



Charge Description Master (CDM) Concepts: Basic to Advanced

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Agenda



- Charge Description Master (CDM) Defined
- Stakeholders of the CDM
- Uses for the CDM
- Data Elements
- Affects on Multiple Departments and Processes
- Example Data and Challenges
- Monitoring and Maintenance
- Sources of Revenue Loss and Delay with the CDM



What is the CDM?

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Definitions



The Charge Description Master (CDM) is primarily:

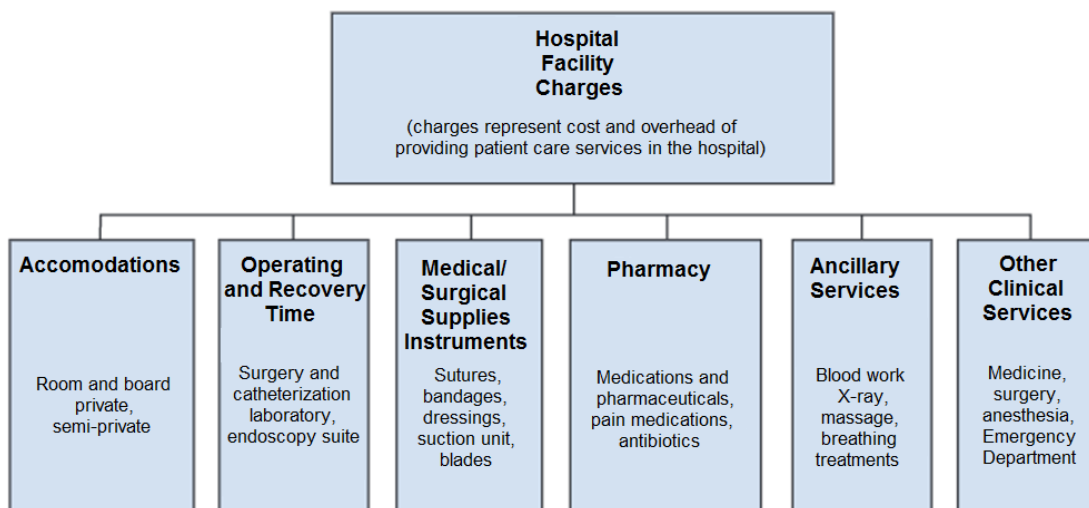
- a list of services/procedures,
- room accommodations,
- supplies,
- drugs/biologics, and/or
- radiopharmaceuticals

that may be billed to a patient registered as an inpatient or outpatient on a claim



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Definitions



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Stakeholders of the CDM

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Healthcare Providers



- Hospitals
 - Most departments within the organization rely on the CDM
 - Radiology, laboratory, therapy services, respiratory therapy, cardiology, inpatient room, outpatient services, ancillary, nursing, supply chain, pharmacy, etc.
 - Department Managers
 - Health Information Management
 - Patient Financial Services
 - Corporate Management

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Government & Commercial Payers



- Medicare
- Medicaid
- Veteran's Administrative Services
- Contracted payers – Humana/Aetna, BCBS, UHC, etc.
- County and State payer programs for charity care and prisoner reimbursement
- Regulatory agencies



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Consumers



- Business partners for invoicing
- Patients
 - Claims data and patient billing information
 - This information can be disseminated to the public in the form of complaints related to care and pricing which at the least can create:
 - Negative public media perceptions
 - Unmerited critique and investigative reporting
 - Regulatory investigations and possible lawsuits



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Uses of the CDM

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Uses of the CDM



The CDM is utilized for multiple purposes:

- Charge generation in billing insurance and patients for services, supplies, and drugs provided during their visit
- Statistical reporting
- Productivity monitoring

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Uses of the CDM



The CDM is utilized for multiple purposes:

- Decision support functions
- Service orders
- Fee analysis for budgets by department and hospital-wide
- Service line development

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Data Elements

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Data Elements

The main components of the CDM are:

- Service item master (SIM) or finance item master (FIM) codes
- General ledger (GL) numbers
- Department numbers
- Revenue codes (RC)
- Charge or fee amounts
- CPT/HCPCS codes
- Modifiers
- Line item descriptions

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Data Elements



Other components of the CDM commonly embedded:

- Relative Value Units (RVUs) for labor and budgeting
- Payer-specific CPT/HCPCS codes, pricing, and modifiers
- Reimbursement and adjustment codes
- Revenue and usage statistics
- Private pay services
- Miscellaneous

