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Learning Objectives



Streamline chargemaster functions through automation to gain operational efficiencies



Identify and address revenue leakage risks and opportunities through chargemaster analysis



Understand how you and your team can leverage AI technology to enhance your revenue cycle knowledge and expertise



Ensure pricing integrity and transparency for your facility



Strengthen collaboration with departments to support a healthy revenue cycle

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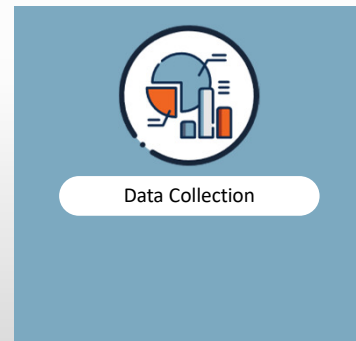
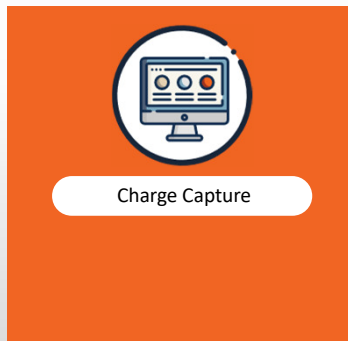
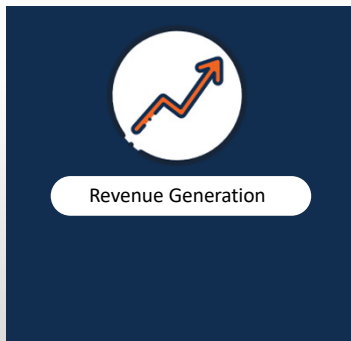
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Chargemaster Fundamentals

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What is a Chargemaster?

“A master price list of supplies, devices, medications, services, procedures, and other items for which a distinct charge to the patient exists.”



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Static

- Fixed list of services including:
 - Medications
 - Supplies
 - Procedures
- Price lives at the charge level
- Duplication between Departments
- “Flat” CDM data file
- Limited connections between CDM and other applications / systems



Dynamic

- Relational data comprises CDM, inclusive of billing, financial and ancillary data sets
- Consolidated CDM
- Price does not live at charge level
- Flexible assignment of charge attributes
- Multiple data files comprise the CDM
- CDM linked to other applications / systems

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Importance of the CDM



The heartbeat of the Revenue Cycle



Essential to the charge capture process



Fundamental to revenue generation

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Importance of CDM Management



Optimize Revenue

- Improved Charge Capture
- Manage Pricing Updates
- Revenue and Usage Analytics
- Strategic & Defensible Pricing



Minimize Compliance Risk

- Compliance Integrity
- Audits – Internal & External
- Research into current & new regulations
- Price Transparency



Improve Operational Efficiency

- Manage CDM Request, Team Workflows and
- Proactive CDM Analysis
- CDM Health and Productivity Analytics



Accelerate Change Management

- System Upgrades
- Manage Constant Updates
- Audit trail
- Collaboration with Clinical and IT Areas



Manage Data Complexity

- Manage CDM Connections
- Provide CDM to other stakeholders

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Correct

Deleted / Replaced codes

- Codes that have been deleted by the AMA or CMS
- Review CPT/HCPCS codes to ensure that they are active
- Deactivate inactive codes and replace with updated codes, as appropriate

Missing CPT/HCPCS codes

- Charges with a revenue code that have require a CPT/HCPCS have the applicable CPT/HCPCS assigned
- Review all charges with no CPT/HCPCS code and ensure appropriate code is assigned, as applicable

Revenue codes

- CPT / HCPCS codes should be assigned to an appropriate revenue code for reimbursement and cost reporting
- Review charges to ensure the CPT / HCPCS code vs. Revenue Code combinations are appropriate, according to Medicare guidelines

Modifiers

- Hardcoded modifiers should be appropriate to be hardcoded, as well as appropriate to be assigned to the specific CPT / HCPCS code
- Review CPT / HCPCS codes to ensure hardcoded modifies are appropriate for reimbursement

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Complete



Charge Code:	12345
Description:	X-Ray Exam of Shoulder, 1 View
Revenue Code:	320
CPT / HCPCS Code:	73020
Price:	\$125.00
Department:	Diagnostic Radiology

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Compliant



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Connected

- Patient Accounting System (PAS)
- Electronic Health Record (EHR)
- Clinical Applications / Charge Interfaces
- Chargemaster Solutions



