



Transparency in Coverage Rule
Frequently Asked Questions – Machine-Readable Files
Part 2 Updates

1. What is the Transparency in Coverage Rule?

The Transparency in Coverage (TiC) Rule – released in October 2020 by the Departments of Labor, Health and Human Services, and Treasury (the “Departments”) – requires non-grandfathered group health plans to create a member-facing price-comparison tool and post three separate machine-readable files on a public Website. These FAQs will focus on the machine-readable files requirement.

Update 7/1/22: Machine readable files, also known as MRFs, are digital representations of in- and out-of-network rate information, in a format that can be read only by a computer system. **These files cannot be leveraged by plan administrators or covered members as a consumer price-comparison tool.** The federal government mandates that these files be available to encourage technology companies to create applications that will display and present such data in a more user-friendly way.

2. What information must be included in the machine-readable files?

The files must contain (a) in-network rates for covered items and services; (b) out-of-network allowed amounts and billed charges for covered items and services; and (c) negotiated rates and historical net prices for covered prescription drugs.

3. When are the machine-readable files required to be available?

The Final Rule states an effective date of 1/1/22, but the Departments have publically stated enforcement action of the requirement for machine-readable files disclosing in-network and out-of-network data is deferred until 7/1/22. That is, plans with plan years beginning 1/1/22 – 7/1/22 must publish the required information by 7/1/22, and plans with plan years beginning on or after 8/1/22 must publish the required information by the first day of the plan year in 2022. Enforcement of the requirement for machine-readable files disclosing prescription drugs is deferred until further notice.

4. If my dental or vision plan is integrated with my medical plan, is it subject to the TiC Rule?

A dental or vision plan that is integrated with a medical plan is likely subject to the TiC Rule. While excepted benefits, such as stand-alone dental and vision plans, are not subject to the TiC Rule, when a dental or vision plan is integrated with a medical plan (i.e., is not an excepted benefit), it is likely subject to the TiC Rule. Note: A self-funded dental or vision plan is an excepted benefit if (a) participants are able to elect dental or vision coverage separately from the medical plan, or (b) the dental or vision plan is administered under a separate service agreement from the medical plan.

5. What is ASR doing to support my plan with this compliance effort?

ASR will support the plans we administer by creating machine-readable files with the required in-network and out-of-network data. We are working closely with our parent company, HAP, and our vendor partners to be compliant with this legislation.

6. Will ASR charge me for this service?

ASR is not charging for this service currently, but we may re-evaluate this position in the future if necessary.

7. Where will ASR publish the machine-readable files?

ASR will provide a publicly available link to the applicable machine-readable files, which may be downloaded on our Website.

Update 7/1/22: Plan administrators may access the machine-readable files through this link: www.asrhealthbenefits.com/MRF.

8. Will ASR's published files allow for merging of files from other networks?

ASR's published files will be created by individual networks where applicable. The links will clearly indicate the contents of the file.

9. How often will data be updated?

In accordance with regulations, the files will be updated monthly.

10. Should the files be posted on the plan administrator's Website?

Plans may contract with a third party to host the files, but the plan administrator should provide a link to the files on its own public-facing Website.

Update 7/1/22: ASR will provide our clients access to the machine-readable files through this link on our Website: www.asrhealthbenefits.com/MRF. The actual files will be available on or around 7/1/22, but clients may place the link on their Websites at any time in anticipation of their availability.

11. What is the penalty for noncompliance? Will ASR indemnify the plan for errors?

The penalty is \$100 per day per impacted individual. The indemnity language in our Administration Agreement applies to this compliance effort.

12. Does the plan administrator have an obligation to notify covered employees and their dependents that the files are available?

Plans are not required to notify employees that the files are available, but the files must be posted on a public Website. ASR will send our clients information on the member-facing price-comparison tool separately (see Q/A 13 below).

13. How does the TiC Rule differ from the transparency provision of the Consolidated Appropriations Act (CAA)?

The price-comparison tools under the CAA are similar to such tools required under the TiC Rule, so pending final guidance, ASR will proceed with compliance with the TiC Rule. We will assist covered members with their requests for cost estimates via telephone or in writing by the effective/deferred date of January 1, 2023 as well.

Update 7/1/22: ASR is providing our clients more information on how to access our price-comparison tool in a separate communication.