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 Allocate Decision Rights, Monitor Performance and Set Incentives

Friday, May 24th at 1:00 PM (EST)
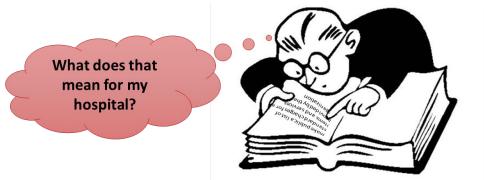
Why Talk About Pricing?

- Patients are becoming more educated on the impact of pricing and the perceived value of services

- Increased deductible and co-insurance are creating increased patient responsibility

- Increased patient responsibility creates anxiety throughout the revenue cycle. Patients demand correct and concise answers based on their individual situation

- The majority of hospitals have difficulty meeting these demands and expectations

- Pricing should be utilized as a competitive weapon rather than a competitive disadvantage

Pricing Transparency

- Per the 2019 Inpatient Prospective Payment System Final Rule, effective 1/1/2019 CMS will require hospitals to "make public a list of standard charges for all items and services provided by the organization" in an effort to promote pricing transparency

- Applies to all hospitals operating within the United States

How CDM Issues can Impact Revenue

- Many providers struggle to explain or understand the methodology used to establish pricing

- This lack of clarity and consistency prohibits best class customer service

- Additionally, "lesser of" language in payor contracts provide risks of underpayments where fees are not routinely evaluated

- A patient-centric, defensible pricing methodology is an absolute requirement for appropriate reimbursement, representative budgets and best class customer service

Defensible Pricing: Why?

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- Implementation of a controlled pricing methodology will contribute increased gross revenue, improved customer service and more consistent account adjudication

- A recent pricing review of 4 large critical access hospitals illustrated unexpected results to the C-Suite

- In total, 57 departments, with CPT assignment, were reviewed across the four hospitals

- Of the 57 departments reviewed:

    - 32 departments, or 56.34%, included codes with prices set lower than Medicare reimbursement

    - An additional 16 departments, or 28.07%, included prices set lower than 2X Medicare reimbursement

    - 35 departments, or 61.40%, included prices that were set higher than 5X Medicare reimbursement
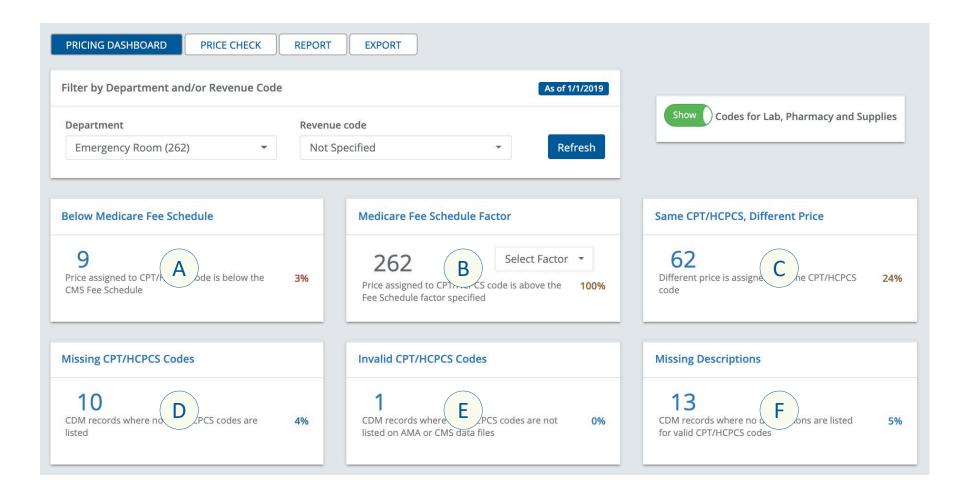
How CDM Issues can Impact Revenue

1. Evaluate baseline comparison fee structure

2. Incorporate multiple fee schedules into analysis where possible

3. Utilize department specific multipliers

4. Research individual CDM codes where the multiplier is identified as a significant outlier in comparison to the departmental average

5. Compare fees to commercial contracts

6. Incorporate charge code utilization into pricing analysis

7. Develop Policies and Procedures

8. Identify staff responsible for providing fees and quotes for patients

9. Create talking points for customer interaction

10. Review the chargemaster quarterly to ensure that the pricing methodology defined in the policy are implemented and maintained
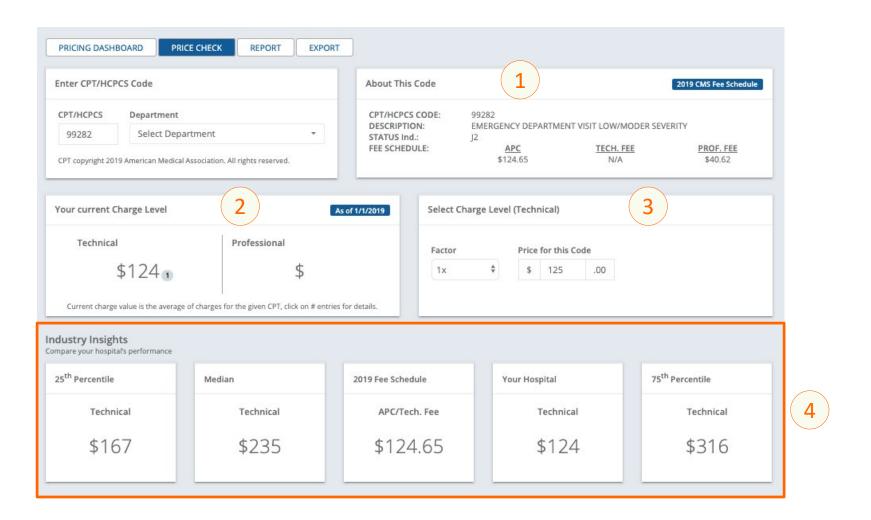
Quick Recap

