

## Transparency in Coverage Overview & Frequently Asked Questions

### What are the key elements of the Transparency in Coverage Rule?

On November 12, 2020, the Departments of Health and Human Services, Labor and the Treasury finalized the Transparency in Coverage Rule. The Rule requires health insurers and group health plans to create a member-facing price comparison tool and post publicly available machine-readable files that include in-network negotiated payment rates and historical out-of-network charges/payments for covered items and services, including prescription drugs. Data in machine-readable files must be updated monthly.

### Publicly Available Machine-Readable Files:

Insurers and plans will be required to make available to the public machine-readable files disclosing detailed information on the costs of covered items and services including prescription drug pricing, as follows:

- Negotiated rates for in-network providers
- Historical allowed amounts and billed charges for out-of-network providers
- Negotiated rates and historic net prices for prescription drugs (delayed pending rulemaking)

### Consumer Price Transparency Tool:

The Transparency in Coverage rule requires insurers and plans to create online consumer tools that include personalized information regarding members' cost-sharing responsibilities for covered items and services, including prescription drugs. The tool must be an internet-based cost estimator tool to estimate personal cost-share liability for both medical and prescription drugs.

The tools must:

- Permit members to search based on billing code or description
- Allow members to compare costs across both in-network and out-of-network providers
- Inform members of any accumulated deductible or other out-of-pocket expenditures to date
- List any factors that impact the cost such as service location or drug dosage
- Provide cost estimates in paper format at the member's request

Beginning with plan years on or after January 1, 2023, the price comparison tool must disclose information on 500 items, which include services and prescription drugs as identified in the final rule.

Starting with plan years on and after January 1, 2024, the tool must list all covered items and services including prescription drugs.

### **Which plans are in scope for compliance with the Rule?**

The Transparency in Coverage Rule applies to health insurers in the individual and group markets and to group health plans. Exchange plans and Transitional Relief plans (sometimes called “grandmothered” plans) are also included.

### **When are the machine-readable files required to be available?**

Sanford Health Plan will publish machine-readable files by July 1, 2022, and update them monthly thereafter.

### **How must the data be displayed in the machine-readable files?**

Data files must be displayed in a standardized format and must be updated monthly. Based on the technical guidance issued by the Centers for Medicare and Medicaid Services (CMS), the file cannot be a PDF or Excel document. Sanford Health Plan is using JSON as the final file format.

### **Are there any legislative requirements around how the data is to be published?**

The Departments require a plan or issuer to make the required machine-readable files available on an internet website and:

- The files must be accessible free of charge
- Cannot require the user to establish a user account, password, or other credentials
- Cannot require the user to submit any personal identifying information such as a name, email address, or telephone number.

There are existing requirements under other regulations such as ADA regarding font size, accessibility, and security settings (e.g., protection malware).

### **How should prescription drugs be reported?**

At this time, the pharmacy machine-readable file has been delayed pending additional rulemaking.

### **Who should I contact for additional information?**

More information can be found at <https://www.cms.gov/healthplan-price-transparency/plans-and-issuers> or by contacting our Customer Service Team at (800) 752-5863 8 a.m. to 5 p.m. Monday through Friday.