

Report on Medicare Compliance Volume 32, Number 27. July 31, 2023 Hospital Fined \$847K Over Price Transparency; CMS Proposes Enforcement, Other Changes

By Nina Youngstrom

A Chicago hospital was hit with an \$847,740 fine for allegedly violating price transparency requirements, a move that coincides with CMS's changes to price transparency requirements in the 2024 proposed outpatient prospective payment system (OPPS) rule.^[1]

CMS on July 24 imposed the fine, its second largest, on Community First Medical Center after it failed to fix alleged violations despite repeated warnings. In a letter to the hospital, CMS said it "has been noncompliant since at least June 22, 2022."^[2]

The hospital was reviewed several times by CMS but allegedly never fixed its problems despite agreeing to a corrective action plan. "The same material violations found during the previous reviews were identified," CMS said. They are: "Failure to make public a machine-readable file [MRF] containing a list of all standard charges for all items and services online" and failure to "make available a consumer-friendly list of standard charges for a limited set of shoppable services." The hospital didn't respond to a request for comment by press time.

The largest fine so far (\$883,180) was imposed June 7, 2022, on Northside Hospital Atlanta in Georgia.^[3]

Price transparency requirements, which took effect Jan. 1, 2021, require hospitals to reveal to the world five sets of charges for all items and services: gross charges, payer-specific negotiated charges, the discounted cash price, and the minimum and maximum payment amount they accept from payers for every item and service without identifying the payers. Hospitals must make the charges available in a comprehensive machine-readable file. They also must post a "shoppable" list of 300 payer-specific negotiated charges for common services in a consumer-friendly way, or they can develop an internet-based price estimator tool for patients to ballpark their cost.

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