Top reasons health system chargemasters don't perform as intended

A current and accurate chargemaster (CDM) is vital to your health system, not only to help enable proper reimbursement and compliance, but as a key indicator of revenue cycle performance. Without it, your organization runs the risk of missed charges and overcharges that can lead to claim denials and fines. The following list highlights common reasons your CDM may underperform and offers best practice solutions to achieve higher reimbursements, operational efficiency and regulatory compliance.

1 Charge codes with inaccurate descriptions

Valid codes are only half the answer to a best-in-class CDM. The other half is ensuring codes are correct, which can be an overwhelming task, given their number and always-changing nature. One approach is to use nThrive coding recommendations derived from its proprietary Preferred Practice Model of more than 390,000 line items covering all inpatient and outpatient clinical services, supply items, pharmacy, time charges and procedures. The tool combines proprietary pricing benchmarks, regulatory documentation and coding research into a single source and is updated at least weekly to reflect ongoing regulatory changes and new devices, drugs and procedures. Mapping to nThrive's Preferred Practice Model allows your health system to normalize your CDM to best practice content to achieve accurate and compliant billing and prevent lost revenue. This proven methodology can detect and correct miscoded issues by providing context when more specificity than what is provided by Current Procedural Terminology (CPT®) descriptions is needed. The clinically mapped model also ensures pricing benchmarks are relevant and simplifies your maintenance when new coding requirements or Centers for Medicare & Medicaid (CMS) bulletins are published.

2 Non-coded items

In a typical CDM, about 30 percent of items are coded and about 70 percent are not, which creates the potential for lost revenue. It is possible that some non-coded items should be coded, and we can provide coding recommendations for those items. To close the gap, your health system can tap sources such as nThrive clinical consultants, who review all active inpatient and outpatient charge items and use charge descriptions and supplemental information to build linkages to nThrive's Preferred Practice Model. nThrive can provide specific and actionable compliance information on all your CDM line items including non-coded charges, such as OR time and room charges, to promote accurate charging and reimbursement for the entire CDM. For non-coded items, nThrive's can standardize billing and technical descriptions across your organization and provide pricing benchmarks not available in public sources.

Your health system's financial viability depends on an accurate chargemaster. Address these **seven key areas** to improve your revenue cycle today.

3 No link between supply costs and the CDM

Most patient accounting systems (PAS) lack the ability to link the cost of supplies to the CDM, resulting in missed revenue opportunities. It's a known deficiency health systems have tolerated because creating one data source of truth is difficult. Disparate databases and operating silos, however, are not acceptable when every dollar counts. As an alternative to investing your own time and staff to connect the supply chain to the revenue cycle, your health system can leverage outside resources and expertise from firms such as nThrive. Our Cost-to-Charge Analytics for supplies links the item master to the CDM to: 1) enable all chargeable items being accounted for in the CDM and priced above cost, 2) support defensible pricing based on true cost rather than across-the-boards or percentiles, 3) reduce manual work by consolidating data from multiple sources and 4) maintain consistent pricing to meet your revenue goals.

4 Lack of mapping between pharmacy costs and the CDM

Your health system may be missing out on revenue due to missing or incorrect pharmacy codes and billing units. Many health systems are adapting crosswalk technologies specific to pharmacy to ensure correct descriptions and dosages in the CDM and formulary, pricing based on true charges and a defensible and consistent markup strategy. One way to achieve this is with nThrive Cost-to-Charge Analytics for pharmacy. This solution provides valuable visibility between pharmacy operations and your revenue cycle to manage changing pharmacy items and maintain correct CDM links.

5 Outdated pricing benchmarks

There is plenty of health care pricing data available publicly; the problem is that most of it is 12 to 18 months old. To establish a defensible pricing strategy, your health system is better served by accessing current, relevant data that enables custom comparison-to-market pricing results. This helps you quantify the revenue impact of pricing scenarios and establish your audit trail to substantiate pricing changes. A good solution is nThrive PriceMaster, which defines prices against nThrive proprietary national and custom benchmarks; CMS national, state and hospital benchmarks; cost and relative value unit (RVU) data and fee schedules. nThrive creates proprietary pricing benchmarks using current client data, which means new codes rolled out annually start showing up in the database within three to six months.

6 Manual processes and workflow

The CDM is a complex, dynamic part of your revenue cycle that must be continually tracked, updated and accessed by multiple health system departments. You know too well that manual processes are inefficient, error-prone and can lead to delayed or incorrect reimbursement, but you have the opportunity to improve performance through automation. nThrive Request Master customizes the workflow to mimic existing manual processes, allowing your staff to request changes and additions to the CDM, streamline approval and tracking processes, consolidate multiple CDM information sources, and track and audit requests status and change history. The tool is highly configurable with flexible security to meet your needs and deliver improved efficiency and best practices for your health system.

7 Installing technology without data cleansing

"Garbage in, garbage out" rings true when it comes to the CDM. Proactive data cleansing before a CDM conversion is always recommended, but your health systems may not have the resources or time to do it yourself. A reputable firm such as nThrive can provide expert consultants to conduct a CDM Compliance Review to determine whether your descriptions are accurate, codes are appropriate and data integrity is maintained. A thorough review includes the CDM as well as supply and pharmacy data.

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