

Mastering your Chargemaster

Greg Polk, R.Ph., M.B.A.
Director, Pharmacy Services
Harper University Hospital
Hutzel Women's Hospital
Rehabilitation Institute of Michigan

Disclosure

Greg Polk has nothing to disclose.

What is a Chargemaster?

- ◆ Charge Description Master (CDM)
- ◆ Comprehensive, facility-specific listing of each item that could be billed to a patient
 - Services, supplies, procedures
- ◆ CDM Number - unique identifier

Drug Chargemaster Elements

- ◆ Drug description
- ◆ Department code
- ◆ Unit of measure
- ◆ Patient charge
- ◆ Coding
 - HCPCS; APC
 - Revenue Codes
 - Rev code 636
- ◆ Multiplier functionality
- ◆ Payors

CDM extract example

SERV CODE	DESCRIPTION	GL KEY	T P	PROC CODE	EFF DATE
49887029	RITUXIMAB, 100MG	230	A	J9310	08/01/2000
49887029	RITUXIMAB, 100MG	230	I	J9310	
49887029	RITUXIMAB, 100MG	230	M	J9310 9	
49887029	RITUXIMAB, 100MG	230	A	636	
49887029	RITUXIMAB, 100MG	230	C	636	
49887029	RITUXIMAB, 100MG	230	I	636	
49887037	RITUXIMAB, 100MG	230	A	J9310	
49887037	RITUXIMAB, 100MG	230	A	J9310	08/01/2000
49887037	RITUXIMAB, 100MG	230	I	J9310	
49887037	RITUXIMAB, 100MG	230	M	J9310 5	
49887037	RITUXIMAB, 100MG	230	A	636	
49887037	RITUXIMAB, 100MG	230	C	636	
49887037	RITUXIMAB, 100MG	230	I	636	

Optimizing your Chargemaster

- ◆ Collaboration with patient accounting staff
- ◆ Annual review of relevant elements
- ◆ Status indicators
- ◆ Payment rates
- ◆ Quarterly CMS OPPS update
- ◆ New drugs with no HCPCS
 - C9399

Optimizing your Chargemaster

- ◆ Cost / Price updates
 - Ongoing; Review most expensive agents regularly; Contract updates
 - Annual mark-up algorithm review / update
- ◆ Pharmacy Information System Database - Minimum billing units and Medicare payment units
- ◆ Annual “Test” bills – validate itemized bill
 - Drug description
 - Coding
 - Billed units (Medicare Payment Units)
 - Patient charge

Resources

- ◆ www.cms.gov
 - Transmittals
 - Addenda
- ◆ www.ashp.org
 - Practice Resource Centers → Pharmaceutical Reimbursement
- ◆ Commercial vendors