



**UMC HEALTH SYSTEM**

**How Technology Can Assist with Managing the Chargemaster**

**Vision:** To serve our patients in the best teaching hospital in the country.

**Mission:** The mission of UMC consists of 3 equal and distinct, but interrelated elements. These are: the provision of safe high quality health care, the clinical and financial support of graduate medical education, and the maintenance of a strong financial base for UMC through prudent and conservative business practices.

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## UMC Health System At-A-Glance

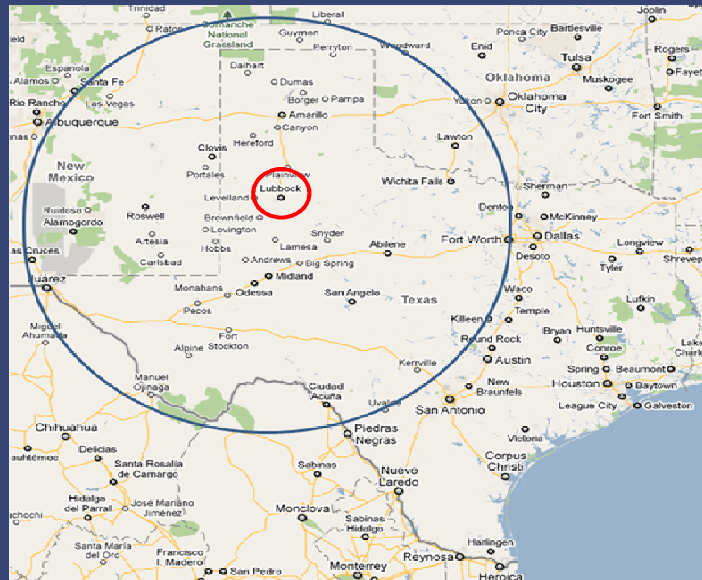
- UMC Health System is comprised of 3 elements
  1. University Medical Center (opened 1978)
    - Primary teaching hospital for Texas Tech University Health Sciences Center in Lubbock
    - Lubbock EMS – providing service since 1975
    - Southwest Cancer Treatment & Research Center – opened 1988
    - UMC Home health – opened in 2000
    - UMC DME – opened in 2001
    - 4 Level East Tower opening Spring 2012
  2. UMC Foundation (founded 1979)
    - Focus on fund raising - Children's Miracle Network (CMN)
  3. Physicians Network Service (founded 1996)
    - 40 locations – urgent care, specialty, minute and rural clinics

## UMC Health System At-A-Glance cont.

- UMC is **Debt Free** – provides > \$52M in unreimbursed care
- 413 Licensed beds - fully accredited by JCAHO
- Level 1 Trauma Center – first in Texas and only in region
- Timothy J. Harnar Burn Center
- Level 4 NICU
- Breast Care Center - accredited breast surgery center
- Primary Stroke Center - JCAHO certified 2010

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## UMC Health System At-A-Glance cont.



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## UMC Health System Payer Mix/Revenue 2010

- Based on Gross Revenue
  - Medicare 36.7%
  - Commercial 24.5%
  - Medicaid 18.9%
  - Self-Pay/Charity 16.6%
  - Government 3.3%
- Gross Revenue
  - \$1.37 Billion
- Net Revenue
  - \$362 Million

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## Software Application Mix

UMC has a very strong IT shop and takes pride in being self sufficient

- IDX(GE) – Patient accounting system
- SSI – Electronic billing system
- EasyID – patient identification / labeling / pre-printed forms
- General Financials
  - Lawson/Kronos
- Clinical Systems – Many different charge capture processes
  - Cerner – RHO in 2010
    - PathNet - 1996
    - PowerChart - 1998
    - RadNet - 1998
    - PharmNet - 1998
    - Pyxis - 2000
    - FirstNet (Emergency Center)- 2006
    - CVNet – 2008; Now Xcelera
  - WITT/XPER – Cath Lab
  - MedView (PACS)
  - GE Centricity Perioperative Surgery Management- Going to Surginet in 2012
  - ProVation (GI Lab)
  - Aria (Cancer Center)

