



Chargemaster Frequently Asked Questions

1. What is the purpose of submitting pricing information?
 - a. The purpose is to provide patients, health plans and healthcare purchasers with more information about charges for hospital care; and to discourage hospitals from establishing charges that adversely affect private payers and patients.
2. What information is required to be made publicly available on location?
 - a. Beginning July 1, 2004, each hospital is required to make a written or electronic copy of its charge description master (chargemaster) available on location. A hospital may elect to have an electronic or written copy available or to post a copy on its Internet website. Hospitals designated as “small and rural” according to [Section 124840 of the Health and Safety Code](#) are exempt from this requirement.

Each hospital that is required to make its chargemaster available must also post a clear and conspicuous notice about its availability in its emergency department, admissions office, and billing office.

Beginning January 1, 2006, each hospital is now required to provide a list of charges for 25 common outpatient procedures and common inpatient procedures grouped by Medicare DRG. The DRG list is to be determined and provided by HCAI to each hospital.

Also beginning January 1, 2006, each hospital is required to provide upon request a written estimate of the amount the hospital will require an uninsured person to pay for hospital services that are reasonably expected to be provided, based on average length of stay and services provided for the person’s diagnosis. Estimates are not required for emergency services. Each hospital is also required to provide information about the hospital’s financial assistance and charity care policies to uninsured patients, along with contact information for a hospital representative, to obtain more information about these policies.

3. What information is required to be filed with HCAI?
 1. A copy of its chargemaster.
 2. A list of average charges for 25 common outpatient procedures.
 3. The calculated estimate, along with supporting documentation, of the percentage change in gross revenue (charges) due to price changes. The gross revenue percentage estimate must be submitted along with the other two documents.
4. Can we request an extension?
 - a. No, the law does not provide HCAI with the authority to grant an extension.
5. Are all hospitals required to submit this information?
 - a. Each hospital is required to submit a copy of its chargemaster and the estimated percentage change in gross revenue due to price changes annually on July 1. Health facilities licensed as a [Chemical Dependency Recovery Hospital](#) or a [Psychiatric Health Facility](#) are exempt from these requirements.

6. Is a rural hospital required to submit its chargemaster to HCAI?
 - a. Yes. All rural hospitals are required to submit the required pricing information to HCAI. However, a hospital defined as “small and rural” according to [Section 124840 of the Health and Safety Code](#) is exempt from making a written or electronic copy of its chargemaster available at the hospital’s location or posting a copy on the hospital’s Internet website.
7. Is there a penalty for non-submission?
 - a. Yes, a hospital may be liable for a civil penalty of \$100 per day.
8. What is the required method of submission?
 - a. Documents must be submitted by e-mail to a designated e-mail address or by mail on CD. **Submission by e-mail is preferred.**
9. Are there any restrictions to file types that can be sent?
 - a. Yes, acceptable file types include Microsoft Excel (.xls) and Comma Separated Value (.csv). Note: Hospitals using Microsoft Excel may submit all required items in a single file, as long as each item is placed in a separate worksheet tab.

To help HCAI keep track of submitted files, save files with the following names including your facility’s HCAI/OSHPD ID.

- All three documents in one spreadsheet:
 - “HCAI ID”_CDM_All
- Three documents separately:
 - “HCAI ID”_PCT_CHG
 - “HCAI ID”_CDM
 - “HCAI ID”_Common 25

10. Where should we send our chargemaster and other documents?
 - a. In an email to Chargemaster@hcai.ca.gov.
11. Our chargemaster exceeds the maximum allowable rows (65,536) provided in Microsoft Excel. Can we submit two files or should we create two worksheets within the same file?
 - a. It would be preferable to submit multiple worksheets within a single file.
12. Can submitted electronic files be compressed (zipped)? Is there a maximum file size limit for e-mail submission?
 - a. Yes to both questions. If files are too large to be sent as e-mail attachments, they may be zipped. If e-mail with attachments exceeds 10Mb, documents must be submitted on CD. Documents submitted on CD may also be zipped.
13. Can a hospital submit hardcopy documents?
 - a. No, hardcopy reports will not be accepted.
14. A typical chargemaster includes detailed information, such as charge codes, General Ledger codes, billing descriptions, revenue codes, billing codes, CPT/HCPCS codes, RVS codes, modifiers, and multiple prices. Are there any requirements on the specific chargemaster items to be included?
 - a. No, HCAI does not have authority to specify which chargemaster items are to be made available on location or reported to HCAI. However, it is expected that the reported items and effective pricing date of both chargemasters would be the same. Each hospital will have to make a determination based on the following statutory definition:

“Charge description master” means a uniform schedule of charges represented by the hospital as its gross billed charge for a given service or item, regardless of payer type.

15. What should be included in the list of 25 common outpatient procedures required by AB 1045? Is there a required format (report layout) that must be used?