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Chargemaster Maintenance

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Chargemaster Maintenance

Maintenance comes in many forms:

- Annual CPT / HCPCS Code Updates
- Regulatory / Payor Updates
- Requests for new / modified charges
- General “check-ups” / maintenance tasks



Routine Chargemaster Maintenance is an important compliance task that must be performed to mitigate risk to the organization

Ongoing process to ensure services are accurately charged, compliant with regulations, and are receiving appropriate reimbursement

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Prepare for Creating a CDM Maintenance Plan

1. Should be approached as a project
2. Establish written policies and procedures to guide the process
3. Establish which departments / key roles should be involved

The CDM Maintenance Plan is your project plan

- ☐ Establish frequency of maintenance activity
- ☐ Establish what will be reviewed at each milestone
- ☐ Establish timelines and responsibilities for CDM Team
- ☐ Establish timelines and responsibilities for departments

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Policies and Procedures

Policies and procedures should be created before beginning a CDM Maintenance Plan

The following should be taken under consideration when creating policies:

- How are coding / billing regulations communicated within the organization?
- Who are the resources and instructions for code updates?
- What are the documentation requirements for advice received from the MAC?
- Are CDM risk areas addressed?



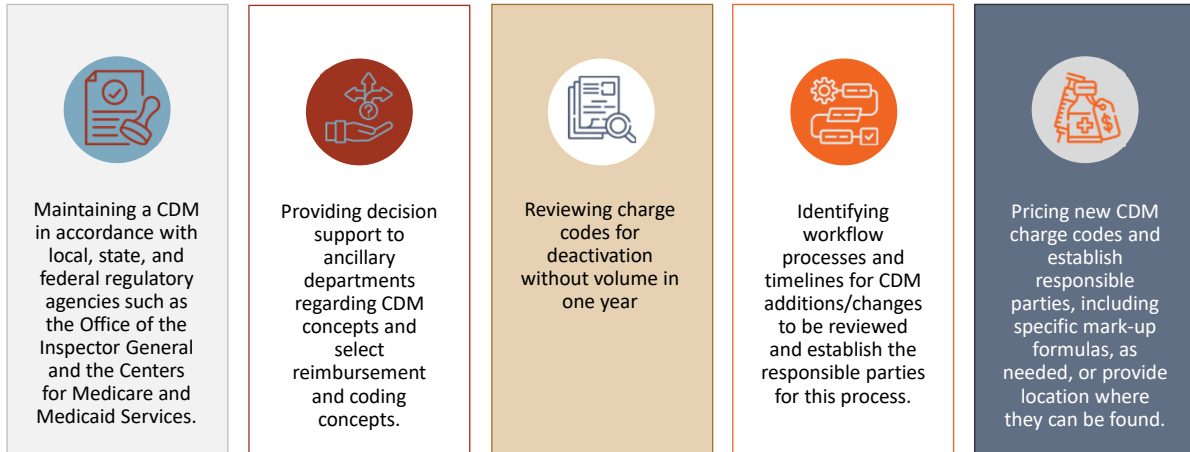
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Policies and Procedures



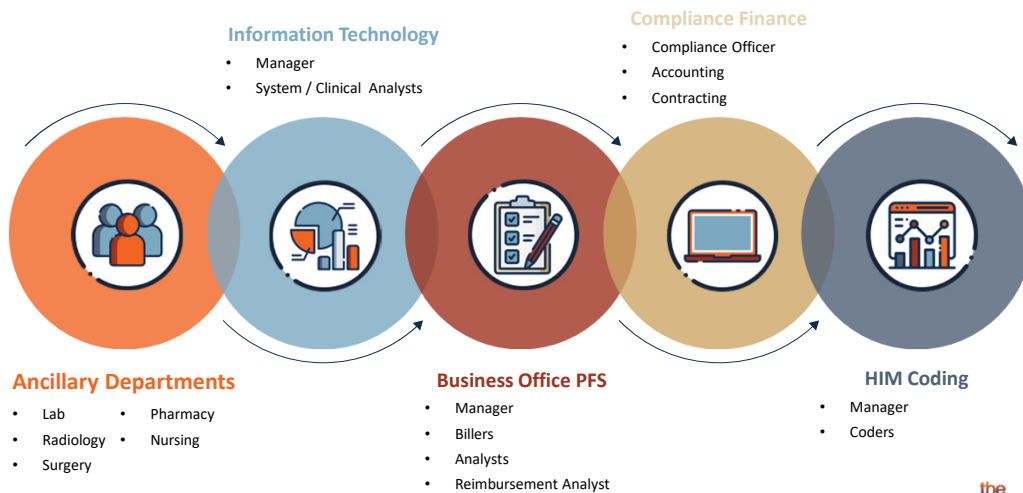
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Departments Involved with CDM Maintenance



