

Pricing Tool Myths: Addressing Common Misconceptions Around Pricing Tool Requirements



Now that the machine-readable file (MRF) deadline has passed, plan sponsors' eyes have shifted to the next step in preparations for NSA compliance enforcement that takes effect on January 1. In the new year, most **group health plans and issuers of group or individual health insurance will be required to offer an internet-based price shopping tool (or disclosure on paper, upon request) for 500 items and services.** These must be provided in real-time based on cost-sharing information that is accurate at the time of the request.

This tool must communicate the expected costs of services provided in a plan member's service area, enable participants to compare cost amounts for items and services of in-network providers for specific regions, and price comparison information available via telephone.

Pricing Tool Requirements

By plan or policy years beginning on or after January 1, 2023, most group health plans and issuers of group or individual health insurance coverage are required to disclose personalized pricing information for 500 shoppable items and services to their participants, beneficiaries, and enrollees through an online consumer tool, or in paper form, upon request. Cost estimates must be provided in real-time based on cost-sharing information that is accurate at the time of the request.

The Pricing Request Form is not a legally binding document, and the AEOB as an output is only as good as its data source. While final regulations and enforcement deadlines are still being determined for AEOBs, Transparency+ has already been architected to support future AEOB requirements.

There has been some confusion among TPAs as to what exactly is required of them when the new year comes. Many are under the impression that the pricing tool must include a "price comparison" component, which is not the case. **The only requirement that needs to be met on January 1, 2023 is the offering of a pricing tool that outlines general costs.**

This whitepaper takes a closer look at those requirements in detail, the necessity of having a system that will fulfill good faith estimates (GFEs) and advanced explanation of benefits (AEOBs) down the road, and how cloud-based technology can immediately address the current and future needs of plan sponsors and employers when it comes to the No Surprises Act.

CMS Requirements for Price Shopping Tool

The Member Process:

1

Member uses the internet-based tool (or request by paper or telephone) to search for a specific service with a provider in their plan's network.

2

Member accesses the expected costs of selected service with a specific provider in the form of a **Pricing Request Form**.

3

Member can conduct additional searches for the same service with different providers in their plan network.

4

Expected costs for selected service are made available for each search member conducts, providing a **Pricing Request Form** for each search.

The ability to enter multiple providers and see the comparison on the resulting screen is NOT a requirement of the price shopping tool!

Request for Information

On September 14, 2022, the four entities tasked with implementing the No Surprises Act, the Office of Personnel Management, the Centers for Medicare & Medicaid Services (CMS), Employee Benefits Security Administration, and the Internal Revenue Service, issued a request for information to help them craft the next stage of regulations for the NSA.¹

The focus of the request is to gain some clarity on the requirements in the law for providers to issue a good faith estimate to plans for services that their members can submit for reimbursement. This also requires them to issue cost-sharing data to their plan participants based on charge estimates from providers. The request will lead to a delay in the enforcement of AEOBs.²

References

¹ <https://www.healthindustrywashingtonwatch.com/2022/09/articles/regulatory-developments/agencies-look-for-input-on-no-surprises-act-good-faith-estimate-rules/>

² <https://www.cms.gov/healthplan-price-transparency/resources/500-items-services>

Connecting the Dots

This requirement does not necessitate plans and issuers to immediately provide an advanced price comparison tool that likely comes with a long window of implementation and a considerable price. Instead, *plans and issuers need to ensure they have a simple pricing tool in place by January 1, 2023*, and the requirements for the GFEs and AEOBs will come at a later date.

When that time comes, it's vital that the pricing tool you do have in place is ready to fulfill those forthcoming GFE and AEOB requirements. Selecting the right vendor partner for the NSA pricing tool now means an easier road to full transparency and compliance later.

Price Shopping Tool and AEOB Finalized Regulations

The Member Process:

While regulations around AEOBs are still being finalized, CMS is testing different approaches for data transfer for GFEs and AEOBs. Currently, CMS is exploring the Health Level 7 Fast Healthcare Interoperability Resources (FHIR) as a proposed approach to allow a real-time exchange of AEOB and GFE data. As the AEOB and GFE requirements become more clear, the significance of the price shopping tool's sequential connection to future compliance requirements with AEOBs and GFEs can't be overlooked.

1

Member uses the internet-based tool (or request by paper or telephone) to search for a specific service with a provider in their plan's network.

2

Member accesses the expected costs of selected service with a specific provider in the form of an **Advanced Explanation of Benefits**.

3

Member can conduct additional searches for the same service with different providers in their plan network.

4

Expected costs for selected service are made available for each search member conducts, providing a Pricing Request Form that will need to logically sync and align the data inputs and outputs with the **Advanced Explanation of Benefits**.

The eventual output of the price shopping tool will be connected to the AEOBs!

Price Shopping Tool with Transparency+

Compliance in this category places an enormous administrative burden on health plans, and, in the case of self-funded plans, the expectations for meeting price transparency requirements falls on third-party administrators. With 2023 quickly approaching, time is of the essence to build, test, and implement this tool.



We built Transparency+ to be the **most affordable, adaptable solution** to meet all current and future regulations of the No Surprises Act. Built on the Salesforce platform, Transparency+ is the industry's only cloud-based, stand-alone, bolt-on solution for the No Surprises Act.

Transparency+ is easy to integrate with any existing tech stack and fulfills all key components required by the No Surprises Act, including the price shopping tool. This tool will allow members to understand their cost-sharing components to a visit or service for providers in their plan's network and **ensure compliance as efficiently and inexpensively as possible**. Because of the dynamic, cloud-based platform, Transparency+ has already been architected to meet AEOB requirements once they are finalized and enforced.



Built for Growth

Unparalleled scalability and reliability
powered by Salesforce



No Strings Attached

Bolt-on solution that can integrate with
any existing tech stack



Ultra-Quick Compliance

60-day average implementation to meet
requirements fast

Learn more about Transparency+ by scheduling a demo:



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