



The bottom line in *charge process improvement*

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What's in a Name? The Importance of Being Earnest about CDM Integrity

When building a charge description master (CDM), the care taken to describe each item of service can have monumental impact on the hospital's ability to capture charges and get reimbursed. Even more importantly, the CDM can affect the hospital's capacity to perform strategically, whether conducting research, studying its care and quality practices, engaging in mergers, participating effectively in consortium purchasing, or consolidating operations under a corporate umbrella.

While many hospitals overlook the importance of how a CDM is constructed, only the most enlightened managers recognize what can occur over time as CDMs are augmented to support new drugs and procedures, release of generic brands, decentralization of services, and the implementation of strategic services lines.

The symptoms of **CDM chaos** emerge in unpredictable ways. Management reports fail to reconcile volumes of services against manual logs. Utilization review coordinators have trouble identifying physicians who have ordered costly drugs or procedures. A researcher can't find a meaningful sample of at-risk patients with a known exposure. Or perhaps a flagship hospital fails to justify centralization of key services because the revenue and usage analysis isn't as compelling as hoped.

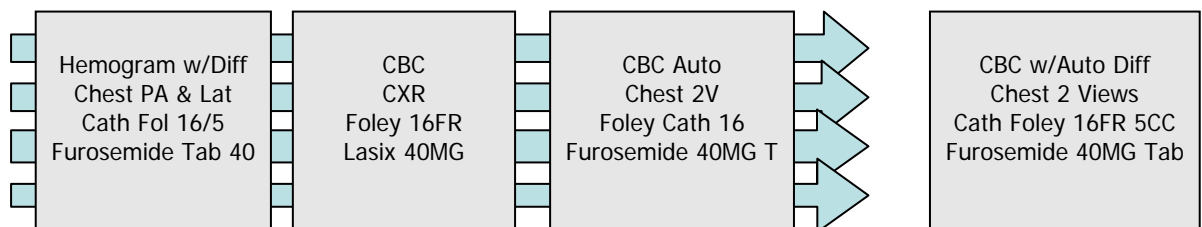


Figure 1. The challenge of mapping disparate CDMs can be found whether consolidating across departments—where unique CDMs are common—or across hospitals—where descriptions and code numbers vary wildly.

What causes 'CDM Chaos'?

CDMs are organized by codes, and these codes are part of the machine instructions that allow hospital information systems to process patient charges. The item descriptions are the face of these codes to the user, so CDM maintenance often begins with the description itself. In some hospitals, many individuals in many departments may have authority to add, modify, or delete CDM items. If a user in one department doesn't find or recognize the

service he is seeking, he may add a new item to cover that service. Typically, departments know what CDM items they use regularly, but when new drugs or procedures emerge, or when existing drugs become used in new ways, users often modify the CDM “on the fly” without regard for how a new or duplicate item may affect the collection and processing of the hospital’s data. Others, not aware that a new item has been added, may continue to propagate unique descriptions for the same item.

The Key to Preserving CDM Value

The only way to maintain the integrity of the CDM is to treat it like other valuable resources. After all, a neglected the CDM translates to poor data integrity, faulty systems integration, and ultimately decreased net revenue.

Consider the controls used in the pharmacy. Individual drugs are logged in, and shelf life is carefully monitored. Out of date and recalled drugs are discarded. Drugs are only dispensed when properly ordered and authorized. Brand names and generics are stored and labeled separately. Warnings and other safeguards are carefully included when indicated. And only qualified, licensed personnel may handle, mix, and dispense pharmaceuticals.

The same safeguards should be applied on an ongoing basis to CDM management. The CDM should be reviewed on a scheduled basis to eliminate duplicate and incorrect items. Standards should be applied to the descriptions, and carefully matched to CDM codes as well as CPT/HCPCS codes and UB-92 revenue codes. CDM content should be reviewed with department heads and then monitored on an ongoing basis to avoid unnecessary CDM proliferation. There should be centralized controls imposed on the CDM for the purpose of change management and compliance with Medicare regulations. Implementation of new drugs and services should be carefully managed to ensure consistent application enterprise wide. Management reporting teams should review data quality to identify and resolve issues of improper CDM mapping or descriptions. All hospitals should have an overall CDM management plan to govern issues relating to the CDM and aspects of hospital operations that drive or are driven by the CDM.

Small hospital checklist	◇	CDM Review
	◇	Department head education
	◇	Instill “CDM awareness”
	◇	Implement CDM management plan
Multi-hospital checklist	◇	CDM Standardization
	◇	Crosswalk old CDM to new CDM
	◇	Education and “CDM awareness”
	◇	Implement CDM management plan