



# Contract Manager

As managed care becomes increasingly prevalent in the healthcare industry, the already complex issue of reimbursement becomes even more difficult. Traditional patient accounting and billing systems are not sophisticated enough to calculate expected reimbursements and contractual allowances for managed care contracts, impeding cash flow and making it virtually impossible to identify payment errors. That's why HCC offers Contract Manager, our decision support software application that simplifies reimbursement calculation by integrating clinical, financial, and administrative data into a single database. Now you can easily calculate exact expected reimbursements and contractual allowances for all payers. With Contract Manager, you have the tools necessary to improve cash flow and enhance collections.

## How Contract Manager Works

Contract Manager applies the complex terms and conditions of managed care contracts and other complex payer arrangements to specific patient encounter data, which is stored in a relational database along with historical calculations. Contract Manager then uses this information to produce accurate, authoritative calculations of expected reimbursements, contractual allowances, and other adjustments that can be automatically posted to your Patient Accounting System. All calculations are saved in the HCC patient database and are available in both report and file form for any other data repository.

## Centralized Information

Contract Manager makes it easy to analyze profitability, utilization, and compliance by collecting all patient encounter information from your Hospital Information System and centralizing it into a single repository. Contract Manager uses this information to track and manage the entire patient encounter—preadmission, levels of care provided, billing, and account resolution—and subsequently calculates the expected reimbursement for each individual encounter. The historical patient data available in Contract Manager allows you to forecast “what if” scenarios as well as model potential changes in rates, volumes, costs, or charges. With this information, you can project financial information such as gross and net revenue, contractual allowances, and profitability, resulting in negotiation of optimal managed care contracts for your organization.



*Automating  
Reimbursement  
Management*



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## Comprehensive Reporting

Contract Manager's extensive reporting capabilities—including site-specific design parameters—provide managed care, patient accounting, and decision support personnel with immediate access to billing and payment status for each patient encounter.

Reports include:

- Variance reports that identify discrepancies in amounts paid and amounts owed;
- Utilization and patient mix reports that enable you to assess the quality and cost of services;
- Contract analysis and summary detail reports that provide knowledge of actual contract performance so you can successfully negotiate new contracts or renegotiate existing ones;
- Daily reports of underpays and overpays, supported by narrative descriptions of the expected payout rationale; and
- Aging reports that provide information on delinquent accounts, enabling staff to monitor payer performance and to help direct follow-up on specific accounts.

## Superior Functionality

Contract Manager has the flexibility to handle all terms and conditions of a contract, including stop-losses, pass-throughs, and other terms for specific charge items. With a sophisticated yet simple-to-implement rules engine, Contract Manager accommodates all types of contractual terms, including inpatient (day of procedure, level of care, case, bundled rates, and DRG); outpatient (fee schedules, ASG, and APG/APC); thresholds (including day thresholds and multiple stop-losses); and exceptions (pass-throughs). Contract Manager maintains all historical service rules with date-specific terms to ensure accurate calculations during contract renegotiations. Additionally, a graphical user interface (GUI) allows end users to easily and accurately define the most complex terms and methods for calculations and modeling.

## Medicare APC

Among the many payer calculations supported by Contract Manager is Medicare's Ambulatory Payment Classification (APC) system. Contract Manager offers complete calculation, analysis, and reporting functions for inpatient and outpatient Medicare contracts. Using its standard interface dataset—including CPT/HCPCS codes, and charge and procedure detail—Contract Manager determines each patient's APC group, and calculates the expected payment and contractual adjustment. Built-in "fast load" processes incorporate CMS (HCFA) rates and schedules, streamlining calculation of expected reimbursement.

## Technology Specifications

HCC partners with Oracle to provide applications that use Oracle's widely accepted database, client-server, and web-enabled technologies. HCC applications are available as on-site systems and as HCC-managed services.

## About HCC

Based in Pleasanton, CA, Hospital Cost Consultants LLC is a leading provider of cost and reimbursement management software and services. With over 20 years of experience in the healthcare industry, HCC offers a full range of implementation, training, and consulting services to complement its decision support applications—Contract Manager, Cost Accounting Manager, and Best Practice Manager. All are available as stand-alone products or as part of an integrated decision support system that utilizes a single patient database for consistent, enterprise-wide reporting.

*The contract rate screen displays information about services associated with a specific contract, including effective date, payment scheme rate tiers and associated stop losses.*

*As payments are posted, the under/overpayment report shows how payer and other payments compare to the expected reimbursement.*

- User-defined contract specific service definitions accurately calculate expected reimbursement
- Handles complex contract terms and conditions, including stop-losses, pass-throughs, bundled rates, outpatient fee schedules, ASG rates, and APG/APC calculations
- Automated write-off generation and posting and automated recalculation of expected reimbursement based on contract changes
- Analyze historical performance by contract to negotiate more profitable contracts
- HCC patient database provides historical information for modeling potential changes at the contract term level of detail

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