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**Transparency In Coverage – Machine Readable Files:**

**What is it?**  The rule includes several new laws, one of which is the requirement that insurers and health plans must publicly post certain machine-readable files described here:

* The In-Network Rate File – All applicable rates paid to in-network providers for all covered items and services (including negotiated rates, underlying fee schedules, etc.);
* The Allowed Amount File – Billed charges and allowed amounts for covered items and services provided by out-of-network providers; and
* The Prescription Drug File – Negotiated rates and historical prices for prescription drugs furnished by in-network providers. *– this file has been delayed indefinitely*

**Who must comply?** Non-grandfathered group health plans, regardless of number of participants.

* Fully insured plans: the carrier/insurer is responsible for creating and hosting the files. Employers should follow the guidance of their health insurance carrier regarding posting requirements.
* Self-insured plans: the TPA will need to produce the files and link to where the files are hosted. However, self-insured medical plans are faced with a lack of clear guidance on whether files hosted on a the TPA’s public website are enough to comply. For those employers wanting to take a conservative approach, the safest course of action would be to post the link to the files on its own public website.

**What action is needed?** For fully insured plans, the insurer will or may have already connected with your employer for guidance and instruction. We recommend following the guidance of your carrier.

For self-insured plans, an employer will need to connect with their TPA to ensure they will provide a link to the file on your behalf so that your employer can post on its public website.

**What is the purpose of these files?** The files are not meant for plan participants, rather, the machine-readable files are formatted to allow researchers, regulators, and application developers to more easily access and analyze data.

These files are not member-friendly; however, member-friendly tools will be available in 2023 and 2024 per the Federal transparency efforts.

**Do employers need to notify participants?** The law does not require that the group health plan notify its participants of the availability of these files.

**What is the deadline to comply?** July 1, 2022

**What if my employer doesn’t have a public website?** It seems reasonable that an employer could rely on their insurer to post on their public website which is especially true for fully insured group health plans.