The Secret to Effective CDM Maintenance?

UMC Health System Mixes High Tech with Strong Communication to Boost Revenue
Squeezing more revenue from the revenue cycle is an ongoing challenge for healthcare providers. Many are looking at the charge description manager (CDM) maintenance program, but as UMC Health System in Lubbock, Texas, has found, you need the right tools and the right mindset to be successful. By establishing a proactive CDM maintenance program, UMC’s Revenue Integrity Department rubbed out some of the traditional lines between back-office and clinical departments and created a single purpose by which all the hospital stakeholders work together to eliminate waste and increase revenue generation.

This Lubbock-based healthcare provider employed a three-fold approach: process, policy, and performance metrics.

**Finding the Right Technological Solution**

Technology is only as good as the people who use it. A technological solution that integrates a myriad of business processes across multiple departments has limited usefulness if those departments are continuously engaged in political infighting and turf wars.

For UMC, finding a technological solution is the easy part. Getting everyone to maximize the benefits of its use is where the real work is.

For its CDM maintenance program, UMC selected Chargemaster Toolkit® from Craneware. According to Craneware’s Michael Najera, before any solution is deployed, “You have to get out
there and talk to people.”

The early stages of a CDM-solution implementation project require the healthcare provider to determine who is currently involved in the CDM process and, with the new solution in place, who should be involved. “Everyone involved needs to be a value-add,” says Najera. When defining roles and responsibilities, the present actors and their current skill-sets need to be compared against the future workflow, examined for value-add, and the results documented.

There are key maintenance tasks – when do things get done, how often, how frequently, who does it. Charge description management touches both financial and clinical areas, so communication is even more critical and an automated workflow supports effective inter-departmental communication.

About Craneware Chargemaster Toolkit®

More than one quarter of U.S. hospitals rely on Craneware’s Chargemaster Toolkit® to automate the CDM management process and enable them to take control of chargemaster management, Medicare coding compliance, and CDM auditing. Chargemaster Toolkit can complete a chargemaster audit that identifies problem line-items, prioritizes issues, and provides the user with data to fix them immediately. This includes coding mistakes and compliance issues. Additionally, inbuilt fee schedules and hospital comparative pricing modules highlight underpricing or flawed price positioning. As one error is identified and corrected, the system instantly identifies any impact upon other areas. Workflow and audit trail systems ensure enterprise-level team co-ordination and traceability.

UMC developed a closed-loop, automated process using Craneware’s Chargemaster Toolkit. The benefits of such a system are multifold:

• **Decrease incidents of miss-keys.** With an automated CDM, the system notifies you when something is wrong. If you create a new line item, and create a service code but type in the incorrect revenue code, the system will point out your error. It does not allow incorrect items to be entered in the system.

• **Decrease incidents of non-compliant billing.** Many errors are not found until the bill has gone out, but with an automated system, when a charge code hits the billing system, it’s already correct.

• **Immediately identify associated items missing from CDM.** More importantly, when items are missing, the system will notify you of the omission, and facilitate the collaborative process of entering omitted validated items into the CDM.

• **Increase accuracy and compliance.** Medicare and other payers’ rules and regulations for compliant charging and coding constantly change. In order to remain current with
changing rules, and thereby avoid errors, software that provide easy access to current charges and codes is needed. Errors can cause denials, compliance risk and delayed reimbursement. By implementing a closed-loop, automated CDM-maintenance solution, providers can get the visibility needed to verify charge accuracy and completeness before billing to avoid denials.

- **Maintain a centralized, easily accessible record of actions.** When you request a change, business rules in the system route it accordingly. Every interaction with the CDM is documented and recorded, and you can see the entire record of actions with a single click. This information is vital for defending charges in an audit or when appealing payment denial.

Effective audits are where the real expense is reduced and errors identified. “Most organizations use a shotgun approach; they grab a sampling of bills and hope they find something,” says UMC’s Allen. Or their audit-process is driven by anecdotes, not hard data, as in: someone found a problem with a bill and now the hunt is on to find the same issue on all the bills.

Having an automated solution only solves part of the problem. If the reports it generates are not used productively, it is like that $100,000 master plan shoved under a table leg to keep it from teetering. The reports are useful, so an automated workflow ensures that problems identified are routed to the appropriate stakeholders for timely action, which facilitates the use of the reports.

