Cost Models Guide

Axiom Enterprise Decision Support
Version 2021.3

10 S. Wacker Dr
Suite 3375
Chicago, IL 60606
(847) 441-0022
www.syntellis.com
info@syntellis.com

Version: 2021.3

Updated: 3/21/2022

Contents

Understanding cost accounting

What is cost accounting?

At its most basic level, cost accounting allows you to assess the cost or value of a product or service. Determining the cost of various components that comprise an end-product is useful for price setting, cost control, negotiations, and analytics. Cost accounting may involve different techniques, depending on the industry.

In healthcare organizations, cost accounting is used to determine the cost of each service or product used in patient care, providing detailed information that can be used for analytics and decision-making.

For example, the cost of an x-ray includes labor, supplies, depreciation, and overhead. Combined with other charges on a patient's transaction record, a complete picture of a patient visit emerges. The data can be compared to payer rates to determine whether costs are in line with expected reimbursement to make pricing decisions. The same data can be parsed a different way, aggregated by provider, for example, to assess the provider's performance against peers. Cost data is also useful in facilitating staffing decisions, informing capital request decisions, exploring new services, and more.

What is cost accounting used for?

Organizations use cost accounting data for many purposes. Understanding the underlying cost of the products and services produced allows an organization to review and assess financial performance at a granular (per unit) level and a higher level (product line, location, or other classification). Cost results can be used to assess or set prices. Knowing detailed cost results enables more successful contract negotiations—with vendors, contractors, and providers. Costing knowledge also brings informed decision-making at both the tactical and strategic levels.

What are the advantages of cost accounting?

Without cost accounting, organizations are left with two options—relying on general ledger data or homegrown "back-of-the-envelope" analytics. Both approaches to decision-making are risky.

While general ledger represents a true cost, the detail level is too high for informed decision-making. Department and account data often lack the nuance of quantity and cost per unit spread across many units. Rudimentary analytics using Excel can be error-prone and subject to the whims of the person performing the calculations.

Cost accounting determines an accurate cost per unit broken out by cost categories (labor, supplies, capital, etc.), thus enabling aggregation at meaningful levels. The methodology applies mathematical principles and technology to calculations to ensure accuracy, repeatability, and reliability.

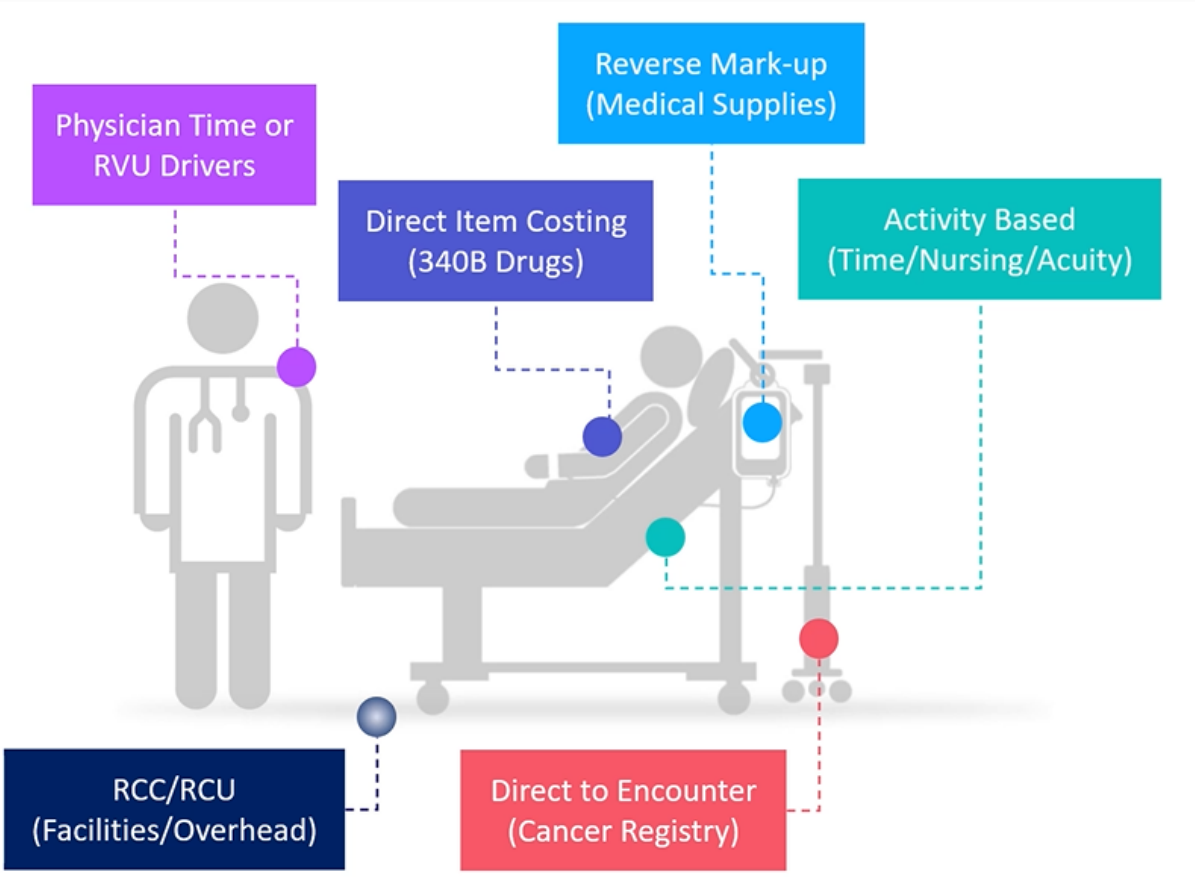
Why do organizations allocate indirect costs?

Many of an organization's costs are indirect, not directly tied to the product or service but important to capture to make accurate pricing decisions. In the case of healthcare, indirect costs support direct patient care activities. Examples include accounting, collections, human resources, and IT. To fully cost patient activity, these indirect departments allocate their costs using meaningful statistics through the cost accounting process.

Which method of cost accounting is used in hospitals?

The following is a list of the different costing methods used by healthcare organizations"

- **Ratio of Cost to Charge** (RCC) spreads general ledger (GL) costs across a set of service items in a department. While simple to maintain, RCC can lead to inaccurate results in instances where the prices do not align with resource utilization.
- **Relative Value Unit** (RVU) also spreads GL dollars in the department, but the basis is a value that indicates relative resource utilization. Organizations that have a reliable process for keeping RVUs up to date get more accurate cost results.
- **Microcosting** assigns the actual vendor cost of items when that data is available. Or they back into this cost if the markup rates are available.
- **Direct Costing**, or activity-based costing, is helpful for labor costs when the resource use and the average hourly rate are known. This approach can also be used for indirect costs that directly impact patient care. These direct and activity-based costing approaches are accurate and create a high degree of confidence in the resulting cost data.



Healthcare costing methods

In addition to how an organization treats indirect cost, there are several methods to consider for calculating the cost per unit. This decision point is, in some ways, the more critical focus when designing a costing system or responding to a major organization initiative. When selecting a cost method, consider the type of item being costed, the resources available for the cost calculation, and the accuracy desired in the results. Cost items are typically chargemaster (CDM) codes but can also be items such as CPT codes or the pseudo cost items created through the direct-to-encounter utility.

