



Defending your Chargemaster

nThrive Speakers Bureau // Sample Presentation

Participant Objectives

- **Understand the role** the CDM plays in the Hospital Revenue Cycle
- **Identify risk areas** and develop a plan to proactively defend your CDM structure and negotiate payer contracts
- **Understand your payer** contracts and how net revenue is impacted
- **Identify key elements** of an Internal Audit and Monitoring program to ensure a compliant CDM with accurate and complete charge capture

Transparency



- ✓ Accurate codes
- ✓ Updated costs
- ✓ Consistent application of mark-up formulas
- ✓ Protocols defining:
 - Room and board
 - Routine nursing care
 - Bedside procedures, infusion and injection charge capture
 - Routine supplies, equipment and reusable supplies
 - Tiered charges (e.g., surgery levels, E&M, L&D)

“By law, Medicare’s payments approximate a hospital’s cost of providing a service, including overhead, equipment and salaries.”

Bitter Pill: Why Medical Bills Are Killing Us | TIME

2019 IPPS Final Rule: Price Transparency

- Effective 1/1/19, providers are required to publish “standard charges” on the internet in a machine-readable format and update the information at least annually
- Regulation is vague regarding specific format and content
 - Each provider must decide how to present the information
 - Must include current CDM prices for all items and services provided by hospital
 - “This could be in the form of the chargemaster itself or another form of the hospital’s choice, as long as the information is in machine readable format.”
 - Federal Register Vol. 83, No. 160, Section X, Page 543
- There has been backlash from hospitals since CDM pricing has little to do with out of pocket cost to patients
- CMS considering future measures to increase out of pocket price transparency for patients

Price Transparency Next Steps



Questions to ask:

- Is your CDM compliant with the January 1st requirement?
- Can you defend the structure of your CDM and pricing strategy?
- Is your overall pricing strategy competitive within your local market?
- Do your patients receive accurate estimates for the cost of their care?
- What is the potential impact to cash and patient satisfaction now that your prices are published?

CMS acknowledged concern that providing patients with just the list prices for medical services could have limited usefulness, and said “We still believe it’s an important first step, and there’s no reason hospitals can’t do more.”

Seema Verma, Centers for Medicare and Medicaid Services Administrator, Fierce Healthcare Article, January 11, 2019

Market Competition and Pricing Transparency

- Price transparency leads to more informed consumers
- Patients are becoming increasingly price sensitive when making health care decisions
- Options for comparing costs will only increase going forward
- Who are you competing with for business?
 - Other hospitals, ASCs, urgent care providers, imaging centers?
- What are your competitors charging?
 - Review CMS public price data
 - Purchase current market benchmark data
 - Review newly available chargemaster data on hospital websites



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