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Transparency in Coverage Final Rule Machine- Readable File Overview ("MRF")

An Outline and Frequently Asked Questions

June 2022

OVERVIEW

The federal [Transparency in Coverage rules](#) require group health plans to display certain health care price information via machine-readable files (“MRFs”) on a publicly available website. These MRFs must include negotiated rates with in-network providers and allowed amounts for out-of-network providers. These files must be accessible at no charge on a public website that anyone can access without any restrictions, and they must be updated monthly. Enforcement begins July 1, 2022.

For employers sponsoring fully insured health plan options, it will be the responsibility of the insurance carrier to post the files on their web site. However, pending further guidance, for employers sponsoring self-insured health plan options, it will be the employer’s responsibility to satisfy this MRF disclosure obligation. The purpose of making these MRFs available is so researchers, regulators, and application developers may access and analyze the data more easily. MRFs are designed to be read by a computer system and are not intended for employees and plan members.

The posting of MRFs is part of a broad transparency approach promoted by the federal government so that consumers, employers, and plan sponsors will have access to the cost of medical care in advance of getting a procedure. The MRF requirement is just one aspect of the expansive federal transparency rules. Last year hospitals were required to post the cost of certain services to their web site and next year, insurers and third-party administrators will be required to give plan members an advanced explanation of benefit describing the cost of care before one receives it.

This outline is designed to give employers and plan sponsors the information they need to determine the most appropriate course of action to comply with the MRF posting rules.

FREQUENTLY ASKED QUESTIONS

1. When should a group health plan sponsor be prepared to comply?

Group health plan sponsors should be prepared to comply with the MRF disclosure requirements, as follows:

- For plan years that begin between January 1, 2022, and July 1, 2022, the files must be posted by July 1, 2022.
- For plan years that begin after July 1, 2022, the files must be posted in the month the plan year begins.

Plans should be proactive in coordinating with all applicable vendors and service providers to ensure accurate data is posted by the applicable deadline.

2. We offer a fully-insured health plan. What steps do we need to take to be compliant with the transparency in coverage final rule for MRFs?

For health plans that are fully insured, the employer does not need to take any specific action at this time. Subject to an agreement between the plan and the insurer, it is the responsibility of the insurer (i.e., Blue Cross, United, Aetna, etc.) to post the MRFs on their web sites.

3. We offer a self-insured health plan. What steps do we need to take to be compliant with the transparency in coverage final rule for MRFs?

For health plans that are self-insured, it will be the plan sponsors’ responsibility to provide the required MRF disclosure on a publicly available website that does not require log in or restricted access. The health plan or third-party administrator the employer/plan sponsor uses will create and provide the links to the MRFs so that the employer/plan sponsor can then post the links to their website. There is not expected to be a fee or charge from the health plan or third-party administrator to provide the MRFs, and it is expected that the health plan or third-party administrator will update the data behind the links monthly.

4. Is there a specific place that the MRFs need to be posted on an organization's web site?

The rules provide that a "group health plan or health insurance issuer must make available on an internet website" the required MRFs. There is nothing in the federal rules or guidance as to specifically where the employer/plan sponsor must place the link to the MRFs. The rules simply require that the files be posted to an internet website that is publicly available without needing a password to access the data.

5. Where will most self-insured employer/plan sponsor post the MRF information?

Some employer plans maintain a publicly available website for the group health plan and will add MRFs there. Some employers post group health plan materials on a nonpublic benefits administration system or company intranet site, and still others have no website intended to disclose group health plan information. For those who have no publicly available group health plan website, it appears most will determine a location on their corporate public-facing website to post the MRFs. For example, some may create a section labeled "Machine Readable Files" on the section of their public-facing website about their organization. Others may post the links to an area that addresses employment or health benefits. Note too that if a plan does not maintain a public website, a plan is permitted to enter into a written agreement to have a vendor make the data publicly available on behalf of the plan. See Q&A 1.1 below for more on this recent clarification.

6. Can Conner Strong & Buckelew help self-insured employers and plan sponsors with hosting the MRFs?

For any self-insured Conner Strong & Buckelew client for whom we manage a BenePortal site, we will create a special page for MRFs at no cost. If a Conner Strong & Buckelew client does not yet have a BenePortal site, the account team can work with the client to set one up.