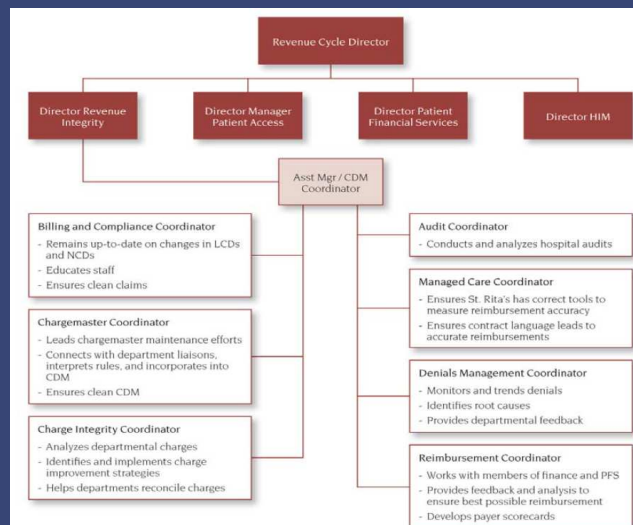
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## Revenue Integrity (RI) Department

- Started concept in 2007 and department 2008
  - Primary focus was improving net revenue.
- Chargemaster (CDM) specialist brought in 2009
- RAC/Audit coordinator brought in 2010
- Recently approved new FTE for additional audit help
- Future plans for expansion
  - Order / Result / Charge reconciliation – HUGE!
  - Expand to denial management and optimal reimbursement

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## Revenue Integrity Department



- Source: Academy of Healthcare Revenue: *Implementing Revenue Integrity: A "How To" Guide*

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## Craneware Product Mix

Market leader in Revenue Integrity solutions to prevent revenue leakage.....

- **Chargemaster toolkit – 2004**
  - Online reference toolkit disseminated to depts.
- **Bill Analyzer – 2010**
  - Improving charge capture processes by identifying lost revenue and categorizing areas of risk
- **Interface Scripting Module – 2010**
  - Aides in chargemaster maintenance – interfaced to IDX
- **Pharmacy Charge Link – Implementing October 2011**
  - Improve charge capture, pricing and cost management
- **Physician Revenue and Management Toolkit**
  - Demo soon for PNS group
- **Patient estimator being discussed for 2012**
  - Transparency increasing need for better estimates.

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## Craneware Chargemaster Toolkit (CTK)

CTK is designed to capture legitimate reimbursement by automating chargemaster management processes.....

- **Reduces Compliance Risk, Denials, Rejections, and Return To Provider (RTP).**
  - Tabs categorize charges based upon risk likelihood;
    - Valid, Deleted, Replaced, Invalid, Revenue Mismatch, Modifier Mismatch, Compliance, Linked, Supplies, Deactivated
- **Increases Productivity, Accuracy, and Audit Functionality**
  - Houses Reference Information, Direct Reference Links, and Historical Charge Data.

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## Craneware Chargemaster Toolkit

- Compliance:
  - Compliance Tab
    - alerts of any high and low level billing compliance concerns
  - Modifier Mismatch
    - reduces RTP's and Rejections by alerting the user of potential misuse of modifiers
  - Revenue Mismatch
    - reduces RTP's, Rejections, and Denials by guiding the user to appropriate revenue codes
  - Deleted, Replaced, and Invalid tabs
    - identify an CPT/HCPCS codes that are no longer valid

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## Craneware Chargemaster Toolkit

- Revenue Opportunities:
  - Linked Tab
    - shows common relationships between CPT/HCPCS that are frequently billed together
  - Fee Schedules Tab
    - can be used to identify charges that are below reimbursement and help set pricing for new charges.
  - Comparative Pricing
    - can be used to compare pricing against a customized selection of facilities
  - Best Practices
    - shows charges that are normally found in best practices facilities

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## Interface Scripting Module (ISM)

Automatic upload of CDM changes to the billing system.

