Untangling the Charge Master / Coding Relationship for ICD-10: Bringing Charge Related Issues into Focus

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HRS
Agenda

- Introduction
- Objectives
- Chargemaster Basics
- ICD-10 and the Chargemaster
- The Charge Process
- The Challenges
- Services at Risk
- Preventive Measures
- Putting it all together
- Questions
Introduction

A changing environment!

ICD-10

- Effects
  - HIM coding
  - Clinical coding
  - Order entry and registration
  - Finance and virtually every other department

- More audits (RAC, ZPIC, Internal, other External)
- Cost cuts and/or > patient load (records to code)
- Increasingly complex reimbursement rules
ICD-10 will affect every aspect of the revenue cycle and require preventative measures to:

- Ensure accurate charges
  - Chargemaster and charge sheets
- Ensure accurate coding
  - Includes system updates and staff education
- Ensure claims are paid on time
- Ensure quality reporting derived from coded data is correct

**All while keeping operational costs in check**
Chargemaster Involvement

All charges for services and supplies whether inpatient or outpatient reside in the Chargemaster.

• Outpatient procedure codes are joined directly to charges via the Chargemaster.
• Inpatient procedure codes (ICD-10 PCS) have no direct connection to charges.
  o **One-to-many relationships may exist
• All charges must relate to a medically necessary service, supply, or coded procedure
Objectives

1) Understand the major components of a Chargemaster

2) Understand the Charging to Coding relationship

3) Understand the consequences of mismatches between ICD procedure codes assigned by HIM and charges assigned from the CDM (often called charging)
The Chargemaster

The Chargemaster is an electronic list of all services, procedures and supplies charged to payors

- Multiple sub-systems often interface with the Chargemaster (relational database)
  - Examples include:
    - Radiology
    - Laboratory
    - Respiratory
    - Pharmacy
    - Supply system, billing system, etc.
The Chargemaster Continued

The Chargemaster supports several primary functions:

• Produces an itemized statement
• Contains charges that go to the inpatient claim
• Contains CPT codes, Revenue codes and descriptions used for outpatient billing
• Tracks financial and other statistics
• Can be used to monitor the cost of care for patients and other reporting data
### Chargemaster Contents

<table>
<thead>
<tr>
<th>Item Number</th>
<th>Unique, assigned to each item in the CDM</th>
</tr>
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<tbody>
<tr>
<td>Description</td>
<td>Technical description/billing descriptions</td>
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<tr>
<td>The Codes</td>
<td>CPT code assigned to each procedure</td>
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<tr>
<td></td>
<td>Revenue codes (dept or service specific)</td>
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<td>GL codes</td>
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<td>Charges/Prices</td>
<td>Price assigned to each chargeable item/service</td>
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<td>Other CDM elements/fields</td>
<td>Modifier, Active/Valid, Medicare volume, Statistical indicator</td>
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## Chargemaster Example

<table>
<thead>
<tr>
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</tbody>
</table>
ICD-Procedures and The Chargemaster

The indirect relationship.

- Where is the connection?

- **Procedures**
  - Procedures are coded using ICD-9/10 PCS
    » Procedure codes are assigned by HIM
  - Procedures are charged using the CDM
    » Charges are entered by ancillary staff through the CDM
    » Who enters or confirms the procedures?
      » Nursing Administration/Scheduling/Registration
      » Nurses and Technicians in the department
The Charge Process

On the inpatient side, ICD procedure coding assigned by HIM does NOT link to charges.
Charge Flow

**IP Price Flow**
- Procedure Performed
- Procedure documented
- Procedure entered/confirmed in the sub-system by clinical staff
- Sub-system interfaces with CDM
- Price from CDM added to rev code category. Billing to claim

**IP ICD Code Flow**
- Documentation sent to HIM for coding
- HIM Codes procedures using ICD codes
- ICD procedure codes assigned in coding system
- ICD procedure codes goes to inpatient claim

**OP Clinical Coding Flow**
- Procedure performed
- Procedure documented
- Procedure entered/confirmed in the sub-system by clinical staff
- Sub-system interfaces with CDM (Price, Desc and CPT Code added)
- CDM interfaces with billing system
- Billing interfaces with claim
The Challenge

Ensuring that inpatient charges match coded procedures including:

- Identifying charge entry omissions
- Enforcing consistency
- Educating staff by using examples
- Auditing
Services at Risk

Complex inpatient procedures.
- Combination and add-on procedures
- Multi-component procedures
- Services where the ICD-10 description is considerably different than the CPT description
Note

Multi-component surgical services performed in diagnostic imaging departments fall into the high risk category INCLUDING:

- Interventional radiology
- Cardiology

These services are often identified by one or more surgical component and one or more technical component.
Example 1

Cryotherapy of three warts on left hand and one wart on right hand.

