Don’t Have a Clue About the CDM? It’s Elementary, Watson!

HFMA LONE STAR SUMMER INSTITUTE
August 18, 2017
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Today’s presenter...

Bonnie P. Morris RN, BSN, MBA
Director, Professional Services/Revenue Cycle Integrity
Disclaimer Statement

This webinar/presentation was current at the time it was published or provided via the web and is designed to provide accurate and authoritative information in regard to the subject matter covered. The information provided is only intended to be a general overview with the understanding that neither the presenter or the event sponsor is engaged in rendering specific coding advice. It is not intended to take the place of either the written policies or regulations. We encourage participants to review the specific regulations and other interpretive materials as necessary.
Learning Objectives
Learning Objectives

Answers to common CDM questions, like these:

- What is a CDM and why is it important?
- What are the basic elements of a CDM?
- Who is (or should be) involved?
- How does coding affect the CDM?
- What is charge capture and how does it relate to the CDM?
- What are typical CDM management processes?
- What tools are needed?
- What other decisions impact CDM management?
- What are the 3 “C’s?”
Pieces and Parts

01. What, Why & Where
02. Who, How & When
03. Other Good Stuff to Know
04. References and Resources
05. Questions
Pieces and Parts

WHAT, WHY & WHERE
What is a CDM?

CDM, i.e., Charge Description Master, is...

- A master electronic listing, a.k.a. “data file,” of all:
  - Procedures and services
  - Supplies, devices and products
  - Drugs and pharmaceuticals
- CDM is fundamental to revenue generation and the charge capture process
- Maintenance of the CDM is critical to the financial success of any institution
What is a CDM?

A CDM is a multi-purpose tool used to:

- Facilitate billing
- Capture and categorize revenue
- Assess and manage resource utilization
- Manage inventory
- Facilitate Medicare cost reporting
- Support the budgeting process
What is a CDM?

A CDM also...

• Touches *every* hospital revenue-producing department

• Describes the nature and value of services provided
  ▪ Service descriptions
  ▪ Corresponding HCPCS codes where required
  ▪ Units of service
  ▪ Associated charges

• Is a dynamic document, i.e., a “snapshot” in time
What is a CDM?

A rose is a rose..

- Charge Description Master
- Charge Master
- Chargemaster
- EAP (Epic All Procedure)
- Service Item Master (SIM)
- Financial Item Master (FIM)
- Price List
- Charge List
### What are the basic elements of a CDM?

- Department Number / Cost Center
- Charge Code
- Description
- Procedure Code
- Revenue Code
- Charge Amount

<table>
<thead>
<tr>
<th>Dept Number</th>
<th>Charge Code</th>
<th>Item Description</th>
<th>HCPCS Code</th>
<th>Revenue Code</th>
<th>Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>201</td>
<td>201194</td>
<td>Lipid Panel</td>
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</tr>
<tr>
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<td>201202</td>
<td>CPK Total</td>
<td>82550</td>
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<td>91.50</td>
</tr>
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</tr>
</tbody>
</table>
What are the basic elements of a CDM?

<table>
<thead>
<tr>
<th>Basic Elements</th>
<th>What You Need to Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department Number</td>
<td>Department identifier</td>
</tr>
<tr>
<td>Charge Code</td>
<td>Hospital specific</td>
</tr>
<tr>
<td>Description</td>
<td>Typically numeric</td>
</tr>
<tr>
<td>Procedure Code</td>
<td></td>
</tr>
<tr>
<td>Revenue Code</td>
<td></td>
</tr>
<tr>
<td>Charge Amount</td>
<td></td>
</tr>
</tbody>
</table>

| Dept Number | | | | |
|-------------|-------------|-------------|-------------|
| 201         |             |             |             |
| 201         |             |             |             |
| 202         |             |             |             |
| 202         |             |             |             |
What are the basic elements of a CDM?

