



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 took 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. Groups that do not comply with the rule can face a fine of \$100 per affected member per day, or an estimated \$250,000 per day for an employer with 1,000 employees, going back to the original date of non-compliance.

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 as of January 1, 2022, with enforcement taking effect January 1, 2023.**



Goals of the Transparency in Coverage Rule:

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.

Automatically Generate Required Machine-Readable Files

Ensure employer group compliance.

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The No Surprises Act protects 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 is applied to their deductible and out-of-pocket maximums under the Plan. In most situations, providers can not “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 days 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.

TALON's Next 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 that supports 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

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		\$3,461

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

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.**

The TALON platform leverages extensive data sources, scalable architecture, and machine learning algorithms to amass a data warehouse currently comprised of over 3.8 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 powered by TALON third-party subscriber portals. The result is a turnkey solution that secures compliance with the key price transparency elements of the Transparency in Coverage Rule and the No Surprises Act.

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		\$1,757

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

*Pending further comment and rulemaking.

TALON's Next Generation Platform and Tools (continued)

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. 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.

10 Key Take-Aways



01 The Transparency in Coverage Rule and No Surprises Act contain bold, transformative regulations that set a new course in healthcare consumerism.

02 As of 1/1/22, these new federal mandates require most commercial group health plans, and commercial health insurance issuers to disclose price and cost-sharing information by producing plan-specific Machine-Readable Files (MRFs). Enforcement of substantial fines for non-compliance will begin as early as 7/1/22.

03 As of 1/1/22, these new federal mandates require most commercial group health plans, and commercial health insurance issuers to provide a self-service tool for enrollees to obtain personalized out-of-pocket cost estimates. Enforcement of substantial fines for non-compliance will begin as early as 1/1/23.

04 Groups that do not comply can face fines of **\$100 per plan member** per day or an estimated **\$250,000 per day for an employer group of 1,000 employees**.

05 TALON has deep expertise in dealing with the substantial complexities of automating the ongoing creation of Machine-Readable Files (MRFs) that must be updated no less frequently than monthly.

06 TALON's **MyMedicalShopper™** served as the model upon which the new federal mandates are based.

07 TALON's **ProspectiveShopping™** auto-creates Advanced Explanation of Benefits (AEOB's)* as required by the Act, going beyond requirements by optionally shopping each one to identify cost and value for up to three alternative providers that could furnish the same set of procedures in the same local area.

08 Through its **Retrospective Shopping™** every subscriber claim is optionally re-shopped against TALON's massive pricing database through a machine learning system identifying up to three providers in the local area that could have provided the same set of services at a lower price.

09 Other TALON tools and services include **MyMedicalRewards™** to incent consumerism, white label branding options, and Administrative Console to better support and understand participant behaviors.

10 Immediate and seamless compliance offers enormous competitive advantage delighting channel partners, employer clients, and plan participants.