RTI International Recommended Revenue Code to Cost Center Crosswalk Using Current Cost Centers

(Comment on these Potential Changes Requested in CY 2009 OPPS Proposed Rule)

RTI International reviewed the Outpatient Prospective Payment System (OPPS) method for estimating costs from charges for setting Ambulatory Payment Classification Group (APC) relative payment weights. The final report, *Refining Cost to Charge Ratios for Calculating APC and MS-DRG Relative Payment Weights*, published in July 2008, is available through a link on the OPPS website for the CY 2009 Proposed Rule. In Chapter four of this report, RTI recommends changes to the revenue code to cost center crosswalk (revenue crosswalk) that CMS uses to link revenue code charge data on claims with cost and charge data by cost centers from each hospital's Medicare cost report to improve the accuracy of cost estimates. Specifically, RTI sought to reduce aggregation bias created by defaulting too quickly to an overall ancillary cost-to-charge ratio (CCR) and to improve the appropriateness of the match between revenue code and cost center.

The premise of the revenue crosswalk is that each charge on a claim should map to the CCR of the most appropriate cost center available from the corresponding hospital's cost report. If there is no matching cost center for a given code in a given hospital, then the charges are converted to costs using that hospital's OPPS overall ancillary CCR. The crosswalk contains a hierarchy of cost center CCRs used to estimate costs from charges for each revenue code. The crosswalk contains several potential cost center locations for revenue code costs and charges because it is an attempt to best represent the association of revenue codes with cost centers across all hospitals. It is not CMS policy to specify which revenue codes must be crosswalked to which cost center, requiring only that the hospital abide by all cost report instructions when assigning costs and charges. For each revenue code, the associated cost centers are ranked from most detailed to least detailed, ultimately defaulting to the overall ancillary OPPS CCR to estimate costs from charges. Under the crosswalk, assignment to cost centers is mutually exclusive and only defaults to the next level when the cost center with higher priority is unavailable. Should the hospital not include any of the identified cost centers on their cost report for a given revenue code, RTI included a default "area" overall CCRs for clinic, cardiology, and therapy services for estimating costs from charges before using the overall ancillary CCR, which is CMS current policy.

Attachment 2b of the report presents RTI's recommended changes to the crosswalk, incorporating their recommendations for new cost centers and corrections to the CMS aggregation table (Attachment 1d). RTI identifies the cost centers in their recommended crosswalk (Attachment 2b) using a revised aggregation nomenclature that RTI uses throughout chapters three (HCRIS Line Reassignments) and four (Revisions to OPPS Revenue Crosswalk). This nomenclature allowed RTI to more easily account for their recommended revisions but can be difficult to follow without context.

We did not propose to use RTI's revised revenue crosswalk for the CY 2009 proposed payment rates, but explicitly have requested comment on their recommendations. For our

own review of RTI's research, we created the attached workbook containing two worksheets: (1) RTI's revised revenue crosswalk using the current HCRIS standard and nonstandard cost centers and (2) identification of cost centers included in the default overall CCRs. We included a descriptive label for each cost center. We did not include the new cost centers RTI recommends or their recommended changes to the aggregation table. We are posting this crosswalk to the CMS web site because we believe commenters may find it easier to use when drafting their public comments on potential crosswalk revisions. Yellow highlighting in the crosswalk indicates a change from the revenue crosswalk that we used to calculate the proposed CY 2009 payment rates.