Transparency in Coverage Rule

Client Support for Access to Machine-Readable Files

The statements in this document are applicable to most commercial health plans issued or administered by Health Alliance™, Health Alliance Northwest™ and FirstCarolinaCare.

Under the Transparency in Coverage Rule, issued in 2020 by the U.S. Departments of Health, Human Services, Labor and Treasury (the Departments), health plans and health insurers must publish two separate machine-readable files (MRFs) beginning in July, 2022.

These two files include the following:

- In Network: Negotiated rates for all covered items and services between the plan or issuer and in-network providers.
- Out of Network: Historical amount paid to, and billed charges from, out-of-network providers for all covered items and services within a 90-day period. If the provider has fewer than 20 claims for the item or service during the reporting time, data does not have to be reported. The historical prices are for the 90-day time period that begins 180 days prior to the file publication date.

A third MRF that contains negotiated rates and historic pricing for prescription drugs is also included in the Transparency Rule. However, creation and publication of this file has been delayed pending further rulemaking by the Departments.

Effective Date and Scope of the Transparency Rule

What is the effective date for compliance with the Rule?

Based on guidance released on August 20, 2021, enforcement of the requirement to publish the in- and out-of-network MRFs on a monthly basis will begin July 1, 2022.

Who is expected to comply with the Rule?

Health insurers in the individual and group markets and group health plans are expected to comply with the Transparency in Coverage Rule. Exchange plans and Transitional Relief plans (sometimes called "grandmother" coverage) are also included. The Rule does not apply to grandfathered plans, excepted benefit plans and short-term limited duration plans.

Machine-Readable File Access and Specifications

When are the MRFs required to be available?

The files are required to be made public for plan years that begin on or after July 1, 2022.

The public website is available now at hally.com/transparency-in-coverage, but the machine-readable files will not be loaded until July, 2022. Following the initial upload, they'll be updated monthly.

When does the requirement to post MRFs go into effect?

Tri Agency FAQ 49 made changes to the implementation date and deferred enforcement for the machine-readable files to July 1, 2022. As stated previously, the pharmacy machine-readable file is pending additional rulemaking.

To be compliant with the July deadline, detailed pricing information must be provided in two separate MRFs by each insurer and health plan. These files must be available at no cost and be updated monthly. The files must also include billing codes used to identify the item or service, such as the Current Procedural Terminology (CPT) code, Health Common Procedure Coding System (HCPCS) code, Diagnosis-Related Group (DRG) code, National Drug Code (NDC) or other common identifiers.

How will the data be displayed?

Both files must conform to nonproprietary, open-standard format such as XML or JSON. Based on the technical guidance issued by the Centers for Medicare & Medicaid Services (CMS), files cannot be in a PDF or Excel document.

Your health plan is using JSON as the final file format.

What's an estimate of the file size?

The MRFs are very large. We'll be able to provide a more precise response once the files have been created. Please be aware that the large file size will require large amounts of hard drive space to download and decompress, and that some files may take hours or even days to download in some instances. You may also need access to third-party decompression software to manage the files.

Which data file format (e.g., JSON, XML, YAML) will be used?

The final data file format is JSON.

What determines the historical files?

The historical prices are for the 90-day time period that begins 180 days prior to the MRF publication date.

Where will the health plan publish the MRFs?

The MRFs will be posted on a publicly available site linked here by July, 2022.

Self-funded clients will receive specific information, including a link to a website hosting the relevant files that they can then link to their own public-facing webpage. Fully insured and Balance level-funded clients can link from their company site to the health plan's publicly available site that will contain the necessary MRFs.

Will you build and manage the publicly accessible website with all required MRFs on behalf of your employer clients?

Yes. Your health plan will create, generate and publish files on behalf of customers for which we have rates in our systems, unless otherwise directed by the client.

Will you only provide your data, or will your platform allow for merging other vendors' data (e.g., PBM, specialty network)?

By July 1, 2022, your health plan will create and publish the files for medical plans. The files will contain a Table of Contents allowing users to access the rate information that's specific to their plan.

Your health plan's data will include rate data from repricers and directly contracted third-party networks. We do not accept raw data or MRFs from others (e.g., vendors, other carriers) or merge data to create or publish a single file. In addition, your health plan creates and sends raw data for file creation or publication. We will not customize data elements contained in the files. Finally, we do not provide or support client-requested (nonregulatory) audits of MRFs.

Can a self-funded customer make their customer file available to a vendor or consultant?

The data that's in the MRFs will be publicly available data. Therefore, it's available to whomever wishes to access it.

How often will data be updated?

The files will be updated on a monthly basis in accordance with regulation requirements.

Legal and Regulatory Information

Will you indemnify the plan for any penalties caused by a delayed launch?

The customer's negotiated indemnification provisions would apply for services covered under the Administrative Services Agreement. Your health plan intends to be compliant with regulatory implementation dates.

How will the health plan ensure timely changes to the repository to adhere to legal and regulatory requirements?

Your health plan monitors the legal and regulatory landscape for new developments on an ongoing basis and will share additional information as it's made available.

We'll also continue to follow our standard operations to ensure file and data accuracy is achieved as changes are implemented.

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

The Departments require a plan or issuer to make the required MRFs available on an internet website and also state that:

• The files must be accessible free of charge.

• Access to the website cannot require the user to establish a user account, password or other credentials.

• Access to the website cannot require the user to submit any personal identifying information, such as a name, email address or phone number.

They also allow plans and issuers flexibility to publish the files in the locations of their choosing, based upon their knowledge of their website traffic and the website location where the MRFs would be readily accessible by the intended users.

Additional requirements under other regulations – such as requirements regarding font size (for ADA), accessibility and security settings (e.g., protection malware) – also exist.

Can the files also be hosted on a third-party site?

Yes, files may be hosted on a third-party site. Self-funded customers can expect timely and relevant information regarding potential administrative costs as more details become available.

A plan administrator or issuer may also contract with a third-party website to post the files. However, if the files are hosted on a third-party site, the plan or issuer must also provide a link on its own website to the location where the files are made publicly available.

Where should we direct questions regarding any missing values, such as NPI, procedure codes, etc.?

Clients should follow the standard process and engage their Account Management Team for inquiries.

Who is allowed to use the data and for what purposes?

Third-party use of the data in the MRFs is not controlled by the health plan.

Will the health plan charge a fee to clients for creating the MRFs?

Your health plan will generate and host the required MRFs. For the initial 2022 implementation, no additional administrative fee will be charged to clients. We'll continue to evaluate the administrative costs of these services over time and will communicate with self-funded clients in advance of any changes to cost structure.

What's the penalty for noncompliance on MRFs?

The penalty is established in existing law (Public Health Service Act and ERISA) – $100 per day per impacted individual.

Will there be changes to current client reporting or will it be comparable to the published MRFs?

Existing client reporting will not change once the MRFs are published. The data included in client-specific reports is based on data that differs from the data used to populate the MRFs, and therefore it's not comparable.

In addition, MRFs do not take into consideration customer-specific benefits, and the Transparency in Coverage Rule has different requirements regarding the data content.

Additional Resources

Who should employers contact for specific questions?

Employer groups who have specific questions about the hosting of files are encouraged to contact their Client Consultants or the Client Support team.

CMS Transparency in Coverage [Final Rule Fact Sheet](#)

[List](#) of the 500 items and services in the 2023 tool