

Must be displayed in a prominent manner

- Links to information must have an unambiguous name

Information must be available in several languages depending upon the patient population served by the hospital

HOW Will Compliance Be Enforced



Monitoring methods may include:

- Evaluation of complaints made to CMS
- Review of analysis of noncompliance made by individuals or entities
- Audit of hospital's websites

WHAT Are the Potential Penalties



Noncompliance may result in:

- Written warning
- Request for corrective action plan from the hospital
- Civil monetary penalty up to \$300 per day per facility

WHAT Comes Next?

Lawsuit filed on December 4, 2019 by AHA and other hospital groups

- Ruling on June 23, 2020 sided with Trump administration

AHA appealed this ruling on July 17, 2020 arguing the definition of **standard charges**

- Oral arguments are scheduled for October 15, 2020

Implementation Strategies



"Our hospital is dedicated to cost transparency for our patients. I think you'll find our prices are so transparent you can't even see them."

TABLE 3—Final List of 70 CMS-Specified Shoppable Services

Evaluation & management services	2020 CPT/HCPCS primary code
Psychotherapy, 30 min	90832
Psychotherapy, 45 min	90834
Psychotherapy, 60 min	90837
Family psychotherapy, not including patient, 50 min	90846
Family psychotherapy, including patient, 50 min	90847
Group psychotherapy	90853
New patient office or other outpatient visit, typically 30 min	99203
New patient office or other outpatient visit, typically 45 min	99204
New patient office or other outpatient visit, typically 60 min	99205
Patient office consultation, typically 40 min	99243
Patient office consultation, typically 60 min	99244
Initial new patient preventive medicine evaluation (18-39 years)	99385
Initial new patient preventive medicine evaluation (40-64 years)	99386

- **CMS’ list of shoppable services is not patient friendly**
- **Patients don’t understand which “level” of service their physician will charge**

Partial List of Outpatient Shoppable Services

Group Title	Charges	CMS 70 Shoppable	CPT/HCPCS
Biopsy Of Cervix Or Uterus	Yes	No	58100, 57455, 57460, 57500, 58558
Biopsy of Chest Cavity or Heart Sac Using Endoscope	Yes	No	32604, 32606, 39401, 39402
Biopsy Of Ear	Yes	No	69100, 69105
Biopsy Of Elbow Joint	Yes	No	24100, 24101
Biopsy Of Esophagus, Stomach And/Or Small Intestine	Yes	43239	43193, 43198, 43202, 43238, 43239, 43242, 44361, 44377, 44382
Biopsy Of Eye	Yes	No	65410, 68100
Biopsy of Foot or Toe Joint	Yes	No	28050-28054
Biopsy Of Gallbladder, Pancreas, Or Bile Ducts	Yes	No	47553, 48100, 48102, 43261
Biopsy Of Hand Or Finger Joint	Yes	No	26100-26110
Biopsy Of Heart	Yes	No	93505
Biopsy Of Hip Joint	Yes	No	27050, 27052
Biopsy Of Kidney, Bladder, Ureters Or Urethra	Yes	No	50200, 50555, 50574, 50955, 50974, 52007, 52204, 52354, 53200
Biopsy Of Knee Joint	Yes	No	27330, 27331
Biopsy Of Large Intestine Using Colonoscope	Yes	45380	44389, 45305, 45331, 45380, 45392, 46606, 46607
Biopsy Of Lip	Yes	No	40490
Biopsy Of Liver	Yes	No	47000, 47100
Biopsy Of Lungs And Airways	Yes	No	32096-32098, 32607-32609
Biopsy Of Lungs And Airways Using Endoscope	Yes	No	31623-31625, 31628, 31629, 31632, 31633, 31652, 31653
Biopsy Of Lungs And Airways Using Needle	Yes	No	32400-32405
Biopsy Of Lymph Node	Yes	No	38500, 38505, 38510-38531, 38570
Biopsy of Muscle or Tendon By Incision	Yes	No	21925, 23066, 24066, 25066, 27041, 27324, 27614
Biopsy of Muscle Using Needle	Yes	No	20206
Biopsy Of Nerve	Yes	No	64795
Biopsy Of Ovary	Yes	No	58900
Biopsy Of Penis Or Testicles	Yes	No	54100-54105, 54500, 54505, 54800

