Transparency in Coverage Rule (Health Plan Rule) Q&A

Healthcare Bluebook

What is the Transparency in Coverage Rule?

The Transparency in Coverage Rule, also called the Health Plan Rule, is a federal regulation requiring health insurers and self-insured health plans to disclose pricing and cost-sharing information. It is the final component of a 2019 executive order on health care price transparency, which also included the Rx Rule and the Hospital Price Transparency Rule.

What are the requirements under the rule?

There are three main requirements:

1. **By July 1, 2022:** Health plans must make publicly available files with the price paid to each health care provider for specific services. The files must include in-network rates and out-of-network allowed amounts. As of updated guidance received by the Department of Labor on 08/20/2021, the Rx pricing requirement is deferred.

2. **By Jan. 1, 2023:** Health plans are required to offer an online shopping tool that will allow consumers to see the negotiated rate between their provider and their plan, along with a personalized estimate of their out-of-pocket cost for 500 of the most shoppable items and services.

3. **By Jan. 1, 2024:** The shopping tool must be expanded from 500 services to cover costs for all procedures, drugs, durable medical equipment and any other item or service needed.

Does this rule apply to us? What do we do?

The rules apply to non-grandfathered group plans including insurers (fully insured) and self-insured employers under ERISA. The administration assumes self-insured employers will achieve compliance through services delivered by their payor or TPA. While not required by law, Bluebook is enhancing our platform to meet compliance requirements and ensure that our TPA and self-insured clients meet implementation deadlines.

Wouldn't it make sense for TPAs and others to build their own tools?

By and large, TPAs and self-insured employers aren't in the business of building consumer-facing transparency platforms. Healthcare Bluebook, on the other hand, already lives and breathes price transparency and has an existing solution that TPAs can and do leverage.

How is Bluebook addressing the Health Plan Rule on behalf of its clients?

Healthcare Bluebook provided input to CMS during the rule making process, and we remain actively involved in dialogue about implementation. To a degree, the impetus for a federal rule on transparency was influenced by the success of groundbreaking transparency providers like Bluebook, so it's no surprise that the Bluebook solution is already compliant with the rule's broad requirements. To help our clients meet all the rule's conditions, we are actively engaging with them in a planning dialogue and modifying our platform as appropriate. More importantly, Bluebook is going beyond the compliance requirements by ensuring that employers also have access to our industry-leading quality information, Bluebook CareConnect concierge support and Engagement Rewards programs.

What does this rule mean for consumers?

The rule is a win for consumers. Having access to real-time, personalized health care cost information will help consumers better shop for services before receiving care. In addition to that immediate impact, making pricing information available to the broader public should also promote competition and create new opportunities for researchers, employers and other developers to build new tools to help consumers.

Hospitals and health plans claim greater transparency will lead to higher costs. Is that true?

We strongly believe that transparency will not raise prices, and the data supports this view. Hospitals cannot unilaterally raise their prices in a negotiation with a payer/carrier — they do not have the leverage. Moreover, hospitals already understand their price relative to other hospitals in a market. If anything, greater transparency should create downward price pressure.

One key reason healthcare prices are increasing is the rise in hospital consolidation and acquisition of physician practices and outpatient facilities. That consolidation increases providers' leverage in contract negotiations with payers, and in turn that same leverage leads to higher prices. A recent **Kaiser Family Foundation study** confirms consolidation as a primary cost driver.

Ready to reduce your medical spend and help your members find high-value care? Contact us to learn more.

1 (888) 866-8159
healthcarebluebook.com
explore@healthcarebluebook.com