

Overview of Transparency in Coverage Rule

On November 12, 2020, the federal government released the [Transparency in Coverage final rule](#). This rule has multiple components that require group health plans and health insurance issuers to share health care costs so members can make informed decisions on how they receive care. Sharp Health Plan is working hard to address all the requirements in the Transparency in Coverage rule.

Machine-Readable Files

In compliance with the Transparency in Coverage rule, Sharp Health Plan will produce a machine-readable file that includes in-network negotiated payment rates and historical out-of-network charges for covered items and services. These files will be updated monthly and will be available on our public website beginning July 1, 2022. Anyone will be able to access the files at any time, free of charge.

As required, the data will be in the JSON format. The format for the files is published by the Centers for Medicare and Medicaid Services (CMS) and can be found [here](#).

Self-Service Price Tool

In compliance with the Transparency in Coverage rule, Sharp Health Plan is also developing a self-service price tool. This tool will allow members to look up a service and a provider to display the out-of-pocket estimate for that service and provider based on the member's benefit plan. Starting January 1, 2023, 500 services (as specified in the rule) will be available to search for price estimates on the [Sharp Connect member portal](#).

Sharp Health Plan's solution will include the following disclosures in plain language, as required by the Transparency in Coverage rule.

- Information disclosing that out-of-network providers may balance bill the individual member for the difference between what the provider billed and the member's cost-share amount (copayment, deductible and/or coinsurance) if and when balance billing is permitted under state or federal law. In most cases, balance billing is not permitted by California law.
- A statement that the actual charge may be different from the estimate.
- A statement that the cost share estimate is not a guarantee of coverage.
- Information on whether the copayment or coinsurance counts towards the deductible and the out-of-pocket maximum.

What is the effective date for compliance with the rules?

Machine-readable files must be published no later than July 1, 2022, for plan years on and after January 1, 2022.

The self-service price tool must be available for an initial list of 500 services no later than January 1, 2023, for plan years effective January 1, 2023 and after. The self-service price tool will expand to all covered medical items and services no later than January 1, 2024, for plan years effective January 1, 2024 and after.

Are prescription drugs included in the files?

The rule includes guidelines for a separate file of prescription drug costs. At this time, the pharmacy machine-readable file has been delayed pending additional rulemaking.

Does the rule apply to insurers and group health plans?

Yes. As defined in the [Transparency in Coverage rule](#), the term “group health plan” includes insured and self-insured group health plans. Under special rules to prevent unnecessary duplication, Sharp Health Plan will maintain compliance for transparency disclosure requirements.

Are tribal plans included in the Transparency in Coverage rule?

Yes. If a tribe’s health plan is organized under the [Employee Retirement Income Security Act](#) or the [Public Health Service Act](#), then the tribe’s plan(s) would be subject to the Transparency in Coverage requirements.

How will employers be able to access files?

Sharp Health Plan will make the machine-readable files accessible on our public-facing website.

Are any plans exempt from the Transparency in Coverage rule?

Yes. The following plans are exempt from the Transparency in Coverage rule:

- Excepted benefits (e.g., standalone vision, dental or hearing plans)
- Flexible spending accounts (FSA), health reimbursement accounts (HRA) and health savings accounts (HSA)
- Grandfathered plans
- Medi-Cal
- Medicare
- Retiree plans
- Short-term limited duration plans (STLD)

Does the rule violate HIPAA or other security or privacy rules?

No. The Transparency in Coverage rule did not modify existing state or federal requirements and it does not require the public disclosure of protected personal health information (PHI).



Transparency in Coverage, continued

Frequently Asked Questions

How long will the machine-readable files be available?

Sharp Health Plan will publish the current month files on our public-facing website. Files will be refreshed monthly.

How will Sharp Health Plan keep up to date with any changes to the Transparency in Coverage rules?

Sharp Health Plan has an internal team and vendor partners that closely monitor the legal and regulatory landscape. If updates are necessary, we will follow standard quality and validation procedures to ensure accurate and reliable results.

What other resources are available to Sharp Health Plan members to confirm their cost for covered benefits?

Members can log in to Sharp Connect today to access their coverage documents. Their coverage documents include a summary of benefits matrix, which lists the cost shares (i.e., deductible(s), coinsurances, copayments, out-of-pocket maximum) that apply to their benefit plan.

Members who receive their care at Sharp HealthCare can also visit the following website to request price estimates from certain Sharp providers: sharp.com/patient/billing/pricing.cfm