

LEGAL UPDATES

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## Service

Healthcare Providers

## Industry

Healthcare

## Professionals

ELLE E COCHRAN

AUSTIN:

512.479.1136

ELLE.E.COCHRAN@

HUSCHBLACKWELL.COM

JOSEPH "JOE" V. GERACI

AUSTIN:

512.703.5774

JOE.GERACI@

HUSCHBLACKWELL.COM

SPENCER K. SMITH

AUSTIN:

512.479.1165

SPENCER.SMITH@

HUSCHBLACKWELL.COM

# CMS Imposes First Price Transparency Rule Penalties

The Price Transparency Rule (the Rule) became effective on January 1, 2021. By October 2021, the Centers for Medicare & Medicaid Services (CMS) had issued warnings to over 300 hospitals deemed not in compliance with the Rule. Due to many hospitals' continued nonconformity after receiving a warning notice, CMS hoped to further incentivize compliance by increasing the potential civil monetary penalty.

Now, a year and a half into the Rule's implementation, CMS has imposed its first civil monetary penalties. On June 7, 2022, CMS fined Northside Hospital Atlanta, in Atlanta, Ga., \$883,180, and Northside Hospital Cherokee, in Canton, Ga., \$214,320. CMS has stated that these fines are due to the hospitals' failure to have a consumer-friendly, searchable list of standard charges posted in a prominent manner that clearly identified the location of the hospital. CMS further noted that the hospitals failed to include all required services in a machine-readable file, and services weren't included in a single file, as required by the Rule.

CMS notes that both Northside hospitals received a notice of noncompliance and a corrective action plan request, but neither hospital submitted a corrective action plan, and both remained noncompliant. CMS requires that the hospitals provide notice once corrections have been made. Should the hospitals fail to make any corrections, fines will continue to accrue until the date CMS reviews their website and determines the hospitals are in full compliance with the Rule.

## What this means to you

Hospitals nationwide should take this as a sign that CMS expects hospitals to comply with the Rule and know further enforcement is likely to follow. The key

provisions for hospital compliance with the Price Transparency Rule can be found on the CMS website.

## **Contact us**

For questions related to the Price Transparency Rule, contact Ellee Cochran, Joe Geraci, Eric Weatherford, Spencer Smith or your Husch Blackwell attorney.