Webinar C

How to Use the CDM to Increase Accountability

May 24, 2019



Webinar A

Findings from the Field: Most Common CDM Errors

Webinar B

Impact of Pricing Levels and Strategies on Net Revenue

Thursday, May 16th at 12:00 PM (EST)

Webinar C

How to Use the CDM to Increase Accountability

Friday, May 24th at 1:00 PM (EST)

PRICING DASHBOARD PRICE CHECK REPORT EXPORT Filter by Department and/or Revenue Code As of 1/1/2019 Show () Codes for Lab, Pharmacy and Supplies Department Revenue code Emergency Room (262) Not Specified w Refresh * Same CPT/HCPCS, Different Price **Below Medicare Fee Schedule Medicare Fee Schedule Factor** 9 62 262 Select Factor B A Different price is assigned Price assigned to CPT/A ode is below the he CPT/HCPCS 3% 24% Price assigned to CPT CS code is above the 100% CMS Fee Schedule code Fee Schedule factor specified **Missing CPT/HCPCS Codes** Invalid CPT/HCPCS Codes **Missing Descriptions** 10 13 E F CDM records where no PCS codes are CDM records where PCS codes are not CDM records where no a ons are listed 4% 0% 5% listed on AMA or CMS data files for valid CPT/HCPCS codes listed

Webinar B: Setting Prices from Benchmarks

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For evaluating the performance of individuals as well as departments

Metrics – Tied to performance evaluations
Budgets – Department manager ownership
Targets – How well do we need to perform?
Initiatives – Finishing projects with results



Who in the organization gets to make what decisions

Chargemaster – Setting policy and prices
Budgets – Department manager ownership
Staffing – Leaders pick their teams
Investments – Department capital planning

Levels of Accountability

Stroudwater



Budgets and Financial Statements



Full Accountability

• Departments control revenue and expenses

Mid Accountability

• Departments have influence on expenses and volumes

Low Accountability

• Departments have influence on expenses

No Accountability

• Departments have no input on budgets or financial performance

Chargemaster Big Picture Goals

Complete Accurate Broad Ownership and Greater **CFO Control** Current Transparent



Make the chargemaster an administrative priority

- Administration must ensure that all revenue cycle participants understand the role and importance of the chargemaster to the financial stability of the hospital
- To be successful, a chargemaster review process must be done in departmental chunks It is impossible to fix it all at the same time
- Success depends on:
 - Administrative support
 - Administrative guidelines and framework
 - Assignment of responsibilities
 - Demand for quality
 - Commitment to customer service

Administrative support and empowerment gives the hospital the ability to hit the chargemaster reset button





Ensure departmental accountability and ownership

- Administration must ensure that every department, through revenue cycle teams, take accountability for and ownership of their departmental chargemaster
- To be successful, 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
- Success depends on:
 - Departmental control
 - Consistent review, auditing and discussion
 - Assignment of responsibilities
 - Accountability
 - Commitment to customer service



- 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
- Pricing policy 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

Establish Expectations

- Develop an audit process
- Ask for feedback from the team
 - Production expectations
 - Quality expectations
 - Customer service expectations
 - Education and training opportunities
- Develop a comprehensive revenue cycle process
 - Create a mission for all teams
 - Ensure representative inclusion
 - Ensure proper participation



How to Stay Accountable

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How to Hold Leaders Accountable

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