

From Charge Master to Charge Capture Northern California HFMA – Spring Conference April 30, 2009

Lorelei Mulanax, RN, BSN, MHA, Director -
Internal Audit & Compliance,
Salinas Valley Health System
Candi McNew, RN, CPC, CPC-H, Manager,
Health Care Consulting Group,
Moss Adams LLP

Topics for Today

- What is a 'Charge Description Master' (CDM) and it's components?
- How are CDMs built and maintained?
- What constitutes CDM accuracy?
- Charge capture fundamentals
- Management challenges
- Impact
- Summary



What is a CDM?



Hard copy and/or electronic listing of specific coding, pricing, descriptive and other information used to charge the patient and/or insurer for each hospital charge item, as a covered or non-covered service.



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CDM Components



- Charge item (or billing) numbers
- Descriptions
- Prices
- Department codes
- General ledger codes
- Revenue codes
- HCPCS/CPT codes
- Modifier codes
- Other indicators (i.e. statistics, variable charge, exploding)
- Effective dates

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How CDMs Are Built and Maintained



- A department at a time
- Current CDM - in place 'forever'
- New, revised and deleted charge items
- Changes required by government or insurer regulations
- Department management input
- CDM management
- Audit



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What Constitutes CDM Accuracy?



- Charge item descriptions reflect service rendered and are understandable to the user
- CPT/HCPCS codes reflect service rendered
- Minimal 'unlisted codes'
- Revenue codes are correct for service listed
- Medicare regulations
- Pricing



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Charge Descriptions Should be Simplified



Examples of how current descriptions can be changed to “patient friendly” descriptions:

Ther/Proph/Diag IV Inf Int	IV Infusion Initial Hour
Elctrd EKG	EKG Electrode
Inc/Rem FB SubQ-Simple	Remove Foreign Body-Skin
Repr S-ficial 30cm	Repair Wound 30 CM
OPV	Oral Polio Vaccine

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Management Challenges



- Common language
- Access
- Bridging financial and clinical
- Trust
- Latitude, authority & control points
- Bottlenecks vs. ‘spin on a dime’
- Reviews and testing



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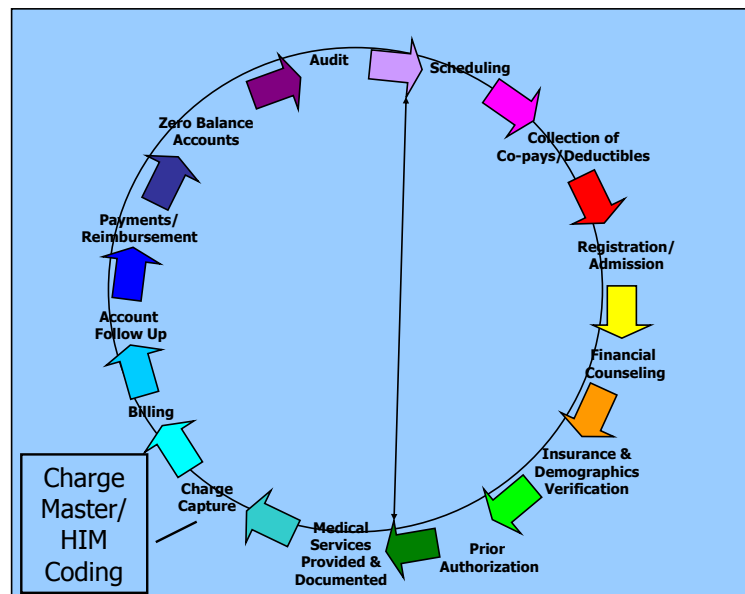
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What is a Charge Capture Review?

An assessment of how hospital services are charged and billed.



Charge Capture Process



Charge Capture Fundamentals



- Patient Access
- Documentation
- Charging
 - Order entry
 - Charge tickets
- Coding
 - CDM
 - HIM/medical records
- Billing



Impact Resulting from Ineffective Charge Capture Process



- Communication
- Information systems
- Documentation



Do Opportunities for Revenue Improvement Exist?



- Do opportunities exist due to CDM accuracy?
 - Some. But that's not where it's at for most hospitals.
- Where are additional revenue opportunities?
 - Charge capture review
 - Revenue cycle review
 - Adding or increasing profitable services
 - Pricing



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Summary



- CDM accuracy - more than just codes
- Common language and ineffective processes affect charge capture
- Opportunities exist beyond perfect CDM
- Charge capture reviews are essential

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Thank You for Being With Us Today!



Questions?

Lorelei Mulanax
831-759-1834

lmulanax@svmh.com

Candi McNew
480-366-8335

candi.mcnew@mossadams.com