

NEWS BRIEF

Provided by: National Insurance Services, Inc.

Hospital Groups Sue Trump Administration Over Pricing Transparency Rule

On Wednesday, Dec. 4, 2019, four major hospital groups filed a [lawsuit](#) against the Trump administration to challenge the Nov. 15, 2019, [final rule](#) that would require hospitals to disclose their pricing information, including negotiated rates.

The Federation of American Hospitals, the American Hospital Association, the Association of American Medical Colleges, the Children’s Hospital Association and three hospitals filed the suit in the U.S. District Court for the District of Columbia, stating that the Centers for Medicare and Medicaid Services (CMS) exceeded their authority with the rule. The lawsuit also states that the pricing disclosure rule violates the First Amendment.

What’s included in the final rule?

Under the rule, hospitals are now required to provide easily accessible billing information to patients by Jan. 1, 2021. This means having all standard charges available online and in one single data file that can be “read by other computer systems,” according to a CMS press release.

The charges listed would include “the gross charges, payer-specific negotiated charges, the amount the hospital is willing to accept in cash from a patient, and the minimum and maximum negotiated charges,” according to the release. Hospitals that fail to comply with the rule’s requirements would face a \$300 per day civil penalty.

The hospital groups’ lawsuit contends that requiring hospitals to publish the different charges, including

their privately negotiated prices with insurers, “will confuse patients and unduly burden hospitals.”

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“CMS' final rule fails to offer patients easy-to-understand information regarding their out-of-pocket obligations for care -- so we feel obligated to contest the regulation. We contend the agency exceeded its authority and should go back to the drawing board.”

- Chip Kahn, chief executive of the Federation of American Hospitals

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What’s next?

We will continue to monitor any developments regarding this lawsuit and will provide updates as necessary.

