



Background Information – New CMS Requirements and Price Transparency

Introduction

- We know that people want to better understand their potential out-of-pocket costs when having a health care procedure, especially as insurance deductibles rise.
- Health care is very individualized, meaning that the actual cost depends in large part on a person's health status and on the design of their insurance benefits. These decisions are very important, and people need access to both cost and quality information to make informed choices.
- Indiana hospitals are committed to working with patients to help them to understand their financial responsibility as well as the options available to them.
- In 2015, IHA launched mycareINSight.org, a website that allows consumers to search and compare average charges and quality metrics at Indiana's hospitals by procedure.
- The site allows consumers to see the average charge for the 100 most common inpatient procedures in the state, as well as for the 75 most common outpatient procedures. The user can search the entire state and compare charges and quality measures for up to three hospitals.
- The site is updated annually and currently contains data from 2017. Since its launch, thousands of Hoosiers have used this tool.
- It is important to stress that charges are not what patients will pay out-of-pocket. They represent a starting point for hospitals' contracting with insurers who routinely negotiate discounts from charges.

New CMS Requirement

- As of January 1, 2019, CMS is requiring hospitals to post their chargemaster, which is a list of medical codes and prices for everything -- all goods and services -- that a hospital provides to patients.
- CMS is committed, as are Indiana's hospitals, to putting more information in the hands of consumers.

- However, consumers will likely find the chargemaster cumbersome if they want to search by procedure because they will have to identify every component of a service, by medical code, to arrive at the charge.
- Some hospitals also have included information related to Medicare diagnostic related groups (DRGs) on their websites, which lets people see the average amount Medicare pays the hospital for a procedure.

Conclusion

- Health care is very individualized, meaning that the actual cost depends in large part on a person's health status and on the design of their insurance benefits. It will likely be difficult for consumers to understand their out-of-pocket costs from the information that CMS is requiring hospitals to post.
- Indiana hospitals launched mycareInsight.org in 2015, a consumer-friendly website that allows people to search by procedure and compare charges and quality metrics. It is a great starting point for people in understanding health care pricing. **[If your hospital provides other options for price estimates add that information here].**
- The best way for a patient to understand what he/she might pay out-of-pocket is to work directly with the hospital as well as the patient's insurer. In general, individuals with private insurance (such as coverage through their employer) will pay far less than charges. Instead, they will be responsible for copayments, coinsurance, or remaining deductible amounts. Insurance companies can help provide a patient with this specific information.
- Individuals without insurance might be eligible for financial assistance or charity care and can receive a reduced price from the hospital.
- For patients with Medicare, Medicaid, or HIP, the federal or state government pays a fixed amount to hospitals and patients' out-of-pocket expenses are usually limited.
- Hospitals stand ready to help patients understand hospital billing. They offer financial counseling and help for people who have insurance and for those who do not. Contacting the hospital's financial office or patient advocates is a great first step.