

Charting Clients' Compliance:

How to Avoid Noncompliance Penalties Today and Tomorrow

In the last few years, transparency reform in our healthcare system has been driven primarily by several key pieces of legislation designed to keep medical costs down and patients more informed.


Namely, two major transparency rules that TPAs, employers, and brokers alike must navigate and stay compliant with are the No Surprises Act (NSA) and the Transparency in Coverage (TiC) Rule. And, as these laws have existed for years now, noncompliance penalties are only becoming more severe, with hospitals paying millions of dollars in fees and health plans paying \$100 per day per affected life.¹ But what are the exact requirements of the NSA and TiC, and how can your clients stay proactive about their future compliance?

Meet the No Surprises Act (NSA)

NSA Compliance Checklist

- Good Faith Estimates
- Advanced EOBs

Broadly speaking, the purpose of the NSA is to protect members from surprise bills and deceptive costs when seeking care. Aimed primarily at providers and hospitals, the NSA protects patients by prohibiting surprise, or balance billing, and out-of-network care costs at in-network facilities or from emergency care.²



However, moving forward, the NSA is set to be expanded beyond just hospital billing practices. Soon, payers and providers may work together to provide members with good faith estimates and advanced EOBs, both intended to empower patients with care cost information days before receiving said care.²

Meet the Transparency in Coverage Rule (TiC)

TiC Compliance Checklist

- Online Shopping Tool
- MRFs

Though the NSA is currently more oriented toward hospitals, it, along with the TiC, requires that members have access to a consumer-facing, online pricing comparison medical shopping tool. For TiC specifically, this shopping tool has been gradually expanded over the rule's three phases:

Phase 1 - As of January 1st, 2022, Members must receive access to MRFs (Machine Readable Files) detailing the cost of services and products in their plans.²

Phase 2 - As of January 1st, 2023, Members must have access to price comparison shopping tools featuring 500 services in their plans.²

Phase 3 - As of January 1st, 2024, online shopping tools must include all services in a plan.²

Although the Transparency in Coverage Rule has been fully implemented as of January 2024, many plans are still catching up on their compliance, and many changes to transparency in the healthcare industry are still on the horizon.



Transparency in an Election Year

The transparency landscape is frequently and rapidly changing. As evolving legislation is at the core of much of this change, compliance has naturally become a political, if not partisan, issue. In 2024, as we enter an election year, the near future of healthcare transparency is also tied directly to different presidential candidates and their parties' views on the issue. One candidate who has a complicated relationship with health policy is Donald Trump.

Throughout Trump's term, his position on numerous healthcare issues has changed or remained vague, giving payers and providers little insight into what a possible second presidency might entail for transparency. Still, Trump has voiced his disapproval of the Obama-era ACA on numerous occasions, even announcing ongoing plans to dismantle the legislation.³ However, that isn't to say that Trump is against greater transparency. Throughout his presidency, Trump did successfully manage to boost hospital pricing transparency, and, even today, Trump-era pro-transparency legislation, the Lower Costs, More Transparency Act, is still making headway.³

What the Lower Costs, More Transparency Act Means

Using Trump-era transparency guidelines, the Lower Costs, More Transparency Act (LCMTA), among other measures, prohibits the practice of spread pricing in Medicaid.⁴ In other words, the LCMTA prevents PBMs from charging payers more of the cost of a drug than its pharmacy rebate. In practice, implementing the LCMTA could drive down Medicaid spending for prescriptions, making the pharmacy benefit system more transparent too.

Ultimately, as 2024 has numerous healthcare transparency events on the horizon, it's more critical than ever for employers to have a compliance strategy that can adapt to new rules and market conditions.

Where Does Your Clients' Compliance Stand?

With transparency being a multifaceted and ever-changing landscape, clients' compliance cannot be reduced to just checking a box. Even in the span of a single year, a static benefits administration solution can go from compliant to noncompliance, leading to penalties ultimately for employer groups.

Instead, employers stand to gain the most from transparency solutions that are flexible and proactive, anticipating future legislation and compliance requirements before they occur. Part of effectively doing so is recognizing red flags in compliance before they become noncompliance penalties.