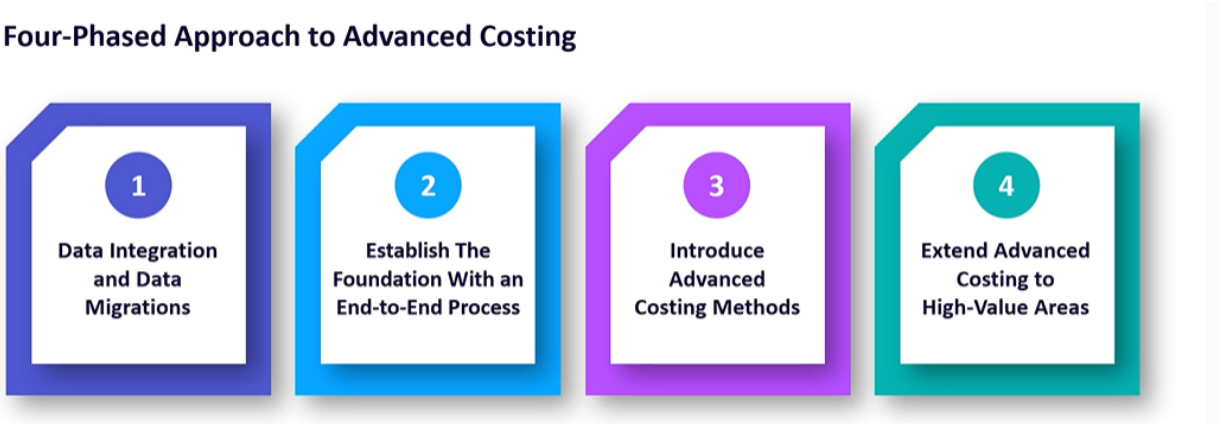
Traditional costing approaches include Ratio of Cost to Charge (RCC), Relative Value Unit (RVU), and Relative Cost Unit (RCU). These methods are well-known and frequently used in the healthcare industry. These more basic methods can be used for indirect costs, areas where scrutiny of results is less of a focal point, or where resources are limited in some way.

Advanced costing methods

There are two advanced cost calculation methods to consider as well: micro-costing and reverse markup. With micro-costing, the vendor cost can be assigned directly to the cost items or to the actual transaction level for encounters. This highly accurate approach increases transparency and buy-in. The

source data from vendors is the assigned cost, and a resulting variance to the general ledger can be included or excluded from the cost process. When possible, assigning this vendor cost at the actual encounter transaction level (transaction microcosting) is highly recommended. A data feed with the vendor cost is required to enable this method for large groups of cost items.

Using the reverse markup method, an organization can leverage its markup policy to back into the vendor cost when the vendor cost is unknown. This method is not as accurate as micro-costing but does offer efficiency since it requires less maintenance and no detailed data feeds. In addition to these advanced methods, an expansion of basic RVUs to the more strategic areas of focus can be leveraged to increase accuracy and reliability of the RVU approach. This expansion should include detailed time-and-motion studies at the charge item level to ensure reliable results.



Timing options for cost modeling

Given the significant business disruption of COVID-19 and impacts on both volumes and costs, cost modeling will not follow normal trends and will have continuing downstream impacts on reporting. Syntellis' Axiom Enterprise Decision Support supports a variety of costing approaches and methodologies designed to more precisely attribute costs to patient care activities.

While new methodologies are being introduced to support more granular encounter-specific costs into the cost model, a significantly higher amount of direct patient care and overhead cost is being assigned to a cost item level in a cost-per-unit calculation. The goal is to ensure that the trending and ability to analyze cost is accurate and reflects the cost of providing care during each phase of the crisis and recovery. To this end, Axiom Enterprise Decision Support offers several options for the timing of cost calculations. Each option has different implications for encounter reporting.

Year-to-date costing

Calculated cost is stored for the full year-to-date (YTD) period, recomputed with each costing run for YTD costing; per-unit costs by cost item and cost category are computed each period using YTD dollars and volumes. For example, if you run costing for nine months, the system would calculate the cost as an

average over the full nine-month period and store this in the resulting cost set. These values would then be assigned to all encounters in that nine-month period at the cost item level. This approach can be processed monthly, quarterly, or annually using the cumulative proceeding months.

Reporting implications: This method provides a consistent per-unit cost across time periods, which can be used to identify cost trends or utilization variation at a cohort or across physicians. Because the per-unit cost is constant, the differences in costs within the time period can be attributed to shifts in utilization and not unit cost rates. The disadvantage to this approach is that any cost shifts occurring at an operational level are averaged and are not highlighted in any given period, thus negatively impacting true trending of cost fluctuations.

Monthly costing

Calculated cost is stored uniquely for each month. For monthly costing, per-unit costs by cost item and cost category are computed each month based on the volumes and dollars for that specific period and stored specific to that month in a unique cost set. This enables detailed trending of the cost changes over months.

Reporting implications: If the goal of encounter reporting is to best capture how costs are shifting operationally from period to period, this method is preferable over the YTD costing process, as resulting encounter costs would capture those period-specific rates and changes.

Quarterly costing

Calculated cost is stored for each quarter. The quarterly costing option is similar to the monthly option but computes and stores unit costs using quarterly volumes and dollars, resulting in four values of cost for each fiscal year, all stored in unique cost sets.

The differentiator for monthly vs quarterly costing is how often the team has to run cost vs the quantity of updates to the configuration for new departments, accounts, and job codes. There is also a small learning curve that occurs when only run quarterly, especially if the cost analyst is doing other work in between cycles.

Reporting implications: Similar to the monthly option, quarterly costing captures some of the cost shifts that occur during the year yet provides some smoothing of the costs like the YTD option.

Axiom terminology

The following are common terms and concepts used widely in the Axiom Enterprise Decision Support:

▶ Account

An account in Axiom is the account that exists in your general ledger. As part of the implementation process, your Syntellis Implementation Consultant reviews your accounts and assigns a cost category and variability for each expense account.

Allocation

Allocation is the process of moving expenses from overhead to direct departments. For more information, see Managing allocations.

Cost category

A cost category is used to group similar general ledger expense accounts to perform the costing process. They are the lowest level of detail at which costs will be calculated for unit costs. As part of the implementation process, your Syntellis Implementation Consultant will walk through a list of your expense accounts to determine which cost categories should be assigned to each. The consultant will also help you determine which cost categories are fixed or variable in the context its behavior in relation to changes in patient volume.

Department

Departments in Axiom are the departments that exist in your general ledger. As part of implementation, your Syntellis Implementation Consultant will review each department to assign a department type:

- **Direct** - Departments that provide patient care and usually include patient revenue and volume or activity in which to assign costs to. If expenses or revenue do not line up in the same department, you can use reclasses to align the expenses to the appropriate activity.
- **Indirect** - Departments that provide support services and do not generate patient care related revenue. These are often referred to as overhead departments. Expenses in indirect departments are later moved to direct departments using allocations.
- **Deadend** - Departments not related to your core business but rely on the support of indirect departments. Axiom allows these department types to receive allocations, but they are ignored from the rest of the costing process.
- **NA** - Departments excluded from the costing process or fully reclassed to other departments.

