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I. SCOPE:

This policy applies to (1) Tenet Healthcare Corporation and its wholly-owned subsidiaries and affiliates (each, an “Affiliate”); (2) any other entity or organization in which Tenet Healthcare Corporation or an Affiliate owns a direct or indirect equity interest greater than 50%; and (3) any hospital or healthcare entity in which an Affiliate either manages or controls the day-to-day operations of the entity (each, a “Tenet Entity”) (collectively, “Tenet”).


II. PURPOSE:

The purpose of this policy is to establish a consistent methodology for creating and establishing charges for patient services for Tenet Hospitals.


III. DEFINITIONS:

- A. **“Charge Description Master”** or **“CDM”** means a master listing of all procedures, services, devices, pharmaceuticals, and products with descriptions, required codes, and associated charges for inpatient and outpatient services furnished by a healthcare provider. The Charge Description Master provides a mechanism for facilities to accurately summarize charges and services it provides during a patient encounter.
- B. **“Current Procedural Terminology”** or **“CPT”** is maintained by the American Medical Association for reporting medical services and procedures and contains descriptive terms and comments associated with a specific 5-digit numeric code for use by physicians and other providers, including hospitals. Current Procedural Terminology provides a uniform language accurately describing medical, surgical, and diagnostic services.
- C. **“Healthcare Common Procedure Coding System”** or **“HCPCS”** is maintained by Centers for Medicare and Medicaid Services and identifies products and services not included in CPT codes or may replace CPT codes when submitting claims to Medicare.
- D. **“Centers for Medicare and Medicaid Services”** or **“CMS”** is the Federal agency which administers the Medicare, Medicaid, and Child Health Insurance programs.
- E. **“Routine”** supplies are nominal supplies; commonplace, ordinary, minor; routine supplies have no special or exceptional attributes, especially in quality, size, or degree.


IV. POLICY:

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- A. Charges for services/items will be established in accordance with CMS and/or other payor-specific guidelines quarterly, annually, or as information is released/identified.
- B. Hospitals are required to make available to the public their charges via the Internet in a machine readable format and update this information at least annually.
- C. Charges for services/items must accurately reflect clinical practice.
- D. Charges for services/items must accurately reflect the CPT/HCPCS code requested.
- E. Charges for room and bed will include:
 - 1. Overhead for 24/7 operations including water, heating/air conditioning, electrical, maintenance, etc.
 - 2. Permanent or multiple-use equipment (i.e., patient beds, IV poles, transport tables, wheel chairs, etc.)
 - 3. Personnel (examples only; not all inclusive)
 - a. Trained/educated and credentialed nursing staff (RN, LVN)
 - b. Trained/educated and credentialed Medical Social Workers
 - c. Trained and/or certified Patient Care Assistants
 - d. Trained Patient Transport Teams to move patients between areas safely and on time
 - e. Patient Access Pre-admission Specialists, Schedulers, Registration Specialists, and Financial Counselors
 - 4. Dietary and Nutritional services
 - 5. Housekeeping services
 - 6. Health Information Management services
 - 7. Support services (finance, patient financial services, operations, eligibility counselors, etc.)
 - 8. Minor medical and surgical supplies (see system-specific Job Aids for Separately Chargeable Supplies and Implants)

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- F. Charges must be applied uniformly to all patients, regardless of assigned patient financial class. Charges must not vary based on payor.
- G. Charges must reasonably and consistently relate to cost. Relevant cost considerations might include labor cost trends, cost trends in the overall economy, cost trends in the healthcare industry or specific sectors of the healthcare industry, opportunity costs, or other factors.
- H. Each Tenet Entity must maintain and follow the appropriate mark-up formula for pharmaceuticals and supplies.
- I. Additions, deletions, and any other modifications to any CDM service/item must be requested through the Conifer Revenue Integrity Department utilizing the designated workflow tools and must be submitted in accordance with defined workflow parameters (see patient accounting platform-specific Job Aid) prior to use.
- J. The Tenet Entity’s Chief Financial Officer (CFO) must evaluate and approve/reject all CDM change requests. The CFO may not permanently grant approval/rejection authority to any other person in the hospital. If the CFO position is vacant, the acting/interim CFO must assume this responsibility.
- K. The CFO is allowed to “delegate” approval/rejection on a short-term basis only such as vacation, leave of absence, illness, etc. in an effort to process CDM change requests in a timely manner. This temporary delegation may only be to: an administrator of equal authority (such as Chief Executive Officer; Chief Operations Officer; Chief Information Technology Officer; Chief Nursing Officer; etc.); the Assistant Chief Financial Officer; or the Controller.
- L. Each Tenet Entity must clearly describe how the requested charge was determined. Documentation must demonstrate a relationship between the cost of the service/item and the requested charge.
- M. The person requesting a change to the CDM must make a reasonable effort to determine that the requested charge is in compliance with government billing guidelines prior to submitting the request.
- N. The Tenet Entity personnel (departments using the charge) must understand how and when to appropriately charge for specific services, items, or pharmaceuticals. If required, the responsible Tenet Entity department leader must provide training on use of the charge code to staff using the charge code.

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- O. The Tenet Entity individual requesting the charge must perform final validation to ensure the requested charge is correct in the patient accounting system prior to the charge being used.
- P. The Home Office Vice Presidents of Operations Finance and Audit Services must approve, in writing, all exceptions to this policy.

V. PROCEDURE:

- A. Follow the patient accounting platform-specific Job Aid for Separately Chargeable Supplies and Implants
- B. Follow the patient accounting platform-specific Job Aid for processing charge description master changes.
- C. On an annual basis, on or before February 1st, each hospital shall update their public internet webpage to include their current charges in machine readable format.
- D. Responsible Person

The Tenet Facility Chief Financial Officer is responsible for ensuring that all personnel adhere to the requirements of this policy, that the policy and all applicable procedures are implemented and followed at the Facility, and that instances of noncompliance with this policy are reported to the Compliance Officer.


- E. Enforcement

All employees whose responsibilities are affected by this policy are expected to be familiar with the basic procedures and responsibilities created by this policy. Failure to comply with this policy will be subject to appropriate performance management pursuant to all applicable policies and procedures, up to and including termination. Such performance management may also include modification of compensation, including any merit or discretionary compensation awards, as allowed by applicable law.

VI. REFERENCES:

-Provider Reimbursement Manual, Part 1 (CMS Pub. 15-1), Ch. 22 §2203: Provider Charge Structure as Basis for Apportionment

- 42 USC § 300gg-18

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-Patient Accounting Platform-specific Desktops Reference documents on Processing Charge Description Master Changes

-Patient Accounting Platform-specific Job Aids for Separately Chargeable Supplies and Implants