

**VCU** Health System
VIRGINIA COMMONWEALTH UNIVERSITY

Charges for Health System Services and Supplies

VCUHS Policy

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General Description

Purpose: To ensure patients are appropriately charged for all services and/or supplies provided by the VCU Health System at prices established by Fiscal Services in conjunction with clinical departments and research functions.

Responsibility: Financial Services
Clinical Departments
Hospital Charge Services
Hospital Patient Accounting
Physician Business Office

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Policy

- A. Regardless of the charge capture mechanism, clinical departments are responsible for ensuring, through a reconciliation process, that all services rendered and/or supplies used are charged.
- B. All charges for services rendered or supplies used must be entered no later than the end of the next business day following patient care or research encounter.
- C. All charges are entered into the designated charge entry system regardless of the possibility of future adjustment.
- D. VCU Health System utilizes a variety of clinical and business systems and many charges are automatically generated from clinical documentation, orders or results.
- E. Some charges are entered directly to Cerner, PatientKeeper, GE/IDX or other systems approved by Finance for charge capture.

- F. All prices for research related procedures, services and supplies are derived from the research charge master.

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Procedure Overview

1. Price Setting
2. Charge Capture
3. Charge Reconciliation
4. Charge Creation
5. Clinical Depts or Providers wishing to adjust a charge

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Procedures

1. Price Setting
 - 1.1 Charges represent services rendered and/or supplies used and will be defensible.
 - 1.2 All prices are approved by the appropriate governing body.
 - 1.3 Price mark-ups established by Finance in conjunction with clinical departments.
 - 1.4 Prices are reviewed minimally on an annual basis.
 - 1.5 List prices for services and supplies with the same CPT4 code will not vary irrespective of payer source.
 - 1.6 All prices for research related procedures, services and supplies are derived from the research charge master.
 - 1.7 Prices are established based on cost plus mark-up factors, Medicare fee schedules plus mark-up factors, and/or other methodologies accepted within the industry.
 - 1.8 The clinical department must submit their procedures for charge posting and reconciliation for approval.
2. Charge Capture
 - 2.1 All services rendered and supplies used are appropriately charged and applied to the patient visit or research encounter for which the treatment was provided.
 - 2.2 Charges are applied using the correct unit of measure, quantity, and accounting unit of the department that provided the service.

2.3 Post charges no later than 1 business day from service date.

2.4 Clinical departments working in conjunction with Finance, develop charge capture procedures appropriate for each accounting unit.

3. Charge Reconciliation

3.1 Clinical departments are responsible for reconciling charge posting to service logs or clinical documentation.

Complete charge reconciliation procedures no later than 1 business day from the charge posting.

3.2 Report major discrepancies that might indicate a real or potential loss of revenue within 15 days to Hospital Charge Services, Physician Business Office, and the appropriate Vice President and the Budget Office concurrently.

1. Each department receives daily reports or has access to an on-line work list of patient charge activity from the previous service day. These lists are monitored by the clinical departments and reconciled to other patient volume records for the same day.
2. Monthly reports reflect month-to-date and year-to-date charge volume and corresponding revenue, they provide detail for revenue being posted in the General Ledger system.
3. Use monthly reports to assess the reasonableness of the revenue being recorded by the billing systems.

3.3 Financial Support Services monitors charge interface transactions to ensure they are posted to the billing system(s).

3.4 Clinical departments working in conjunction with Finance develop charge reconciliation procedures appropriate for each accounting unit.

4. Charge Creation

4.1 Hospital Services

1. Contact Hospital Charge Services when clinical departments are planning for new services and procedures.
2. The clinical department, Charge Services and Cost Accounting will work cooperatively to establish appropriately coded charges with defensible pricing that represents market value and cost plus markup.

4.2 Physician Services

1. Clinical departments coordinate with the Physician Business Office to establish charges for new services and/or supplies.
2. The business Office establishes prices based on the CMS rate plus the appropriate markup for the denoted CPT4 code.

5. Clinical Depts or Providers wishing to adjust a charge

5.1 Hospital Charge Adjustments

1. Submit a request with justification to the Director of Patient Accounting.
2. Approval by the Chief Financial Officer may be required based on dollar threshold set by Finance guidelines.
3. Adjustment of charge will be done if deemed appropriate.

5.2 Physician Charges Adjustments

1. Submit request with justification to the Director of Physician Billing.
2. Chief Financial Officer's approval may be required based on the dollar threshold set by Finance guidelines.
3. If deemed appropriate, the charge will be adjusted.

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Attachments

Where to call for help

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