7. Is there any suggested language that can be used to be posted with the MRF links?

Conner Strong & Buckelew has prepared suggested language that can be used to be placed with the actual links:

The link(s) below lead to machine-readable files related to our group health plan offerings that are made available in response to the federal Transparency in Coverage Rule and includes negotiated service rates and out-of-network allowed amounts between health plans and healthcare providers. The machine-readable files are formatted to allow researchers, regulators, and application developers to access and analyze data more easily.

- *In-Network Link:*
- *Out of Network Link:*

8. How will self-insured employers/plan sponsors get the links to the MRFs?

An organization's health plan or third-party administrator will send/email to each group the links to the MRFs. The links will tie back to the health plan or third-party administrator's web site that will point to the files. The health plan or third-party administrator will update the files monthly.

9. What data will be in these MRFs?

The following information must be included in the files:

- In-Network Rate Files - In-network rates with respect to each item or service for in-network providers, including negotiated rates, underlying fee schedule rates used to determine cost-sharing, or derived amounts, whichever rate is applicable to their reimbursement model. If this rate is percentage based, the file must include the calculated dollar amount, or calculated dollar amount for each provider, identified by NPI, if rates differ by providers or network tier. The file must identify bundles of items or services by relevant code. A [safe harbor](#) is available for arrangements that do not permit plans to accurately determine dollar amounts

for contracted items and services in advance of their provision.

- **Out-of-Network Allowed Files** - The historical out-of-network allowed amounts for covered items or services and the billed charges for those items and services, including each unique amount, associated with the provider by NPI. If the rate is percentage based, the file must include the calculated dollar amount, and must disclose aggregate actual amounts paid, plus the individual's share of the cost. The data in the file should encompass a 90-day period that begins 180 days prior to the publication date.

In-network negotiated rates and historical net prices for covered prescription drugs (the "Prescription Drug Files") were originally also required but posting of this information is delayed until further notice.

10. Who are the MRFs intended for?

This MRF disclosure requirement is made to the public as opposed to most group health plan disclosure requirements that are intended for plan participants. In this case, researchers, regulators, and application developers are the intended audience to access and analyze the data. The files will be computer coded layouts and so they are not intended for consumers to use them to access cost information. The real intent appears to be so that researchers, regulators, and application developers can evaluate and use the data to disclose health care costs and turn the data into actionable consumer tools for better decision making for employers, plan sponsors and consumers.

11. How will compliance be monitored?

The Departments of the Treasury, Labor, and Health and Human Services have shared oversight for the Transparency in Coverage Final Rules. It is unclear how the agencies will monitor compliance at this time.

12. Is there more information available on the transparency in coverage final rules related to MRFs?

Yes. A recently released CMS FAQ suggests that an employer might not be required to post MRF data, or link to it, as long as their TPA or vendor publicly posts it on their behalf. See the question #37 [here](#): "If a group health plan does not have a public website, the plan may satisfy the requirements for posting the Allowed Amount file and the In-Network file by entering into a written agreement under which a service provider (such as a TPA) posts the Allowed Amount file and the In-network Rate file on its public website on behalf of the plan." So if a plan does not maintain a public website (and most do not), CMS is confirming that a plan can enter into a written agreement to have a vendor make the data publicly available. In that case, it appears CMS is confirming the employer is not required to post the data, or link to the data on a plan or regular company website as long as a vendor is doing it on behalf of the plan. While we wait for more promised guidance, we can still share that a conservative approach is to post a link to the MRFs provided by the TPA/vendor.

13. Might there be changes or updates to the transparency in coverage final rules?

Since the rules and requirements are new, we expect there may be more federal guidance or changes issued by the regulators. Employers will benefit from further guidance from the Departments to better understand how to properly address the MRF link component of the federal transparency rules. As of now, the MRF rule takes effect on July 1, 2022.

QUESTIONS

For more information with the Transparency in Coverage Final Rules, please contact your Conner Strong & Buckelew account representative at 1-877-861-3220.

This outline and FAQ is not intended to provide legal advice. Please check with your organization's legal counsel for guidance on compliance with this and other benefit related compliance issues.