



## Executive Summary

# Ensuring Compliance with the No Surprises Act and Transparency in Coverage Rule

Understanding, Assessing, and Selecting the Best Compliance Solution

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The Transparency in Coverage Rule, when combined with the No Surprises Act, both which take effect on January 1st, 2022, puts health care price information directly into the hands of consumers, ensuring they are empowered with the critical information they need to make informed health care decisions. A safe harbor is available for sponsors of fully insured health plans if there is a written agreement with the health insurer to provide this information. There is no similar relief for self-funded health plans. Groups that do not comply with the rule will face a fine of \$100 per member per day, or an estimated \$87,000 per enrolled employee per year.

Under the Transparency in Coverage Rule (TiC), Employer-sponsored Group Health Plans and Health Insurance Issuers must make their Negotiated Rate, Allowed Amount, and Prescription Drug files publicly available using a standardized format. Each mandate also requires an internet-based self-service tool be made available to participants, beneficiaries, and enrollees providing personalized out-of-pocket-cost information, and the underlying negotiated rates for covered health care items and services, including prescription drugs.

The TiC Rule outlines a two-phase rollout for the internet-based self-service tool. In phase 1, 500 items and services identified by federal Departments must be made available by January 1, 2023. In phase 2, all items and services must be shoppable by January 1, 2024. **The No Surprises Act, however, accelerated the legal requirement that all items and services be shoppable on a self-service tool, which must show patient out-of-pocket (OOP) responsibility by January 1, 2022.**

## Goals of the Transparency in Coverage Rule include to:

- **Establish a market-driven healthcare system**
- **Enable comparison shopping**
- **Expose real-time pricing information and out-of-pocket liability**
- **Stabilize and reduce the price of health care services**
- **Empower, inform, and incentivize action from consumers**

## Harness the new healthcare marketplace with



### Mobile-First Shopping

Reduce plan participant out-of-pocket costs (and overall health plan expenditures).

### Plan Advisory Support

Built-in next-generation tools to educate, incentivize and reward healthcare consumerism.

### Easily Generate Required Machine-Readable Files

Ensure employer group early compliance, safe harbor.

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The No Surprises Act will also protect participants from surprise medical bills that could arise from Out-of-Network (OON) emergency care, and certain ancillary services provided by OON providers, with the participant being required to pay only the in-network cost-sharing amount, which will be applied to their deductible and out-of-pocket maximums under the Plan. In most situations, providers will not be able to “balance bill” participants. Further, the employer plan or the insurer must send participants an advanced explanation of benefits (AEOB) at least 1 business day before such service is to be furnished, but not later than 3 business day after the date of scheduling. In short, the No Surprises Act and the Transparency in Coverage Rule will disrupt and transform how patients identify, consider, and navigate their healthcare journey.

Employer-sponsored plans that do not comply with the rule will face a fine of \$100 per member per day, or an estimated \$87,000 per enrolled employee per year.

## TALON's New Generation Platform and Tools

On the day the Transparency in Coverage Rule was finalized, most existing healthcare price transparency tools became obsolete. Legacy tools with legacy architectures become noncompliant when real prices and patient out-of-pocket responsibilities must be displayed rapidly and accurately to comply with the Rule. It is therefore necessary to identify a solution which provides accurate negotiated rates to the consumer in a fully individualized user experience, supporting consumers' essential information needs at the time when healthcare purchase decisions are being considered and made. In development since 2014, TALON was the only platform demonstrated to the federal government's Health Policy Team who had been tasked with developing the Transparency in Coverage Rule. TALON's platform was then used as the model upon which the new federal mandates are based. As a result, TALON has emerged as the leading compliance solution for the Transparency in Coverage Rule and the No Surprises Act.

No Surprise Shopping TALON's Encounter Pricing™*		
NUCLEAR STRESS TEST		
Encounter Estimate <small>Calculated using these procedures</small>		
Procedure Name	Likelihood	Weighted Price
NUCLEAR STRESS TEST	100%	\$1,662
PROFESSIONAL FEE	100%	\$95
CARDIOVASCULAR STRESS TEST: TRACING ONLY	51%	\$183
TC99M SESTAMIBI	50%	\$213
NON-HEU TC-99M ADD-ON/DOSE	49%	\$325
REGADENOSON INJECTION	35%	\$444
HOSPITAL OUTPATIENT CLINIC VISIT	17%	\$10
TTE WITH DOPPLER	16%	\$285
→ Professional Fee		\$14
TYPICAL OTHER COSTS		\$230
Encounter Estimate		<b>\$3,461</b>

\*Shows what is typically charged by provider. Patient's real charge could be over \$2,100 more.

