Charge Master
&
Charge Management Risk

What Compliance Professionals Need to Know

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Today's Topics

1. Charge Management
2. Charge Data Auditing & Monitoring
3. CDM Compliance Risk
Charge Management

A House-Wide Effort

Charge Management Overview

- Chargemaster data basics & complexities
- Charge data risk
- Charge management challenges
- Software & consulting assistance
Chargemaster Data Basics & Complexities of Today’s HIS Systems

Charge Data Risk

- Large volume of data elements / high risk of errors
- Dynamic masterfile - continued updates required
- Complex rules
- Interrelated data & actions not always known
- Technical/clinical specificity not always evident
- Challenges with I.T. functions or vendors
- Corporate decisions often impact CDM data
Charge Management Challenges

- Lack of leadership
- Time requirements & other priorities
- Lack of controls
- Uninvolved Department Management
- Decentralized resources & education
- Inconsistent CDM update strategies
- Organizational initiatives may interfere with processes

Software & Consulting

- Needs Assessment
- Benefits/Use
- Auditing & Monitoring functions
- Resources & Education
- Process Support
- Collaboration Improvement
Audit Considerations

- Defining appropriate scope & selection process
- Internal audits vs consulting engagements
- Varied service/software options for audits
- Health System team involvement
- Verification, Implementation & quality assurance
- Compliance’s role
Charge Data Monitoring

- Monitoring after audits or yearly updates
- Ensuring accuracy of ad hoc CDM updates & quarterly changes
- Screening, reviewing & acting on regulatory/payment system updates
- Verifying accurate charge capture
- Performing file synchronization checks as needed
- Identifying department-specific charge processes & methods
- Tracking focus of OIG, RAC, CERT and other audits
- Proactively addressing Charge Management actions & plans

CDM Compliance Risk

Understanding Hospital Exposure
Charge Management Red Flags

1. Uncontrolled chargemaster changes
2. Lack of staff knowledge or involvement
3. Missed data/payment system updates
4. Infrequent monitoring or auditing

CDM Compliance Risks

- Data maintenance gaps or mistakes
- Errors in masterfiles
- Charge protocol /structure errors
- Charge capture errors
- Charge-related coding or billing challenges
- Incorrect reimbursement or patient charges
- Failure to correct errors & disclose overpayments
- CMS “Price Transparency” implications
Charge Transparency
Overview of the mandate & industry actions

CMS Requirements
- Publication mandate effective 01/01/19
- Existing ACA mandates
- Distinct from state requirements
…Each hospital operating within the United States shall for each year establish (and update) and make public …a list of the hospital’s standard charges for items and services provided by the hospital, including for diagnosis-related groups established under section 1886(d)(4) of the Social Security Act.…

Source: Affordable Care Act – Title I. SEC. 2718.

“…”

…require hospitals to make available a list of their current standard charges via the Internet in a machine-readable format and to update this information at least annually, or more often as appropriate. This could be in the form of the chargemaster itself or another form of the hospital’s choice, as long as the information is in machine-readable format…

Source: Section X. CMS 2019 IPPS Final Rule

“…”
2018 Industry Questions

- Which business entity files do we include?
- What data elements and what file format?
- Are there clarifications on public access?
- What about other applications or systems?
- What about overrides?
- When do we have to update the public version?
- Are rate controls next?

Where we are today

- Hospital Challenges
- Survey Results
- Increased Focus/Concerns
Hospital Commitments
- Ensuring a compliant “public view” price list
- Assuring ongoing charge data accuracy
- Migrating towards cost-based charges
- Curating a positive public image re: charges
- Providing appropriate communications

Planning Ahead
- 2019 Actions & Plans for 2020
- Identify Gaps or Risks
- Expand Charge Management Controls
- Stay Proactive
CDM Compliance
Quick Evaluation & Action Plan

CDM Management Evaluation

<table>
<thead>
<tr>
<th>Questions</th>
<th>Rating</th>
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<tbody>
<tr>
<td>1. How would you rank the organization’s CDM Management?</td>
<td>1-10</td>
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<td>2. Are priority or time-sensitive CDM updates completed accurately and on time?</td>
<td>Always / Usually / Sometimes / Never</td>
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<td>3. Does the CDM Coordinator have the resources needed to perform effectively?</td>
<td>Yes / No, gap identified in resources needed</td>
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<td>4. Is sufficient investment budgeted for change data auditing, monitoring and audits?</td>
<td>Yes / No, gap identified in budget needs</td>
</tr>
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<td>5. Why do most claims or charge capture errors occur?</td>
<td>Yes / No, gap identified in root cause analysis</td>
</tr>
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<td>6. Do all charge capture staff fully understand data flow, procedures, and information systems processes related to charges?</td>
<td>Yes / No, gap identified in understanding</td>
</tr>
<tr>
<td>7. Has staff turnover caused any gaps in charge data integrity?</td>
<td>Yes / No, gap identified in turnover issues</td>
</tr>
<tr>
<td>8. Has the organization identified all operational priorities related to charge data?</td>
<td>Yes / No, gap identified in operational priorities</td>
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### CDM Compliance Action Plan

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<tr>
<th>Task</th>
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<tr>
<td>Evaluate Success of Plan &amp; Create Long Term Strategy</td>
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<tr>
<td>Assess Staff Knowledge &amp; Schedule Needed Education</td>
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<tr>
<td>Identify Systems Overrides, Edits, Coding &amp; Biller Actions</td>
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<td>Evaluate Pricing for Anomalies</td>
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<td>Evaluate Charge Master Software Use</td>
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<tr>
<td>Conduct an Inventory of CDM Resources</td>
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<tr>
<td>Confirm Coding / Claims Risk &amp; Develop Monitoring Plan</td>
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<td>Plan Audit of all Charging Files (CDM, RX, etc.)</td>
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<tr>
<td>Assess Public View CDM</td>
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<tr>
<td>Evaluate Success of Plan &amp; Create Long Term Strategy</td>
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<tr>
<td>Formulate Your Charge Management Compliance Plan</td>
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### Questions?

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Our mission: Helping hospitals achieve and maintain optimal charge management success.