

DRA options

choosing the best tool to manage reporting requirements

The Deficit Reduction Act of 2005

The Deficit Reduction Act (DRA) is a law passed in 2005 that includes Medicaid reporting requirements specifying that an NDC and actual acquisition cost be included on all outpatient Medicaid claims.

These additional details ensure that states can obtain a rebate from manufacturers who have signed a rebate agreement with the Centers for Medicare and Medicaid Services (CMS).

Hospitals must follow Medicaid reporting requirements in order to be reimbursed. However, the DRA rules governing claims submission are often state-specific, and most hospitals don't have the information technology systems in place to submit Medicaid claims that contain accurate, charge code-specific NDCs and acquisition cost data.

Our DRA options simplify the process of producing complete and accurate claims that meet the Medicaid requirements for your state — while also providing a choice in how you meet these regulations.

Claim transactions

DRA requirements apply to these claim transactions:

- Electronic 837P and 837I outpatient claims
- Paper CMS-1450 (UB-04) outpatient claims
- Paper CMS-1500 claims

Applying DRA-required data to a Medicaid claim

There are a variety of methods for applying the NDC and acquisition cost data to a Medicaid claim, and Sentry offers multiple options to consider. This graphic shows where each of Sentry's options applies the required data, and the back page provides detail about how each option works.



Charge Connect



DRA Charge Manager



DRA Tool

Three ways to meet DRA requirements

DRA Charge Manager

Streamlines reporting of cost data at the hospital billing charges level to improve accuracy and reduce reprocessing

This tool was engineered to bridge the gap between manual charge updates for payer-specific billing and the workflow challenges of manually managing updates at the billing claims level. DRA Charge Manager puts the control at a fundamental level to operationally comply with reporting acquisition cost.

- *Updates cost data at the hospital billing charges level*
- *Reduces exceptions in processing due to differing methodology and logic*
- *Applies the most recent price paid on the appropriate account type*

DRA Tool

Uses claims data to link invoices to charges and reflect what you actually paid

This option applies acquisition cost and NDC information in a literal fashion by allocating each invoice to a charge across all account types, for both inpatients and outpatients.

- *Updates line items with allocated invoice-to-charge information just before claims are submitted to Medicaid*
- *Pulls cost information from historical invoices to reflect what you actually paid*
- *Requires tight control on mapping and purchase links within Sentinel*
- *Functionally holds any claims with errors in data matching for review and resubmission*

Charge Connect

Updates your charge master for more accurate billing that meets Medicaid requirements

This data-rich extract links charge master codes to purchases and updated HCPCS/J-codes from CMS, allowing you to produce accurate bills that meet Medicaid requirements.

- *Accounts for all contract pricing models, including GPO, 340B and WAC, based on Sentinel charge code mappings*
- *Lets you update pricing fields, mapping ratios and wholesaler account information in your live charge master*
- *Shows historical pricing data by last price, lowest price or average price over a defined period of time (daily, monthly or quarterly)*
- *Offers file delivery FTP or as a report accessible in Sentinel*

