



PRACTICAL COMPLIANCE

From Contribution Health

June 30th, 2022

Machine Readable Network and Out of Network Rate Files

Enforcement begins July 1, 2022

The Transparency in Coverage Final Rules (“the TiC Final Rules”) apply to non-grandfathered group health plans and health insurance issuers offering non-grandfathered coverage in the group and individual markets. The rules require the disclosure of information (in machine readable file format) regarding in-network provider rates, out-of-network allowed amounts, and negotiated rates for covered prescription drugs to be posted on a publicly available website.

Recent Guidance

On June 17, 2022, CMS posted a Q&A that indicates that if a “group health plan” does not have a public website, it could enter into an agreement with its TPA to post the rate files on the TPA’s website on behalf of the plan. This guidance also indicates, however, that if the TPA fails to post the information, the plan is responsible.

Insured plans are not required to post a link and can rely on their insurance carrier to post the files. More formal guidance is expected on this topic soon.

Review of Disclosure Requirements

Beginning on or after January 1, 2022 (with enforcement beginning July 1st), group health plans are required:

- *If self-funded, to post a link to the files on the group health plan’s publicly available website; or*
- *Enter into an agreement with the plan’s TPA to have the TPA post a link to the files on their website; and*
- *If using the TPA’s link, make sure to post a redirect link on the plan’s website with instructions to follow that link to the TPAs website in order to access the health plans publicly available machine-readable files (SEE ABOVE – CMS has indicated that the link on the employer’s website is not required).*

The link on the public website must contain three (3) separate machine-readable files with the following information:

- *In-network provider rates for covered items and services*
- *Including: negotiated rates, underlying fee schedule rates or derived amounts (in dollars) for all covered items/services in the In-Network Rate file*
- *For rates based on a percentage of billed charges, the plan or issuer may report In-Network rate as a percentage. Click here for specific format requirements for percentage of billed charges arrangements: [price-transparency-guide/schemas/in-network-rates at master](#) · [CMSgov/price-transparency-guide](#) · [GitHub](#)*
- *Out-of-network allowed amounts and billed charges for covered items and services; and*
- *Negotiated rates and historical net prices for covered prescription drugs*

Please note, information relating to prescription drugs pricing is pending further rulemaking and will not be considered for enforcement purposes, at this time.

Rules for Machine Readable files:

- *Machine readable files are considered “a digital representation of data or information in a file that can be imported or read by a computer system for further processing without human intervention, while ensuring no semantic meaning is lost.”*
- *The computer system must be able to read such data in a non-proprietary, open format.*
- *The data must be updated monthly, and date stamped each time it is updated.*
- *Passwords, credentials, or requiring the user to create an account in order to access the data contained in the link are prohibited.*
- *Access to the link must be free of charge.*

Tips and Take Aways

- Employers with self-funded coverage should check with their claims administrator for an amendment to their Administration Agreement that requires the administrator to post the machine readable files in the format and containing the information required.
- Both self-funded and insured employers should check to see that the information is posted by the specified deadlines.
- Watch for more information about posting machine readable files for prescription drug prices.

Contribution Health, LLC
930 Red Rose Court
Suite 102
Lancaster, PA 17601
717-394-4488
www.contributionhealth.com