

ORGANIZATION POLICY

POLICY TITLE: MAINTENANCE OF THE CHARGE DESCRIPTION MASTER

POLICY NUMBER: 1217

PURPOSE:

This policy is intended to maintain the Hospital's Charge Description Master (CDM) as the official list of all procedures, services and billable supplies that the Hospital provides.

POLICY:

Department managers/directors are responsible for reviewing the Current Procedural Terminology (CPT) codes within their department's CDM to ensure prompt updates and revisions are made when necessary. Annual reviews for changes to CPT codes per the CPT Code Manual as well as any other additions, deletions and/or modifications should be requested by the manager/director of the department where the revenue is captured. The CFO or his/her designee is responsible for oversight of the Hospital's CDM including room and board files, yearly rate setting, charge audits and all patient service revenue. Modification of the CDM requires approval of the CFO or his/her designee.

PROCEDURE:

1. Department Managers should review all department procedures, services and supplies to ensure accuracy, validity, and appropriateness of the information associated with each charge description number. This review should ensure that all HCPCS, CPT, and revenue codes comply with Medicare guidelines and/or other existing payer contracts.
2. All requests for changes to the CDM should be submitted on a current Charge Master Request Form via email.
3. The following elements will be maintained in the Charge Master File:
 - a) **Procedure Description:** This title describes the procedure, service or supply.
 - b) **CPT/HCPCS Code:** This item matches the corresponding CPT or HCPCS code that identifies the specific procedure, service or supply. It is important to note that not all procedures, services and supplies listed on the CDM will have a corresponding code.
 - c) **Revenue Code:** This is a three digit code number that represents a specific accommodation or ancillary service required for billing.

- d) **Charge Dollar Amount:** This is the specific amount charged by the facility for each procedure or service. This is not the amount that the facility will be reimbursed by a third party payer; rather, it is the standard charge for the item.
- e) **Department Code Number:** This item is a unique number assigned to each department by the facility.
- f) **Charge Description Number:** This is an internally assigned unique number that identifies each specific procedure, service or supply listed on the CDM.
- g) **General Ledger Code Number:** This field assigns the four digit revenue for this procedure, service or supply to the appropriate department or center and is assigned by the controller.
4. An annual review of each department's top five (5) procedures, services and/or supplies by volume will be coordinated by the CFO or his/her designee. A sampling of claims will be audited to determine if the applicable procedure, service and/or supply provided is consistent with the physician's order and item charged.
5. All information related to the CDM is to be considered confidential and should only be shared with those individuals who use the information in their specific job duties.

EFFECTIVE DATE: May 2011

REVIEW DATE: January 2012

REVISION DATE: January 2015, January 2018

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