Dimension

Dimensions are tables that display specific information stored in the Axiom database. For example, the Departments dimension shows a list of your organization's departments, including attributes and descriptions of each such as the department ID, the region it belongs to, the cost center it reports to, and so on. Dimensions are used across Axiom products, but some are specific to a product while others are used across all products. Dimensions are configured or imported from your organization as part of the initial set up of the system by your Syntellis Implementation Consultant, but your organization will also need to maintain them, as needed.

Every table in the database must have at least one key column, signified with blue shading. Key columns define unique records of data in the table. If a table has one key column, then each value in that key column must be unique and defines a unique record in the table. If a table has multiple key columns, then each combination of values in those key columns defines a unique record in the table.

In Axiom Enterprise Decision Support, there are three types of dimensions: Core, Encounter, and Reference.

Each cost model can also have its own version of the Cost Categories, Accounts, and Departments dimensions. For more information, see Working with dimension versions.

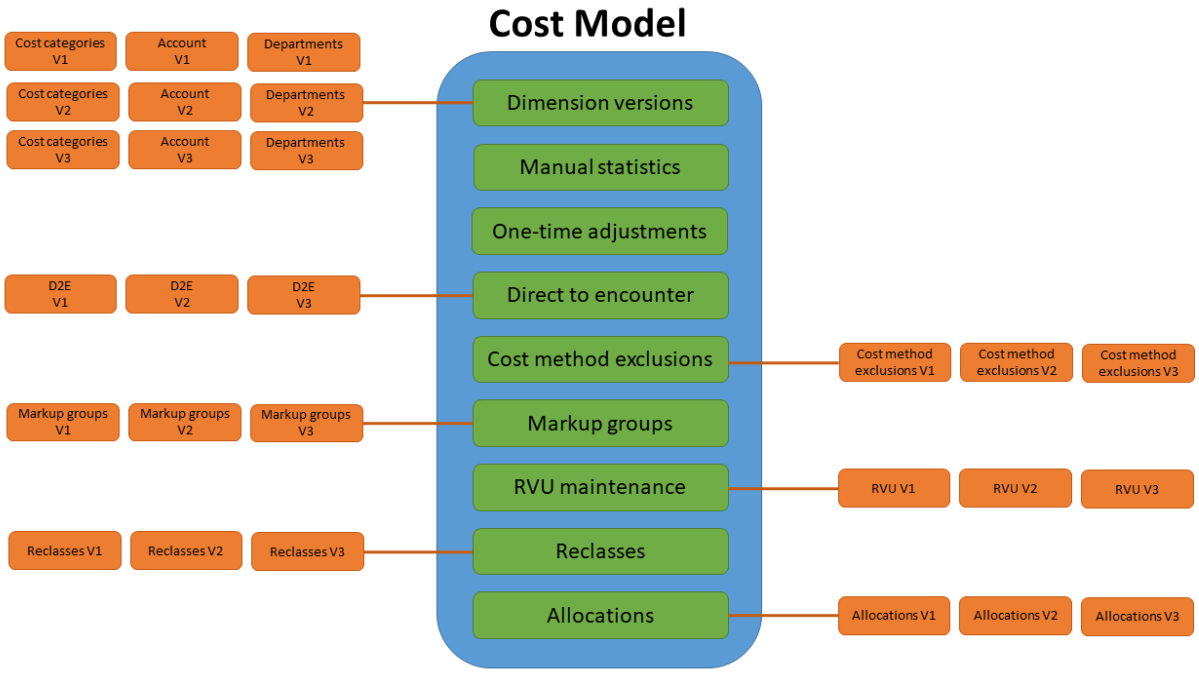
Reclass

Reclassification is the process of moving dollars from one general ledger location to another. Unlike allocations that allow you to move only overhead expenses, you can use reclasses to move expenses, statistics, revenue, deductions, and other dollar types from one department or account to another.

2

Working with cost models

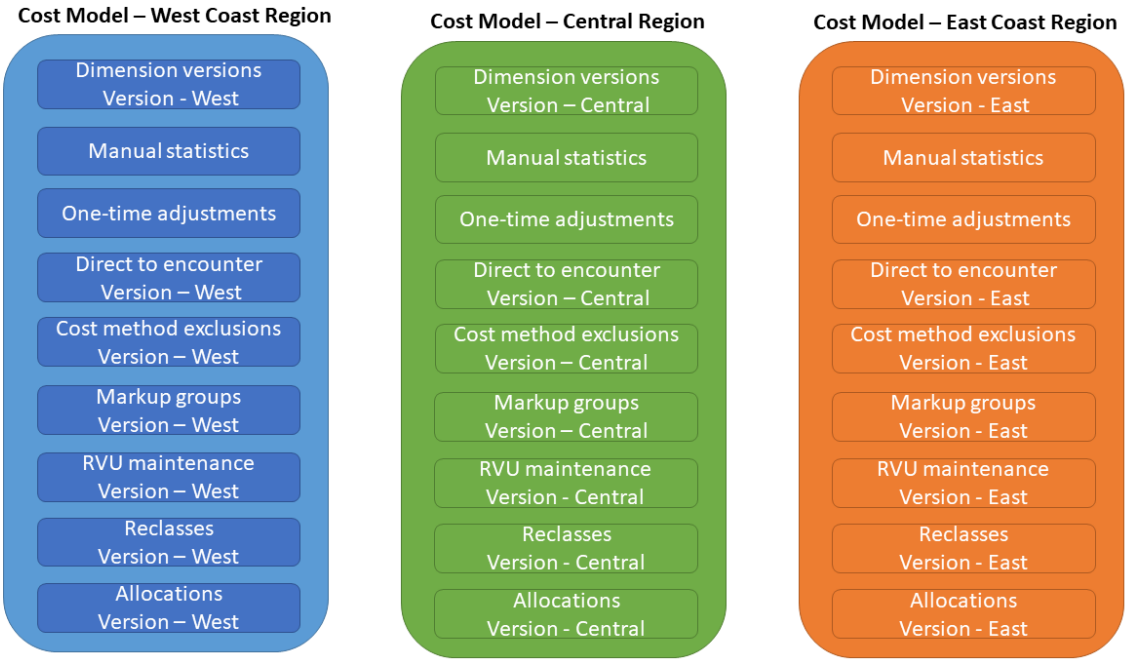
In Axiom, a cost model is comprised of a series of configuration areas that you can easily modify to process costs as requirements and conditions change. You can create multiple cost models, as needed, to support various real-time or planning scenarios. You can designate one or more cost models as the current cost model for your organization. Most of these configuration areas are made up of individual tables, from which you can create multiple versions. You can swap these table versions in and out of the cost models to meet your needs.



You can create and implement different versions of tables used in the cost model

For example, you may have a version of the departments dimension that includes all departments that you use for your regular cost modeling. However, let's say this year there are three departments undergoing renovation. Instead of changing the entire cost model, you can simply create a new, separate version of the departments dimension to change those department types to indirect. You can then assign that version to the existing cost model to use until the departments have been refurbished and are ready to take patients again. When that happens, you can then reassign your original departments dimension to the cost model and reprocess it.