- a. Each hospital can choose which 25 outpatient procedures to include on its list. Reported items do not necessarily have to be the most common outpatient procedures. It is expected that a combination of ambulatory surgical procedures, outpatient diagnostic procedures, and outpatient therapeutic procedures will be reported.

There is not a specified report format, but it is expected that each procedure listed would include at least a description of the procedure and its related charge.

HCAI has developed a [reporting form](#) for submitting the average charge for 25 common outpatient procedures. Use of the HCAI form is voluntary, but encouraged. The form contains 50 common outpatient procedures, separated into sections according to CPT code classification. Hospitals must report the average charge for at least 25 procedures to comply with AB 1045, but may report charges for more than 25 procedures. To help hospitals meet the minimum 25 procedure requirement, the average charge for up to 10 unlisted procedures may be reported.

16. Our hospital consists of multiple hospital locations operating under a consolidated license, where some locations have their own chargemaster. How should this be reported to HCAI?

- a. If a hospital location operating under a consolidated license has a different chargemaster than the other location(s) operating under that same license, it is expected that a separate chargemaster and set of documents would be filed for that hospital location. Additionally, it is expected that a separate list of 25 common outpatient procedures would be submitted.

17. Our hospital has separate chargemasters for inpatient acute care services and outpatient clinical services. Do we have to submit the chargemaster for the outpatient clinical services?

- a. Yes, all services that are provided under the hospital's general acute care license should be reported. If you are unable to combine the chargemasters into a single document, you may file them separately. If you are using Microsoft Excel, you may submit each chargemaster as a separate worksheet in the same document.

18. What are the reporting requirements to HCAI when separately licensed hospitals share a common chargemaster?

- a. Each separately licensed hospital is required to file a separate chargemaster and set of documents to HCAI. While the chargemaster could be the same for both facilities, you should delete any service, good, or procedure that is not provided at a particular hospital. Further, it is expected that the list of 25 outpatient procedures and the gross revenue percentage calculation would be different.

19. How should pharmaceuticals be reported if these items are formula-driven and the pharmaceutical items and/or prices do not appear separately in the chargemaster?

- a. All items for which a charge is made are to be included in the chargemaster filed with HCAI. This may require you to manually enter the average wholesale price plus mark-up for each item as of June 1. Submitting pharmaceutical items in a separate file is allowed; or when using Microsoft Excel, as a separate worksheet within the same file.

20. Our chargemaster is constantly being updated. Are we required to submit another

chargemaster after each update?

- a. No, chargemasters are to be submitted annually every July 1.

21. Can I obtain a copy of another hospital's chargemaster from HCAI?

- a. Yes, chargemasters and related pricing information are available on-line. Also available is a CD/DVD product that contains submitted documents for all hospitals for a reporting year. Contact DataAndReports@hcai.ca.gov for more information.

22. What are the chargemaster reporting requirements when a hospital changes licensure (ownership) during the year?

- a. The licensee operating the hospital on June 1 is responsible for meeting the July 1 chargemaster reporting requirements for that calendar year.

23. Is there a specified effective date for producing the chargemaster and other documents?

- a. Each hospital is required to submit the prices in effect on June 1 for the chargemaster, the list of charges for 25 common outpatient procedures, and the calculated estimate of percentage change in gross revenue that are due on July 1.

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24. AB 1045 requires HCAI to establish a statewide list of the 25 most commonly performed inpatient DRGs and to develop a list of each hospital's average charges for applicable DRGs. AB 1045 also requires each hospital to provide this list to any person upon request. How do we obtain this information?

- a. HCAI has developed a downloadable Excel pivot table called [Statewide Benchmark Top 25 DRGs](#) that meets this requirement using the patient-level data submitted by each hospital for each inpatient discharge. HCAI will annually update this product.

25. Our chargemaster contains blank prices for several items because some items are not charged to patients, some are used for statistical counting purposes, and others are no longer provided. How should this be reported to HCAI?

- a. It is recommended that you indicate why prices are not reported for each blank item, or else it may be assumed that there is no charge. Reasons can be included on the chargemaster or in a cover letter.

26. Who should I contact if I feel a hospital is in violation of the Payers' bill of Rights?

- a. You can contact the California Department of Public Health (CDPH) at the local district office in the county where the hospital is located. Phone numbers for CDPH can be obtained on their [Licensing and Certification Program](#).

27. Are hospitals required to provide a written estimate for healthcare services, procedures and supplies at the request of patients who have no healthcare coverage?

- a. Yes, According to the Payers' Bill of Rights, a hospital must provide a written estimate of the amount the hospital will require the patient to pay for healthcare services, procedures, and supplies that are reasonably expected to be provided to the patient by the hospital. A hospital must also provide information and/or applications about financial assistance or charity care to patients that requested an estimate and contact information for a hospital employee or office from which the patient can obtain the information. If a hospital does not comply with this provision, a patient may contact the California Department of Public Health (CDPH) at the local district office in the county

where the hospital is located. Phone numbers for CDPH can be obtained on their [Licensing and Certification Program](#).