



Summer 2012

Charge Description Master Maintenance and the Compliance Link Highlights of the July 2012 OPPS Hospital Update

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Since the implementation of Medicare's Outpatient Prospective Payment System (OPPS) in August of 2000, we have come to understand the significant role the Charge Description Master (CDM) plays within this payment structure to ensure appropriate payments for hospital services. Constant changes, including Healthcare Common Procedure Coding System (HCPCS) updates, changes in procedures being performed throughout the hospital and changes in reimbursement guidelines highlight the importance of maintaining the CDM.

In January 2005 the Office of the Inspector General (OIG) released the Supplemental Compliance Program Guidance for Hospitals, which emphasizes the importance of maintaining the CDM:

Because HCPCS codes and Ambulatory Payment Classifications (APCs) are updated by CMS regularly, hospitals should pay particular attention to the task of updating the CDM to ensure assignment of correct codes to outpatient claims. This should include timely updates, proper use of modifiers and correct association between procedure and revenue codes.¹

This guidance underscores that an outdated CDM poses a significant compliance risk for hospitals.

A representative from the Corporate Compliance Department should be included on the hospital's CDM Team for oversight and compliance documentation purposes. Ongoing CDM maintenance is an important compliance monitoring activity and should be documented to demonstrate the hospital's ongoing compliance efforts.

As comprehensive, annual and quarterly updates to the CDM are made, the Compliance Officer will want to evaluate and assess the CDM review and maintenance function. One way to do this is to perform a CDM gap analysis. The gap analysis should include the following steps:

- Validation of the CDM

¹/ [OIG Supplemental Program Compliance Guidance for Hospitals, January 2005](#)

- Validation of the Charge Capture Process
- Interviews with staff responsible for charge capture, to assess their knowledge of the process
- A review of the CDM Maintenance policies and procedures
- A chart to bill coding and billing assessment

Additionally, the staff that is involved in the ongoing maintenance of the CDM should receive annual education on how to comply with federal, state and local claims submission guidelines for correct selection of charges relevant to actual services being provided.

CDM Compliance Example: An example of a compliance issue would be coding for drugs, biological or radiopharmaceuticals with the incorrect number of units. When billing for these items the number of units should reflect the units referenced in the HCPCS and CDM descriptions of that drug, as well as the documented number of units administered. CMS guidance states that:

Hospitals are strongly encouraged to report charges for all drugs, biological and radiopharmaceuticals, regardless of whether the items are paid separately or packaged, using the correct HCPCS codes for the items used. It is also of great importance that hospitals billing for these products make certain that the reported units of service of the reported HCPCS codes are consistent with the quantity of a drug, biological, or radiopharmaceutical that was used in the care of the patient.^{2/}

As you can see, the accuracy and appropriate use of the CDM is a significant billing compliance risk that requires oversight by the Compliance Department. The CDM review and maintenance procedures conducted as part of hospital operations are critical to a hospital's billing compliance program.

Highlights of the July 2012 Update of the Hospital OPPS^{3/}

- HCPCS code C1882 *Cardioverter defibrillator, other than single or dual chamber, implantable* has been reinstated as a device code that can satisfy the edit for CPT code 33249, retroactive to January 1, 2012.
- CMS is implementing in the OPPS the seven Category III CPT codes that the AMA released in January 2012. The codes 0302T – 0308T, along with their status indicators, APCs and payment rates, can be found in Addendum B of the July 2012 OPPS Update at <https://www.cms.gov/Medicare/Medicare-Fee-For-Service-Payment/HospitalOutpatientPPS/Addendum-A-and-Addendum-B-Updates.html> on the CMS website.
- Effective July 1, 2012, HCPCS code C9732 has been deleted. CPT code 0308T should be reported in its place, and should be reported with device C1840.

^{2/} CR 7847, July 2012 Update of the Hospital Outpatient Prospective Payment System.

^{3/} MLN Matters: MM7847.

- There are two new drugs and biological that have been granted pass-through status effective July 1, 2012: C9368 *Grafix core, per sq. cm* and C9369 *Grafix prime, per sq. cm*.
- Six new HCPCS codes have been created for reporting certain drugs and biological (in addition to those listed in the preceding paragraph). Q2047 *Injection, Peginesatide, 0.1MG (for ERSD on dialysis)*; Q2049 *Inj, doxorubicin hydrochloride, liposomal, imported lipodox, 10mg*; Q2034 *Influenza virus vaccine, split virus, for intramuscular use (Agriflu)*; Q2045 *Injection, human fibrinogen concentrate, 1 mg* (this replaces J1680 which will change to SI E, effective July 1, 2012); Q2046 *Inj, aflibercept, 1 mg* (this replaces C9291, which will be deleted effective July 1, 2012) and Q2048 *Inj, doxorubicin hydrochloride, liposomal, doxil, 10mg* (this replaces J9001 which will change to SI E, effective July 1, 2012).

Make sure to update your CDM to ensure compliance!

BESLER Consulting provides a variety of customized services that can provide the appropriate mix of experience and audits to help with your CDM review. For more information please contact Lauren A. Rimmer at (732) 839-8226 or lrimmer@besler.com.