



**1, 2, 3—
PRICE
TRANSPARENCY**



HEALTH CARE DECISION SUPPORT SOFTWARE

WHAT IS “TRANSPARENCY OF PRICING”?

Even if you are not in the health care arena, you are probably hearing some chatter about “Transparency of Pricing.” Those of us who are in the industry, however, are hearing it about as much as COVID updates.

Transparency of Pricing, also called “Hospital Price Transparency” (see: <https://www.cms.gov/hospital-price-transparency>), is a law that is, on its face, a good thing for consumers—hospitals must post their standard charges as well as the negotiated rates by insurance carrier for 300 “shoppable” services that a health care consumer (patient) can schedule in advance. There are teeth in this law, as hospitals could face a fine of \$300 per day and the withholding of Medicare payments if they are not in compliance by January 1, 2021.

As with anything like this, there are myriad vendors plying the hospitals with “solutions” to this challenge—often with hefty price tags. Our clients have asked if we have created a solution to handle this for them, and the answer is we didn’t have to create anything new. Our clients can use the existing software to accomplish the classification of the data. However, we are working on the final stages of the presentation layer for them.

EXISTING COSTFLEX SOLUTIONS

CostFlex Systems, Inc. has been working with existing clients over the last several months to perfect the classification of “Shoppable Services” by payer. If you do not do this for as simple as going to your contracts (i.e. Blue Cross, Aetna, etc.), pulling the rate for hysterectomies, say, and putting it on a spreadsheet. However, the reality is not that easy. Hospital/payer contracts can be quite complex, with multiple fee schedules, limits, stop losses, and carve-outs that can cause two identical patients with the same insurance company to have different reimbursement rates.

The solution that CostFlex clients are using consists of a three-step process that involves existing tools:

1. Using the Product classification utility, you can classify patients into one of the 300 shoppable services.
2. Using the Contract module, each of these patients can be calculated against 100% of all their modeled contracts to calculate the “Allowed Amount,” or what each insurance contract would reimburse.
3. Using the standard exports, a statistically significant collection of patients can then be grouped by Shoppable Service with the Allowed Amount for each contract displayed and exported for use by the hospital team.

The end user can create an unlimited number of “products”
– each one can be a shoppable service

CostFlex Product Type Maintenance

1. Choose Product Type: ShoppableServices

Products

Product Title: PSA (prostate specific antigen)

Field	Operator	Value1	Value2
PATTYPE	IN	Outpatient,0	
HCPCS	BETWEEN	84153	84154

Data Type: DEMOGRAPHICS Field: PATTYPE Operator: IN

Value: Outpatient,0 (comma separated list)

Update Add Remove

Each Product has selection rules that will classify patients that can fall into this product. Here the patient needs to be an outpatient and have a HCPCS code between 84153 and 84154 to be classified as a PSA

STEP 1:

To classify patients, CostFlex has the Product grouping tool that will give the end user the ability to set “where” criteria for patients.

STEP 2:

Once a contract is modeled on the Contract tool, each patient can be calculated against all contracts yielding the calculated amount per contract.

STEP 3:

Once patients are classified and calculated, it is easy to export the data from the system and input it into any other data presentation program.



Price Transparency - Data Extract for Publishing

ProductCode	Cases	Days	Avg Charge	Payer Contracted Allowed Amount									
				Premera	Regence	Aetna	Cigna	First Choice	United	First Health	GroupHealth	Coordinated	AmeriGrp
ACL repair	18	0	36,414	24,853	16,879	33,140	34,596	34,599	33,501	34,599	21,010	9,009	9,549
Ankle fracture surgery	6	10	41,908	8,583	6,892	12,740	13,207	13,305	12,852	13,305	6,076	5,197	5,509
Carpal tunnel release	1	0	5,098	193	249	258	269	269	261	269	243	70	74
Cesaren delivery	5	8	16,470	935	3,135	4,163	4,346	4,346	4,209	4,346	1,644	2,325	2,465
Colonoscopy	47	10	5,961	9,362	9,913	14,177	14,759	14,802	14,321	14,802	8,523	4,885	5,178
Colonoscopy w biopsy	133	0	5,521	27,844	28,751	37,126	38,758	38,758	37,534	38,758	26,015	10,093	10,698
Endoscopic removal of gallbladder	4	2	25,986	3,301	4,554	5,287	5,421	5,524	5,313	5,524	1,461	1,911	2,026
Endoscopy	8	16	24,768	5,878	4,381	10,101	10,325	10,555	10,127	10,554	4,082	4,467	4,735
Endoscopy w biopsy	40	1	5,414	7,549	5,754	10,977	11,371	11,463	11,069	11,463	5,825	3,256	3,451
Extract cataract w/ lens imp	12	0	5,473	2,490	3,211	3,320	3,466	3,466	3,357	3,466	3,222	903	957
Hernia repair	3	0	16,497	1,877	2,420	2,502	2,612	2,612	2,530	2,612	2,742	680	721
Knee arthroscopy	11	0	22,021	9,184	5,843	12,246	12,784	12,784	12,380	12,784	5,353	3,329	3,529
Major joint replacement	4	18	66,007	8,221	10,837	13,392	13,897	13,967	13,495	13,967	5,392	7,425	7,870
Mastectomy, simple	2	0	22,046	1,672	797	2,229	2,327	2,327	2,254	2,327	2,450	606	642
Myosure hysteroscopy	9	0	11,280	3,849	4,742	5,132	5,358	5,358	5,189	5,358	3,757	1,395	1,479

