

LEGAL UPDATE



HEALTH PLANS MUST EXPAND PRICE COMPARISON TRANSPARENCY TOOL FOR 2024

Beginning in 2024, group health plans and health insurance issuers must expand the internet-based price comparison tool they make available to participants, beneficiaries and enrollees so that it includes **all covered items, services and drugs**. The purpose of this tool is to provide consumers with real-time estimates of their cost-sharing liability from different providers for covered items and services, including prescription drugs, so they can shop and compare prices before receiving care. Upon request, plans and issuers also must provide this information in paper form or over the telephone.

This requirement comes from [final rules](#) regarding transparency in coverage that were issued by the U.S. Departments of Labor, Health and Human Services, and the Treasury (Departments) in November 2020.

COMPLIANCE DEADLINES

For plan years beginning on or after Jan. 1, 2023, plans and issuers were required to make price comparison information available for 500 shoppable items, services and drugs. For plan years beginning on or after Jan. 1, 2024, price comparison information must be available for all covered items, services and drugs.

ACTION STEPS

Most employers rely on their issuers or third-party administrators (TPAs) to develop and maintain the price comparison tool and provide related disclosures on paper or over the phone upon request. To help ensure compliance, employers should consider the following steps:

- + **Fully insured health plans:** An employer with a fully insured health plan is not required to provide the price comparison tool if the issuer agrees in writing to provide the tool. Employers with fully insured health plans should confirm that their issuer is providing the cost comparison tool and this responsibility is addressed in a written agreement.
- + **Self-insured health plans:** Employers with self-insured plans (including level funded plans) may contract with another party, such as a TPA, to provide the required tool. Employers with self-insured health plans should reach out to their TPAs (or other service providers) to confirm that they are providing this tool and that this responsibility is addressed in a written agreement. In addition, employers should monitor their service provider's compliance with this requirement. Unlike fully insured plans, the legal responsibility for this tool stays with a self-insured plan even if its service provider agrees to provide the price comparison tool on its behalf.

MORE INFORMATION

More information on this tool is available through the [Centers for Medicare and Medicaid Services](#).

IMPORTANT DATES

- + **Plan Years Beginning in 2024:** Price comparison tool must provide cost-sharing information for all covered items and services.
- + **Plan Years Beginning in 2023:** Price comparison tool must provide cost-sharing information for 500 items and services.

