Contracts - Overview

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> This article is part of the systems administration guide. You will require administration access to view the pages mentioned in this article.

Contracts

For IHC, when translating an **invoice** into a **claim**, typically this is in the context of an agreement with a third party. This may be a Health Fund, it may be another entity such as DVA.

Depending on the specific item(s) being claimed from your invoice, you may need to map the specific terms and concepts from the invoice into a more general agreement.

For a health fund, the details of this are established typically in a pricing agreement directly with you, or via a legislative default.

The nature of contracts come in these broad categories:

- Which items can be claimed to a specific Health Fund.

- A fixed service code that needs to be used for that Health Fund.

- A derived service code based on other information in the admission that needs to be used for that health fund.

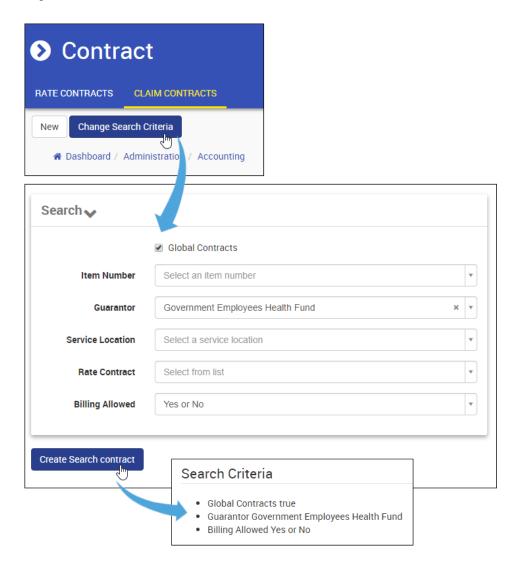- The segment type that needs to be used for that Health Fund.

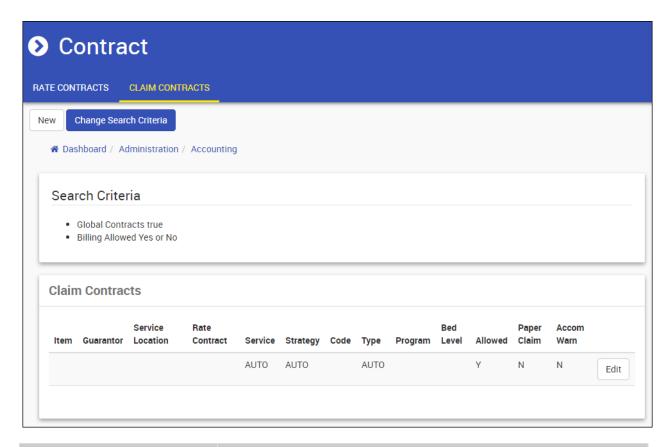## Definitions: Rate Contracts and Claim Contracts

Effective v6.63, existing contracts used to manage step downs for accommodation services will be called *Rate Contracts*. In addition, a new type of contract has been added called *Claim Contracts*.

Contract System Administration

Searching and Viewing Claim Contracts

1. From the Contract interface, click the **Claim Contracts** tab.
2. Click **Change Search Criteria**.
    a. The Search panel appears.
3. Specify one or more search criteria, as needed.
    a. **Default Search Filters**: Global Contracts set to "False" and Billing Allowed is set to "Yes or No".
    b. In the **Global Contracts** field, select the checkbox to indicate that all global contracts should be included in the search (selected by default). If selected, then claim contracts with no item code will be included in the search results.
    c. In the **Item Number** field, select an item number from the drop-down list.
    d. In the **Guarantor** field, select a guarantor from the drop-down list.
    e. In the **Service Location** field, select a service location from the drop-down list.
    f. In the **Rate Contract** field, select a contract from the drop-down list.
    g. In the **Billing Allowed** field, select either **Yes**, **No** or **Yes and No** (default), as applicable.
4. **Note**: CareRight automatically stores defined filtering options and applies them if no additional filtering criteria are specified.
5. Click **Create Search contract**.

