



Executive Brief

NEW HCPF REPORT ON HOSPITAL PRICE TRANSPARENCY PERFORMANCE

ISSUE

HCPF notified CHA that it plans to release a report regarding Colorado hospital performance on the federal hospital price transparency laws. It is possible that HCPF will release the report as part of the Polis administration's [Health Cabinet Affordability Summit](#) on March 15.

BACKGROUND

As of Jan. 1, 2021, hospitals are subject to a CMS transparency rule requiring hospitals to provide clear, accessible pricing information in two ways:

1. **Comprehensive machine-readable file with all items and services** ([45 CFR §180.50](#)).
2. **Display of shoppable services in a consumer-friendly format** ([CFR §180.60](#)). Hospitals are able to meet this requirement if they have a consumer-facing price shopping tool with equivalent information.

For hospitals that **do not comply**, CMS may: issue a warning notice; request and monitor a corrective action plan (CAP) if its noncompliance constitutes a material violation of one or more requirements; impose civil monetary penalties that can reach up to \$109,000 per year for small hospitals (<30 beds) and over \$2 million per year for larger hospitals; and publicize the penalty on CMS' website. **To-date, no Colorado hospitals have been fined.**

In 2022, the Colorado General Assembly passed [House Bill 22-1285](#) to add additional state-level protections to consumers for hospitals determined to be not in material compliance with the federal hospital price transparency laws.

WHAT YOU NEED TO KNOW

This new reporting is NOT required as part of any legislation, but instead is something HCPF has prepared voluntarily. CMS holds responsibility for oversight and monitoring of the federal price transparency rules. In February, CMS issued an [update on its tracking of hospital compliance](#) and found that for 2022, 70 percent of hospitals it reviewed complied with both the consumer-friendly display of shoppable services information and the machine-readable file requirements.

HCPF has not provided the draft report to CHA or hospitals, but Executive Director Bimestefer commented on a recent CHA/HCPF call that HCPF believes just 27 percent of Colorado hospitals fully meet the federal rules. At CHA's request, HCPF has shared the [methodology for this analysis](#). Hospitals will be rated at one of three "quality ratings":

- Good – meets all criteria for both downloadable file and shoppable service tool requirements
- Fair – meets certain criteria in downloadable file requirements and meets ability to obtain "self-pay cash price" in shoppable service functionality
- Poor – does not meet "good" or "fair" criteria

WHAT YOU NEED TO DO

- Review the HCPF methodology to understand the components it will highlight in the analysis.
- Re-evaluate your price transparency methodology and ensure compliance with the federal requirements.

WHAT CHA IS DOING

- Preparing messaging regarding the anticipated analysis to respond to media and stakeholder inquiries, as needed.

WHO SHOULD BE INVOLVED

CFOs, government relations, PIOs, billing, website administrator

RESOURCES

- CMS – [Hospital Price Transparency Resources](#)
- AHA – [Fact sheet on hospital price transparency requirements](#)
- CHA – [HB 22-1285 Issue Brief](#)
- Alton & Bird – CMS rule [slides](#) and [webinar recording](#) (iy^*#9G6)