# 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 16<sup>th</sup> at 12:00 PM (EST)

# Webinar C

How to Use the CDM to Increase Accountability

Friday, May 24<sup>th</sup> 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**

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 Refresh w \* Same CPT/HCPCS, Different Price **Below Medicare Fee Schedule Medicare Fee Schedule Factor** 9 62 lect Factor 🝷 262 Price assigned to Different price is assign le is below the 3% HCPCS 24% Price assigned to CPT above the 100% CMS Fee Schedule code Fee Schedule factor spec **Missing CPT/HCPCS Codes** Invalid CPT/HCPCS Codes **Missing Descriptions** 10 13 CDM records whe S codes are CDM records where C CDM records where no e listed 4% are not 0% 5% listed on AMA or CMS for valid CPT/HCPCS code listed

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