
FAQ

Starting January 1, 2019, a CMS rule will require hospitals to "make public a list of their standard charges via the Internet in a machine readable format, and to update this information at least annually." Below is a list of FAQs to help patients, staff and providers:

Q: What does the new hospital pricing transparency rule require hospitals to do?

A: In April, the Centers for Medicare and Medicaid Services (CMS) finalized a new rule requiring hospitals to publish a list of standard charges on their websites. The rule will go into effect on Jan. 1, 2019.

Q: Hospitals have been required to make their standard charges public for some time, what's changed?

A: The new rule requires hospitals to post the standard charges (the hospital's chargemaster) on the Internet in a machine-readable format, and to update the information at least annually.

Q: What is a hospital chargemaster?

A: A chargemaster is a comprehensive list of items that can be billed. Depending on the size of the hospital, the list can contain tens of thousands of items. Hospitals use this information as a starting point for billing.

Q: How will the chargemaster information help consumers?

A: There is a lot of uncertainty around how helpful the information will be for consumers because the charges **may not** be relevant to consumers who have insurance – which is the vast majority of patients.

Additionally, chargemasters only provide hospital charges. They do not take into account other fees such as charges from physicians or other providers.

Q: So hospitals change prices, depending on the type of coverage a patient has (e.g., Private, Medicaid and Medicare insurance)?

A: While hospitals and physicians set prices (referred to as “charges” or “fees”) for the services they provide, most people don’t pay those prices. Insurance companies negotiate their own rates with individual providers. Government health care programs, like Medicare also set their own rates. The amount the patient will have to pay may vary based on whether the provider is part of the health plan’s preferred network. The same insurance company may have different cost-sharing rules and different networks for each health plan it offers.

For this reason, it’s important to call your insurance carrier when trying to determine and compare costs. They can help you understand your health plan’s network and insurance terms such as out-of-pocket maximums, deductibles and copayments that will affect what you pay. Patients enrolled in Medicare can obtain information about their cost sharing obligations at www.Medicare.gov.

Q: What’s the best way for consumers to find out exact charges?

A: UR Medicine Thompson Health launched the Consumer Price Line in 2007, to help patients understand what they can expect to be billed. These estimates take into account insurance and many other factors to provide a more realistic picture of costs. Unless there are unforeseen complications or additional tests, the estimate is the most accurate way to understand out-of-pocket expense.

To receive a cost estimate call (585) 396-6194, Monday through Friday between 8 a.m. and 4:30 p.m. Or email Thompsonhealthpriceline@thompsonhealth.org

Q: What happens if I can’t afford what a hospital charges?

A: UR Medicine Thompson Health offers financial assistance to patients who cannot afford their bill, regardless of insurance status. The program offers tiered discounts for qualified

individuals who earn up to 400% of the federal poverty level (about \$100,000 for a family of four).

Q: If I am uninsured and don't qualify for financial assistance, will I have pay the higher, "standard" charges?

A: That depends. Patients who are not covered under any insurance and not eligible for the hospital's Financial Assistance program, may receive a self-pay discount on medically necessary services.

Q: Are chargemasters useful for comparing costs of different hospitals?

A: There is a lot of variation in the prices hospitals set for the same procedure or service. This is because there are many factors that go into determining the cost of hospital services.

Using the chargemaster to "shop around" for a lower price raises many concerns. Obtaining accurate comparisons is difficult because pricing and out-of-pocket costs are tied to insurance. For example, say Hospital ABC charges \$500 for an X-ray and Hospital XYZ charges \$300. A patient may think Hospital XYZ is a more economical choice, but, depending on insurance, the patient's out-of-pocket expense at Hospital ABC may end up being lower. The best approach is to work directly with hospital billing experts and your insurance company, and make sure you understand what your insurance covers.

Q: Are larger hospitals like Strong generally more expensive?

A: Each hospital has its own set of factors – or cost structure – to manage.

For example, some organizations – like Strong Memorial Hospital - have higher cost structures due to high-intensity services, such as transplant, trauma, and neonatal intensive care that are expensive to maintain. They also have mission-related costs such as teaching, research, and care for low-income populations.

Q: Do higher prices mean better care?

A: Price is only one aspect of health care. Other factors include access and quality. How far do you live from the facility? Is it easy to see your health care provider when you need to? What types of services does the hospital offer? Are there specialists and subspecialists who work at the hospital who can address your unique health care needs?