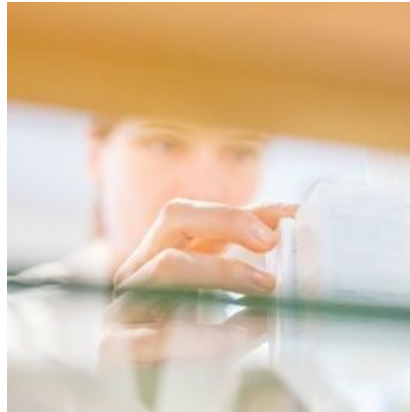




Many U.S. Hospitals Unhappy with the CMS Price Transparency Regulation



Global research firm KLAS (Salt Lake City, UT USA) recently released a report on U.S. hospital perceptions of price transparency regulation by the U.S. Centers for Medicare & Medicaid Services (CMS). As of 1 January 2021, all U.S. hospitals needed to comply with CMS regulations that require that hospitals provide clear and accessible online pricing estimates for shoppable medical services, but many healthcare organisations allege that this mandate is challenging to meet. To examine this perception, KLAS interviewed 66 hospital revenue cycle leaders to determine how hospitals have responded to the regulation and any future implementation plans.

Although many respondents felt that price transparency empowers patients in controlling their healthcare costs, most doubted the positive impact that the regulation will have on patient finances. Many shared their concerns over cost, data accuracy, and patient adoption of pricing tools; most patients are unaware that online pricing information exists. Those from smaller organisations felt that greater price transparency might drive their patients to the more competitive prices of larger hospitals. However, the greatest ire was directed at CMS's requirements to use machine-readable files with pricing information and publish a master list of rates online because doing so is burdensome. Many also felt that publishing the rates may benefit payers rather than patients.

Over half (52%) of respondents felt that significant resources are needed to comply with the regulation, and many point out that there is no financial return on the resource investment. Many hospitals comply with the bare minimum to avoid financial penalties. Continuous resource investment will be needed to keep pricing information accurate and maintain compliance.

To help, many hospitals have turned to vendors third-party to their enterprise EMR, with 36% of all respondents feeling that third-parties can provide greater price transparency. However, many would consider switching to their EMR vendor to consolidate systems once price transparency performance improves.

Regarding the regulations themselves, over half (57%) of the respondents felt they were confusing. Many are seeking more clarity to understand better how to invest their resources. A third of

respondents felt they lacked enough resources to remain compliant; they don't know what is needed today or how the regulation will evolve to determine what is required for the future. Many hospitals have relied on consultant groups for guidance to navigate the rules and have invested in employee education on price transparency regulations.

Source: [KLAS Research](#)

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