

## Comprehensive Pricing Review

The collective industry expertise of our staff, combined with our patented pricing software, enable us to provide your organization with a well-balanced, defensible pricing strategy that carefully considers financial objectives, market position, and regulatory guidelines. Performing a detailed pricing review can not only benefit the bottom line, it can also help your organization achieve increased leverage with managed care payers and increased patient satisfaction. Our consultants will work closely with your finance management team to customize a pricing strategy that meets the goals of your organization and aligns with current regulatory guidelines.

### Key strategic considerations will include:

- \* *Organizational goals* – Defining revenue objectives and considering defensibility.
- \* *Cost data* – Determining how charges align with costs .
- \* *Benchmark data* – Evaluating the organization's competitive position.
- \* *Contract and budgetary considerations* – Analyzing projected revenue impacts.
- \* *Exclusion* – Classifying areas of exclusion from the main pricing strategy.

Throughout our in-depth pricing analysis, you will have the opportunity to review the impact of various pricing scenarios to your bottom line. Our pricing software is customized for each engagement by developing a net revenue model based on the current reimbursement structure of your hospital. This will allow us to evaluate net revenue changes associated with various price movements at the facility, department, carrier, inpatient/outpatient, and line item level.

Once an overall strategy has been determined, MedCom will execute the strategy on a line-by-line basis utilizing our pricing software, as well as the expert review of our clinical and financial consultants. Our clinical experts are intimately involved with our pricing reviews, ensuring that your pricing revisions pass the approval of those who know the services best.

### The comprehensive review incorporates, at a minimum, all of the following key components:

- \* *Linking* – Ensuring price uniformity for coded procedures across the health system.
- \* *Tiering* – Validating appropriate price relationships with a line-by-line clinical review.
- \* *Fee Schedule Audits* – Conducting audits to ensure prices meet fixed-fee thresholds.
- \* *Modifier Audits* – Adjusting for price-impacting modifiers.
- \* *Exclusion* – Classifying areas of exclusion from the main pricing strategy.
- \* *Organizational goals* – Defining revenue objectives and considering defensibility.
- \* *Tails Analysis* – Examining large line-item swings, either increases or decreases.
- \* *Other Analyses* – Analyzing and changing prices in other areas (e.g. supplies, room time charges).
- \* *Feedback* – Analyzing projected revenue impacts.
- \* *Exclusion* – Incorporating facility revisions based on stakeholders' responses.

The final price recommendations will be provided in an electronic file for upload into the CDM system, pursuant to the hospital information system vendor specifications. A post-implementation audit may be conducted to ensure that the price changes were implemented correctly. This audit can also include incorporation of recent additions or changes to the CDM data since the date of initial collection.

**Deliverable:** The primary deliverable of the project is the line-by-line recommendations resulting from MedCom's execution of the pricing strategy provided in a detailed electronic file format. In addition to the price recommendations, at the conclusion of the project an executive report includes various configurations of the projected financial impact, a SWOT evaluation of the pricing strategy, a summary of CDM statistics, and documentation of the pricing process. Other summary analyses can be provided by request such as the case-level impact of pricing or other custom summaries based on your organization's reporting needs.

\* An additional charge for the inclusion of Cost Data is assessed based on the project scope. Cost Data is normally required for supply-cost mark up review and may be incorporated for procedure level analysis.

\*\* An additional charge for the inclusion of Claims Data is assessed based on the project scope. Claims Data is required for either (1) market-based pricing analysis on soft-coded items such as procedure time charges and/or (2) DRG or case-level summaries of projected financial impact of pricing.

### Next Step:

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