### Basic Elements

- Department Number
- **Charge Code**
- Description
- Procedure Code
- Revenue Code
- Charge Amount

### What You Need to Know

- Unique identifier
- Hospital specific
- Typically numeric
- Numerically significant (or not!)
- May also reflect department

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What are the basic elements of a CDM?

**Basic Elements**
- Department Number
- Charge Code
- **Description**
- Procedure Code
- Revenue Code
- Charge Amount

**What You Need to Know**
- Item or service
- Hospital specific
- May have character restrictions
- Reflects HCPCS definition
- Relation to charge capture/order entry

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#### Basic Elements
- Department Number
- Charge Code
- Description
- Procedure Code
- Revenue Code
- Charge Amount

#### What You Need to Know
- Other field names, e.g., CPT, HCPCS
- Typically Medicare
- Other payer requirements
- Accurate to description
- Accurate to revenue code
- Hard-code vs. soft-code

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What is a procedure (HCPCS) code?

**Level I HCPCS (CPT®)**
- 5 characters
  - Category 1 – 12345
  - Category 2 – 1234F
  - Category 3 – 1234T
- Physician services
- Authority: American Medical Association (AMA)

**Level II HCPCS**
- 5 characters
  - Always alphanumeric
  - Lead character always alpha
  - Typically ancillary services, but not always
- Authority: CMS
Why Charge Descriptions and Procedure Codes Matter

Example:
Description might say: “Closed TX humeral shaft FX” but...

<table>
<thead>
<tr>
<th>CPT / HCPCS</th>
<th>CPT Description</th>
<th>Suggested CDM Description</th>
<th>APC Reimbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>24500</td>
<td>Closed treatment of humeral shaft fracture; without manipulation</td>
<td>Closed TX Humeral Shft FX w/o Manip</td>
<td>$237.50</td>
</tr>
<tr>
<td>24505</td>
<td>Closed treatment of humeral shaft fracture; with manipulation, with or without skeletal traction</td>
<td>Closed TX Humeral Shft w/ Manip</td>
<td>$1096.45</td>
</tr>
</tbody>
</table>
What are the basic elements of a CDM?

### Basic Elements
- Department Number
- Charge Code
- Description
- Procedure Code
- Revenue Code
- Charge Amount

### What You Need to Know
- Universal (NUBC)
- Purpose
- Associated billing requirements
- General vs. detailed

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What are the basic elements of a CDM?

**Basic Elements**
- Department Number
- Charge Code
- Description
- Procedure Code
- Revenue Code
- **Charge Amount**

**What You Need to Know**
- NOT COST, but cost related
- Inclusions, exclusions
- Reimbursement considerations
- Charging strategies
- Transparency issues

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Why is the CDM important?

ALL Patient Revenue
Why is the CDM important?

- Revenue code
- Description
- HCPCS
- Date of Service (DOS)
- Units of Service (UOS)
- Charges (covered)
- Charges (non-covered)

CDM Drives Billing

UB-04 (837i, 837p)
Why is the CDM important?

Revenue Cycle Continuum

Front-end Processes
- Physician order(s)
- Scheduling
- Registration
- Eligibility verification
- Coverage verification
- Financial counseling

Middle Processes
- Documentation
- Charge capture
- CDM
- Coding
- Billing

Back-end Processes
- Payment posting
- Payment reconciliation
- Denial management
- Secondary billing
- Balance billing
- Collections
Where can I find a CDM?
Pieces and Parts

WHO, HOW & WHEN
Who is involved in the CDM?

**Key Participants**
- CDM Manager/Coordinator
- Clinical Department Managers/Directors
- Coding Specialists
- Billing Specialists
- Financial Analysts
- Information Technology Experts

**Participant’s Role**
Who is involved in the CDM?

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<th>Participant’s Role</th>
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<td>CDM Manager/Coordinator</td>
<td>Regulatory awareness</td>
</tr>
<tr>
<td>Clinical Department Managers/Directors</td>
<td>Workflow facilitation</td>
</tr>
<tr>
<td>Coding Specialists</td>
<td>Interface integrity</td>
</tr>
<tr>
<td>Billing Specialists</td>
<td>Analysis</td>
</tr>
<tr>
<td>Financial Analysts</td>
<td>Auditing</td>
</tr>
<tr>
<td>Information Technology Experts</td>
<td>Compliance</td>
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Who is involved in the CDM?