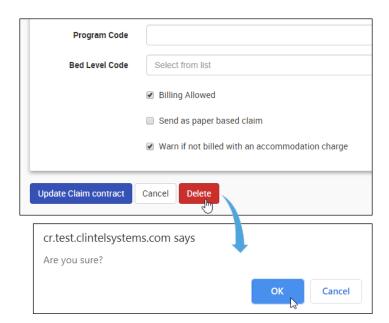| Column Name	Description
Item	Item number linked to item view.
Guarantor	Guarantor code linked to guarantor view.
Service Location	Service location name linked to service location screen.
Rate Contract	Rate contract name linked to rate contract screen.
Service	Service type.
Strategy	Service code strategy.
Code	Service code.
Type	Service code type.
Program	Program code.
Bed Level	Bed level code.
Allowed	Is billing allowed? Yes or No.
Paper Claim	Send as paper-based claim? Yes or No.
Accom Warn	Warn if not billed with accommodation charge? Yes or No.

Add New Claim Contract

1. Click **Administration**.

2. Select **Accounting** Menu item.

3. Select **Contracts** sub-menu item.

    a. The Contracts screen will display with all the existing Items, if any.

4. Select the **New** button.

How to Delete a Claim Contract

1. Search for a claim contract.

2. In a contract row, click **Edit**.

3. In the Claim Contract panel, click **Delete**.

   a. A deletion confirmation windows appears.

4. Click **OK**.

Add New Rate Contract

- Click **Administration**.

- Select **Accounting** Menu item.

- Select **Contracts** sub-menu item.

   1. The Contracts screen will display with all the existing Items, if any.

- Select the **New** button.

   1. The add new Contract screen will display.

- Enter the **Name** of the Contract.

- Select the relevant **Item** number from the drop-down list.

   1. The description will auto-populated.

- Select the **Create Rate Contact** button, this will return you to the Contracts list.

- Select the **Show** button next to the newly created contract.

- The Contracts detail will display, with the following sub-sections:

   1. **Details** - Name of contract

   2. **Item** - Item being charged and description.

   3. **Rate Definitions** - This is where you define which rate definition is to be used for the Contract Item billing.

   4. **Grouped Contracts** - Please contact Clintel for further information

5. **Unit Rules** - This is where you set up your step date rules and rates for the item. Note: The Item must have the **Stepped Service Date** checkbox enabled in the Item settings

Claim Contracts Selection

Within CareRight, the claim contract configuration is minimal **billing rules engine**. Based on the details of the invoice/line item you are claiming, the system will search for the **most specifically matching** to **least specific rules**.

Claim Contracts are used to control what items can be claimed and the process around generating the correct claim. Rules are applied based on match criteria, called keys. An item can have multiple claim contracts which are presented in an order of priority. The first matching rule found for an item is the rule that is applied.

For example, you may wish to block **all billing** by adding only a **global claim contract** with billing disabled; and then add specific individual claim contracts with detailed mapping and billing enabled for combinations of:

- Item
- Guarantor
- Service Location
- Applicable Rate Contract

Contract Setup

Parts of a Claim Contract

There are three areas of the Claim Contract, the first determines how the contract *matches* - **Item**, **Service Location**, **Guarantor** or **Rate Contract**.

Where an item is left blank, it matches **everything.**

Item	35630_Theatre	✕	▾
Service Location	IP Sydney	✕	▾
Guarantor	Australian Health Service Alliance	✕	▾
Rate Contract	35630	✕	▾

The next section of a Claim Contract is about how the contract **maps** from your data. This includes a number of built in **strategies,** which assist in mapping the required information

Service Type*	THTR	Theatre	▾
Service Code Strategy*	CUST	Custom Code / Fund Specific Code	▾
Service Code	35630		
	Enter a valid code from PHA Website or your specific contract/documentation		
Service Code Type*	MBS	Medical Benefits Scheme Code	▾

The final section controls **defaults and behaviour.** For example, if you have a specific program or always use a Bed level code of **Private,** these can be specified.

Behaviour controls - if the item can be billed at all, if it requires a paper claim, or if it must have a corresponding accommodation charge can be indicated here.

