

LEGAL UPDATE



HEALTH PLANS MUST PROVIDE PRICE COMPARISON TOOL FOR 2023

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The Department of Labor (DOL) issued regulations in the last year of the Trump administration imposing new transparency requirements for group health plans. These changes mean that employers will need to take action to ensure they are prepared to comply with the new obligations.

One obligation (effective in July 2022) was to post information on publicly available websites detailing cost information about their group health plan.

The other requirement for plan years beginning in 2023 is that group health plans and health insurance issuers make an internet-based price comparison tool available to participants, beneficiaries, and enrollees. This tool aims 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 must also provide this information on paper or over the telephone.



Plan Years Beginning in 2023

Price comparison tool must provide cost-sharing information for 500 items and services as of the first day of the plan year beginning in 2023.

Plan Years Beginning in 2024

Price comparison tool must provide cost-sharing information for all covered items and services as of the first day of the plan year beginning in 2024.



Upcoming Deadlines

For plan years beginning on or after Jan. 1, 2023, plans and issuers must make price comparison information available for 500 shoppable items, services, and drugs on the first day of the plan year. For plan years beginning on or after Jan. 1, 2024, price comparison information must be available for all covered items, services, and drugs as of the first day of the plan year. More information, including the list of 500 items and services, is available through the [Centers for Medicare and Medicaid Services](#).



Action Steps

Most employers will 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.

- Fully insured plans – Employers with fully insured health plans should confirm that their issuer will comply with the price comparison tool requirements beginning Jan. 1, 2023, (for 2023 plan years) and ensure the compliance responsibility is reflected in a written agreement.
- Self-insured plans – Employers with self-insured plans should reach out to their TPAs (or other service providers) to confirm they will comply with the deadline agreements to reflect this responsibility. In addition, employers should monitor their TPA's compliance with this requirement. Unlike fully insured plans, the legal responsibility for this tool stays with a self-insured plan even if its TPA agrees to provide the price comparison tool on its behalf.



Most employers will rely on their issuers or TPAs to provide the price comparison tool.

This Alert is not intended to be exhaustive, nor should any discussion or opinions be construed as legal advice. Readers should contact legal counsel for legal advice.