**Engaging Stakeholders**

The best CDM maintenance system in the world will be just so much hardware and software without full cooperation and participation by all provider stakeholders. The UMC team knew that going in, and spent as much time on communicating and getting buy-in from all departments as it did in designing the workflow appropriate to UMC and implementing the technological solution. Among the lessons learned:

- **Engage all departments.** “We coordinate with all departments,” says Allen. Not only does he interact with the backoffice departments – Patient Access, Health Information Management, Patient Financial Services – he also uses the workflow tool and reports to facilitate conversations with clinical departments as well. “That includes the clinical IT group as well to make sure systems are constructed appropriately,” says Allen.

- **Establish periodic reviews.** Having an automated internal audit solution to evaluate all claims makes identifying trends easier, and enables productive dialogs, especially with departments that fall outside provider finance. “We establish a periodic review cycle for all outpatient claims,” says Allen, with the expectation that whatever issues they run into on the outpatient side, they can also expect to find on the inpatient.

- **Focus on areas of high risk.** “We identify the high risk areas – either high cost or high volume – and focus our efforts there,” Allen says.
• **Use the reports to form the basis of ongoing improvement plans.** The Craneware solution provides the supporting data so that Allen’s group can go to other departments, in particular the clinical staff, and work with them to pinpoint what caused the issue and what steps are needed to correct it. “We create an improvement plan,” he says, and the key to making it successful is inclusion and accountability.

• **Don’t make reviews one and done.** “We let the departments know that we’re always monitoring,” Allen says. Rather than resent what could be perceived as an intrusion on their turf, “they enjoy it,” he says. “They know they’re helping with the bottom line.”

When problems are uncovered, the philosophy at UMC across the organization is “find it, fix it, and move on.” Of course it is impossible to find every issue, but UMC focuses on those with a high return: link issues, radiopharmaceutical issues, drug administration issues, imaging services issues, fee schedule issues.

When issues are identified, UMC’s Revenue Integrity team swings into action, dealing directly with the department in question (or with multiple departments, if needed). “Inclusion with accountability is key,” says Allen. The provider wants its bills to go out as cleanly as possible, he said. If one wanted to be extra careful, they can run Craneware’s Bill Analyzer as a secondary scrubber,” he says.

### About Craneware Bill Analyzer

Bill Analyzer performs a charge capture audit on bills using intelligence that Craneware has drawn from analysis of more than 600 million real hospital claims. This analysis indicates, with precise percentage of likelihood, charge items that may be missing from a bill.

Bill Analyzer also calculates how much revenue may be leaked with each identified issue. UMC can filter and sort on the highest frequency issues, highest percentage likelihood of issues, and highest value revenue issues. The solution also integrates with Craneware’s Chargemaster Toolkit which allows chargemaster problems to be fixed directly.

The Craneware tools work in concert with UMC’s business intelligence solution. UMC is a Microsoft Enterprise Organization and uses Microsoft BI and Cognos BI. “By using BI and getting people involved, by pushing reports out and having them reviewed, the system gets smarter and smarter,” Allen.

On a regular basis, the Revenue Integrity team generates electronic charge sheets that are distributed daily to the departments that created the charges. “We make sure we reconcile every patient,” Allen says.
By automating the system, UMC was able to eliminate a laborious and time-consuming workflow. “The nurses were filling out pieces of paper, giving them to a coordinator who gave it to the guy in the truck who drove it to our business center five miles away, where we had a college kid keying in those charges,” Allen says.

After automating and going online, gross revenue increased 125 percent, he says. “Finally our charges started to reflect our costs.” The new CDM Maintenance technology and procedures work so well that the clinical staff have been instrumental in helping to identify charges that had previously been missed, Allen says.

The Truth is out There

For UMC, focusing on CDM maintenance has made it a better organization. The healthcare provider was able to take advantage of its strengths, especially related to inter-departmental communication, and employ them in a creative and innovative ways to find money it was leaving on the table. The “truth,” UMC found, was in the data. They just had to find it. By adding the Craneware tools, UMC was able to find new ways to work that resulted in increased revenue without commensurate increases in overhead.