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Example of Data Elements



Dept	Departmen...	Charge Code	Description	Price	RevCode	Medicare c...	All Other P...	TOTAL YT...	OP YTD QTY	Variance
1260	DETAILED ...	00400550	LIDOCAINE HCL ...	\$0.00	0636	J2001	J2001	0	0	-\$3.28
1260	DETAILED ...	00403250	ALTEPLASE 2M...	\$0.00	0636	J2997	J2997	0	0	-\$164.31
1260	DETAILED ...	00405100	HEPARIN-0.45%...	\$0.00	0636	J1644	J1644	0	0	-\$8.92
1257	DRUGS	00410260	MORPHINE SUL...	\$0.00	0636	J2270	J2270	0	0	-\$50.26
1257	DRUGS	00411140	HYDROMOR 4M...	\$0.00	0636	J1170	J1170	0	0	-\$45.55
1257	DRUGS	00411270	HYDROMOR 4M...	\$0.00	0636	J1170	J1170	0	0	-\$45.55
1257	DRUGS	00411550	HYDROMOR 20...	\$0.00	0636	J1170	J1170	0	0	-\$45.55
1260	DETAILED ...	00412233	HYDROMORPH...	\$0.00	0636	J1170	J1170	21	15	-\$45.55
1260	DETAILED ...	00423740	HEPARIN LOCK ...	\$0.00	0636	J1642	J1642	0	0	-\$1.02
1260	DETAILED ...	00428610	RON SUCROSE ...	\$0.00	0636	J1756	J1756	0	0	-\$2.83
1260	DETAILED ...	00428811	FERRIC HYDR S...	\$0.00	0636	J1756	J1756	0	0	-\$2.83
1260	DETAILED ...	00429959	MAGNESIUM SU...	\$0.00	0636	J3475	J3475	0	0	-\$11.27
1260	DETAILED ...	00430440	DEXAMETH INJ ...	\$0.00	0636	J1100	J1100	0	0	-\$10.39
1260	DETAILED ...	00430570	HEPARIN FL INJ ...	\$0.00	0636	J1642	J1642	0	0	-\$1.02
1260	DETAILED ...	00436200	HEPARIN FLUSH...	\$0.00	0636	J1642	J1642	0	0	-\$1.02
1260	DETAILED ...	00436640	VANCOMYCIN 1...	\$0.00	0636	J3370	J3370	0	0	-\$58.87
1260	DETAILED ...	00438180	ENOXAPARN IN...	\$0.00	0250	J1650	J1650	0	0	-\$55.44
1260	DETAILED ...	00438940	HEPARIN SOD S...	\$0.00	0636	J1644	J1644	0	0	-\$8.92
1260	DETAILED ...	00441070	VANCOMYCIN 5...	\$0.00	0636	J3370	J3370	0	0	-\$58.87
1257	DRUGS	00441830	ERTAPENEM 1G...	\$0.00	0636	J1335	J1335	24	15	-\$139.40
1260	DETAILED ...	00443340	LEVOFLOXACIN...	\$0.00	0636	J1956	J1956	3	0	-\$193.20

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Impact on Departments and Processes

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Impact on Departments & Processes

- Outdated information
- Inaccurate reimbursement – under, over
- Inaccurate service descriptions
- Increased claims rejections
- Delayed reimbursement
- Missing charges
- Greater payer scrutiny for audits, fines, and correction action

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Impact on Departments & Processes



- Inability to model payer contracts
- Inability to provide meaningful statistics /benchmarking
- Duplicative work efforts in corrective actions
- Compliance issues related to improper billing
- Patient and community perception

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Example Data and Challenges

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Example Data and Challenges



Revenue Code	Revenue Category
250-259	Pharmacy
260-269	IV
270-279	Supplies
280-289	Oncology
299-299	DME Equip
300-319	Lab
320-329	Diagnostic Radiology
330-339	Therapeutic Radiology/ Chemo
340-340	Nuclear Medicine
341-349	Nuclear Medicine/ Radiopharmaceuticals
350-359	CT Scan

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Example Data and Challenges



Correct revenue code assignment assures correct reimbursement from payers based upon location of service

	Hospital	Professional		
	Minor Surgery, Endoscopy Suite, ER	RHC / FQHC	Outpatient hospital, Endoscopy Suite	ER
Revenue Code	361, 750, 450	521,520	982	981
Medicare Reimbursement	\$611.73	\$437.22	\$244.98	\$244.98

