OptimaHealth

Transparency in Coverage Rules

What you need to know

Frequently Asked Questions

1. **What are the Transparency in Coverage rules for health plans?**

   The Transparency in Coverage (TiC) rules were finalized in November 2020 and require non-grandfathered group health plans and health insurance issuers in the group and individual markets to disclose the following on a public website: information on in-network provider rates for covered items and services, out-of-network allowed amounts and billed charges for covered items and services, and negotiated rates and historical net prices for covered prescription drugs in three separate machine-readable files (MRFs). The rules come from The Affordable Care Act (ACA), certain provisions of Title I (The No Surprises Act), and Title II (Transparency) of Division BB of the Consolidated Appropriations Act, 2021 (The CAA).

2. **What are the requirements of the Transparency in Coverage Rule?**

   The TiC rules include two main requirements. First, health plans must publicly post machine-readable files with detailed information on the costs of covered services and prescription drugs. Second, health plans and issuers must make price comparison information available to covered members through an internet-based price comparison tool and in paper form, upon request.

3. **What are the requirements for the machine-readable files?**

   By July 1, 2022, **insurers and self-funded group health plans** must begin to publicly post MRFs including:

   1. negotiated rates for a health plan's in-network providers
   2. historical allowed amounts and billed charges for out-of-network providers

   If an Optima Health medical plan includes dental, chiropractic, vision, or other integrated benefits, data for those services will be included in the MRFs. A third file that requires posting of negotiated rates and historical net prices for prescription drugs that was a requirement of the original rules, has been delayed until additional regulations are finalized.

   Data in MRFs must be available to the public without a requirement to log in to a website or provide any member specific information. The MRFs will be publicly available for the current month only. Files will be updated monthly. Optima Health is creating and posting files in JSON format. The Centers for Medicare & Medicaid Services (CMS) has posted additional technical information for health plans and consumers about how the files will be created on their TiC website at: cms.gov/healthplan-price-transparency.

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4. Where can members or employer groups access their plan's machine-readable files?

As of July, Optima Health has made the MRFs accessible via a website in compliance with the TiC regulation. Employer groups can access the files at optimahealth.com/machine-readable-data or add the link to their website.

5. What are the requirements for the Consumer Price Transparency Tool?

The TiC final rules created a comprehensive set of requirements for plan and issuer disclosure of estimated cost-sharing information (e.g., copayments, coinsurance, deductibles) through an online tool, and in paper form, upon request. Health plan members can use the tool to find cost-sharing amounts for specific covered services from their plan's in-network providers. Members can also get estimates of allowed amounts for services from an out-of-network provider.

This information must be available for plan years (in the individual market, policy years) beginning on or after January 1, 2023, for an initial list of 500 items and services identified by the Departments of Labor, Health and Human Services (HHS), and the Treasury (collectively, the Departments) in the rules. Cost-sharing information must be available for all covered items and services for plan or policy years beginning on or after January 1, 2024.

6. How does the Transparency Tool work and how do members get to the tool?

The tool is currently accessible on the Optima Health website. In order to use the tool the covered member must log into the Optima Health member portal. The tool allows members to search for in-network and out-of-network cost-sharing for a specific covered service from a specific provider by entering a description of a covered service, a provider name, or facility name. Members can access the following:

1. Copayment, coinsurance, and deductible amounts
2. Accumulator amounts the member and family have met to date
3. Negotiated rate for an in-network provider
4. Out-of-network allowed amount
5. A list of the items and services included in bundled amounts
6. Pre-authorization or other care management requirement
7. Disclosure notices that explain that cost sharing amounts are estimates

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The tool allows members to sort search results based on geographic proximity of providers, and the amount of the participant's, beneficiary's, or enrollee's estimated cost-sharing liability for the covered item or service.

7. What if a member can't access the transparency tool online?

A paper, phone, or email method is available to members upon request. Cost-sharing information will be provided within two business days after receipt of request. Members can contact member services at the number listed on the back of their ID card for help.

8. Do the TiC rules apply to fully insured individual and group health plans and self-funded group health plans?

The rules apply directly to health insurers and to plan sponsors of **self-funded group health plans**. Optima Health is responsible for implementing the requirements for fully insured group health plans. A self-funded group health plan may contract with a third-party administrator to implement some or all requirements of the rule on behalf of the plan.

The following types of health plans **are not covered** under the rule:

- Grandfathered plans
- Transitional relief plans
- Excluded benefits (standalone vision, dental, and hearing plans)
- Retiree-only plans
- Short-term limited duration (STLD) plans
- Flexible Spending Accounts (FSA), Health Reimbursement Arrangements (HRA), and Health Savings Accounts (HSA)
- Medicare including Medicare Part C
- Medicaid including Managed Medicaid and CHIP plans

9. How will Optima Health continue to update members and employers with changes in the requirements for the TiC rules?

Optima Health will provide routine updates and education as needed on any changes in TiC requirements. We do not provide legal advice to employers and plan sponsors and recommend that employers and plan sponsors contact their legal counsel regarding TiC requirements.

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10. How will Optima Health support our self-funded employers and plan sponsors in meeting the TiC requirements?

As of July 1, 2022, Optima Health has posted two medical plan files for in- and out-of-network data on our website. We are following the guidance and technical requirements for the files published by CMS. Self-funded clients may choose to post their MRFs on their own website or a link the Optima Health website.

At this time, we are not able to customize files for specific employers; however, it is possible to isolate a specific group's data utilizing the EIN identifier. We encourage our employer-sponsored health plan customers to discuss any needs or questions about their data with their Optima Health representative.

11. What do fully insured groups need to do to prepare for MRF or the cost-sharing tool?

Optima Health will prepare and post the files for our fully insured groups monthly so no action is required. As noted above. we will continue to update groups as we get closer to the implementation date for the cost-sharing tool.