

The Case for Open-System Patient Cost Estimator Tools

Affordable Care Act

Affordable Care Act – created the health insurance marketplace and ushered in price transparency

- Alignment between consumers' ability to shop across both health plans and service providers allows for more informed decision making on the part of consumers and supports the overall reduction of health care costs
- Current closed system estimators do not allow consumers insight into out-of-pocket costs across different health plans
- Proactive awareness of the difference in out-of-pocket costs across health plans would provide those consumers who acquire their insurance via the marketplace valuable information in order to chose the best plan for their needs

Federal Register Guidance on Price Transparency

- The guidelines for display of shoppable services that were outlined in the Federal Register indicated that this information should be available without requiring PII.

With an estimator tool being an option for how to display shoppable services, it is only reasonable to assume that estimator tools would be subject to the same requirements.

Finally, we are finalizing with technical modification the shoppable services information must be easily accessible, without barriers, including, but not limited to, ensuring the information is: (i) Free of charge; (ii) accessible without having to register or establish a user account or password; (iii) accessible without having to submit PII; (iv) searchable by service description, billing code, and payer. We note that we would expect hospitals would post information in a format accessible to people with disabilities or to otherwise ensure that individuals with disabilities can readily access hospital standard charge information, in accordance with any applicable federal or state laws.

These final provisions are specified in new [45 CFR 180.60\(d\)](#).

Last minute rule clarification

On December 8, 2020, CMS issued guidance allowing for a “closed system” patient estimator.

- **False.** If a hospital chooses to use a price estimator tool to meet the second of the two main requirements, the price estimator tool must meet 3 criteria:
 - Provides estimates for as many of the 70 CMS-specified shoppable services that are provided by the hospital, and as many additional hospital-selected shoppable services as is necessary for a combined total of at least 300 shoppable services.
 - Allows healthcare consumers to, at the time they use the tool, obtain an estimate of the amount they will be obligated to pay the hospital for the shoppable service.
 - Is prominently displayed on the hospital's website and accessible to the public without charge and without having to register or establish a user account or password.
- In the Hospital Price Transparency Final Rule, we specifically did not include a requirement that no PII be collected because we recognize that insurance or other information may be necessary to provide patients with real-time personalized out-of-pocket price estimates.

While this guidance allowed for existing “internal” tools used by hospitals for eligibility checks in conjunction with price estimation generation, to meet price transparency requirements, it places significant limitations on the ability for consumers to shop services across health insurers.

Example Close System Estimator

✓ 1. Visit

2. Insurance

3. Your Info

4. Contact Info

All fields are required unless otherwise noted.

Some sections require that previous sections be filled out before they can be started.


Step 2. Insurance information


How many health insurance policies cover you? 

☒ One ☐ Two or more

Insurance Company 

Clear Tab


Please select your insurance carrier. 

Member ID 

Group Number (optional)

Are you the subscriber? 

☐ Yes ☐ No

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Example Open System Estimator

Diagnostic examination of the colon (large bowel) using an endoscope(colonoscopy); high risk [CPT 45378]

STEP 1 - ENTER INSURANCE COVERAGE

STEP 2 - CHOOSE YOUR SERVICE

Blue Cross Blue Shield of North Carolina

CMS Shoppable Service

Manually Enter Insurance Coverage

Diagnostic examination of the colon (large bowel) using an endoscope(colonoscopy); high risk [CPT 45378]

Enter Yearly Deductible: \$ 5000

Enter Deductible Already Paid: \$ 500

Enter Co-Pay: \$20.00

Enter Co-Insurance %: 20%

Out-of-Pocket Max Amount: \$ 10000

*-Required Field

All Required fields must be completed to receive an estimate.

Estimate Out-Of-Pocket Cost:

\$ 1,365.00

Co-Pay: \$20.00

Deductible : \$1,345.00

Co-Insurance: \$0.00

☒ Disclaimer read and accepted

Contact Customer Service

Diagnostic examination of the colon (large bowel) using an endoscope(colonoscopy); high risk [CPT 45378]

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Cigna

CMS Shoppable Service

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Enter Co-Insurance %: 20%

Out-of-Pocket Max Amount: \$ 10000

*-Required Field

All Required fields must be completed to receive an estimate.

Estimate Out-Of-Pocket Cost:

\$ 1,602.00

Co-Pay: \$20.00

Deductible : \$1,582.00

Co-Insurance: \$0.00

☒ Disclaimer read and accepted

Contact Customer Service

Recommendation

To create the best alignment between price transparency and the pursuit of affordable care for consumers, it is our recommendation that CMS maintain a consistent requirement for display of shoppable services and require price estimators be made available to consumers without requiring PII.
