


Title: Revenue Cycle - Hospital Charge Transparency - Policy

	Document Owner: Barbara Myers	Last Approved Date: 01/15/2019
	Content Expert: Connie Mihalevich	

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I. Policy Statement

- a. It is the policy of University of Missouri Healthcare (MUHC) to provide consumer access upon request to hospital standard charges for services obtained across hospitals and clinics in compliance with the Affordable Care Act Section 2718c of the Public Health Service Act and the CMS FFY 2019 IPPS guidance.
- b. Providing price transparency through clear, easily accessible charge information to patients is important to:
 - i. Help them better understand their potential financial liability;
 - ii. Make informed healthcare decisions about services obtained in our health system; and
 - iii. Allow comparison for similar services in alternative healthcare settings.
- c. Hospital charge masters are lengthy and complex documents and do not provide information at a level conducive for this purpose. Therefore additional information, as outlined below, will be provided to patients seeking price estimates.

II. Definitions

- a. Price (Charge) Transparency: The ability of the patient to discover how much a particular medical service or treatment costs, preferably before receiving the service or treatment.
- b. Value: The quality of a healthcare service in relation to the total price paid for the service.
- c. Standard Charges: The amounts set before any discounts or contractual agreements. Hospitals are required by the federal government to utilize uniform charges as the starting point of all patient bills.
- d. Charge Description Master (CDM): CDM listing is charge information specific to MU Health Care (Hospitals and Clinics).
- e. Diagnosis Related Group (DRG): any of the payment categories that are used to classify patients and especially Medicare patients for the purpose of reimbursing

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hospitals for each case in a given category with a fixed fee regardless of the actual costs incurred.

- f. Length of Stay (LOS): term to describe the duration of a single episode of hospitalization. Inpatient days are calculated by subtracting day of admission from day of discharge, and based on the number of nights spent in hospital.
- g. Average (mean): the number resulting from adding up all of the numbers and then dividing by the number of numbers.
- h. Median: the number in the middle when arranged in order. The median can be a better representative of the data when the distribution of data is skewed by either low or high numbers.
- i. Out of Pocket Cost: Patient expenses for medical care that are not reimbursed by insurance. Out of pocket costs generally include the amounts of the deductibles, co-pays, coinsurance for covered or non-covered services and are the patient responsibility.
- j. Insurance Costs: The contracted or mandated payment amounts that a third party reimburses for the hospital services provided, less any patient costs.
- k. Provider costs: The amounts incurred by the hospital to provide the healthcare services to the patient.
- l. Price Estimate: The estimate of how much a particular medical service or treatment may cost the patient. A price estimate is based on procedure information provided and is not a guarantee of what the patient may be charged. Final charges may vary due to actual services provided; equipment, supplies and medications required; additional tests required; and/or any unusual special care or unexpected conditions or complications. For patients with health insurance, their benefits will ultimately determine the amount owed, including deductibles, co-payments, co-insurance and out-of-pocket maximums.

III. Process/Content

- a. MUHC allows public access to standard charges for hospital healthcare services provided within the organization. Sharing this information is one step in assisting patients and families to make informed decisions about their healthcare.
- b. Making the charge of healthcare services information available, together with other information such as quality of care measures, helps define the value of the services and enables patients and other care purchasers to identify, compare and select providers that offer the desired level of value.

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- c. Charges for services are set for each specific service and item provided to a patient. These services are generally defined by the American Medical Association in their Common Procedure Terminology (CPT) reference guide. Inpatient services are generally defined by Medicare in their diagnosis related group (DRG). Charges are based on the type of services provided and differ from patient to patient for similar services depending on the unique services provided to address complications or different treatments provided to address the patient's health care issues. Therefore, actual charges for a specific patient may differ from another patient based upon those unique services provided to each.
- d. Patients who seek charge information are interested in knowing what their "out of pocket" financial responsibility will be. This is an opportunity to have discussion regarding finances. Those with health insurance can contact their health plan for their specific financial obligations. Those without health insurance will be provided information related to MUHC's financial assistance policy and any other options for payment that may be applicable to the patient's circumstances.
- e. The patient or public may obtain more information about standard charge information for hospitals and clinics by visiting the MU Health Care website at <https://www.muhealth.org/your-visit/billing-insurance-financial-assistance/pricing>
 - i. Standard Charges
 - ii. Median Charges by DRG
- f. The patient may obtain an estimate of financial responsibility based on procedure/service to be provided and insurance plan benefits by:
 - i. Contacting or visiting Financial Counseling at any of the four locations or by calling 573-884-9990.
 - ii. Submitting Price Estimate Inquiry Request form to Financial Counseling at umhspei@missouri.edu. Response back to inquirer will be sent via secure email.
- g. The patient with no health insurance (uninsured) may obtain the estimated cost (with self-pay discount) for common outpatient procedures and tests for hospitals, clinics and physicians by:
 - i. Visiting the MU Health Care website at <https://www.muhealth.org/your-visit/billing-insurance-financial-assistance/pricing>
 - 1. Estimated Charges with self-pay discount
 - 2. Cost of common outpatient procedures and tests with self-pay discount

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- ii. Contacting or visiting Financial Counseling at any of the four locations or by calling 573-884-9900.
- h. Patients with health insurance will be responsible for co-pays, deductible/co-insurance set by their health plan. MUHC recommends contacting the health plan directly for specific financial obligations.
- i. Patients without health insurance coverage or third party liability will be eligible for the self-pay discount from total charges for MUHC and University Physicians per the Uninsured Community Benefit Discount policy. Eligibility for additional assistance will be based on income and resources per the Uncompensated Care policy.

IV. Attachments

- a. Not applicable.

V. References, Regulatory References, Related Documents, or Links

- a. The Affordable Care Act Section 2718c of the Public Health Service Act.
- b. Federal Register / Vol. 83, No. 160 / Friday, August 17, 2018 / Rules and Regulations: X. Requirements for Hospitals to Make Public a List of Their Standard Charges via the Internet.
- c. CMS FFY 2019 IPPS guidance.