

# PUBLICATION

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## Transparency in Coverage Rules

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**Seeking to improve transparency in the cost of health services, federal actions in the past few years have led to new federal rules and regulations for health systems, benefit administrators, and health plan sponsors. The most urgent deadline for employers relates to the Transparency in Coverage rules that apply to employer-sponsored group health plans. The rules require group plans to disclose their rates and other price information for all covered billable services. (If fully-insured, the carrier is responsible for posting. If self-funded, the employer is responsible for posting.) Those plan obligations are to be phased in over a three-year span. The first enforcement date is July 1, 2022.**

The Transparency in Coverage rules require insurance carriers (for fully-insured health plans) and employers (for self-insured plans) to post information about the cost to participants, beneficiaries, and enrollees for in-network and out-of-network healthcare services through machine-readable files (MRF) on a public website. The regulations require that all costs be expressed as a dollar amount. The regulating federal agencies issued joint FAQs to address implementation.

Under the rules, a plan or issuer, as applicable, must disclose in-network provider rates for covered items and services and out-of-network allowed amounts and billed charges for covered items and services through two MRFs posted on a website. A self-funded group health plan may contract with a third-party administrator to implement some or all requirements of the rule on behalf of the plan. The plan sponsor will be required to provide a link to that site on its own public website. Specifically, the rules require that a self-insured plan make the MRF available on an internet website and:

- The files must be accessible free of charge;
- The website cannot require the user to establish a user account, password, or other credentials; and
- The website cannot require the user to submit any personal identifying information such as a name, email address, or telephone number.

Although the Departments clearly stated that MRF may be hosted on a third-party site, there is still an obligation on the plan sponsor's behalf to link to this site. The rules provide that "a plan administrator or issuer may also contract with a third-party website to post the files. However, if the files are hosted on a third-party site, the plan must post a link to the file's location on its own public website." Simply posting the files on an individual plan website or the plan sponsor's company intranet falls short of these requirements. There is, however, no requirement the link be on an employer's website homepage. Simply putting the required disclosure and link to the data on pages for "employment opportunities" or other pages with information about work and benefits is likely sufficient.

If you are a carrier or sponsoring employer and have follow up questions regarding these rules, or if you have other general benefits issues, please contact [Andrea Powers](#), [Blake Harper](#), or your Baker Donelson attorney.