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| <b>Title:</b><br>CHARGEMASTER MAINTENANCE   | <b>Revision of:</b><br>NEW | <b>Effective Date:</b><br>08/31/04 |

**I. PURPOSE:**

The purpose of this policy is to establish guidelines for modifying and maintaining the Charge Description Master (CDM). Adherence to this policy will facilitate administrative simplification, billing accuracy and revenue capture.

**II. POLICY:**

It is NMH policy to produce and maintain a CDM that is accurate and in compliance with all state and federal regulations. The CDM will be maintained at this level through the collaborative efforts of Financial Planning and the department managers. Additional support will be provided by Patient Accounting (PA), Health Information Management (HIM) and Corporate Integrity. All parties will have access to the resources needed to uphold NMH policy. (See Resources Available).

**III. PROCEDURES:**

**A. Non-Research Charge Codes**

**1. Initiating a Non-Research Change to the CDM**

- i. Department managers must initiate CDM changes by completing a Charge Code Request form that is used for both additions and revisions. The Charge Code Request form and instructions are available on NM Connect under Departmental Pages\All Others\Finance\Cost Accounting\Charge Codes.
- ii. The completed form should be sent by e-mail to **CDM Coordinator** or **CDMCoord@nmh.org**. Financial Planning will assign a charge master coordinator responsible for all communication at this e-mail address.
- iii. Financial Planning will log the request and acknowledge receipt with a return e-mail to the manager within one business day. Financial Planning will review the submission and may request additional documentation from the manager if there is a known or potential regulatory concern.

**2. Review and Approval Process for a Non-Research Request**

- i. Financial Planning will determine the level of review and approval required before implementation.
- ii. Most requests will be reviewed and approved by the process disciplines (Financial Planning, PA and HIM) through electronic routing within 5 business days from the date of receipt by Financial Planning.
  1. PA will be responsible for final approval of the Uniform Billing Code (UBC).
  2. HIM will be responsible for final approval of the Current Procedural Terminology (CPT) or Healthcare Common Procedure Coding System (HCPCS) code.
- iii. If a request can't be resolved and approved through the normal review process the manager will be notified, informed of the issue and given an expected time frame for resolution.
- iv. All CDM changes will be reviewed retrospectively by the CDM Review Committee. The committee meets monthly and is comprised of the directors of Financial Planning, PA, HIM, Admitting, Case Management, Managed Care and Corporate Integrity.

**3. Implementation of the Approved Non-Research Request**

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- i. Financial Planning will send notification to Information Systems (IS) of the changes needed in the charge entry or electronic documentation systems (PowerChart, PRIMES, MIPES) or department sub-systems such as Pharmacy, RadNet or SunQuest. The standard IS turnaround time will be 5 business days after notification from Financial Planning.
- ii. Department managers will work with IS to complete the additional documentation requirements for RadNet if this system is utilized, make on-line screen revisions, and revise any manual vouchers so that they are in agreement with the requested changes.
- iii. Department managers must train their staff in the utilization of the new or revised charge codes.
- iv. Documentation of the completed implementation process must be provided to Financial Planning. The documentation should include a revised charge voucher or screen print of the charging system and written confirmation of staff training on the CDM changes.
- v. Upon receipt of the documentation the code will be activated in the CDM and the department manager notified through e-mail.

**B. Research Charge Codes**

The initial review and approval process for research charge codes requires that department managers concurrently submit charge code requests to Financial Planning and the Office of Research. The Office of Research will notify the fiscal intermediary (FI) of the research study and the FI will assign a HCPCS code upon approval of Medicare patient participation. The Office of Research will forward the FI's approval and assigned HCPCS code to Financial Planning. From that point forward the same review and approval process will be applied to research charge codes as is applied to non-research charge codes.

**C. Exception Requests**

**1. Initiating an Exception Request**

- i. Exception requests for an expedited charge code should be rare and need to be initiated by the department's director. The requests should be sent to the Manager of Reimbursement & Cost along with a copy to **CDM Coordinator** or [CDMCoord@nmh.org](mailto:CDMCoord@nmh.org). The same documentation will be required for an exception request as is required for all other charge code requests.

