

Hospital Price Transparency Tool Methodology

August 2024



Introduction

The Department of Health Care Policy & Financing (HCPF) is introducing a new [Hospital Price Transparency Tool](#) for employers, municipalities, other healthcare payers, consumers, advocates, policymakers, and state regulators to illuminate hospital prices and easy comparisons. ***This free tool displays 2.5 million commercially negotiated prices for over 5,000 procedures provided by 82 Colorado hospitals.*** The tool allows purchasers and consumers to compare multiple hospitals' gross charges, cash discounted prices, Medicare costs and commercially negotiated prices (contracted reimbursement rates) for each insurance carrier's network product or plan.

On Jan. 1, 2021, the federal price transparency rule went into effect, requiring hospitals to publicly post five standard charges: gross charges, discounted cash prices, de-identified minimum and maximum rates, and payer-specific negotiated rates, for all items and services, in a machine-readable downloadable file.¹ Leveraging this information, this Colorado-specific price comparison tool provides easy-to-access comparison information on the state's hospital prices, to the betterment of healthcare costs paid by consumers, employers, municipalities, and other purchasing groups.

Methodology

Reporting Database

Hospital standard charges presented in the tool and described in this methodology document are sourced from hospitals' self-reported price transparency machine-readable files (MRFs). Center for Improving Value in Healthcare (CIVHC) downloaded all available Colorado general and critical access hospitals MRFs from hospitals' websites within a two-month timeframe and standardized them into a reporting database. The dataset will be updated semi-annually. CIVHC performed extensive quality assurance review procedures before sending the file to HCPF, and HCPF performed numerous tests and analyses of the data for further quality control.

Data Used

The data displayed in the tool is filtered or adjusted to the following specific items.

1. Current Procedural Terminology (CPT)² and Medicare Severity Diagnosis Related Groups (MS-DRG)³ codes.
2. Standard charges list only hospital prices, when hospitals identify the difference between their prices and professional fees. Please note that some

¹ The Federal Hospital Price Transparency Rule, [eCFR :: 45 CFR Part 180 -- Hospital Price Transparency](#)

² Current Procedural Terminology (CPT) only copyright 2023 American Medical Association. All rights reserved.

³ The Centers for Medicare & Medicaid (CMS) maintains Medicare Severity Diagnosis Related Groups (MS-DRGs) nationally.

hospitals did not identify the difference; therefore, some professional fees could be present.

3. Only items and services that have third-party payer-specific negotiated rates.
4. The tool focuses on commercial rates that are negotiable and paid on behalf of the patient's personal health insurance. The following commercial plan types were filtered out: Medicare Advantage, worker's compensation and auto insurance.
5. Payer and plan names were shortened using acronyms. A list of all acronyms in the price transparency tool can be found in [Appendix A](#).
6. All subsidiaries, payers and plans are included in the major insurance groups; Aetna, Anthem, Cigna, Humana, Kaiser and United Healthcare. All other payers and plans will be found under the "Other" category.

Due to the federal hospital price transparency rule and limitations in hospital MRFs at the time of download, the following items are not included in the reporting database:

1. Code severity modifiers.
2. Standard charge methodology includes case rate, fee schedule, percent of total billed charges and per diem.
3. Pharmaceutical drug standard charges.

Please note that the federal rule has been updated and hospitals must adopt a Centers for Medicare & Medicaid (CMS) MRF template by July 1, 2024. All other requirements must be adopted by July 1, 2024, and Jan. 1, 2025. Future Price Transparency Tool updates will include new reporting requirements and some of the items below that are not currently included could be included in future versions.

Medicare Rates

All Medicare reimbursement rates are self-reported by hospitals per the requirement of [Senate Bill 23 -252](#), which required hospitals to post Medicare rates by item and service by Oct. 1, 2023. Medicare reimbursement rates are specific to code, description and gross charge when available, otherwise are specific to code only.

Appendix A: Acronyms

A - Aetna
AC - Administrative Concepts
Admin - Administrative
AF - Alternate Funding
AN - Anthem
ALLIED - Allied Benefit
Alt - Alternative
APWU - American Postal Workers Union
ASC - Administrative Services Contract
BCBS - Blue Cross Blue Shield
BFC - Banner Funded Care
BH - Behavior Health
BL - Blue
C - Cigna
CA - California
CBEBT - Christian Brothers Employee Benefit Trust
CBH - Carelon Behavioral Health
CC - ChoiceCare
CDA - Cooperative Discount Agreement
CDHP - Consumer-Driven Health Plan
CF&I - Colorado Fuel & Iron
CH - Charter
CO - Colorado
Cof. - Cofinity
Cov. - Coventry
CPT - Current Procedural Terminology
CTY - County
DHMP - Denver Health Medical Plan
DOI - Colorado Division of Insurance
Dr's - Doctors
EBMS - Employee Benefit Management Services
EDEBF - Eighth District Electrical Benefit Funds
EE - Employee(s)
Enh. - Enhanced
EPO - Exclusive Provider Organization
ESNTL - Essential
ETS - Emerging Therapy Solutions
FCHN - First Choice Health
FCM - First Choice of Midwest
FEHB - Federal Employees Health Benefits
FEP - Federal Employee Program

FH - First Health
FHC - Foundation Health Corporation
FL - Freedom Life
FN - Freedom Network
GC - Gold Choice
GEHA - Government Employees Health Association
GHN - Galaxy Health Network
GK - GateKeeper
Gov't - Government
GR - Golden Rule Insurance
GRP - Group
GW - Great West
H - Humana
HA - Health Alliance
HCEA - Holy Cross Electric Assoc
HDHP - High Deductible Health Plan
HIX - Health insurance exchange
HIX CO - Connect For Health
Hlth - Health
HME - Health Management Network
HN - Health Network
HMO - Health Maintenance Organization
HP - Health Plan
HVM - Health Value Management
IHS - Indian Health Services
Ind. - Indemnity
Indiv. - Individual
Ins. - Insurance
IP - Inpatient
K - Kaiser
KBF - Kees Brenninkmeyer Foundation
LG - Large
LHA - Lutheran Hospital Association
LHS - Lucent Health Solutions
LNHWF - Laborers' National Health & Welfare Fund
MC - Midlands Choice
MCHP - Montrose Community Health Plan
MH - Monument Health
MHBP - Mail Handlers Benefit Plan
MHCO-OP - Mountain Health CO-OP
MN - Medical Network
MP - Multiplan

MS-DRG - Medicare Severity Diagnosis Related Groups
MT - Montana
N - Northern or North
NALC - National Association of Letter Carriers
NAP - National Advantage Program
Nav. - Navigate
NBA - National Benefits Admin
NPPN - National Preferred Provider Network
NV - Nevada
NW - Northwestern or Northwest
OA - Open Access
OneH - One Health
OON - Out of Network
OP - Outpatient
OTH - Other
Path. - Pathway
PEHP - Public Employees Health Program
PHA - Peak Health Alliance
PHCS - Private Healthcare Systems
PHA - Physician Health Partners
PHS - Presbyterian Health Services
PNOA - Provider Network of America
PPO - Preferred Provider Organization
POS - Point of Service
Pref. - Preferred
PRIO - Priority
PS - PacificSource
PSR - Pacific Steel & Recycling
QPOS - Quality Point of Service
RCI - Regional Care Inc
Ren. - Rental