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Example Data and Challenges



Levels and Minutes

- Anesthesia / Recovery
- Operating Room

Explosion Codes

- Laboratory Services
- Pharmacy
- Radiology

Fee Increases

- Supplies & Devices
- Pharmacy

High Price Items

- Radiopharmaceuticals
- Brachytherapy
- Implants

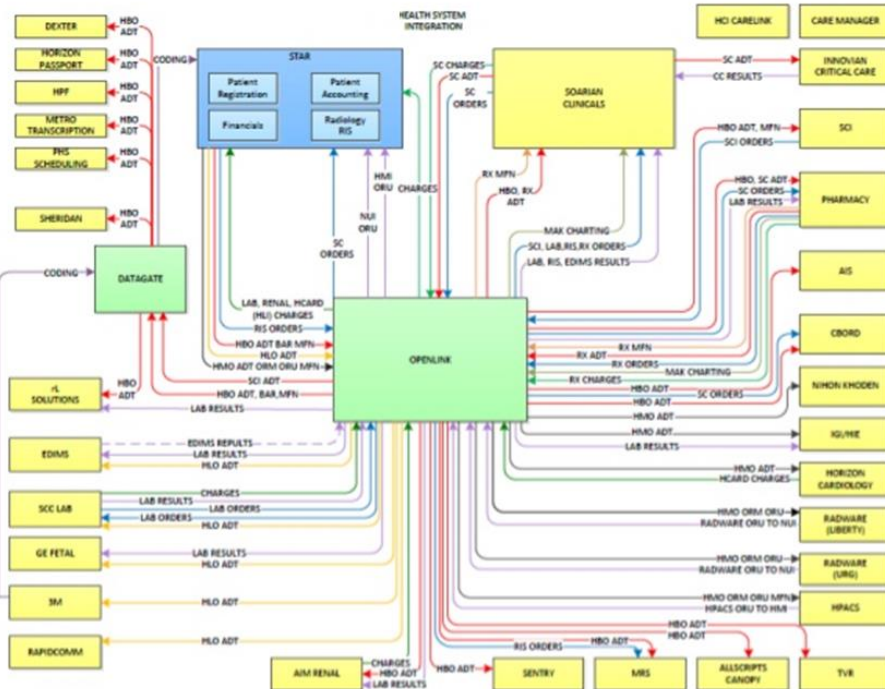
Infusion Therapy

- Time-based
- Documentation issues

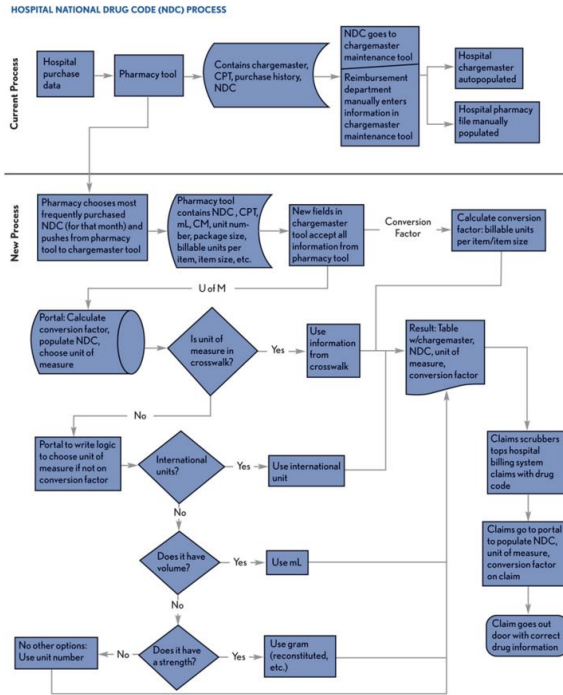
Chemotherapy

- Time-based
- Documentation issues

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Monitoring and Maintenance

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Monitoring and Maintenance



Because there are so many moving parts to the revenue cycle process it must be frequently reviewed.