You can also create multiple cost models to meet your different costing needs, for example creating models for regions, hospitals, or fiscal quarters. In the following example, cost models have been created for each region. Each cost model has its own version of dimensions, direct to encounter, cost method exclusions, and other tables types for each region.

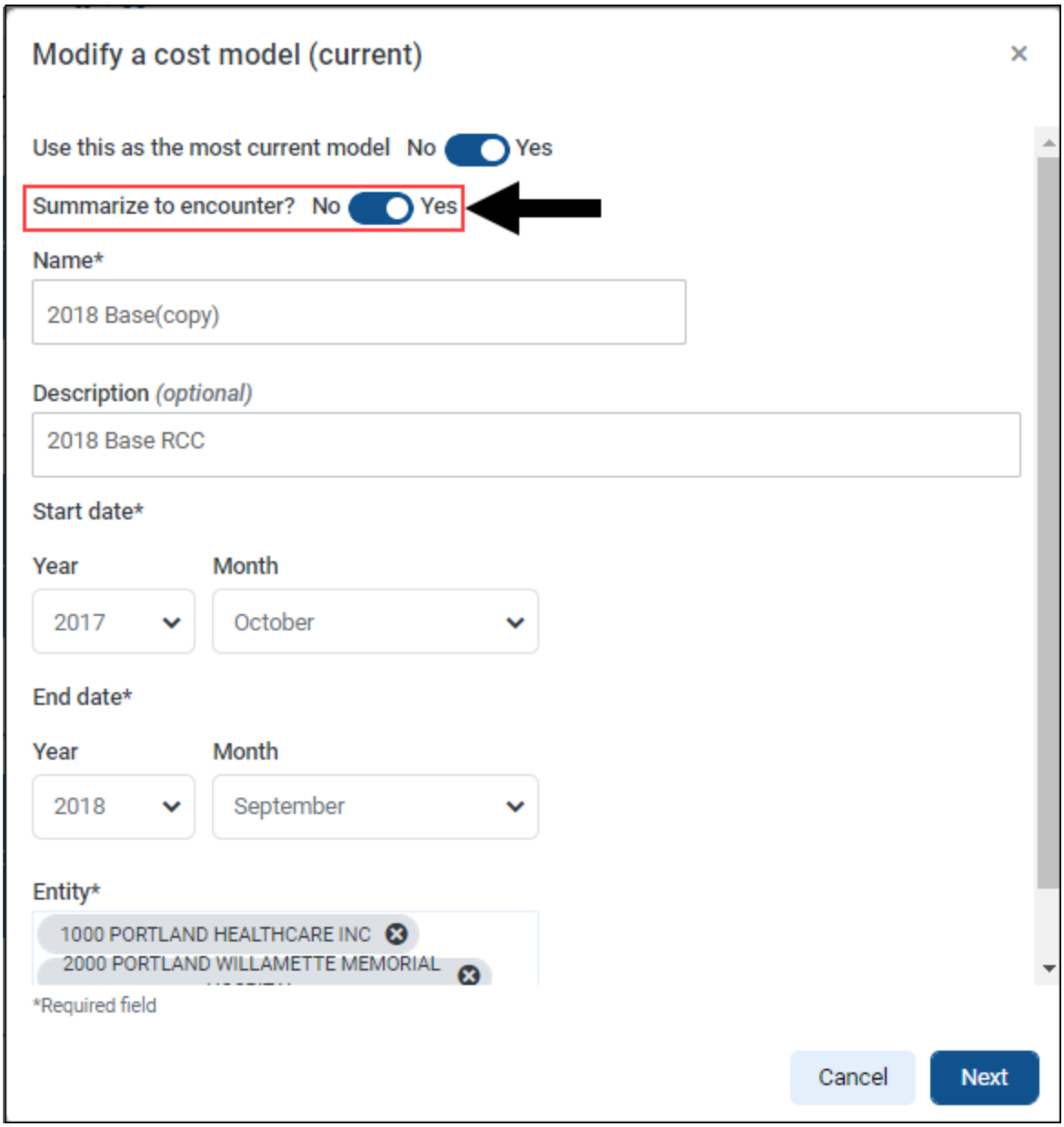


You can create multiple cost models to process costs for planning purposes

What-if cost models

As part of creating or modifying a cost model, you can enable or disable Axiom from summarizing the costs to the encounter level. If you disable summarization, you are in essence creating a what-if version of the model. You can then use the model to construct scenarios in which to compare to your production or "live" models. At any time, you can enable the summarization function—changing the what-if model to a production model—and vice versa.

NOTE: To prevent double costs, Axiom only allows one cost model per entity per period to be summarized to encounter.



The toggle gives you the control to enable or disable the system from summarizing the costs to the encounter level

About the cost model home page

The costing model home page walks you through the entire process of configuring or modifying a cost model from left to right, starting with **Manage dimension versions** and ending with **Define allocations**. After you have set up the cost model, you can process it fully or select different options within the process to run.

You can access the costing process guide from the Enterprise Decision Support home page by clicking the **Modify a model** or **Create a model** card under the **Cost accounting** section.

Dimension versions, manual statistics, and adjustments

- Manage dimension versions - Create versions of the cost categories, accounts, and departments dimensions, which includes data records used by Axiom when processing the cost model. You can also configure variability exceptions for each dimension.
- Manage manual statistic accounts - Define values by department for existing statistic accounts in addition to adding statistic accounts for departments.
- Make one-time adjustments - Modify account balances for a given department by changing one-time adjustments.

