Capturing Revenue Leakage: Coding and Reconciliation Enhancements from Intalere Partner Craneware Bring Madison Memorial $327,000 Return on Investment

A SHORT TAKE ON SUCCESS

Challenge
Keeping the chargemaster updated with the most valid and recent descriptions.

Solution
An automated software system from Intalere partner Craneware that would assist in reducing critical write-offs.

Outcome
Updated and accurate Chargemaster and annual ROI of $327,658.

“IT was quite unique how the Craneware software was able to take the purchase files from the pharmacy department and compare this to the revenue files from our information services vendor. This comparison showed the flaws in our previous manual system and allowed us to see that we had billable items that we thought were being billed out, but they were not.”

Dorsie Sullenger - Director of Pharmacy, Madison Memorial Hospital

THE CHALLENGE

Madison Memorial Hospital is a 69-bed licensed facility in southeastern Idaho that prides itself on being in the forefront of providing evidence-based holistic patient care and linking its community members to the most progressive physicians, treatment and medical technology available.

Madison Memorial had been struggling with financial management challenges, including how to keep the chargemaster updated with the most valid and recent codes and descriptions. According to Dorsie Sullenger, Director of Pharmacy for Madison Memorial Hospital, there were hundreds of items in the chargemaster that did not contain the correct information necessary for the facility to maximize reimbursement, increase operational efficiency and mitigate compliance risk. “The system we had in operation was a manual system that required each department director to submit new supplies and medications into the central chargemaster,” he said. “This was very labor intensive and did not seem to register highly on the priority list of most directors and managers.” The facility was writing off thousands of dollars due to incorrect coding, and incorrect unit descriptions.

THE SOLUTION

The Directors Touchbase Committee, a regular standing committee at Madison Memorial, convened to brainstorm ideas on how the chargemaster problems could be resolved. A consensus was reached on moving away from the current manual input system and implementing an
Almost immediately following the implementation, a large number of pharmacy items were found in the chargemaster without the appropriate HCPCS code assigned, which prevented proper reimbursement from the payer. Based upon this alone the immediate anticipated yearly ROI opportunity was $327,658. In addition, pricing issues were discovered including 140 identified items in which the unit cost was greater than the amount charged to Medicare.

In terms of volume reconciliation issues, there were 647 line items in the chargemaster that had never been billed out. The Craneware solution also allowed Madison Memorial to benchmark, by seeing how pricing on certain medications compared to other hospitals within the state or local area. “We could see if we were charging too much for an antibiotic infusion and, therefore, we could correct the problem before we had a patient complaint,” said Sullenger.

It also allowed the facility to do a price comparison based on procedure. This comparative data allowed Madison Memorial to see significant changes that could be implemented into their current pricing scheme, a significant advantage in a highly competitive environment.

About Intalere
Intalere’s mission focuses on elevating the health of healthcare by designing highly personalized solutions to improve our members’ financial, operational and clinical performance.