



Board Report

File #: A 12-086, **Version:** 1

Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 1 to the Agreement (DO2210) with Med Assets Net Revenue Systems LLC for Charge Description Master (CDM) Manager, KnowledgeSource, and Revenue Dashboard Annual Software Services for the MediTech System at NMC, extending the Agreement to June 30, 2013 and adding \$56,000 for Fiscal Year (FY) 2012-13 for a revised total Agreement amount not to exceed \$112,000 in the aggregate.

RECOMMENDATION:

It is recommended the Board of Supervisors authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 1 to the Agreement (DO2210) with Med Assets Net Revenue Systems LLC for Charge Description Master (CDM) Manager, KnowledgeSource, and Revenue Dashboard Annual Software Services for the MediTech System at NMC, extending the Agreement to June 30, 2013 and adding \$56,000 for Fiscal Year (FY) 2012-13 for a revised total Agreement amount not to exceed \$112,000 in the aggregate.

SUMMARY/DISCUSSION

NMC generates patient revenue for each patient encounter as determined through the use of a Charge Description Master (CDM) listing all individual rates for service lines, procedures and tests. The CDM is a complex list of several thousand individual charges, billing codes and other technical data that are essential in charging for all patient care rendered in a healthcare setting. It is critical that every licensed healthcare provider who is also approved to provide services to Medicare and Medicaid patients have and maintain a technical resource such as this service, to remain compliant with all regulatory bodies and to deal with additions, and changes in services.

Med Assets has three modules NMC uses to stay compliant with Medicare correct coding regulations.

The first module is CodeCorrect Knowledge. The four parts to the CodeCorrect module are:

1. **CODE BASE:** this is a searchable database to include current procedural terminology (CPT), Healthcare Common Procedure Coding System (HCPCS), International Codification of Disease Index, version 9 (ICD-9-CM), diagnosis code, ICD-9-CM procedure codes and modifiers revenue codes.
2. **CODE CORRECT CDM:** this allows on-line access to resources including policy manuals, coding guidelines, Medicare bulletins and publications.
3. **CODE CHECK:** this allows checking for medical necessity and compliance on Correct Coding Initiatives policies.
4. **CODE CORRECT COACH:** this is a searchable database of questions and responses with e-mail access to certified specialists for complex coding questions.

The second module is CodeCorrect CDM Results Management: this an analysis of Natividad's charge master on a monthly bases. The charge master is checked for coding, compliance, cash protection, pricing and identifying specific exception(s) or possible additional revenue opportunities.

The third module is Revenue Dashboard: this helps Natividad monitor and manage outpatient profitability by providing detail reporting by Ambulatory Payment Classifications, HCPCS, ICD-9, and specific departments' procedures drill-down capability to the Uniform Bill 2004 (data analysis and benchmarking) line items.

Med Assets Net Revenue Systems provides this CDM resource needed to maintain a current and compliant CDM keeping NMC current with all regulatory and service changes in the healthcare industry.

Services for this Amendment are quoted at \$32,025. NMC is requesting \$56,000 in order to provide a contingency for any added

services that might be needed during Fiscal Year 2012/13.

Business Automobile Insurance Exemption

Business Automobile Liability Insurance Additional Insured Endorsement requirements are waived for this vendor under this Agreement. There is no risk or exposure regarding vehicles.

- Vendor is located outside California and does not travel onto County property with vehicles for performance of services included in the Agreement.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this Amendment as to legal form and risk provisions. Auditor-Controller has reviewed and approved this Amendment as to fiscal provisions. The Amendment has also been reviewed and approved by Natividad Medical Center's Board of Trustees.

FINANCING:

The cost for this Amendment is \$56,000 and is included in the Fiscal Year 2012/2013 Recommended Budget. There is no impact to the General Fund.

Prepared by: Prepared by: Vince Carr, Patient Financial Services Director, 783-2345

Approved by: Harry Weis, Chief Executive Officer, 783-2553

Attachments: Agreement, Amendment 1.