

# Hospital Price Transparency Tool Methodology

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

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

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

<sup>3</sup> 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