- Ad-hoc
- Monthly
- Quarterly
- Fiscal Year
- Annual code updates



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Monitoring and Maintenance



Daily and Weekly Priorities

- Ad-hoc department or service specific additions, deletions, and change updates
- Review the revenue code to CPT/HCPCS code relationships by department for any updated line items
- Fee schedule changes with pricing and units of service
- System mapping for various interacting software interfaces

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Monitoring and Maintenance



Monthly Priorities

- Reconciliation reports to verify changes are active and reported correctly to payers both electronically and via paper
- Distribution of usage reports to department managers
- Review the revenue code to CPT/HCPCS code relationships by department for any updated line items

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Monitoring and Maintenance



Quarterly Priorities

- Evaluate need for any new CPT/HCPCS code additions to the CDM
- Evaluate the units of service being billed for services, procedures, and pharmaceutical items and review with clinicians for updates
- Review code combinations within the CDM for proper billing based upon CPT-4, HCPCS, and Medicare OPPS guidelines

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Monitoring and Maintenance



Annual Priorities

- CPT-4 and HCPCS code updates by department
- Schedule department manager and clinician meetings for update interviews
- Review all zero (0) volume line items for deactivation
- Update pricing per guidance by CFO, department manager, etc.
- Review pricing consistency across hospital departments

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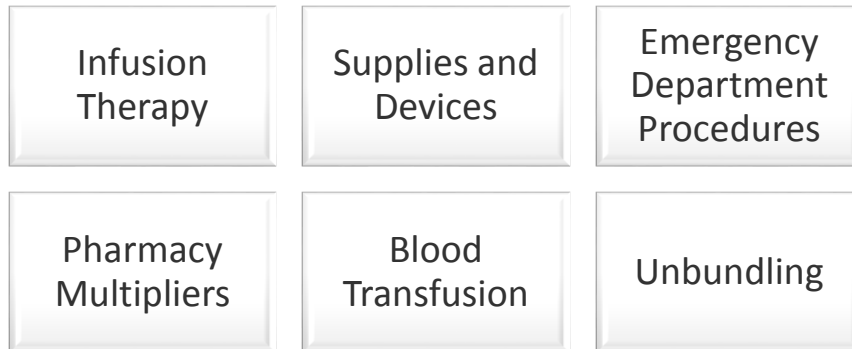
Source of Revenue Loss/Delay

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Source of Revenue Loss/Delay



Problem areas can vary by hospital but for years there are consistent patterns of repetitive errors



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Source of Revenue Loss/Delay



Unbundling Issue: A provider was billing two separate CPT codes for MRI scans, one that represented the image without contrast (e.g. CPT-74150 abdomen scan) and one that represented the image with contrast (CPT-74160) rather than the appropriate combined “global” code (CPT-74170), which is an image without contrast followed by the introduction of additional images with contrast.

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Source of Revenue Loss/Delay



Findings:

- Through advanced data mining techniques, RAC auditors were able to identify multiple instances of unbundling.
- This was also applied to other types of MRI and CT scans where unbundling was taking place.

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Source of Revenue Loss/Delay



Financial Impact:

- Each unbundled claim represented an overpayment of approximately \$1,500. The total impact in one year was nearly \$750,000.

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Source of Revenue Loss/Delay



Solution:

- The payer was instructed to **set system flags** for potential CPT codes that might represent unbundling.
- **Flagged claims could then be reviewed** for potential overpayments.

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Source of Revenue Loss/Delay



Issue: CPT coding for Electrocardiographic (ECG) billing for monitoring longer than a 24 hour period requires that the bundled code be submitted, not the code for a single 24 hour period.

Findings: ECG services were being billed incorrectly due to the way CPT codes were entered in the provider's system. Per CPT Coding Rules, 93236 should only be billed once within a 30 day period. When this procedure is done multiple times within a 30 day period, typically Code 93271 should be used.

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Source of Revenue Loss/Delay



Issue:

- CPT coding for Electrocardiographic (ECG) billing for monitoring longer than a 24 hour period requires that the bundled code be submitted, not the code for a single 24 hour period.

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Source of Revenue Loss/Delay



Financial Impact:

- Each unbundled claim represented an overpayment of approximately \$1,500.
- The total impact in one year was nearly \$750,000.

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Source of Revenue Loss/Delay



Financial Impact:

- **RAC auditor found** that CPT Code 93236, for a single day occurrence, was submitted incorrectly by 16 different providers during a timeframe of approximately one year, resulting in over \$1.2 million in overpayments.

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Source of Revenue Loss/Delay



Solution:

- Provider was informed of the issue and instructed to **set system flags** for the correct usage of specific CPT codes to mitigate future errors.

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Questions?

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