- Currently Using an internal charge request system located on UMC's intranet
- Charge is built in Toolkit to ensure that all issues are resolved before an inappropriate build/modification hits our billing system
- ISM is used to script into the billing system to ensure accuracy in all aspects of the charge build/modification itself

If you use the Toolkit to build/modify charges you:

- Decrease incidents of miss-keys
- Decrease incidents of non-compliant billing
- Can query about linked items missing from the chargemaster
- Have an audit trail located in a centralized place

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## Craneware Bill Analyzer (BA)

Improves charge capture processes by identifying lost revenue and categorizing areas of risk resulting in cleaner, more compliant claims.....

- Medicare, and other payers, edit in their favor, not yours
- BA helps level the playing field by editing in our favor
- BA was written to work in conjunction with other Craneware products which greatly increases continuity between applications
- BA performs a charge capture audit on your bills using intelligence that's determined from analyzing over 58 million real hospital claims.
- This analysis indicates, with precise percentage likelihood, charge items which may be missing from your bills.

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## Bill Analyzer at UMC

What to focus in on:

- Job One is to find issues of high return
  - Link Issues, Radiopharmaceutical Issues, Drug Administration Issues, Imaging Services Issues, Fee Schedule Issues
- When the issues are identified, we coordinate with the department as to why it was billed as it was
- If further action is needed we coordinate with all pertinent departments for quick resolution
- INCLUSION with ACCOUNTABILITY is KEY!
- Used regularly, Craneware makes you money...lots of money

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## Bill Analyzer at UMC

Currently:

- We are still tweaking our process
  - We have recently set likelihood filter to 80% for both CMS and Craneware and expanded the date range to 2 months to see any long-term issue that may arise
  - We also look at the prior week's data every Tuesday morning to become as real-time as possible for our standard report
- Future Progression with Bill Analyzer
  - It is possible to run Bill Analyzer prior to billing (as a secondary scrubber).

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## UMC Business Intelligence

- Currently use Cognos for BI, migrating to Microsoft Enterprise
  - Great reporting capabilities as databases added to warehouse
  - Great dashboard functionality to report KPI metrics – goal oriented
    - Monitor most important aspects of revenue cycle
  - Departmental Revenue Summary – dynamic view of charge activity
    - Drill to charge detail and monitor unused charges.
- Many daily “Push” reports:
  - Exploding charges with deactivated components
  - Non-revenue department charges
  - Charge Type report – charge unit >1 for CPT with MUE = 1
  - Charge Variance report – looking for charges that abruptly stop
    - Usually due to system issues

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## UMC Preprocessing & Billing in IDX/GE

- We have strong control over programming in IDX
  - Allows analysis of charge batches for proper charging
    - Mostly preprocessor rules to ensure appropriate combo of CPTs
    - Reduces Correct Coding Initiative (CCI) edits within IDX
    - Prevent outpatient charges only allowed once per date of service
  - Multi-level ability to create billing holds within
    - Billing holds at the visit and charge code level
    - Most holds in RI Dept generated from Craneware Bill Analyzer software
      - Put holds in place based on BA findings
    - Expanding to post-processor functionality to reduce manual corrections

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## UMC Craneware Return on Investment

- Chargemaster Toolkit
  - Major efficiencies in charge process – TIME IS MONEY!
- Interface Scripting Module
  - Efficiencies in charge setup and maintenance
- Bill Analyzer
  - ~\$600,000 in net revenue first year
  - Gets you into accounts to reveal process and charge issues
- Pharmacy Charge Link
  - Expecting great returns!
- THIS STUFF IS HARD!
  - Can't keep up without software/IT assistance.

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## UMC Key Revenue Cycle Improvements

- Patient Access
  - Point of Service Collections incentives - reduce residual self pay A/R
- Clinical Departments
  - Electronic Charge Capture - 100% increase in Gross Revenue.  
Accountability for revenue – charge dept. for missed/late charges
- Health Information Management
  - CDIP – improved case mix with significant ROI
  - Scanning of medical record – ease of access, reduced expense
- Patient Financial Services
  - Denial management analysis of root causes
  - Improved proration of manage care payers for proper reimbursement
  - Patient portal and additional financing options

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