

# Craneware's Pharmacy ChargeLink

By Kathy Lytal, MBA

**H**eadquartered in Fort Wayne, Indiana, Parkview Health is a not-for-profit, community-based health system consisting of eight hospitals with 775 total beds and nearly 7,000 employees. Like many health systems, we realized the benefit of clinical documentation-triggered, automated charge capture some years ago. We shifted from capturing pharmacy charges at the point of dispensing (from our automated dispensing cabinets or the central pharmacy) to the point of administration through BCMA. After completing this transition and monitoring our financial performance, we realized we were not optimizing revenue capture.

Parkview Health had an established relationship with Craneware, using their Chargemaster Toolkit and Bill Analyzer revenue cycle products. Thus, when Craneware's Pharmacy ChargeLink application became available, we were eager to evaluate whether it could more precisely assess our suspected pharmacy revenue cycle gaps. The ability to perform variation analysis on charge capture was the driver behind employing Craneware's Pharmacy ChargeLink solution.

## Managing by Exception

Parkview's past efforts to review data were time consuming and ineffective, and we realized the need for efficient data analysis. While we had the drug spend file, the distribution data, the drug master, the chargemaster, and the revenue and usage reports, we lacked a method to assess financial performance at a level of detail to expose the sources of our leakage.

Now, we can perform data updates of the prior month's activity in minutes. We are able to manage by exception by running various filters and reports within Pharmacy ChargeLink to bring attention to our greatest opportunities—such as NDC code integrity, non-formulary spend activity, HCPCS coding integrity, incorrect unit multipliers, pricing variances, and material variances between our spend and charge capture activity. In the same vein, we must also review various compliance issues. When CMS issues a publication, Pharmacy ChargeLink helps identify the affected chargemaster line items, allowing us to review our processes to ensure we have measures in place to minimize risk.

It is important to note that Pharmacy ChargeLink does not evaluate charge capture on a claim-by-claim basis, rather it performs periodic analysis. By leveraging Pharmacy ChargeLink, we can identify where we are not capturing, coding, or pricing our transactions optimally. We are often able to quickly resolve issues within the chargemaster with a few clicks of a mouse; whereas other issues may require education or process adjustments to improve revenue integrity and financial performance optimization.

## Craneware Interoperability and Integration

Implementing Pharmacy ChargeLink required no additional investment

in networking or hardware. Parkview's chargemaster, clinical platforms, and financial systems are all standard, and the Craneware solutions are integrated. Therefore, we can manage a single transaction at the corporate level and it will propagate through the entire system, associating the proper HCPCS code and unit multipliers, as necessary.

Implementation took two weeks, which included assessing whether all of our systems were interoperable. As part of the implementation, Craneware trainers were onsite and demonstrated to both the revenue integrity and pharmacy departments how to manipulate and interpret our data.

## Measuring Success

For Parkview Health, the volume reconciliation feature had the greatest impact. We identified an annual gross revenue variance in excess of \$10 million, indicating significant leaks in our charge capture process. Given the scope of our formulary and the size of our opportunity, we had to identify the pockets of activity that would return the greatest benefit to the organization. The first category of drugs we segregated represented \$3 million of the total \$10 million in lost revenue. As part of our Pharmacy LEAN initiative, we scheduled a rapid improvement event, engaging key clinical stakeholders to identify waste and points of failure in our former processes. The team then focused on developing and testing the standard work in an ideal state. With our baseline established, we were able to measure progress by applying user-defined filters to the monthly data managed by Pharmacy ChargeLink. We have monitored our results, yielding very positive success in the areas targeted. Additional categories of drugs have been identified and initiatives have been coordinated.

With nearly 4,400 active drugs in our formulary, the ability to manage by exception is critical. With Pharmacy ChargeLink, we now have an automated system that supports management by exception and continuous monitoring of financial performance across interdependent pharmacy data and processes. Pharmacy ChargeLink directs us to where we should invest our time and effort to optimize performance, instead of being consumed with endless data manipulation in the complex and ever-changing pharmacy industry. ■



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