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CDM Maintenance Plan



Creating a CDM Maintenance Plan



Establish frequency of maintenance activity

Establish what will be reviewed at each level of maintenance

Establish timelines and responsibilities for CDM Team

Establish timelines and responsibilities for ancillary departments

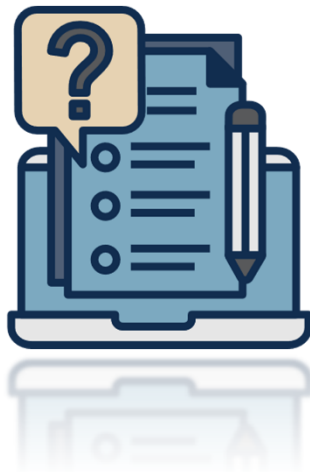
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CDM Maintenance Plan



Establish frequency of maintenance activity

- Annually – CPT / HCPCS code updates
- Annually – Review zero volume charges
- Annually – Perform pricing analysis / updates
- Quarterly – CMS updates
- General Maintenance – Review and approve changes from departments, perform price modifications, Departmental high-level review

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Regulatory Update Schedule

Regulating Body	Data Set	Date
American Medical Association (AMA)	CPT	January 1 st
Centers for Medicare & Medicaid (CMS)	HCPCS Level II	January 1 st
Centers for Medicare & Medicaid (CMS)	Temporary HCPCS Level II NCCI MUE / OCE Updates ICD-10 CM / PCS Updates Fee Schedule Updates	January 1 st / April 1 st / July 1 st / October 1 st
Centers for Medicare & Medicaid (CMS)	Outpatient Prospective Payment System (OPPS)	January 1 st
Centers for Medicare & Medicaid (CMS)	Medicare Physician Fee Schedule (MPFS)	January 1 st
Centers for Medicare & Medicaid (CMS)	Inpatient Prospective Payment System (IPPS)	October 1 st

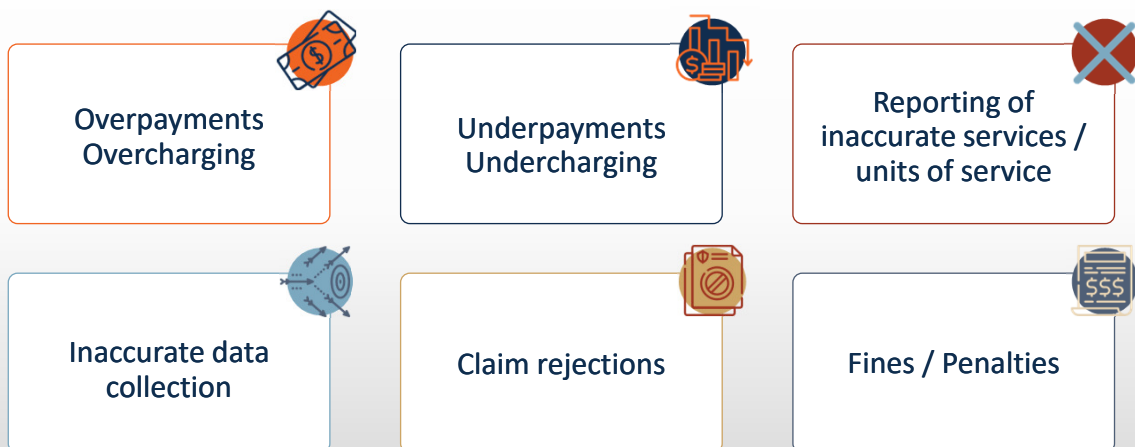
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Organizational Risks



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Data Integrity & AI

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Key Findings from a Recent Studies on Health Data Quality

- **80% of Healthcare Organizations Report Data Issues**
 - Source: [Black Book Research](#) - Report on Data Management and Interoperability in Healthcare (2018)
- **30% Denial Rate Due to Data Errors**
 - Source: **HFMA** - "Claim Denials and Their Financial Impact on Healthcare Organizations" (2019)
- **Manual Data Corrections Take Up 40% of Administrative Time**
 - Source: **HIMSS Analytics** - "The Impact of Data Entry Errors on Healthcare Administration" (2019)
- **Outdated Databases Increase Revenue Loss**
 - Source: **AHA** - "Annual Report on Financial Challenges in Healthcare" (2020)

