

## Transparency in Coverage Compliance Requirements: Self-Funded/Level-Funded Plan Sponsors Must Provide Public Access to Certain Medical Plan Services Pricing Information In Machine-Readable Files (Enforcement Effective July 1, 2022)

The [Transparency in Coverage Final Rules](#) (TiC Final Rules) require non-grandfathered **group health plans and health insurance issuers** offering non-grandfathered coverage in the group and individual markets to disclose certain information.

**If your group health plan is fully-insured**, you do not have any compliance requirements to fulfill with respect to the Transparency in Coverage Final Rules discussed here; **you may ignore the rest of this compliance brief.**

**If your group health plan is level-funded or self-funded, your plan, as an issuer of coverage, must comply with certain requirements of the Transparency in Coverage Final Rules discussed here.**

**In short, you are required to post, on the internet without restriction, access to certain medical plan services pricing information published in machine-readable files.** More information regarding the nature of these files is provided in this brief.

**You will not be in compliance if you post this on your intranet site.** This is a different kind of disclosure requirement than what you are used to dealing with. This requirement is not being directed to the plan beneficiaries but rather to the public at large. The guidance document ([CMS 9915-F](#)), states the following:

“The machine-readable files must be publicly available and accessible to any person free of charge and without conditions, such as establishment of a user account, password, or other credentials, or submission of personally identifiable information to access the file.”

As you do not have any means or access of producing the transparency files discussed here, **your TPA (Third Party Administrator) will be communicating to you as to how they will assist in providing you with access to the required transparency files.**

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R&R Insurance Services, Inc. / 2022

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### **What the Compliance Requirement Is All About: Machine-Readable Files**

Most non-grandfathered group health plans or health insurance issuers offering non-grandfathered health insurance coverage in the individual and group markets will be required to make available to the public (including stakeholders such as consumers, researchers, employers and third-party developers) three separate machine-readable files that include detailed pricing information.

- The first file must show negotiated rates for all covered items and services between the plan or issuer and in-network providers;
- The second file must show both the historical payments to, and billed charges from, out-of-network providers (historical payments must have a minimum of 20 entries in order to protect consumer privacy); and
- The third file must detail the in-network negotiated rates and historical net prices for all covered prescription drugs by plan or issuer at the pharmacy location level (this has been delayed – more on that later).

**Plans and issuers will display these data files in a standardized format and provide monthly updates.** These machine-readable files are required to be made public for plan years that begin on or after January 1, 2022. However, the Departments reserved enforcement discretion in their [FAQs](#) to apply the following two exceptions:

1. Under the first exception, the Departments **deferred enforcement of the machine-readable files requirement relating to prescription drug pricing pending further rulemaking.** Following the enactment of the [Consolidated Appropriations Act, 2021](#) (CAA)—which imposes potentially duplicative and overlapping reporting requirements for prescription drugs—the Departments are currently considering whether the prescription drug machine-readable file requirement remains appropriate.
2. Under the second exception, the Department **deferred enforcement of the requirement to publish the remaining machine-readable files until July 1, 2022.** On July 1, 2022, the Departments intend to begin

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enforcing the requirement that plans and issuers publicly disclose information related to in-network rates and out-of-network allowed amounts and billed charges for plan years beginning on or after January 1, 2022. For 2022 plan years and policy years beginning subsequent to July 1, 2022, plans and issuers should thus post the machine-readable files in the month in which the plan year begins, consistent with the applicability provision of the TiC Final Rules.

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