### Key Participants
- CDM Manager/Coordinator
- Clinical Department Managers/Directors
- Coding Specialists
- Billing Specialists
- Financial Analysts
- Information Technology Experts

### Participant’s Role
- Accountable for department’s clinical and financial performance
- Clinical resource
- Service identification
- Documentation
- Charge capture
- Revenue reconciliation
What is charge capture?

Simply put, charge capture is *the process of accurately reporting* all services provided in order *to receive appropriate reimbursement*. Charge capture must be *timely* and adequately *supported by documentation*. 
What is charge capture?

Important concepts

- All billable items and services are included in the CDM
- All billable items and services in CDM are available for charge capture
- Item and service descriptions are explicit and unambiguous
- Bundled charges are identifiable, manageable and clearly understood
- CDM to charge capture linkage (i.e., charge code) is valid and accurate
- Hard-coded CPT/HCPCS assignments are valid and accurate
- Reconcile, reconcile, reconcile charges daily!!
- Audit, audit, audit!!
  - Billed items and services are supported by documentation
  - Charges for items/services that are billable and documented are submitted
### Who is involved in the CDM?

#### Key Participants
- CDM Manager/Coordinator
- Clinical Department Managers/Directors
- **Coding Specialists**
- Billing Specialists
- Financial Analysts
- Information Technology Experts

#### Participant’s Role
- Coding expertise
- Hard-code vs. soft-code
- Edit resolution
- Payer coverage policies (NCD/LCD)
Who is involved in the CDM?

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<td>Claims expertise</td>
</tr>
<tr>
<td>Clinical Department Managers/</td>
<td>Payer knowledge</td>
</tr>
<tr>
<td>Directors</td>
<td>• Coding requirements</td>
</tr>
<tr>
<td>Coding Specialists</td>
<td>• Billing requirements</td>
</tr>
<tr>
<td>Billing Specialists</td>
<td>Covered vs. non-covered</td>
</tr>
<tr>
<td>Financial Analysts</td>
<td>Routine vs. non-routine</td>
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<tr>
<td>Information Technology Experts</td>
<td>Edit resolution</td>
</tr>
</tbody>
</table>

Claims expertise
Payer knowledge
• Coding requirements
• Billing requirements
Covered vs. non-covered
Routine vs. non-routine
Edit resolution

Know the rules!
## Who is involved in the CDM?

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<tr>
<td>CDM Manager/Coordinator</td>
<td>Revenue objectives</td>
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<tr>
<td>Clinical Department Managers/Directors</td>
<td>Contract knowledge</td>
</tr>
<tr>
<td>Coding Specialists</td>
<td>Pricing strategies/protocols</td>
</tr>
<tr>
<td>Billing Specialists</td>
<td>Organizational vs. departmental</td>
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<tr>
<td><strong>Financial Analysts</strong></td>
<td>Revenue analysis</td>
</tr>
<tr>
<td>Information Technology Experts</td>
<td></td>
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Who is involved in the CDM?

**Key Participants**
- CDM Manager/Coordinator
- Clinical Department Managers/Directors
- Coding Specialists
- Billing Specialists
- Financial Analysts
- Information Technology Experts

**Participant’s Role**
- Systems expertise
- Interface technology
How does coding affect the CDM?

<table>
<thead>
<tr>
<th>Codes in the CDM</th>
<th>Codes not in the CDM</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Non-surgical CPT code ranges 70000-99199</td>
<td>• Surgical CPT code ranges 00100 – 69999</td>
</tr>
<tr>
<td>• Most Level II HCPCS codes</td>
<td>• Some Level II HCPCS codes</td>
</tr>
<tr>
<td>• Considered “hard-coding”</td>
<td>• Considered “soft-coding”</td>
</tr>
<tr>
<td>• Fall directly onto claim</td>
<td>• Assigned by coding specialists in the Health Information Management (HIM) department</td>
</tr>
</tbody>
</table>
When should the CDM be changed or updated?