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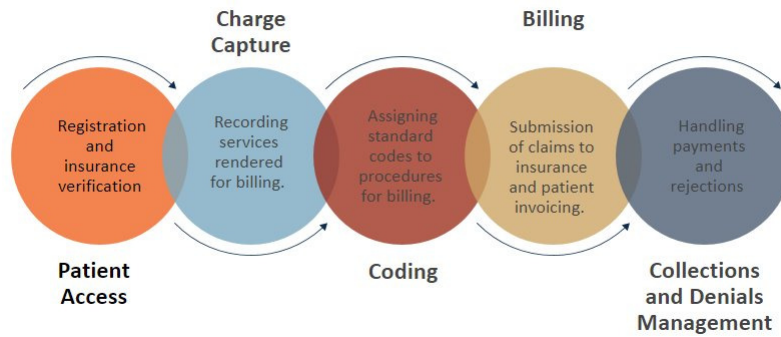


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How Data Integrity Impacts Revenue Cycle Processes

Data integrity refers to the accuracy, consistency, and completeness of the data that drives revenue cycle processes.

Data impacts every stage of the revenue cycle



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Common Data Integrity Challenges in Healthcare



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The Consequences of Poor Data Quality

High Claim Denial Rates:

Poor data quality, especially in billing and coding, is one of the leading causes of claim denials.

Increased Administrative Burden:

Staff are often tasked with manually correcting claims and reworking data errors, leading to operational inefficiencies and higher administrative costs.

Revenue Leakage:

Inaccurate data in the Chargemaster or Item Master can cause healthcare providers to miss billing for services rendered, leading to significant revenue leakage.

Poor AI Performance:

AI models depend on clean, structured, and accurate data to function correctly.

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Financial and Operational Benefits of High Data Quality

Improved Revenue Capture

Reduced Denials

Faster Billing Cycles

Operational Efficiency

Improved Compliance

Enhanced Patient Satisfaction

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Polling Question

How many people have used AI Technology...

- In day-to-day life?
- In the workplace?



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The background of the slide is a dark blue circuit board pattern with glowing orange and white lines and nodes.

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The capability of a computer system to mimic human-like cognitive functions such as learning and problem-solving.

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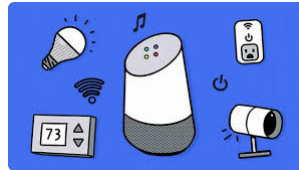
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AI Technology in Daily Living



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AI in Healthcare

**Eligibility &
Benefit
Verification**

**Payment
Estimation**

**CDM
Maintenance**

Charge Capture

**Denials
Management**

**Computer
Assisted Coding**

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Rule Based AI	Machine Learning
<ul style="list-style-type: none"> • Operates on “If / Then” rules, defined by humans • Minimal data required • Highly explainable and transparent • Ideal for tasks with clear logic • Lower cost, easier to implement 	<ul style="list-style-type: none"> • Learns patterns from data to make predictions or decisions • Requires large datasets for learning • Often called “black boxes” • Ideal for complex tasks • Higher cost, requires technical expertise

