Hospitals Must Post Charges on the Internet by Jan. 1, 2019

November 9, 2018

MEMORANDUM

IHA Update: Hospitals Must Post Charges on the Internet by January 1, 2019

Effective January 1, 2019, all hospitals must post their "standard charges" in a "machine readable format" on the Internet and update it at least annually. See IHA's previous memo for background and an FAQ from the Centers for Medicare & Medicaid Services (CMS).

CMS will host an Open Door Forum on Tuesday, November 13 from 1 to 2 p.m. (Central Time), and this new requirement is on the agenda. CMS has clarified to AHA that diagnosis-related groups or any other way of grouping charges does not satisfy this requirement and reiterated that the list must include every item and service provided by the hospital. It is also clear from the FAQ that the Illinois Hospital Report Card website that lists all hospitals' median charges for 50+ diagnosis/services does not qualify for compliance, but could be an additional point of information for patients.

Some aspects to consider as you determine how your facility will comply:

- Standard charge is not defined but CMS continues to respond to questions that all items and services need to be listed. Compliance could be as simple as listing all active charge description master (CDM) line items with their default charge.
- A description for an item could be the CDM short description or could include an additional column representing the corresponding CPT/HCPCs codes.
- CMS has indicated hospitals may post the chargemaster or use a format of their choice. Some have interpreted that to mean posting all line items from the chargemaster but not needing to include other information typically found in various columns in the chargemaster. Compliance could be simply posting the CDM line items with the charge.
- If a hospital has a service or item that is repeated in the chargemaster with different pricing, a consideration may be to list the item once with a weighted average charge.
- If a hospital has a service with zero charge for tracking purposes, a consideration may be to remove that item prior to posting to avoid any confusion for patients when representing services.
- Consider posting this information near other price transparency information already required with links to additional helpful financial information for patients.

There currently is no information in the final rule pertaining to enforcement or penalties, but that is an area CMS has indicated may be included in future rulemaking. IHA will provide further updates as additional information becomes available.

If you have any questions, please contact Sandy Kraiss.

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