PRESENTATION LAYER

staff, CostFlex has been asked to work on a presentation layer to help them out. This means the end users will be able to do the three steps mentioned above, then click a button to extract that data to be sent to CostFlex. CostFlex will then update a database with a link to a website that the end user (i.e., hospital) can place on their own website with a forward-facing form for patients to access and see their rates.

As about 50% of the hospitals in the United States are relatively small (i.e., fewer than 100 patient beds) and do not have a large IT

WhidbeyHealth | Price Transparency Tool

Powered By: CostFlex

The below rates are calculated averages for the referenced facility by each payer and the service chosen. Please be sure to contact your insurance company to verify your estimated patient responsibility (Out-of-Pocket) based on this rate.

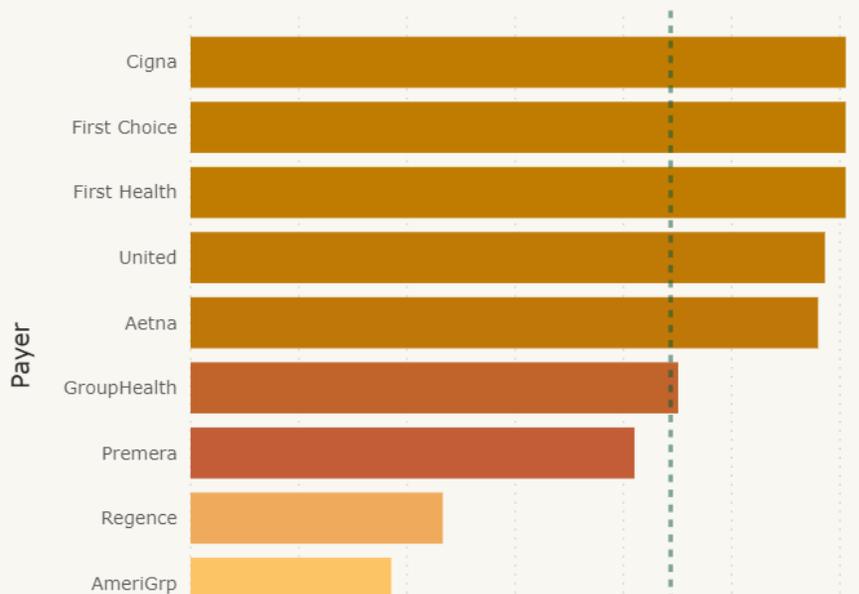
Choose Shoppable Service:

Shoulder arthroscopy

Average Charge: \$31,855
 Average Stay: 1
 Total Cases: 13

Payer	Contracted Rate	PCR %
Cigna	\$30,268	95.0%
First Choice	\$30,263	95.0%
First Health	\$30,263	95.0%
United	\$29,307	92.0%
Aetna	\$28,992	91.0%
GroupHealth	\$22,530	70.7%
Premera	\$20,511	64.4%
Regence	\$11,653	36.6%
AmeriGrp	\$9,272	29.1%
Coordinated	\$8,747	27.5%

Contracted Rate by Payer



Below are some useful links:

<https://www.cms.gov/hospital-price-transparency>

www.costflex.com

**CONTACT US FOR MORE INFORMATION
OR SCHEDULE A PRODUCT DEMO TODAY.**

800-398-5753

<https://www.costflex.com>