Methods

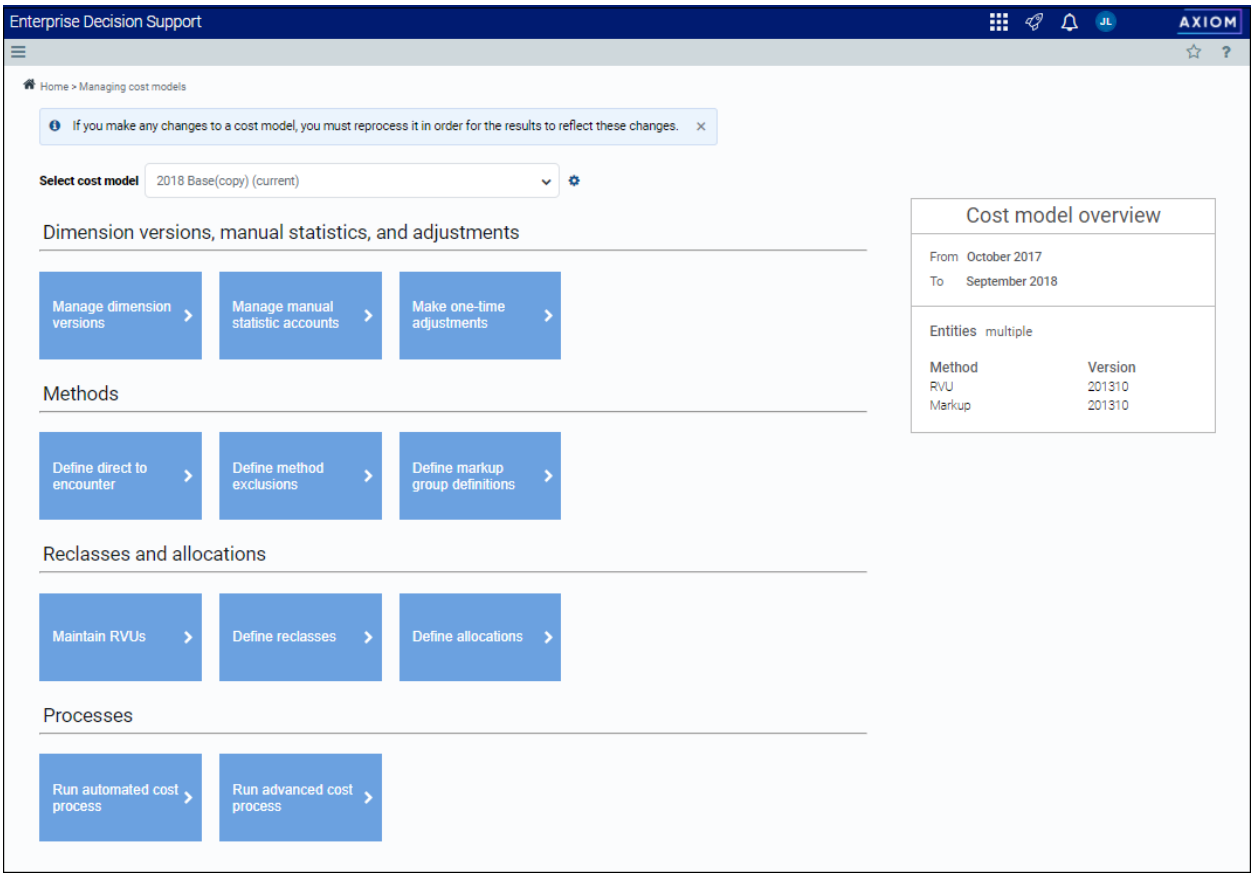
- Define direct to encounter - Create "pseudo" cost items to add to departments for costing those items or services normally not charged to the patient.
- Define method exclusions - Set up exclusions so certain cost items are not included as part of cost processing.
- Define markup groups definitions - Configure markups of cost items by cost item type or by pricing tier.

Reclasses and allocations

- Maintain RVUs - Add or edit the RVUs assigned to cost items within a department and entity.
- Define reclasses - Set up reclassification rules to specify moving dollars from one general ledger location to another during the costing process.
- Define allocations - Set up allocation rules and run order to move overhead expenses from support departments to revenue-producing departments during the costing process.

Processes

- Run automated cost process or Run advanced cost process - Run the entire costing process from beginning to end, or select only specific parts of the process to run.



The cost model home page breaks out the different configuration elements in an easy-to-follow format

Cost method types

Axiom Executive Decision Support allows you to use different cost methods methodologies.

- **Relative Value Units (RVU) method** - This method is the most commonly used methodology used to calculate cost at the cost item level. RVU allocations allow you to comparatively evaluate cost items in a department so that you can allocate cost according to the resources that you use (labor, supply, capital, and so on).
- **Direct to Encounter (D2E) method** - This method allows you to directly cost departments that do not generate patient revenue but incur expenses in response to patient activity. D2E allows you to spread costs that were historically allocated as indirect overhead to specific encounters that utilize the services of that particular department.
- **Microcost method** - This method is applied to cost items for selected cost categories where the vendor acquisition cost per unit is used as the unit cost. This costing method is used in situations where a supply item has a known cost that can be assigned, such as when using a single vendor and a contract price is negotiated for an extended period of time.

- **Transaction Cost method** - This method uses the exact acquisition cost for the encounter transaction. Typically used for high-cost drugs and devices, this method applies a unique cost to each encounter. This is true even when multiple encounters use the same cost item.

3

Creating or modifying a cost model

To understand how cost models work, we recommend you review Working with cost models.

TIP: To view and compare different cost model configurations, you can open them by using separate browser tabs.

To create or modify a cost model:

1. From the Enterprise Decision Support home page, in the **Cost Accounting** section, click **Modify a cost model** or **Create a cost model**.
    - If modifying a cost model, from the cost model home page, select the model name from the **Select cost model** drop-down at the top of the page, and then click the gear icon. The current cost model can be identified by the "(current)" at the end of its name.
2. In the **Create/Modify a cost model** dialog, complete the following fields, and click **Next**:

Field	Description
Use this as the most current model	Do one of the following: • To designate this as the current cost model, click the slider to **Yes**. • To not use this as the current cost model, click the slider to **No**.
Summarize to encounter?	Do one of the following: • To designate this as a production or "live" model by allowing Axiom to summarize the costing results at the encounter level, click the toggle to **Yes**. • To designate this as a what-if model by preventing Axiom from summarizing the costing results to the encounter level, click **No**. **NOTE:** To prevent double costs, Axiom only allows one cost model per entity per period to be summarized to encounter.
Create a blank model	Select this option to create a new cost model from scratch. **NOTE:** This option only appears when create a new cost model.

Field	Description
Create using an existing model	Select this option to create a new model based off an existing cost model. **NOTE:** This option only appears when creating a new cost model.
Select a cost model	Select the cost model in which to base the new cost model. **NOTE:** This option only appears when creating a new model from an existing model.
Name*	Type a unique name for the cost model. **TIP:** We recommend using a name that indicates the period in which the costing process takes place. For example, Costing 2020 or Costing 2020 Q1.
Description	Type a description for the cost model.
Start date*	Select the start year and month for which to process.
End date	Select the end year and month (within the same fiscal year) for which to process. **NOTE:** You cannot select a date that is more than 12 months outside of what you selected in the Start Date field.
Entity	Select the entities in which to apply the cost model.

3. Complete the following fields, and click **Save**:

   This main purpose of this dialog is to identify the reference table versions you want the cost model to use for processing. If you want to create a new table version for any of the areas listed (departments, accounts, reclasses, etc.), you can name the new version here first, and as you go through the cost model setup process, you configure the new tables.

   For example, let's say you want to create a new Departments dimension table to be used only for a new east coast region cost model. You might name the table "Departments - East Coast" in this dialog. When you get to the Departments dimension area of the cost model setup process, the system will default to the new "Departments - East Coast" table you created. You can then add or remove departments, as needed, to support the cost model. If you are not yet sure if you are going to need a new table, you can always create a new table later during the cost model setup process.

Field	Description
Department*	From the drop-down, do one of the following: • Select an existing department version. • Create a new department version by doing the following: a. Select **Create new version**. b. In the **Name** field, type a unique name for the version. c. In the **Description** field, type a description for the version. d. Click **Set**.
Account*	From the drop-down, do one of the following: • Select an existing account version. • Create a new account version by doing the following: a. Select **Create new version**. b. In the **Name** field, type a unique name for the version. c. In the **Description** field, type a description for the version. d. Click **Set**.
Cost category*	From the drop-down, do one of the following: • Select an existing cost category version. • Create a new cost category version by doing the following: a. Select **Create new version**. b. In the **Name** field, type a unique name for the version. c. In the **Description** field, type a description for the version. d. Click **Set**.
Cost method exclusion	From the drop-down, do one of the following: • Select an existing cost method exclusion. • Create a new cost category version by doing the following: a. Select **Create new version**. b. In the **Name*** field, type a unique name for the version. c. In the **Description** field, type a description for the version. d. Click **Set**.

