

TOP 10 CHARGEMASTER SUCCESS FUNDAMENTALS

1. Make the chargemaster an administrative priority

Administration must ensure that all revenue cycle participants understand the role of the chargemaster and its importance to the financial stability of the hospital. To succeed, a chargemaster review process must be completed in departmental chunks. It is impossible to fix it all at the same time. **Administrative support and empowerment allow the hospital to hit the chargemaster reset button.**

2. Ensure departmental accountability and ownership

Administration must ensure that every department, using revenue cycle teams, takes accountability for and ownership of their departmental chargemaster. A chargemaster process must center around the people who provide the service. It is impossible to ensure quality, customer service and result without departmental control.

3. Set up consistent, controlled system generation pathways for chargemaster files

Administration must ensure that the system can generate a consistent chargemaster file upon demand. The system file must be the result of proper vetting and quality control. The file should be easily downloaded into Excel or TXT formats, and focus should be placed on understanding the contents of columns and applying appropriate labels. Staff should develop and maintain good relationships with system architects and analysts. Finally, all downloads should be saved and archived for future review where applicable.

4. Incorporate chargemaster review into every revenue cycle team meeting

Every revenue cycle meeting should be agenda-driven. Every agenda should include 10 minutes to discuss chargemaster updates, deletions and issues. Use these departmental revenue cycle reports to examine the efficacy of the chargemaster:

- ✓ Are charge descriptions in the reports easily understood?
- ✓ Would a patient understand?

Use denial management results to review the chargemaster foundation to ensure it is leveraging success rather than contributing to denied claims or diminished returns.

5. Improve pricing fundamentals

Every hospital must have a set of policies and procedures that governs the administration of a pricing methodology. The pricing methodology must be patient-centric and defensible. Reality is that the majority of hospitals do not have a written policy. The pricing policy is passed on verbally over time, and is often based on the beliefs, practices and resources of the staff responsible. Very few people, including administrative leadership, fully understand the how and why behind their pricing policy. Take steps to resolve these issues and make pricing a competitive advantage rather than an operational weakness.

6. Establish a regimented, controlled review process

A successful, high-quality chargemaster is not an accident. It is the result of constant, informed review. Establish formal policies and procedures to govern the implementation and modification of the chargemaster. Departments must constantly review their chargemaster through formal, informal and accidental opportunities, such as:

- ✓ **Formal** chargemaster review engagements with outside experts
- ✓ **Informal** chargemaster reviews through revenue cycle reports and team conversation
- ✓ **Accidental** chargemaster reviews through activities such as claim review, denial management and customer complaints

7. Schedule regular reviews

The chargemaster will only be as good as the attention and focus that are paid to it. A comprehensive, outside review should be done at a minimum every 3 – 5 years. Full internal reviews should take place on an annual basis. Departments should review their full chargemaster on a quarterly basis. Successful reviews depend on:

- a. Systematic, controlled review guidelines
- b. Report expectations
- c. An expectation for action
- d. Revenue cycle team participation
- e. Tracking, trending and scoring

8. Obtain proper training and educational resources

Administration, in conjunction with departmental leadership, must obtain the proper education and reference tools to enable success. Reference tools include industry books and webinars, and educational resources include the opportunity to attend seminars, workshops, process training and project management. Most hospitals do not sufficiently invest the resources or time necessary for proper training and education.

9. Improve claim submission through the implementation of a high quality, customer-focused chargemaster

The goal of your revenue cycle is to handle each claim opportunity with the highest quality standards. High quality standards ensure clean claim submission, and clean claim submission lowers cost, decreases reimbursement delays, and ensures representative reimbursement. The chargemaster is the foundational control that governs the clean submission of claims. Every interruption to claim submission that is caused by your chargemaster is preventable and must be avoided. Likewise, chargemaster issues are often resolved outside the chargemaster and result in revenue, reimbursement and compliance concerns.

10. Review, audit, repeat

A best class, quality-focused chargemaster is based on the informed actions of revenue cycle participants. Informed participants gain insight through constant review. The only way to improve is to understand where you've come from and to learn from those experiences. The expectation of review and audit must be ingrained in the process. The chargemaster is a living, breathing, ever-changing entity that requires attention, focus and maintenance. Review and audit processes provide the intelligence and experience to maintain and improve results.