Cardiac valve and other major cardiothoracic procedures with cardiac catheterization with major complications or comorbidities	216
Spinal fusion except cervical without major comorbid conditions or complications (MCC)	460
Major joint replacement or reattachment of lower extremity without major comorbid conditions or complications (MCC)	470
Cervical spinal fusion without comorbid conditions (CC) or major comorbid conditions or complications (MCC)	473
Uterine and adnexa procedures for non-malignancy without comorbid conditions (CC) or major comorbid conditions or complications (MCC)	743

- **Inpatient list is ambiguous and built on MS-DRG descriptions**
- **What does “major” joint mean?**

Determining Charge for Packaged Services

- Claims data (837 and 835) gives the clearest picture of actual charges and allowable amounts for each payer/plan
- Volumes should be taken into account when determining 300 shoppable services
- Patients don't understand codes; clear and understandable procedure descriptions are key

Determining Charge for Packaged Services

Billing Codes	Description	Price
250	Unclassified drugs	\$2585.31
270	Unclassified supplies	\$5366.86
710	Recovery	\$2,911.59
C1776	Joint Device	\$16,499.20
C1713	Bone Anchor/Screw	\$1,437.27
97162	PT Evaluation	\$370.38
97116	Gait Training	\$203.01
97110	Therapeutic Exercises	\$196.25
73564	Knee X-Ray	\$434.88
80048	BMP	\$210.84
85025	CBC	\$142.02
36415	Blood Draw	\$25.25
J0690	Cefazolin	\$256.58
J1885	Ketorolac	\$85.11
J2405	Ondansetron	\$59.35
J3010	Fentanyl	\$61.39
27447	Joint Replacement Procedure	\$18,832.59
	Total	\$49,677.88

Sample Charges for Inpatient Services

groupTitle	minCharge	avgCharge	maxCharge
Biopsy Of Brain	\$71,872.50	\$115,817.95	\$214,364.75
Cesarean Section Delivery	\$28,646.75	\$38,938.96	\$51,846.53
Creation Of Drainage Tract For Excess Fluid In Brain	\$61,770.75	\$61,770.75	\$61,770.75
Destruction Or Removal Of Brain Lesion	\$60,508.50	\$105,582.55	\$166,800.50
Destruction Or Removal Of Spinal Cord Lesion	\$90,852.25	\$90,852.25	\$90,852.25
Fusion Of Mid Or Lower Spine	\$109,019.25	\$173,308.16	\$234,096.00
Fusion Of Neck	\$61,235.50	\$107,970.67	\$134,243.00
Removal Of Uterus, Ovaries And/Or Fallopian Tubes	\$30,089.00	\$42,513.40	\$72,743.50
Removal Or Destruction Of Lesion In Uterus, Ovaries Or Fallopian Tubes	\$31,363.01	\$42,808.00	\$48,530.50
Replacement Of Hip Joint	\$49,963.50	\$98,229.19	\$180,616.25
Replacement Of Knee Joint	\$65,444.25	\$107,852.81	\$264,704.50
Vaginal Delivery	\$10,052.50	\$20,091.64	\$60,759.00

Best Practice Recommendations

- **Study the Final Rule:**

<https://www.federalregister.gov/documents/2019/11/27/2019-24931/medicare-and-medicaid-programs-cy-2020-hospital-outpatient-pps-policy-changes-and-payment-rates-and>

- **Form a Pricing Transparency Committee**

- **Consult your legal/compliance teams**

- **Review your chargemaster and negotiated charges (rates)**

- Ensure consistency and defensibility in pricing

- Use business analytics to identify what services should be designated as “shoppable services”

- Identify your 70 shoppable services as defined by CMS

- Select 230 others to include for a total of 300

- **Develop policies and processes**





Questions?

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