Field	Description
Direct to encounter	From the drop-down, do one of the following: • Select a direct to encounter definition version. • Create a new direct to encounter definition version by doing the following: a. Select **Create new version**. b. In the **Name** field, type a unique name for the version. c. In the **Description** field, type a description for the version.
Micro	From the drop-down, do one of the following: • Select an existing microcost definition version. • Create a new microcost definition version by doing the following: a. Select **Create new version**. b. In the **Name** field, type a unique name for the version. c. In the **Description** field, type a description for the version. d. Click **Set**.
Use transaction microcost?	Do one of the following: • To use transaction microcost in this cost model, click the toggle switch to **Yes**. • To not use transaction microcost in this cost model, click the toggle switch to **No**.
Markup	From the drop-down, do one of the following: • Select an existing markup group definition version. • Create a new markup group definition version by doing the following: a. Select **Create new version**. b. In the **Name** field, type a unique name for the version. c. In the **Description** field, type a description for the version. d. Click **Set**.

Field	Description
RVU	From the drop-down, do one of the following: • Select an existing RVU version. • Create a new RVU version by doing the following: a. Select **Create new version**. b. In the **Name** field, type a unique name for the version. c. In the **Description** field, type a description for the version. d. Click **Set**.
Use provider RVU?	Do one of the following: • To use provider RVU when processing this cost model, click the toggle switch to **Yes**. • To not use provider RVU when processing this cost model, click the toggle to **No**.
Reclass*	From the drop-down, do one of the following: • Select an existing reclass definition version. • Create a new reclass definition version by doing the following: a. Select **Create new version**. b. In the **Name** field, type a unique name for the version. c. In the **Description** field, type a description for the version. d. Click **Set**.
Allocations*	From the drop-down, do one of the following: • Select an existing allocation definition version. • Create a new allocation definition version by doing the following: a. Select **Create new version**. b. In the **Name** field, type a unique name for the version. c. In the **Description** field, type a description for the version. d. Click **Set**.

Field	Description
Use simultaneous equations to allocate department costs?	**IMPORTANT:** We recommend that you first review the Understanding simultaneous equations section below before setting this option. If you choose to implement this feature, please consult with one of our Syntellis Implementation Consultants or Syntellis Support to ensure you understand the implications. Do one of the following: • To enable simultaneous equations, click the toggle switch to **Yes**. • To use single-step down, click the toggle switch to **No**.

4. Continue setting up the cost model by configuring the following areas:
    - Dimension versions, manual statistics, and adjustments
        - Dimension versions
        - Manual statistics
        - One-time adjustments
    - Methods
        - Direct to encounter
        - Method exclusions
        - Markup groups
    - Reclasses and allocations
        - RVU maintenance
        - Reclasses
        - Allocations

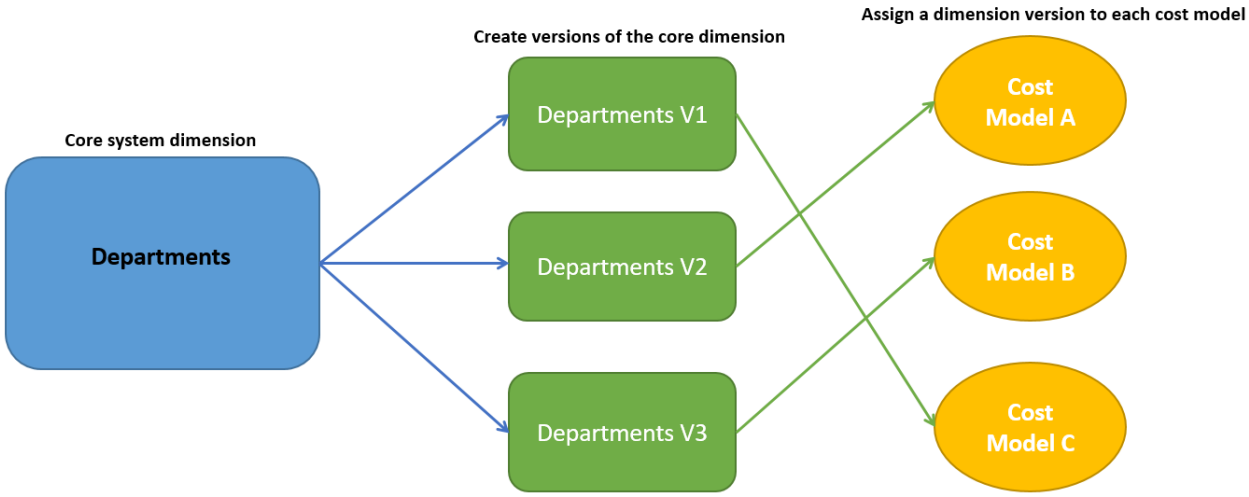
▶ Understanding simultaneous equations

The simultaneous equation (SE) method of cost allocation provides a more accurate method of allocating department costs. When processing allocations, the system places the records and allocation rules into a matrix, and then system processes them together. If your organization decides to use SE, you need to define the costing allocation rules to take this into account. For this reason, we recommend that you do not switch back and forth between SE and single step down because it could result in inaccurate data.

Working with dimension versions

In Axiom, dimensions are specific tables used by the system to store records and other reference data. Axiom Enterprise Decision Support includes two types of dimension tables:

- **Core system dimensions** - The tables where all the core data for your organization is stored and used by multiple parts of the system, including the costing, reporting, and other Axiom processes.
- **Cost model version dimensions** - For cost categories, accounts, and departments, you can create separate versions of these dimensions and assign them to one or more cost models. A dimension version can include all or some of the cost categories, accounts, or departments from the core dimensions, as needed. The changes you make in the dimension versions do not change the records in the core dimension. Their only purpose is to provide a working copy of the dimension data, which you can update as needed for specific cost model needs.



The core departments dimension includes all the departments in your organization, which you can use to create variations of the departments dimension to assign to different cost models. You can make changes to the dimension versions without affecting the core dimension data.

For example, you may have a version of the departments dimension that includes all departments that you use for your annual cost modeling. However, let's say this year there are three departments undergoing renovation. Instead of changing the entire cost model, you can simply create a new version of the departments dimension to change those departments from direct to indirect. You can then assign that dimension version to the cost model to use until the departments have been refurbished and are ready to take patients again. When the remodels are complete, you simply reassign your original departments dimension to the cost model and reprocess it.

For more information on how cost models work, see Working with cost models.

Adding or editing a cost categories dimension version

Cost categories must first exist in Axiom's core system dimensions before adding them to a cost category dimension version. For more information about the core system dimensions, see "Managing Axiom dimensions" in the online help.