Most Common CDM Errors

| PRICING DASHBOARD | PRICE CHECK | REPORT | EXPORT |

Filter by Department and/or Revenue Code   As of 1/1/2019

Department
Emergency Room (262)

Revenue code
Not Specified

Refresh

Show ● Codes for Lab, Pharmacy and Supplies

Below Medicare Fee Schedule

9   (A)
Price assigned to CPT/H...ode is below the   3%
CMS Fee Schedule

Medicare Fee Schedule Factor

262   (B)   Select Factor ▾
Price assigned to CPT/...CS code is above the   100%
Fee Schedule factor specified

Same CPT/HCPCS, Different Price

62   (C)
Different price is assigne...he CPT/HCPCS   24%
code

Missing CPT/HCPCS Codes

10   (D)
CDM records where no...PCS codes are   4%
listed

Invalid CPT/HCPCS Codes

1   (E)
CDM records where...PCS codes are not   0%
listed on AMA or CMS data files

Missing Descriptions

13   (F)
CDM records where no d...ions are listed   5%
for valid CPT/HCPCS codes

Setting Prices Using Data

Azar's Four Priorities

In an address to the Federation of American Hospitals on March 5th, Secretary Azar laid out his four priorities for value-based care transformation

Increase transparency. Azar stated that boosting transparency of services will help patients better shop for care, citing personal experience. He believes that Americans have the right to know what healthcare services and pharmaceuticals will cost.
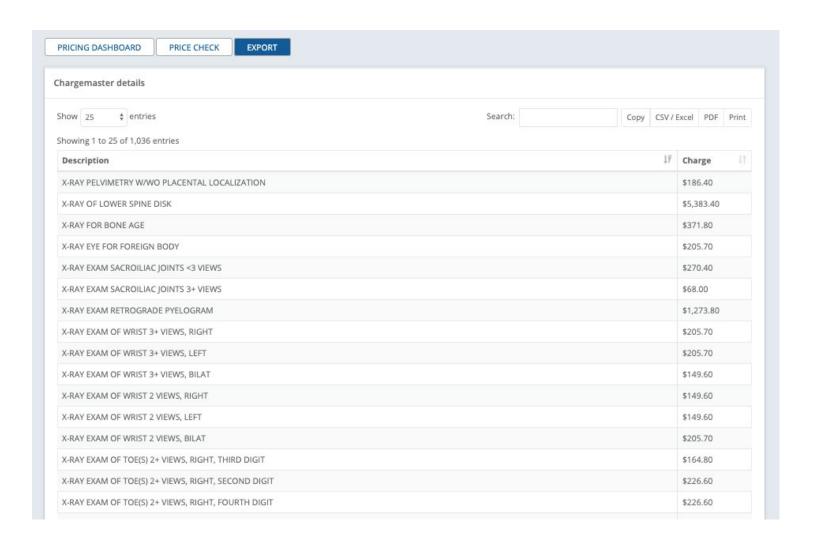
Give consumers control over their health information through improved HIT

Use of MACRA and CMS Innovation Center
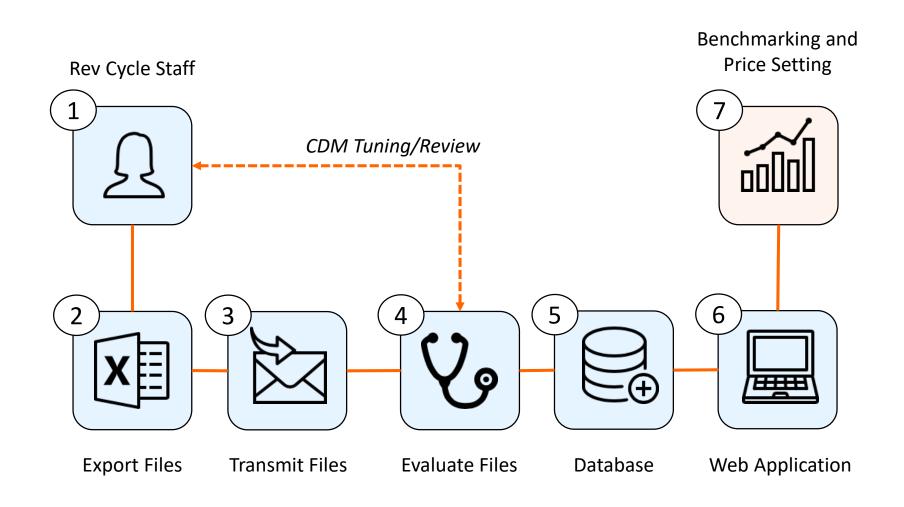
Reduce government burdens

Price Transparency

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How It All Works

Data Submission and Benchmarking

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Benchmarking and Price Setting

Rev Cycle Staff

1

7

CDM Tuning/Review

2 3 4 5 6

Export Files   Transmit Files   Evaluate Files   Database   Web Application

Contact

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