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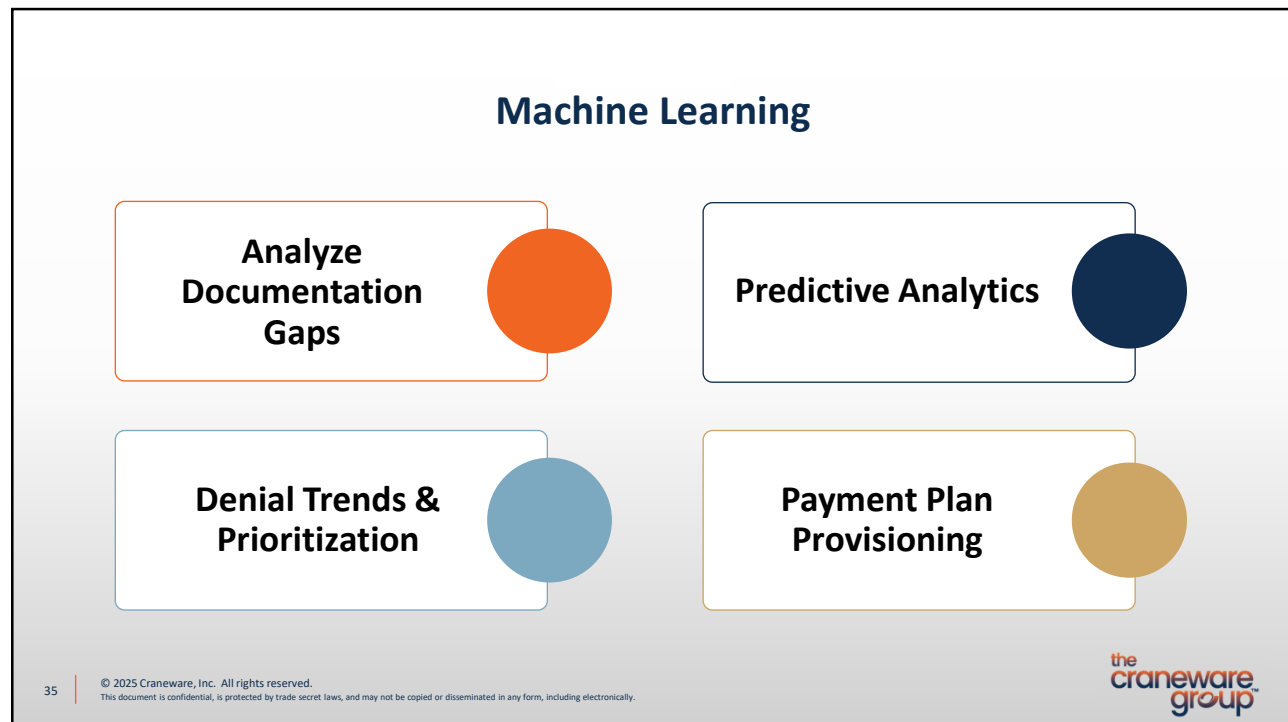
Rule Based AI

Computer Assisted Coding	Charge Capture
Claim Audits	Chargemaster Compliance

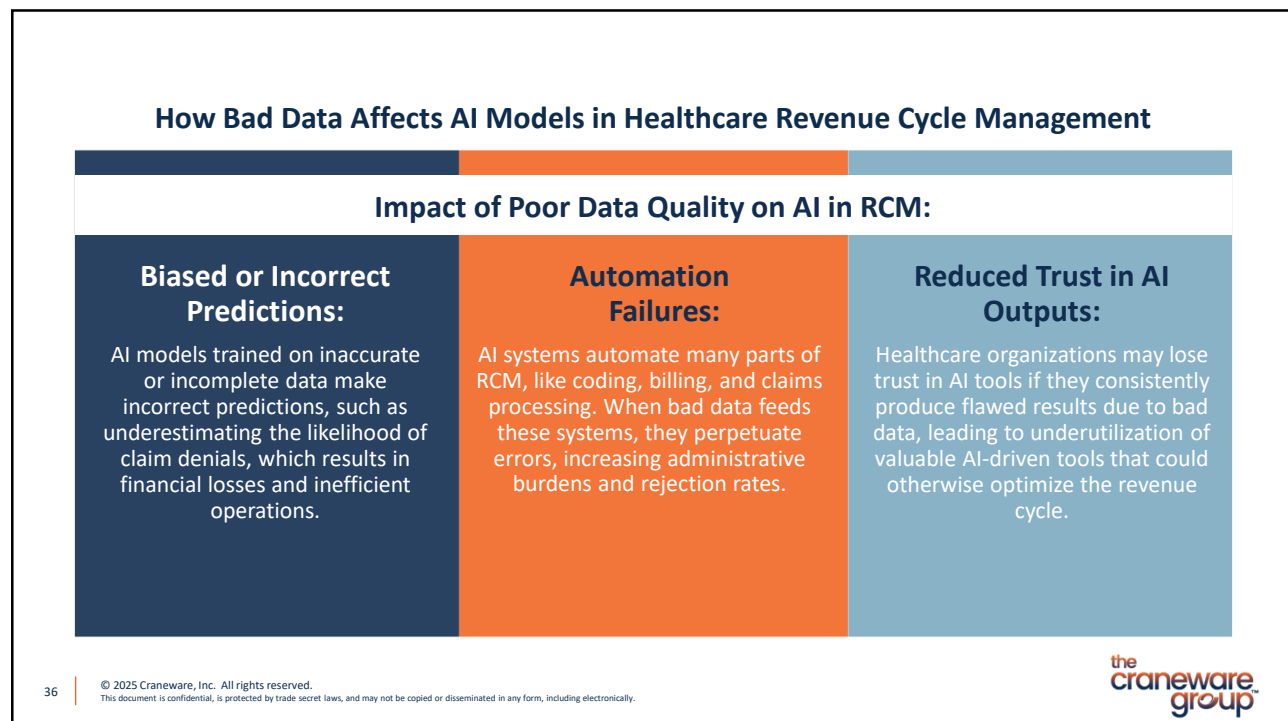
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The Future of Chargemaster Management