Program Code	Required if Psychiatric or Rehabilitation claim	▾
Bed Level Code	Select from list	▾

☑ Billing Allowed

☐ Send as paper based claim

☐ Warn if not billed with an accommodation charge

- **Send as paper based claim**: Some health funds only support paper-based claims — this option supports that requirement; and,

- **Warn if not billed with an accommodation charge**: When an item is being added to the invoice, if the claim contract associated with the item has the checkbox "Warn if not billed with an accommodation charge" checked and the invoice does not have any items of type accommodation, then a warning will be displayed: "This item is expected to be billed with an accommodation charge. Verify with the health fund that this will be accepted or add an accommodation charge to the invoice."

Rules and Strategies for Mapping

Rules can apply the following behaviour:

Service Type (service_type): The service type can be set to:

- **Auto** (recommended)

  It will be set based on the **Item Type** of the item.
  - "HCP Accom Charge" = "Accommodation"
  - "HCP Theatre Charge" = "Theatre"
  - "HCP Bundled Charge" = "Bundled"
  - Any other type = "Miscellaneous"

  Manually chosen options are useful when you need to override default behaviours.
- **Accommodation**
- **Theatre**
- **Miscellaneous**
- **Bundled -** Where you know a specific item is Bundled Accommodation and Theatre - sometimes known as a Case Payment.
  Here the system will present additional options, if you need to specify different codes for the accommodation and theatre items.

If set, these fields are used to populate the ACD segment instead of the existing service code and service code type fields. The existing Service Code and Service Code Type fields will continue to populate the SVB segment.

If the Bundled Accom Code field is blank and the Bundled Accom Type is set to "AUTO" then when populating the ACD segment the values from the Service Code and Service Code Type will be used. (As per current behaviour).

When creating a new Claim Contract the Bundled Accom Code will be blank and the Bundled Accom Type will be AUTO.

A migration will set all existing claim contracts to have a Bundled Accom Type of Service Code Type and Bundled Accom Code of Service Code.

Service Code Strategy

Note: Translated from format_service_code(item, admission).

- **AUTO** (recommended)

  Breaks down the **Item Number** to attempt to resolve it to an **MBS Item, Number of Patients Seen,** and **Assistance Item** if relevant.

Examples:

Item Number	Mapping	Explanation
13215	13215	
13215_Case	13215	Only the numeric portion extracted, then processing stops
W112	W112	As per above, however any prefixed characters are also extracted

W112_Case	W112	
13215/4	13215 4 patients seen	A slash between the item followed by a number indicates the number of patients seen
13215\4	13215 4 patients seen	
13215S	13215 Assistance Item: true	Appending an S indicates this is an assistance item.
FAKE_NUMBER_HERE	FAKE_NUMBER_HERE	The system cannot recognise anything to extract, so passes this directly through unmodified.

- **MBS -** As above. AUTO is an alias of this implementation.
- **DIAG** - Looks up the admission **principal diagnosis code.** Removes any non A-Za-z0-9 characters.
- **DRG** - Looks up the admission **diagnosis related group.** Removes any non A-Za-z0-9 characters.
- **CUST** - Returns the value entered in *Service Code*. Useful when there is not a standard, clear mapping.

Service Code Type (service_code_type)

Note: Translated from: format_line_item_service_code_type(line_item) to get the serv_cd_type.

Maps the service type code, usually by inspecting a specific line item (item), and guarantor within the context of an admission.

Scenario	Output
DVA	V
MBS	C
DRG	D
ICD	I
MISC	M
PROS	P
OTHR	O
AUTO - service_code_strategy is DRG	D
AUTO - service_code_strategy is DIAG	I
AUTO - Item code is a PROSTHESIS_CHARGE	P
AUTO - Guarantor is DVA	V
AUTO - Formatted service code is numeric (MBS)	C
AUTO - Everything else	O

Parts of a Rate Contract

Select Rate Definition

1. Select the **Edit** button in the Rate Definitions section
2. The available Rate Definitions will display with an available checkbox
3. Enable the check box for the relevant Rate Definition.
4. Select the **Update Contract** button
   a. **Note**: If the Rate Definition does not exist it will need to be created - see Rates Definition

