

Hospital Price Transparency Fact Sheet

Nov 02, 2023

CY 2024 Hospital Outpatient Prospective Payment System (OPPS) Policy Changes: Hospital Price Transparency (CMS-1786-FC)

Hospital price transparency lays the foundation for a patient-driven health care system by making hospital standard charges information available to the public. It supports President Biden's historic Competition Council and July 2021 Executive Order on Promoting Competition. On November 2, 2023, the Centers for Medicare & Medicaid Services (CMS) finalized changes to the hospital price transparency regulations.

The policies in the final rule will further advance the agency's commitment to increasing price transparency and enforcing compliance and would apply to each hospital operating in the United States. This fact sheet discusses the hospital price transparency final provisions of the calendar year 2024 Hospital Outpatient Prospective Payment System final rule (CMS-1786-FC), which can be downloaded from the Federal Register at: <https://www.federalregister.gov/public-inspection/2023-24293/medicare-program-hospital-outpatient-prospective-payment-and-ambulatory-surgical-center-payment>

Increasing and Enforcing Price Transparency of Hospital Standard Charges

Standardization of Files and Data Elements for Enhanced Consumer Access and Readability

The Hospital Price Transparency machine-readable file (MRF) is a single digital file intended to be read by machines able to process hospital standard charge information. CMS is finalizing new changes to increase standardization of this MRF to help deliver on the promise of hospital price transparency. Standardization will improve hospitals' ability to comply, enhance the public's ability to aggregate information (for example, for use in consumer-friendly displays), and streamline CMS's ability to enforce the requirements. The finalized changes here were based on public input CMS collected from prior requests for information, consumer-focused listening sessions, and recommendations from a technical expert panel (TEP) comprised of industry experts, including hospitals, researchers, and innovators.

CMS finalized a requirement for hospitals to display their standard charge information by conforming to a CMS template layout, data specifications, and data dictionary. The CMS templates will be offered in a comma-separated values (CSV) "wide" format, a CSV "tall" format, and a JSON schema, similar to the sample templates that are currently available on the CMS hospital price transparency website for voluntary use since November 2022. The hospital will be required to encode its standard charge information in the CMS templates and conform with other specified technical instructions that will be made available in a data dictionary.

Improved Accessibility for Oversight

CMS finalized two changes that would permit automated access and real-time centralization of the files and standard charges data, including: 1) requiring hospitals to place a 'footer' at the bottom of the hospital's homepage that links to the webpage that includes the MRF; and 2) requiring hospitals to ensure that a .txt file is included in the root folder of the publicly available website chosen by the

hospital for posting its MRF. The .txt file must identify the URL for both the MRF and the webpage that contains the link to the MRF. CMS believes these requirements will improve the automated accessibility of hospital standard charges information and streamline CMS enforcement of the requirements.

Required Affirmation Statement

CMS finalized a requirement that each hospital make a good faith effort to ensure the data in the MRF is true, accurate, and complete. Additionally, each hospital will be required in its MRF to affirm that the hospital, to the best of its knowledge and belief, has included all applicable standard charge information in accordance with the requirements of 45 CFR part 180 and that the information displayed is true, accurate, and complete as of the date indicated in the file.

Strengthened and Streamlined Enforcement Capabilities

Building on the [enforcement changes](#) announced earlier this year, CMS finalized several regulatory additions and modifications to its enforcement provisions at 45 CFR 180.70. These policies are designed to improve CMS enforcement capabilities and increase transparency. They include the following:

- CMS may require submission of certification by an authorized hospital official as to the accuracy and completeness of the data in the machine-readable file and submission of additional documentation as needed to determine hospital compliance.
- Require hospitals to submit an acknowledgement of receipt of the warning notice in the form and manner and by the deadline specified in the notice of violation issued by CMS to the hospital.
- In the event CMS takes action to address hospital noncompliance and the hospital is determined by CMS to be part of a health system, CMS may notify health system leadership of the action and may work with health system leadership to address similar deficiencies for hospitals across the health system.
- CMS may publicize on the CMS website information related to: 1) CMS' assessment of a hospital's compliance; 2) Any compliance action taken against a hospital, the status of such compliance action, and the outcome of such compliance action; and (3) Notifications sent to health system leadership. CMS already currently releases information regarding [hospitals issued civil monetary penalties](#).

These actions complement CMS's April 2023 actions to shorten timeframes for the completion of corrective action plans (CAPs) for noncompliant hospitals; impose civil monetary penalties (CMPs) earlier and automatically; streamline the compliance process for hospitals that have made no effort whatsoever to come into compliance.

In response to comments regarding our proposed 60-day enforcement grace period concerning adoption of a CMS template format and encoding new data elements, we are not finalizing that proposal. Instead, we are finalizing a phased implementation timeline with respect to the changes we are finalizing. Specifically, we are finalizing that the effective date of all of the changes to the hospital price transparency regulations at 45 CFR Part 180 will be January 1, 2024. However, the regulation text

will specify later dates by which hospitals must comply with some of these new requirements, and we will begin enforcing hospital compliance with those new requirements on the applicable later compliance date.