TIP: You can easily make changes in bulk using a spreadsheet. For more information, see Editing dimension versions using a spreadsheet.

To add or edit a cost categories dimension version:

1. From the Enterprise Decision Support home page, in the **Cost accounting** section, click **Modify a cost model** or **Create a cost model**.
2. The last cost model selected is shown at the top of the page. To change cost models, select another one from the **Select cost model** drop-down.
3. Under the **Dimension versions, manual statistics, and adjustments** section, click **Manage dimension versions**.
4. Click the **Cost categories** tab.
5. Do one of the following:
   - To add a new cost category, click **+ Add cost category**.
   - To edit an existing cost category, click its edit icon  in the **Actions** column.
6. Complete the following columns:

Column	Description
Cost category	From the drop-down, select the desired cost category. A search field is available to help find specific cost categories, if needed. For new cost categories only. **NOTE:** Cost categories will only appear in the list if they are not already added to this table. If no cost categories appear, the table already includes every cost category from the core system dimensions.
Direct flag	If the cost category is directly related to patient care, click the check box. If it is an indirect cost, leave the check box blank.
Costed	If the cost category should be included when processing the cost model, click the check box. If it should be excluded when processing, leave the check box blank.
Use as markup	If the cost category should be used in markup group definitions, click the check box. If it should not be used in markup group definitions, leave the check box blank.

Column	Description
Variability percentage (%)	Enter the variability percentage for the costs assigned this cost category based on patient volume. For example, hourly labor is likely variable based on the number of patients treated, while benefits are fixed because they need to be paid regardless the number of patients.
Actions	Do one of the following: • To save your row changes, click the save icon  . • To discard your changes, click the undo icon  .

7. If you are creating a new model, the next step is to create or select/modify an accounts dimension version. Click **Next** in the bottom right corner of the page or click the **Accounts** tab at the top of the page.
8. If you are modifying an existing cost model, you can continue making changes to other parts of the model or go directly to processing the cost model if this is your only change.

> **IMPORTANT:** When making any changes to an existing cost model, you must reprocess it in order for the results to reflect the changes.

Adding or editing an accounts dimension version

Accounts must first exist in Axiom's core system dimensions before adding them to an accounts dimension version. For more information about the core system dimensions, see "Managing Axiom dimensions" in the online help.

> **TIP:** You can easily make changes in bulk using a spreadsheet. For more information, see Editing dimension versions using a spreadsheet.

To add or edit an accounts dimension version:

1. From the Enterprise Decision Support home page, in the **Cost accounting** section, click **Modify a cost model** or **Create a cost model**.
2. The last cost model selected is shown at the top of the page. To change cost models, select another one from the **Select cost model** drop-down.
3. Under the **Dimension versions, manual statistics, and adjustments** section, click **Manage dimension versions**.
4. Click the **Accounts** tab.
5. Do one of the following:

- To add an account, click **+ Add account**.
- To edit an account, click its edit icon  in the **Actions** column.

6. Complete the following columns:

Column	Description
Account	From the drop-down, select the desired account. A search field is available to help find specific accounts, if needed. For new accounts only. **NOTE:** Accounts will only appear in the list if they are not already added to this table. If no accounts appear, the table already includes every account from the core system dimensions.
Cost category	From the drop-down, select the desired cost category. A search field is available to help find specific cost categories, if needed.
Costing provider	From the drop-down, select a provider name. A search field is available to help find specific providers, if needed.
Variability percentage (%)	Enter the variability percentage for the costs assigned this account based on patient volume or use the arrows to select it. For example, hourly labor is likely variable based on the number of patients treated, while benefits are fixed because they need to be paid regardless the number of patients.
Cost DSS summary	This is a free-form grouping column that you can use for reporting purposes.
Actions	Do one of the following: • To save your row changes, click the save icon  . • To discard your changes, click the undo icon  .

7. If you are creating a new model, the next step is to create or select/modify departments dimension version. Click **Next** in the bottom right corner of the page or click the **Departments** tab at the top of the page.
8. If you are modifying an existing cost model, you can continue making changes to other parts of the model or go directly to processing the cost model if this is your only change.

> **IMPORTANT:** When making any changes to an existing cost model, you must reprocess it in order for the results to reflect the changes.

Adding or editing a department dimension version

Departments must first exist in Axiom's core system dimensions before adding them to a department dimension version. For more information about the core system dimensions, see "Managing Axiom dimensions" in the online help.

TIP: You can easily make changes in bulk using a spreadsheet. For more information, see Editing dimension versions using a spreadsheet.

To add or edit a department dimension version:

1. From the Enterprise Decision Support home page, in the **Cost accounting** section, click **Modify a cost model** or **Create a cost model**.
2. The last cost model selected is shown at the top of the page. To change cost models, select another one from the **Select cost model** drop-down.
3. Under the **Dimension versions, manual statistics, and adjustments** section, click **Manage dimension versions**.
4. Click the **Departments** tab.
5. Do one of the following:
   - To add a department, click **+ Add department**.
   - To edit a department, click its edit icon in the **Actions** column.
6. Complete the following columns:

Column	Description
Department	From the drop-down, select the desired department. A search field is available to help find specific departments, if needed. For new departments only. **NOTE:** Departments will only appear in the list if they are not already added to this table. If no departments appear, the table already includes every department from the core system dimensions.
Department type	Select one of the following to describe the cost type for the department: • **NA** - Fully ignore • **Direct** - Provides patient care • **Indirect** - Does not provide direct patient care • **Deadend** - Receives allocations but ignore for cost calculation
Costmap	Select the department that the department costs rolls up to. A search field is available to help find specific departments, if needed.

Column	Description
Variability percentage (%)	Enter the variability percentage for the costs assigned this department based on patient volume or use the arrows to select it. For example, a nursing department is likely variable based on the number of patients they treat, while an administration department is likely fixed since these employees are usually salaried which does not vary based on patient volume.
Actions	Do one of the following: • To save your row changes, click the save icon  . • To discard your changes, click the undo icon  .

7. If you are creating a new model, the next step is to configure variability exceptions. Click **Next** in the bottom right corner of the page or click the **Variability exceptions** tab at the top of the page.
8. If you are modifying an existing cost model, you can continue making changes to other parts of the model or go directly to processing the cost model if this is your only change.

IMPORTANT: When making any changes to an existing cost model, you must reprocess it in order for the results to reflect the changes.

Editing dimension versions using a spreadsheet

Instead of managing the cost categories, accounts, and departments dimensions using the web interface, you can download a spreadsheet of the dimension table to easily add or edit records in bulk. You can also download a blank spreadsheet template of the dimension table to add records from scratch. After you finish adding or editing records, you upload the spreadsheet to Axiom and the changes are applied to the database.

Pay special attention to the following before using this feature:

- DO NOT rename the file name or the worksheets in this file.
- DO NOT add columns, change column names, or change sheet tab names.
- To add a cost category, account, or department dimension, it must already exist in the corresponding Axiom core dimension.
- Ensure that there are no duplicate records.
- General formatting is applied to all numbers downloaded in the spreadsheet that you will need to correct before uploading. For instructions, see the Spreadsheet formatting section below.
- All required columns must be completed for each record before uploading.