**2. Review and Approval Process for an Exception Request**

- i. Exception requests will be reviewed and approved by the process disciplines (Financial Planning, PA and HIM) within 3 days of receipt by the Manager of Reimbursement & Cost unless the request needs to be reviewed by an outside consultant or the CDM Review Committee.

**3. Implementation of the Approved Exception Request**

- i. Every effort will be made to expedite exception requests through the review and approval process. However this process cannot be circumvented. Managers should take this, and the time required to build the code into the charging system, into account when determining the lead time required before a charge code will be available for revenue capture.

**IV. MANAGEMENT EXPECTATIONS:**

**A. Financial Planning Department**

Financial Planning:

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1. Is responsible for the housing of the CDM including the monthly transmission to the software vendor for compliance analysis.
2. Will oversee and facilitate all CDM charge code requests and serve as the primary reference point for managers at all stages of the process. Financial Planning should be contacted to provide support in utilizing all available resources (see Resources Available).
3. Will review the pricing recommended by the department manager and make adjustments as needed based on market pricing, internal pricing issues and other relevant factors.
4. Will monitor the American Medical Association (AMA) CPT and HCPCS manuals, the Centers for Medicare and Medicaid Services (CMS) publications, and fiscal intermediary notices for federal and local coding updates.
5. Financial Planning will assist department managers in determining whether a coding change is required and if so, will provide assistance as needed throughout the process.
6. Will coordinate the annual review of the CDM to insure accuracy and regulatory compliance.
7. Will conduct periodic reviews of the CDM database for budget, billing and financial reporting systems requirements.

**B. Roles & Responsibilities of Department Managers**

Department managers are expected to facilitate accurate charging based on their knowledge of clinical operations and their ability to evaluate the effect of clinical advances, new procedures and technology on their areas of responsibility. In order to align knowledge with accountability, department managers will have primary responsibility for their CDM. Additional resources have been provided to assist with this task (see Resources Available).

Department managers should:

1. Assign CPT and HCPCS codes based only on the service or procedure provided and not on the reimbursement.
2. Understand the AMA definitions of each CPT code and reflect them as closely as possible in the charge code descriptions.
3. Familiarize themselves with the quarterly updates of outpatient regulations that may require a CDM modification.
4. Recommend a price for a service or procedure after evaluating the full cost to the department.
5. Never offer, discuss, inquire or collaborate with other providers on prices, including but not limited to supplies, services and procedures.
6. Monitor and review their department charges against the Statistical Income Analysis (SIA) and billing edits such as the Charge Edit Error report to identify issues that may require CDM revisions.
7. Educate staff on the charge generating process to insure accurate billing and revenue capture. The staff should understand the appropriate use of each charge code and any variation in clinical circumstances that may alter the usual and customary charge code configuration.
8. Develop a charging manual for each revenue center. The manual should contain the department's current CDM and supporting documentation including the mapping of the charge codes to the CPT/HCPCS codes. Financial Planning will provide the departments with a mapping template. The manual should also contain current year

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approved charge code request forms, an updated charge voucher, Power Chart print screens, CMS notices that required a CDM change, a listing of modifiers and their appropriate use as well as any other department specific information.

9. Verify and sign off each year that their manual(s) has been reviewed and is current.

**V. RESOURCES AVAILABLE:**

Financial Planning will be the central source for all resources including:

1. NMH staff in Financial Planning, Patient Accounting, Health Information Management, Corporate Integrity and the Office of Research.
2. Web based program that provides CDM coding guidance and direct e-mail notification of regulatory updates by clinical area.
3. AMA CPT and AMA HCPCS manuals published annually.
4. CMS website <http://www.cms.hhs.gov/providers> for:
  - i. Medicare outpatient regulations, proposed and final.
  - ii. Program Memorandums and One Time Notifications.
5. Outside consultant contracted for CDM coding and regulatory issues.

**VII. RELEVANT REGULATORY REFERENCE**

Title 31 of United States Code, Sections 3729-3733 False Claims Act

**VIII. POLICY UPDATE SCHEDULE**

Every Five Years

**IX. KEY WORDS AND CROSS REFERENCING**

compliance, charge code request, CPT, UBC, CDM, research, charge manual, service master

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