To Add Unit Rules

1. Select the **New** button in the Unit Rules section.
2. The Contract Unit Prices screen will display.
3. Add the following details:
   a. **Units** - this is the day which the price relates to (e.g., Day 1).
   b. **Price** - this is the chargeable amount for that day (e.g., $300.00).
   c. **Description** - this is a description of the Unit Rule - Day 1 rate.
   d. **Service Code** - Optional. Only provide if you wish to provide multiple step down types or rates for a given day range. Must relate to the Program Code.
   e. **Program Code** - Optional. Available Program Codes from the applicable Guarantors for this rate contract. Only provide if you wish to provide multiple step down types or rates for a given day range.
4. The following is an example of a full Unit Rate set up, with multiple services catered for:

Units	Rate	Description	Service Code	Program Code
1	$300	Day 1 Rate	PS00005014N	PS000005014O
1	$310	Day 1 Rate	PS00005014M	PS000005014O
2	$250	Days 2 & 3 Rate	PS00005014N	PS000005014O
4	$200	Days 4 - 10 Rate	PS00005014N	PS000005014O
11	$150	Day 11 onwards	PS00005014N	PS000005014O

How do Program Codes appear?

In the UI, you are presented with available program codes:

Rule

Units	1
Price	384.00
Description	Same Day per day 1-14
Service Code	PS00005014N
Program Code	PS000050140

PS000050070
PS000050140

[Update Contract unit price] [Cancel]

Program Codes are available via the Guarantor, who is in turn associated with the Contract.

For example; if you had a Guarantor configured for **BUPA Australia;** you would add your admission program codes:

BUPA Australia

Grouping	Individual Fund
Member of Group of Funds	
Gap type	No Gap
Maximum Procedure Gap	0.0

Statutory Reporting

HCP Code	
HCP Payer Identifier	Insured with agreement with hospital
HMDS Funding Source	Private Health Insurance
QHAPDC Funding Source	Private health insurance
AAPC Funding Source	Private health insurance
ISAAC Funding Source	Private Health Insurance
TSMS Funding Source	
Report separate to fund group on HCP report	No
Clients eligible for Medicare for statutory reporting purposes	No

Admission Program Codes

Search... [Q]

Code	Description	Updated At		
			New	
PS000050070	PS000050070	04/04/2022 at 02:16 PM	Edit	Delete
PS000050140	PS000050140	04/04/2022 at 02:16 PM	Edit	Delete

And that Guarantor would be added to a **Rate Definition:**

Rate definitions

Edit | Import Prices | Region Prices

Details

Index	6
Rate Name	BUPA
Download Date	06/11/2009
Effective Date	01/07/2009
Rounding Method	MBS
Surgical Assistance Method	MBS
Telehealth Method	MBS Rebate
Sort (for MPR)	Fund
Sort (for MTR)	Fund
Percentage of Schedule	0
Can be used in private account rate overrides	No

Guarantors

Name	Code	Type
Mediplus Ezyclaim	MCL	4
ANZ Health Insurance	NMH	4
MBF Australia Pty Ltd	MBF	4
Health Cover Direct	HCD	4
HBA	MCL	4
AXA Australia Health Insurance	NMH	4
BUPA Australia	BUP	4
Cool Party	COOL	1
iTest Medicare (legacy)	STS	4

This would be associated then in turn with the **Rate Contract**

Rate Definitions Edit

Name
BUPA

Rate Contract for Item Screen

Editing cannot be done from this screen. It must be done directly from the Rate Contract screen.

Datasets (since 6.65)

Name: ClaimContract

Table: claim_contracts

Association / Joins to other dataset tables

- Service Locations (via service_location_id)
- Guarantor (via guarantor_id)

Fields

- service_type
- service_code_strategy
- service_code
- service_code_type
- bundled_theatre_code
- bundled_theatre_type
- program_code
- bed_level_code
- billing_allowed
- send_paper_based
- accomodation_warning

Derived Fields

- item_number (item_id -> item.item_number) as a string

Not Supported in this iteration of the dataset

- Rate Contract