Building Reporting To Assist In Managing The Charge Capture Process

By Ed Kerner and Mark Jeziorski

Introduction

The process of obtaining reimbursement for the care provided in hospitals is a complex interdisciplinary one, requiring that people and systems are effectively aligned. Given its inherent complexity, the number and types of problems are voluminous, often occur repetitively, and re-occur even after fixes have been implemented.

In an effort to address the opportunities presented in enhancing its processes, Montefiore Medical Center initiated a charge capture reconciliation management program in 2006. The initial process began with the premise that the vanilla reports being generated out of the legacy patient accounting system were not sufficient for its needs. The immediate first step prior to initiating the program was to assess the requirements and define what data would ultimately be required.

Managing the Charge Capture Process

Managing charge capture is a process that starts with reporting At the close of each month, Montefiore obtains electronic reports of the volumes, charges and variances customized for each vice president and department administrator's areas of responsibility. Montefiore utilizes a module developed by an external consultant that provides these customized electronic reports. There are separate inpatient and outpatient reports that contain the following data:

- **Executive Summary:** Significant variances at department, registration, plan code and charge code levels. The option exists to drill down to the charge codes that are driving the variances in the registration areas.
- **Department Level**: Historical volumes and charges and the current month's charge variance relative to a four month rolling average at the department level.
- **Registration Level:** Historical volumes and charges and the current month's charge variance relative to a four month rolling average at the registration area level.
- **Plan Codes Level**: Historical volumes and charges and the current month's charge variance relative to a four month rolling average at the plan code level.
- **Historical Usage:** Monthly inpatient and outpatient units at the department level for twelve months plus prior year's monthly average units in graphical form.

These reports are uploaded to the Revenue Cycle intranet site where the vice presidents, department managers and Revenue Cycle department staff can review them. The Revenue Cycle department follows up with the department administrators to discuss the reasons for the significant variances in their areas and works with them to develop and implement the needed corrective actions. The Revenue Cycle department then monitors the charges in areas where corrective actions have taken place to ensure that the problems have been resolved. It also assists in the development of work flows and revisions to departmental processes and systems.

Benefits:

By managing charge capture, Montefiore is able to identify and correct problems that may be affecting cash flow and reimbursement. These problems include:

- Areas not entering charges timely
- Charges not being entered
- Charges not transferring between systems
- Charges being entered and then reversed
- Usage on "inactivated" charge codes
- Implementation of incorrect prices
- Budgeted volumes not being achieved

In addition the use of the monitoring reports helped when merging the charge description master (CDM) from a hospital that was added to the health system. Using the reports enables the identification of problems with the linkages between the two CDMs. Another benefit is the creation of a database of historical volume and charges that can be used for various types of analysis. Finally, the vice presidents and department managers appreciate receiving volume and charge information specific to their areas of responsibility.

Keys to Success

The charge capture management program has evolved since it inception. During that time, Montefiore constantly looked for ways to improve and build add on reporting functionality. Based on Montefiore's experience, a successful program should have the following four key features:

- **Someone needs to take ownership of the program.** The Revenue Cycle department at Montefiore owns this initiative. The Revenue Cycle department works with a vendor to obtain the reports each month, uploads the reports to our internal website, reviews each recipient's reports, follows-up with the recipients and provides assistance in addressing each significant variance. The Revenue Cycle department also takes responsibility for ensuring that any needed follow-up action takes place.

- **Provide each recipient with information specific to his/her area of responsibility.** Each month, the recipients of the reports receive information specific to his/her area of responsibility. At Montefiore, each vice president has responsibility for select departments on the inpatient side and select registration areas on the outpatient side. Department administrators have responsibility for one or more departments. The vice presidents receive inpatient information for their departments and outpatient information for their registration areas. The department administrators receive both inpatient and outpatient information for the departments under their control.

- **The issues that need to be addressed should be highlighted and specific information should be provided to enable the recipients to take action.** It is important that the variances that need to be addressed are highlighted so that the recipients of the reports do not have to spend time trying to figure out where they need to focus their attention. It is also important to provide both high level and specific information with regards to variances. For example, it is helpful to know that -$80,000 of a registration area's total charge variance of -$95,000 is associated with one charge code.

- **The information should be provided in a user friendly manner.** Recipients need to be able to quickly and easily navigate through the information. The use of electronic reports with menus and point and click features helps greatly.

Conclusion

In order to determine where there are fluctuations in charge capture, it is important to develop reporting tools that can be produced timely, are accurate and most importantly, are user friendly, so they can be reviewed by all affected areas to assist in the determination of where there are known areas for follow up to review operational enhancements. By developing and expanding these reporting capabilities you can effectively manage the charge capture process.

Ed Kerner is Director of Charge Revenue Cycle Operations for Montefiore Medical Center. Ed can be reached at ekerner@montefiore.org. Mark Jeziorski is President of Sophical Solutions. Mark can be reached at markj@sophicalsolutions.com.