- ICD-10 PCS codes (billing/coding system)
  - 0H5GXZD Destruction skin left hand MULTI
  - 0H5FXZZ Destruction skin right hand Single

- CPT Codes (prices in the CDM/Sub-system)
  - 17000 Destruction benign lesion, first
  - +17003 Destruction benign lesion, second -14, each \textbf{X2}
Example 2

AV angiogram and venous anastomosis PTA (for AV Graft Stenosis).

- CPT Codes
  - 36147 RT- Intro AV shunt/imaging
  - 35476 RT-Angioplasty venous anastomosis
  - 75978 RT-Imaging for PTA

- ICD-10 PCS Codes
  - B31H1ZZ - Imaging Upper Art fluoro upper extremity, Rt. with low osmolar contrast
  - 03QB3ZZ - Angioplasty Rt. radial art, percutaneous
  - 0XHD3YZ - Intro AV shunt/imaging
Example 3

Percutaneous transhepatic cholangiogram which reveals an obstruction of the common bile duct.

- CPT Codes
  - 47500- Injection for Percutaneous Transhepatic Cholangiogram
  - 74320,59 – Cholangiography, Percutaneous transhepatic, S&I
  - 47510 – Intro of Percu Transhep catheter for biliary drainage
  - 75980 – Percutaneous transhepatic biliary drainage with contrast monitoring, S&I

- ICD-10 Codes
  - BF101ZZ- Fluoroscopy of Bile Ducts using Low Osmolar Contrast
  - 0F9930Z- Drainage of Bile Duct, with Drainage Device, Percutaneous approach
<table>
<thead>
<tr>
<th>Additional Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased risks includes:</td>
</tr>
<tr>
<td>• Inaccurate and/or missed charges</td>
</tr>
<tr>
<td>• Inaccurate Cost-to-Charge Ratios</td>
</tr>
<tr>
<td>• Effects on future payment</td>
</tr>
<tr>
<td>• Effects on outlier payment</td>
</tr>
<tr>
<td>• Percentage of charges</td>
</tr>
<tr>
<td>• Other accounting inaccuracies</td>
</tr>
<tr>
<td>Preventative Measures</td>
</tr>
<tr>
<td>------------------------</td>
</tr>
<tr>
<td>• Perform chat-to-charge audits to ensure that charges match coded procedures where appropriate.</td>
</tr>
<tr>
<td>• Educate clinical staff who enter charges</td>
</tr>
<tr>
<td>• Provide examples of missed and/or incorrect charges</td>
</tr>
<tr>
<td>• Review the Chargemaster to ensure:</td>
</tr>
<tr>
<td>• Clean and updated to ensure charges go to the correct cost center</td>
</tr>
<tr>
<td>• Accurate descriptions, Prices, CPT and HCPCS codes (used for charging and outpatient coding)</td>
</tr>
<tr>
<td>• ICD-10 will likely magnify CDM errors that currently exist</td>
</tr>
</tbody>
</table>
Also, be prepared for:

- ICD-10 Readiness assessment to include:
  - Hospital-wide assessment, preparation plan and education, etc.
  - Anticipate the effects and challenges in your department
- The best defense is a good offence (pitch in)
- HIM coder education
- **Education and training beyond coding**
- Lots of internal auditing, improved efficiencies and additional FTEs
Putting it All Together

The big “disconnect”

• There is no direct link in the Chargemaster or financial accounting systems between the Charges and ICD procedure codes.
  
  o Find out what department is responsible for ensuring codes assigned by HIM match charges assigned by the CDM/order entry
  
  o Get to know the person in charge of reconciling charges at your facility and ask questions
  
  o Discuss potential charge issues with your charge master manager when opportunities arise
Questions

CONTACT HRS
800-329-0365
www.HRScoding.com