

T E X ★ S Hospitals

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Best Practices

Billing and Coding: Software Ferrets Out Hard-to-Find Missing Charges



BY KAREN BRANZ

A common problem for hospitals' bottom line is revenue lost due to suboptimal pricing, charging and coding of patient care services and supplies. Often, when a procedure involves multiple charges, some of those charges get missed.

In 2008, when Peggy Keus, director of charge capture operations for St. Luke's Episcopal Health System in Houston, was looking for a way to more efficiently audit for lost charges, she found Craneware.

"When Craneware came out with its Bill Analyzer product in 2008, I saw it as a way to discover if we were missing any charges," she said. "We had been using Craneware's Chargemaster Toolkit® software for some time, so I was interested in what the new product could offer."

Bill Analyzer electronically reviews past bills, looking for problems. If charges are missing or appear out of alignment with current regulatory guidelines, Bill Analyzer flags the file so that it can be reviewed for accuracy. It also can review the bill to see if the time-based charges are in the appropriate range for the procedure codes included.

"We use Bill Analyzer in comparison to our files to see if all the charges are being captured, especially in areas where portions of a procedure are separately charged," Keus said.

When Keus and her staff see a repeating pattern of missed charges in a department, they review the data with the department's staff. "Bill Analyzer helps us identify the specific issues for staff education," she said.

Often, missed charges or charging errors are due to staff turnover. "New staff members entering data may be unfamiliar with the system and need some additional training," Keus said. "We educate the staff and help them look for opportunities to improve their process for making sure all the charges are captured accurately."

"Lost charges and charging errors cause revenue leakage," said Ann Marie Brown, executive vice president of marketing for Craneware. "This is the gap between the amount of revenue hospitals are entitled to and the amount they eventually receive. It is difficult for hospitals to remain current with ongoing changes to regulations and rules."

Brown said there are five areas where hospitals are most at risk for revenue leakage:

1. **Infusion therapy:** "Hierarchical Condition Category and time-based charging for infusion therapy makes it difficult for facilities to accurately capture correct charges for outpatient infusion," said Brown.

2. **Surgical components in radiology:** "The interventional components of minor surgical procedures performed in diagnostic radiology often are overlooked, leaving only the associated radiology supervision and interpretation charges," she said.
3. **Chargeable supplies and devices:** "Most hospitals cannot link purchasing data in the item master to chargemaster data for comparison except through manual spreadsheets," Brown said. "Without an automated way to reconcile inventory and charges, there is no way to know how much inventory is being used but not charged."
4. **Interventional special procedures:** "Procedures such as PICC line insertions, pain management and port insertions are performed throughout the outpatient setting," said Brown, "and specialized staff are deployed outside their usual area to complete these procedures. In these circumstances, the charges can be missed due to lack of communication."
5. **Pharmacy multipliers:** "Incorrectly assigned pharmacy multipliers lead to significant revenue leakage by habitually billing for much lower medication quantities than are actually administered to patients," said Brown.

"We saw the biggest volume of missed charges in 2008, when we first began using Bill Analyzer. However, we continue to find areas where there are opportunities for doing a better job of capturing charges," Keus said. Because Keus and her staff have been able to successfully educate staff and improve the integrity of the charging process, she added, the billing department is better able to get a clean bill out to payers the first time.

She said that Craneware consultant Michael Najera was thorough in helping Keus' staff use Bill Analyzer effectively.

"He worked with both the clinical staff and my staff to help us understand where we had areas of risk," she said. "When Craneware adds new reporting and editing capabilities, he helps us understand the new tools."

"Our goal is to help our clients become experts in their area, not to sell them an ongoing consulting service," said Brown. "We help them become expert consultants for their hospitals." ★

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