

# The 5 W's of Chargemaster Maintenance

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# What will be Covered:

- \* What is a Chargemaster?
- \* Who are the Stakeholders?
- \* Where are the resources and updates needed?
- \* Why do the CDM and updates matter?
- \* When do update?
- \* How do we implement?

# What is a Chargemaster?

- \* A Chargemaster is a set of charges used in hospital billing.
- \* The Chargemaster setup determines how a charges appears on a claim and patients statements.
- \* Other common names include CDM or Charge Description Master
- \* What differences exist between hospitals and systems?



# What are the Key Components of a Charge

- \* Charge Number
- \* Description
  - \* Billing Description vs. Clinical Description
- \* Revenue Code
- \* Rate or Price
  - \* Supplies
  - \* Pharmacy
  - \* Procedures
- \* CPT/HCPCS Code



# What Changes?

- \* CDM is a fluid and ever evolving
- \* CPT and HCPCS Codes
- \* Billing Regulations
- \* Payor Expectations
- \* Revenue Budgets
- \* Reimbursement



# Who are the Stakeholders?

- \* Department Managers
- \* Information Systems Staff
- \* Business Office
- \* Coding
- \* Finance
- \* Patient Access
- \* Payors
- \* Revenue Integrity Staff



# Who are the Stakeholders?



- \* **Department Managers**
  - \* CPT/HCPCS Codes
    - \* New
    - \* Deleted
    - \* Revised
  - \* Regulatory Changes that impact services and delivery

# Who are the Stakeholders?

- \* **Information Systems Staff**

- \* Updating EMR Charge Capture Tools
- \* Charge Records
- \* Automation of alternate CPT/HCPCS/Revenue Codes
- \* Billing Interfaces with external vendors





# Who are the Stakeholders?

- \* **Business Office & Coding**

- \* How will claims look?
- \* What charges bill together?
- \* What charges no longer bill together?
- \* Regulatory Updates
- \* Payor Updates

Claims



# Who are the Stakeholders?

- \* **Patient Access**

- \* How do new codes affect authorization and notification process?
- \* Updated Local Coverage and National Coverage Determinations
- \* Fee Schedule updates for POS Collections

# Who are the Stakeholders?

## \* Finance

- \* Reimbursement Changes
- \* Budget impact
- \* Productivity Measures
- \* Quality Measures

## \* Payors

- \* How will payors process new codes?
- \* Notify of fee schedule increases
- \* Communication of changes in service lines



# Who shares the changes?

- \* **Revenue Integrity Team**

- \* **Chargemaster Coordinator**

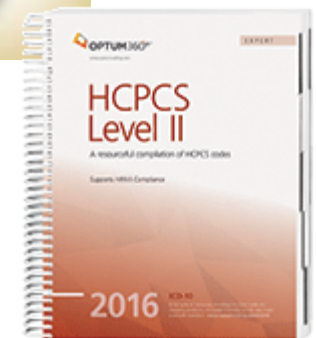
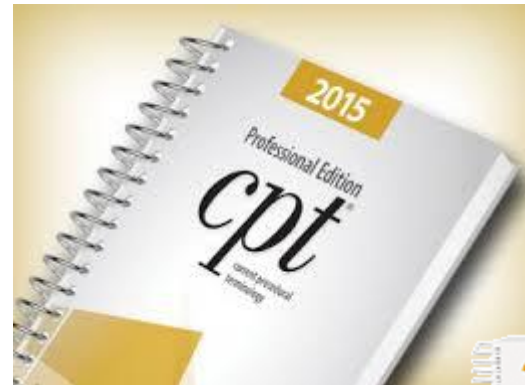
- \* Identifies new codes
    - \* Meets with clinical users to provide education
    - \* Works to achieve CDM Accuracy & Compliance
    - \* Tracks reimbursement
    - \* Ensures revenue Accuracy

- \* **Chart Review Specialists**

- \* Audit Accounts for appropriate charges & documentation
    - \* Communicates charge errors with departments

# Where are the resources?

- \* AMA CPT Book and HCPCS Level II
- \* CMS Website
- \* Payor Websites
- \* Medicaid
- \* Web-based products
  - \* Knowledge Source
  - \* Craneware
  - \* Vitalware
- \* Uniform Billing Editor



# Where are the updates made?

- \* Charge Records
  - \* FIM/SIM
  - \* EAP/FSC
- \* Orders (electronic and paper)
- \* Charge Systems
  - \* Radiology
  - \* Operating room
  - \* Flowsheet rows
  - \* Charge capture navigators

# Why do the CDM updates matter?



## **Compliance**

- \* Proper education and monitoring deters fraud
- \* Denials

## **Finance**

- \* Accurate revenue
- \* Cash Flow
- \* Changes in reimbursement

# When do we perform updates

## \* **Annually**

- \* Medicare Rules
  - \* OPPS, IPPS, MPFS, CAH
- \* AMA CPT changes
- \* CMS HCPCS Code changes
- \* Pricing

## \* **Quarterly**

- \* CMS HCPCS Codes
- \* Medicaid Regulations

## \* **Daily/Weekly**

- \* CMS Transmittals
- \* Charge updates
- \* Service line changes



# How do we Implement?

- \* Analyze the Code set
  - \* Review CPT Books to identify changes
  - \* Reports from web-based CDM tools
- \* Analyze the OPPS Rule
  - \* Status Indicator Changes
  - \* Medicare specific billing rules
  - \* Identify changes that CMS will publish instructions



# How do we Implement?

- \* Develop a plan
  - \* Meet with Clinical Department Leadership
  - \* Define Training plan for end-users
  - \* Determine which codes are necessary
  - \* Identify computer systems needing updated
  - \* Develop communication for Revenue Cycle Team
  - \* Define audit strategy for January

# How do we Implement?

- \* The Updates necessary:
  - \* Charge Records
  - \* Charge Capture tools
  - \* Orders (paper/electronic)
  - \* Prices
  - \* Coworkers

# How to Audit Compliance



- \* Validate Price Increases against pricing model
- \* Run diagnostic chargemaster reports
  - \* Appropriate CPT and Revenue code combinations
  - \* Pricing greater than Medicare reimbursement
  - \* Validate correct code usage
- \* Auditing charge usage
  - \* Compliant Chargemaster ≠ Accurate Charge Capture
  - \* Identifying missed or inaccurate charges
  - \* Review for correct charge capture
  - \* Reporting to clinical area when charges are not accurate





Questions?

# Contact Information

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