- New billable services and items
- Items or services no longer billable
- Annual and periodic code changes
- CMS regulatory changes
- Other regulatory guidance
- Payer contract changes
- New departments
What should be included in a CDM Policy & Procedure?

- Clearly stated purpose, e.g., To establish a defined, consistent process for Charge Description Master management
- Defined process to handle change requests
- Designated approval authority for changes
- Established process for consistent regulatory review
- Established quarterly and annual CPT/HCPCS code review and implementation of changes
- Formulated defensible pricing strategy for procedures, supplies and pharmacy items
- Implementation of a charge reconciliation process
What are some common CDM management processes?

- Facilitating workflow, i.e., adds, changes, deactivations
- Maintaining coding and mapping accuracy
- Performing quarterly and annual updates
- Supporting charge capture processes
- Benchmarking and charge setting
- Standardizing CDM elements
- Measuring success
What are some common CDM management processes?

- Managing workflow, i.e., adds, changes and deactivations
  - Role of CDM Manager/Coordinator
  - Process definition is critical
  - Methodology, documentation
  - Routes, work queues, ownership (key players)
  - CLOSE THE LOOP, a.k.a., don’t forget the requestor
  - History is essential
What are some common CDM management processes?

- Maintaining coding and mapping accuracy
  - Regulatory awareness
  - Payer requirements
  - Clinical coding guidelines
  - Clinical input
  - Revenue code considerations
  - Cost report considerations
What are some common CDM management processes?

- Performing quarterly and annual updates
  - Regulatory awareness (again!)
  - Analysis process, manual vs. automated
  - Follow through
  - Departmental education
What are some common CDM management processes?

- **Supporting charge capture processes**
  - Process knowledge is critical
  - Interface awareness is critical
  - Don’t compromise CDM integrity
What are some common CDM management processes?

**Benchmarking and charge setting**

- CDM Manager/Coordinator role
- Comparative data sources
- Apples-to-apples items and services
- Cost considerations
  - Departmental CCR
  - Line item-level cost
- Reimbursement considerations
- Frequency and payer restrictions
What are some common CDM management processes?

**Standardizing CDM elements**
- Pros and cons
- Key considerations
- Eligible CDM fields
- Interdepartmental, intradepartmental
- Corporate vs. regional vs. local
What are some common CDM management processes?

**Measuring success**

- Focused claim audits
  - System edits
  - Line item “explosions”
  - Units of service
  - Modifier usage
  - Non-covered, non-billable
  - CDM vs. charge capture issues
What tools are necessary for managing the CDM?

- Accurate and up-to-date resources
- Timely regulatory alert mechanism
- Some degree of automation
  - Real-time analysis
  - Programmatic recommendations
  - Request management
  - History tracking
  - Support for standardization
What tools are available for managing the CDM?

VitalCDM™

Delivering Pricing Intelligence, Coding Compliance and CDM Analytics to the Key Stakeholders in Your Hospital

Engage your organization’s clinical directors through an automated workflow, continual charge analytics and ready access to peer pricing and other regulatory information tailored to the services performed in your clinical departments. VitalCDM’s robust design and unique user interface is specifically intended to save time and frustration, and facilitate accurate and comprehensive charge generation within all billing systems, including today’s complex billing systems.
What tools are available for managing the CDM?

**Executive Dashboard**

High-level executive view of key performance indicators showing trends over previous three analyses.
What tools are available for managing the CDM?