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Increased Reliance on Technology

- Automation
 - Chargemaster maintenance, code updates, data analysis
- AI and Machine Learning
 - Potential code errors, predict trends in healthcare pricing, improve coding accuracy
- Cloud-Based Solutions
 - Cloud-based chargemaster management tool for greater flexibility and accessibility, for real-time updates and collaboration



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AI in Chargemaster Auditing - Pricing

Process vast amounts of historical claims data to identify pricing patterns

Analyze market rates across competitors and regions

Model the impact of price changes on revenue and volume

Detect inconsistencies and anomalies across service lines

Optimize prices based on specific payor contract terms

Recommend pricing adjustments with projected revenue impacts

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AI in Chargemaster Auditing - Pricing

- Outdated pricing methodologies
 - Limited market intelligence
 - Resource constraints
 - Changing payor dynamics
- Defensible pricing strategies

**Common
pricing
challenges
AI can help
solve**

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AI in Chargemaster Auditing - Pricing



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AI in Chargemaster Auditing

Automated code updates / compliance checks

- Automatically bring forward potential codes to update when regulations change

Enhancing data analysis and decision-making

- Analyze vast amounts of data, such as volume, and identify patterns and trends in seconds
- Embedded AI Assistants solely based on healthcare regulatory compliance

Improve efficiency and reduce manual tasks

- Automate repetitive tasks, such as data entry, freeing up staff time to focus on more complex issues

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AI in Chargemaster Auditing - Considerations

Data Quality	Integration with existing systems	Human oversight	Staff training	Regulatory compliance
<ul style="list-style-type: none"> AI models rely on high-quality data for accurate results 	<ul style="list-style-type: none"> Ensure compatibility with PAS / EHR 	<ul style="list-style-type: none"> Essential for interpreting AI outputs, handling complex cases, and making ethical judgements 	<ul style="list-style-type: none"> Provide comprehensive training to staff to equip them with skills needed to effectively and efficiently use AI tools 	<ul style="list-style-type: none"> Ensure AI tools comply with regulatory guidance from CMS, AMA, HIPAA

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Evolving Regulatory Landscape

- Price Transparency
 - Continue to adapt to ever-changing price transparency regulations
- Value-Based Care
 - Shifts toward value-based care models will necessitate a need for greater accuracy and transparency in billing practices to ensure proper reimbursement and avoid penalties
- Compliance
 - Ongoing monitoring and compliance with regulatory changes will be essential to avoid penalties and maintain revenue integrity



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Emphasis on Data Accuracy

- Comprehensive Reviews
 - Regular internal and external CDM reviews will be necessary to proactively identify and correct errors
- Data Integrity
 - Organizations will need to implement robust processes to ensure the accuracy and integrity of chargemaster data, including proper coding and pricing
- Collaboration
 - Collaboration between Revenue Cycle, Clinical, and IT Departments will be crucial for maintaining accurate chargemaster data and optimizing reimbursement



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Importance on Training & Education

- Ongoing Education
 - Continuous training and education for chargemaster staff will be essential to stay up-to-date on coding guidelines, regulatory changes, and technological advancements
- Specialized Training
 - Organizations should consider investing in specialized training programs to ensure staff have the necessary skills and knowledge to maintain the complexities of a chargemaster



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Shifting from Reactive to Proactive Management

- Proactive Planning
 - Organizations will need to move beyond reactive chargemaster management and adopt proactive strategies to anticipate and address potential issues
- Continuous Improvement
 - Implementation performance metrics, tracking KPI's, and using data analytics to identify areas of improvement will be essential for long-term success



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Summary



The CDM is the heartbeat of the Revenue Cycle and vital to revenue generation and charge capture



CDM Management is critical to the financial and operational success of any healthcare organization



High-quality data is critical to ensure AI can be utilized to its fullest capacity



AI enhances chargemaster auditing by automating updates, identifying pricing anomalies, and improving decision-making



Future chargemaster management emphasizes proactive strategies, ongoing training, collaboration, and adapting to evolving technology

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