Surprise Shopping Other Vender Tools*		
NUCLEAR STRESS TEST		
Procedure Estimate <small>Calculated using these procedures</small>		
Procedure Name	Likelihood	Weighted Price
NUCLEAR STRESS TEST	100%	\$1,662
PROFESSIONAL FEE	100%	\$95
Procedure Estimate		<b>\$1,757</b>

\*Per Machine Readable File Rates. Only shows the Nuclear Stress Test at \$1,662.

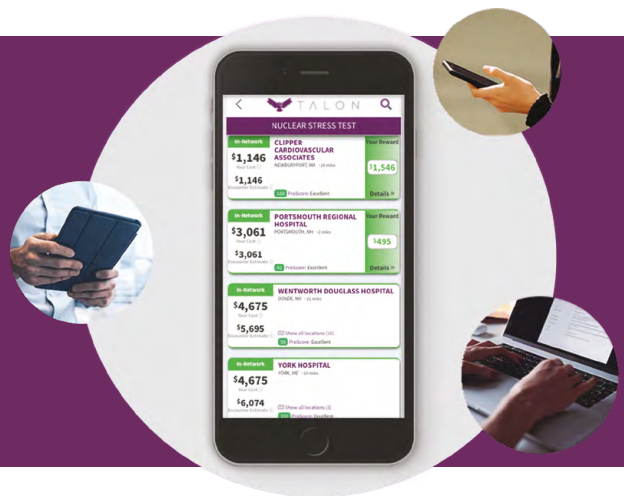
## TALON's New Generation Platform and Tools (continued)

The TALON platform leverages extensive data sources, scalable architecture, and machine learning algorithms to amass a data warehouse currently comprised of over 3.7 billion claims. This includes not only allowed amounts paid from insurers and payers to providers for specific procedures, but also added depth of knowledge of what individual providers typically bill within each encounter. TALON's system continuously updates the claims data warehouse and, along with contracted pricing file feeds from partners, leverages its massive scale to produce detailed, accurate machine-readable files with predictive and actual negotiated rates. Access to this comprehensive pricing data is provided to plan participants through **MyMedicalShopper™**, a robust yet simple-to-use shopping function within the TALON application or through a wide variety of third-party subscriber portals. The result is a turnkey solution that secures compliance and safe harbor to the key price transparency elements of the Transparency in Coverage Rule and the No Surprises Act.

# Take flight.



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TALON's **Encounter Pricing™** identifies additional procedures billed in conjunction with the primary procedure as a patient evaluates different providers for a test or service. This unique feature eliminates most notorious “surprise billing” experiences. TALON's **Retrospective Shopping™** applies machine learning through claims processing to analyze missed savings opportunities accrued by the participant who received care at a higher cost provider. Such results can later be presented to participants to encourage more deliberate shopping behavior and reduce unnecessary out-of-pocket costs and overall wasteful plan expenditures. Finally, to increase engagement and incent consumerism, TALON offers its patented **MyMedicalRewards™** system through which participants may receive rewards for smart healthcare consumerism. These rewards can extend through the plan year and can be earned even after the consumer's deductible or out-of-pocket maximum are reached. This promotes effective and efficient healthcare decision-making throughout the entirety of the year. These rewards can be added seamlessly to participants' HSAs, HRAs or delivered as eGift cards.

TALON's platform can immediately bring organizations to full compliance with the Transparency in Coverage Rule and No Surprises Act and relieve organizations of concerns regarding solutions that can only promise to deliver. Early compliance can create a competitive advantage, for those saddled with legacy infrastructure and tools fail to deliver on even the most basic compliance requirements. We hope that the following guide offers a comprehensive framework and the regulatory literacy your organization requires to make informed decisions related to the Transparency in Coverage Rule and No Surprises Act.