**Benchmarking/Peer Comparison**
Provides price (charge) benchmarking based on user-defined peer groups
What tools are available for managing the CDM?

Request Process/Workflow
Unique functionality makes workflow and change-file management intuitive and more efficient.
What tools are necessary for managing the CDM?

- Accurate and up-to-date resources
- Timely regulatory alert mechanism
- Sophisticated automation
  - Real-time analysis
  - Programmatic recommendations
  - Request management
  - History tracking
  - Support for standardization
Producing Monthly Reports

- APC Payment
- Facility Fee Scheduled Payment
- Invalid CPT / HCPCS Codes
- Invalid Modifiers
- Medicare Code Options
- Pro Facility Fee Schedule Payment
Producing Quarterly Reports

- Deleted CPT/HCPCS Codes
- Invalid Revenue Codes
- Not Billable to Medicare (SI = M)
- Not Recognized by Medicare (SI = E)
- Not Recognized by OPPS (SI = B)
- Questionable Revenue Codes
- Revised Descriptions
- Status Indicator and/or Payment Changes
OTHER GOOD STUFF TO KNOW

Pieces and Parts
Other Good Stuff to Know

- Procedures
- Supplies
- Pharmacy
- Modifiers

Challenging Decision Areas

Discussion
### Other Good Stuff to Know

<table>
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<th>Challenging Decision Areas</th>
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<td>• Hard-code vs. soft-code</td>
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<td><strong>Supplies</strong></td>
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<td>• Modifiers</td>
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<td></td>
<td>• Payer coding requirements</td>
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<td></td>
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<td></td>
<td>• HCPCS</td>
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<td></td>
<td>• Revenue codes</td>
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<td></td>
<td>• Other</td>
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Other Good Stuff to Know

Challenging Decision Areas

- Procedures
- Supplies
- Pharmacy
- Modifiers

Discussion

- Routine vs. non-routine
- Covered vs. non-covered
- Price point for inclusion
- Level of detail
- Link to Item Master
- Mark-up formula
- “Miscellaneous” items
- Standardization
Other Good Stuff to Know

**Challenging Decision Areas**
- Procedures
- Supplies
- Pharmacy
- Modifiers

**Discussion**
- Self-administered drugs
- Revenue code assignment
- HCPCS code assignment
- NDC numbers
- Units of service (billable)
- Charge source
- Standardization
Discussing Other Good Stuff to Know

**Challenging Decision Areas**

- **Procedures**
- **Supplies**
- **Pharmacy**
- **Modifiers**

**Discussion**

- Who should assign? HIM? Clinicians?
- Hard-coded modifiers (Safe)
  - Laterality (LT, RT, 50)
  - Informative (GP, GO, GN)
  - Payer required (GY)
- Hard-coded modifiers (Risky)
  - Separate & Distinct (25, 59, L1)
  - Repeat Lab (91)
  - Discontinued Procedure (73, 74)
The 3 C’s of CDM Management

**Current**
Includes accurate and up-to-date services, codes and descriptions

**Comprehensive**
Includes all billable services for all departments

**Compliant**
All charges meet payer guidelines
Pieces and Parts

REFERENCES & RESOURCES
Useful Web Links

**CMS Manuals**


**CMS Transmittals and Medicare Learning Network Matters Articles**


**Self-Administered Drug (SAD) Exclusion List Report**

Useful Web Links

**National Correct Coding Initiative Edits**
https://www.cms.gov/Medicare/Coding/NationalCorrectCodInitEd/index.html

**HCPCS Information and Code Set Releases/Updates**
https://www.cms.gov/Medicare/Coding/MedHCPCSGenInfo/index.html

**Medicare Coverage Database (Local and National Coverage Determinations)**
https://www.cms.gov/medicare-coverage-database/
QUESTIONS
THANK YOU FOR THIS OPPORTUNITY

For Additional Questions Please Email: Ashlee Kays
ashleepiper@vitalware.com

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