Supplies ChargeLink®

“We also needed to control the costs of the supplies, devices and material we used in the operating room – and again we turned to the power of data. Taking unnecessary costs out of care was easier when we looked at the data and determined what costs we could trim that wouldn’t impact the clinical outcome. As an industry, healthcare has only begun the task of measurement.”

Delos Cosgrove in “Data Whips Healthcare Into Shape”

The Problem
The value of supply revenue capture and retention is increasing as financial and regulatory demands from ongoing Healthcare Reform accelerate. As hospitals transition from traditional fee-for-services to pay-for-performance accountable care models, every dollar earned through efficiencies and retention counts.

High-value supplies, such as implants and devices, offer significant potential for increased revenue and margin. The problem many hospitals face is the gaps in accurate data between these costly supplies and how they are managed in the item master and chargemaster, and then used in the charge capture process. Hospitals risk lost revenue without proper linking, data quality and validation, and visibility between the systems and departments.

Additionally, without these foundation links and systems in place, they lose the ability to perform physician quality outcome assessments and episodic care initiatives that lead to more cost effective and accountable care.

Supplies ChargeLink®: The Solution
Supplies ChargeLink is a powerful software solution that provides the data and tools to link and integrate the data flow between materials management, clinical departments and the revenue integrity team. This provides the data quality and validation needed to more effectively manage costs, internal pricing policies and margins while receiving optimal reimbursements for implantable supply items.

The result is the critical connection between supplies purchasing and billing to accurately identify chargeable supply items, ensure enforcement of policy pricing for supplies, and align the item master and chargemaster to allow for automated supply revenue capture.

Supplies ChargeLink also enables hospitals to begin to capture data necessary to support quality of care measurement and reporting initiatives:
- Physician Quality Reporting Initiatives (PQRI) for Medicare and Medicaid.
- Evaluation of Patient Reported Outcome Measures (PROM) throughout the care continuum.

- Analytics for physician practice patterns.
- Implant utilization and implant costs vs. quality measures.
- Data capture for pay-for-performance metrics for bundled payment strategies.

Optimizing Reimbursements
Supplies ChargeLink optimizes reimbursement for expensive medical-surgical supplies with charges that reflect real-time costs, and with complete and compliant coding.

By linking the item master with the chargemaster, Supplies ChargeLink identifies revenue gaps between purchased vs. billed patient-chargeable supplies:
- Codable supplies purchased but missing from the chargemaster.
- Codable supplies in the chargemaster with invalid codes.
- Chargeable but non-codable supplies that require service codes.
- Non-catalog purchases.
- Charge capture gaps where supplies are purchased but not billed.
- Items priced incorrectly or placed in the wrong tier.
Improving Operational Efficiency

Hospitals that depend on spreadsheets, Centers for Medicare & Medicaid Services (CMS) manuals and logbooks, emails, and phone calls often suffer from time consuming workflows and limited interdepartmental coordination.

Supplies ChargeLink automates the cumbersome, inaccurate and often ineffective manual approach of connecting the supply chain with charge capture and billing processes. The automation tools accelerate tactical tasks and enhance departmental communications.

Instant Access to Supply Charge Data - Supplies Assistant is an integrated search module that quickly identifies HCPSC code, UNSPSC code, manufacturer, catalog ID and description so that new supplies can be quickly added to the chargemaster.

Automating Workflow – Supplies ChargeLink provides a Change Request Manager tool with automatic submission of updates for review and approval and integration with Craneware’s Chargemaster ToolKit® or other chargemaster management software. The tool then tracks accepted, rejected and outstanding change requests, with key operational efficiencies gained through:

- Access to real-time supply cost data for strategic planning.
- Alerts for updates of chargemaster items when acquisition costs change.
- Identification of items with missing CPT/HCPCS codes, revenue codes, descriptions and fee schedules.
- Flagging of charges that violate pricing policies.
- Identification of supplies missing from the item master.
- Provision of full visibility of supplies from purchasing to reimbursement.

Root Cause Analysis – The system also provides analyses, automated workflow and reporting tools to identify root causes of issues that lead to improper reimbursements and potential compliance issues. Purchases and transfers are tracked to location and correct billing from that area is confirmed. Where significant charge capture issues are identified in particular locations this can be used to drive and justify automation technologies such as point-of-care barcoding as well as confirm success of these preventive measures.

Easy Reporting – Standard views and filters built into Supplies ChargeLink make it easy to report the results of your data analysis by exporting them to a standard file format. Custom filters and tailored reports can easily be created to reflect your workflows, including automated distribution of reports across your organization.

Minimizing Compliance Risk

Supplies ChargeLink provides visibility to processes that often lead to compliance risks, and tools to identify, manage and report on any items that could be subject to Office of Inspector General (OIG) or Recovery Audit Contractors (RAC) focus. Corrective and preventative advice is given on each of these issues in easy to use updates from our consultants.

Supplies ChargeLink Best Practice Implementation

The Craneware Professional Services team provides a companion implementation service for Supplies ChargeLink designed to achieve sustainable success. This ensures that best practices are in place for a quick return on investment with a 12 month review of supplies purchase history and codable supplies in the chargemaster, custom business process design and onsite user training.

The Bottom Line

Supplies ChargeLink brings disparate sources of data together and detects errors in support of optimized reimbursements, financial stability, and cost effective care delivery. With an intuitive interface and integration with our Chargemaster ToolKit, Supplies ChargeLink improves supply charging practices to drive revenue optimization, improved clinical outcomes and overall quality of care.

About Craneware

Craneware (AIM: CRW.L) is the leader in automated revenue integrity solutions that improve financial performance for healthcare organizations. Craneware’s market-driven, SaaS solutions help hospitals and other healthcare providers more effectively price, charge, code and retain earned revenue for patient care services and supplies. This optimizes reimbursement, increases operational efficiency and minimizes compliance risk. By partnering with Craneware, clients achieve the visibility required to identify, address and prevent revenue leakage. To learn more, visit craneware.com and thevaluecycle.com.

1 Delos Cosgrove, Cleveland Clinic, “Data Whips Healthcare into Shape”, October 2012