



New Executive Order Addresses Price Transparency Rules

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On February 25, 2025, President Trump signed an Executive Order (EO 14221), directing federal agencies to update the existing health care price transparency guidance and enforcement efforts.

■ Background

In 2019, Executive Order 13877 (EO 13877) directed the Departments of Labor, Health and Human Service and the Treasury (collectively, “the Departments”) to create regulations for hospitals and health plans to establish price and quality transparency resources.

In response, the Departments issued final transparency rules requiring:

- a price comparison tool with price estimates of all common health care items and services; and
- machine-readable files (“MRF”) posted (and timely updated) by hospitals and health plans detailing in-network and out-of-network pricing for medical services and prescription drugs.

It should be noted that for group health plans, the requirement to create and post the MRF for in-network rates and out-of-network allowed amounts went into effect for plan years beginning on and after January 1, 2022 (with enforcement deferred until July 1, 2022 pending guidance). In 2023, the Departments issued guidance announcing their intent to develop and issue technical requirements and an implementation timeline for the prescription drug MRF. To date, this guidance has not been released.

■ New Price Transparency and Enforcement Guidance

EO 14221 builds on the existing transparency rules and directs the Departments to issue guidance within 90 days (by May 26, 2025). The EO directs the Departments to:

- replace cost estimates with actual prices for health care services and items;

- standardize how hospitals and health plans report pricing data to members; and
- strengthen enforcement policies to ensure compliance with the price transparency requirements.

■ Employer Action

Currently, there are no immediate action items for employers.

As a reminder, with respect to the transparency requirements currently in effect:

Fully insured plans: Health insurance carriers remain responsible for compliance with transparency requirements. Employers should obtain written confirmation that the carrier posts this information on behalf of the plan.

Self-funded plans: Employers are responsible for ensuring compliance but may contract with third-party administrators (TPAs) and pharmacy benefit managers (PBMs) to fulfill these obligations.

Generally, an employer sponsoring a self-funded plan can satisfy the MRF disclosure requirements by entering into a written agreement under which a TPA posts the MRFs on its public website on behalf of the plan. However, if the TPA fails to do so, the plan is liable. Employers without such a written agreement should post a link to the TPA's MRFs.

When the Departments provide their guidance, employers should reach out to their carriers, TPAs, and PBMs to understand how they plan to comply with the new transparency requirements and whether updates to service agreements may be necessary.

We will continue to monitor these developments and provide updates as new information becomes available.