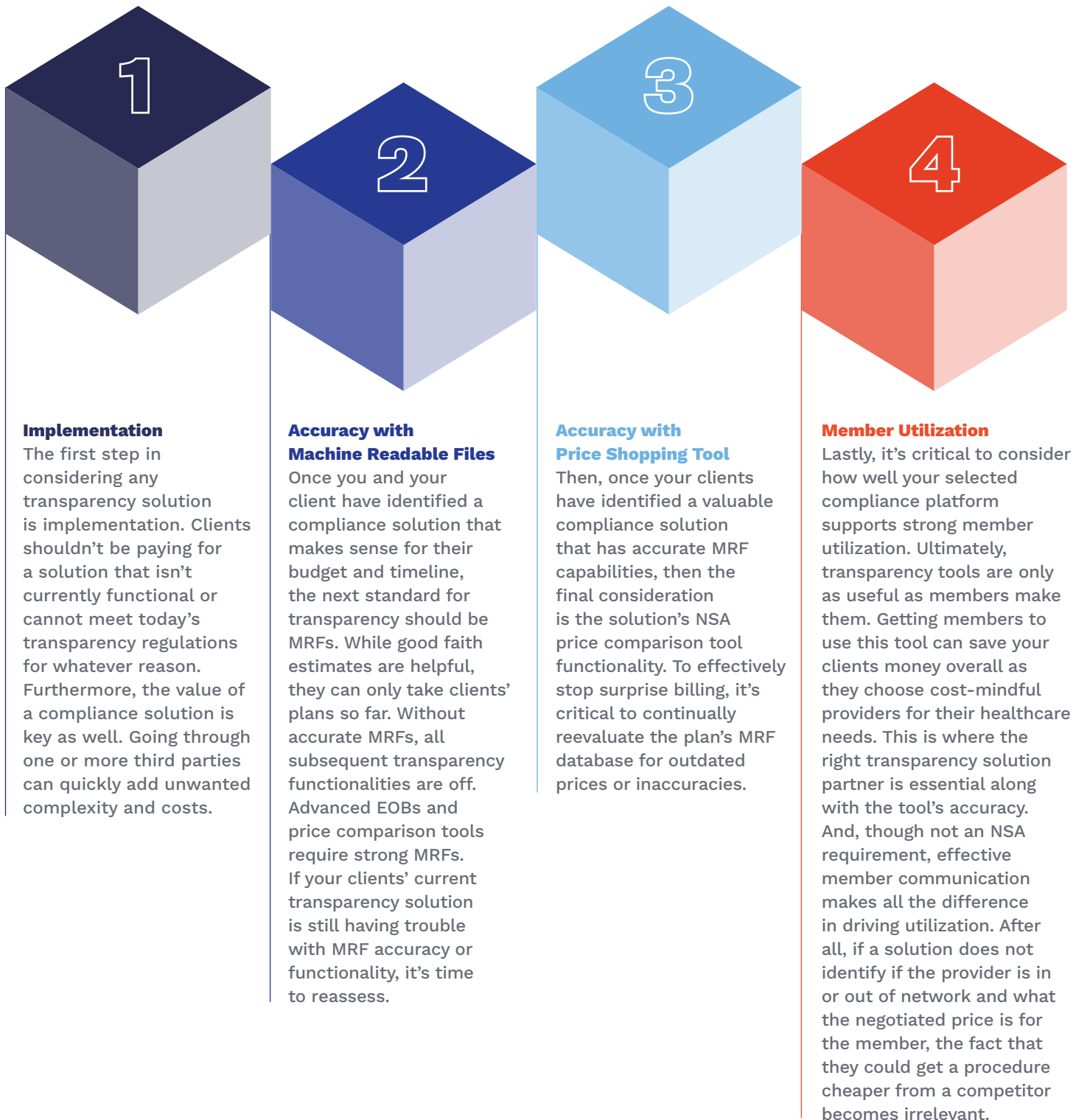
Transparency is Here to Stay

"In the industry today, there is reluctance to take Transparency regulations seriously. Many groups trust their TPA's solution without thoroughly evaluating the capability and longevity. The reality is that it's not if but when transparency regulations will be enforced, and employers face hefty penalties because their transparency solution lacks the sophistication required to not only meet regulations today but continue to meet future regulations. What brokers need to understand while navigating transparency for their clients is that the regulatory requirements are all building upon one another, and impending future regulations will be impacted by a solution's inability to function accurately today."

**- Shawn Evans, Founder & CEO,
IPS**

Transparency Solution Building Blocks: Your Broker Checklist

When discussing stronger compliance, and meeting today's and tomorrow's transparency guidelines, here are the building blocks of what you and your clients should be evaluating (or adding) for their health plans.



The Plus Side of Transparency



There is no one-size-fits-all solution to transparency, but your clients' compliance should fit their unique needs. With the Transparency+ platform by IPS, clients benefit from Salesforce-powered, cloud-based compliance, in addition to:



Scalable and Flexible Claims Admin.



No Extra Setup Fees or IT Investment Needed.



60 Day Average Implementation.

Secure Your Transparency+ Demo Today.

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Sources

¹[https://www.wordandbrown.com/NewsPost/Federal-Transparency-in-Coverage-\(TIC\)-Requirement](https://www.wordandbrown.com/NewsPost/Federal-Transparency-in-Coverage-(TIC)-Requirement)

²<https://blog.turquoise.health/moving-into-2024-state-of-price-transparency/>

³<https://www.benefitspro.com/2024/01/17/what-would-a-second-trump-presidency-look-like-for-health-care/>

⁴<https://www.fiercehealthcare.com/payers/heres-what-you-need-know-about-lower-costs-more-transparency-act>

Curious to learn what other advantages Transparency+ by IPS can offer your clients?

Let's talk.



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