- Use caution when entering data into the spreadsheet. Neither the spreadsheet nor the system validates the data upon upload.
- Deleting records in the spreadsheet does not remove them from the system.

  TIP: If you have a large amount of data in the spreadsheet and to help improve performance, we recommend that you remove all the unchanged rows from the downloaded file before uploading.

- If the spreadsheet includes a lot of data, it may take several minutes for the upload to complete before the system displays a confirmation message.

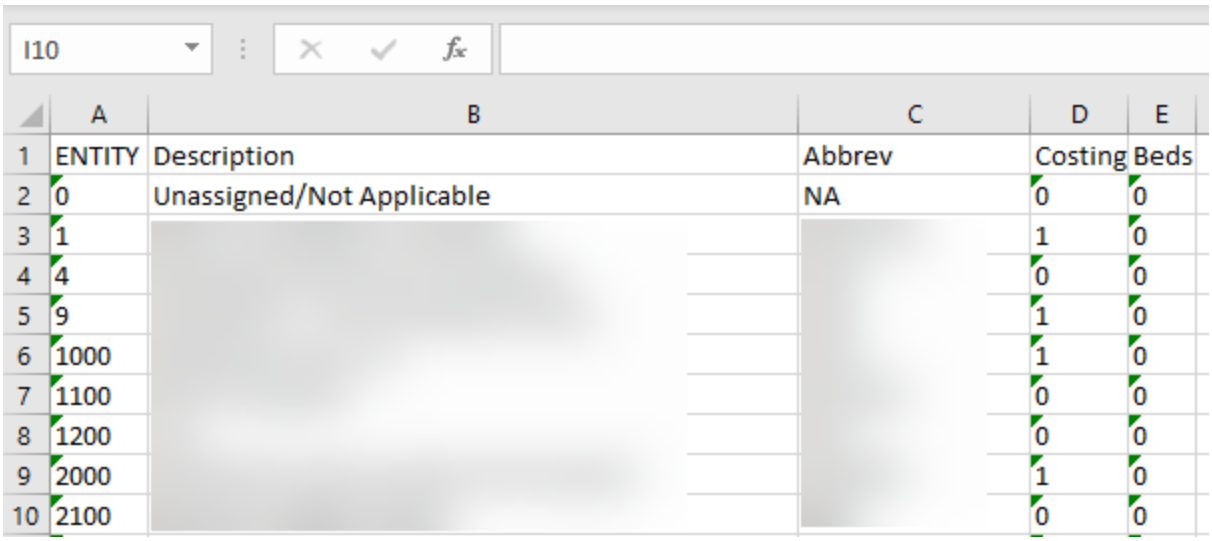
To edit dimension versions using a spreadsheet:

1. Navigate to the cost categories, accounts, or departments dimension version web page for the cost model.
2. In the upper right corner of the page, do one of the following:
   - To add or edit records to an existing dimension table, click the ellipse button ... and select **Download table**.
   - To add records by starting with an empty spreadsheet template, click the ellipse button ... and select **Download template**.
3. Open the spreadsheet, or save the spreadsheet to a location and then open it.
4. Complete each required column. Refer to the Instructions tab in the spreadsheet for column descriptions.
5. After making your changes, save the spreadsheet.
6. In the cost categories, accounts, or departments dimension version web page, click the ellipse button ... and select **Upload Table**.
7. The **Upload file to Axiom database?** prompt, click **Upload**.

A success message will display at the top of the page and your changes will display in the table.

Spreadsheet formatting

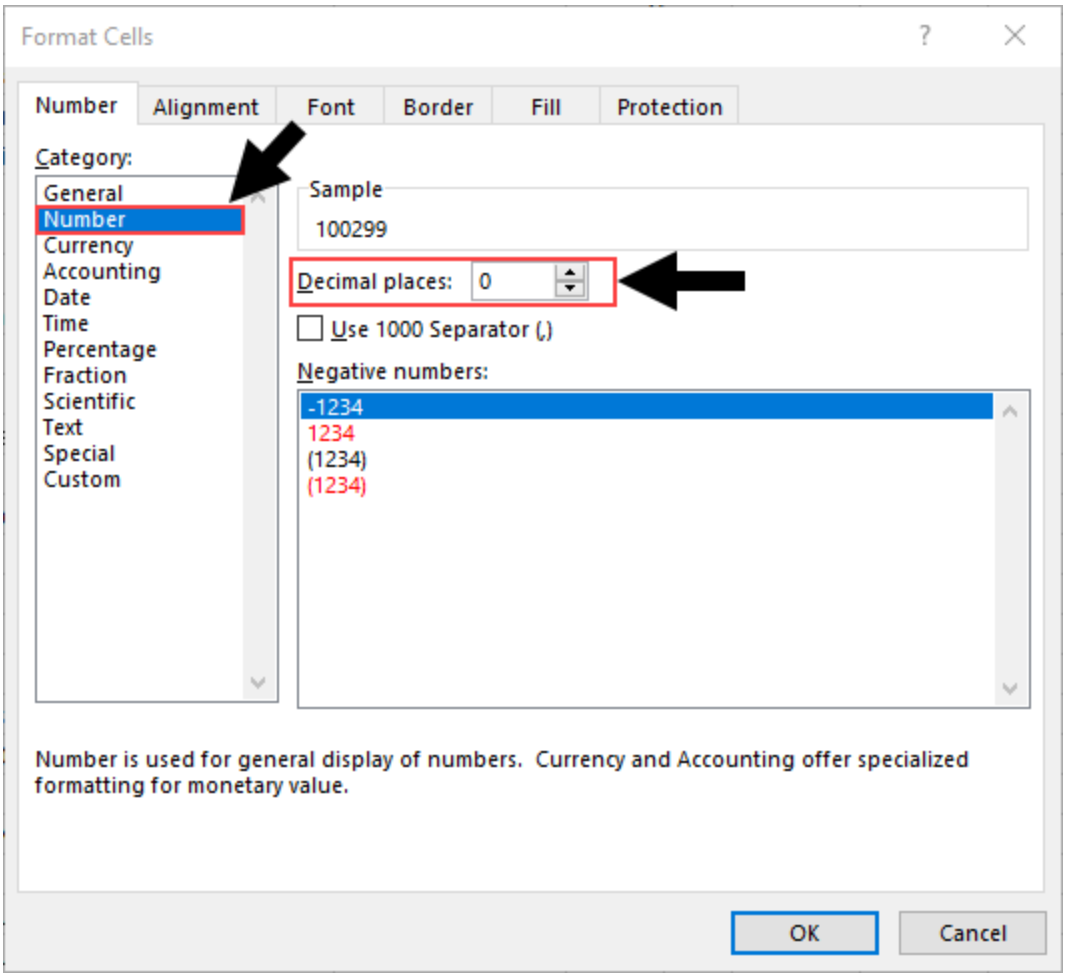
When downloading the manual statistic values, they may display in the spreadsheet with General formatting. This is indicated by the green tick mark in the left corner in some cells—specifically number-based cells.



	A	B	C	D	E
1	ENTITY	Description	Abbrev	Costing	Beds
2	0	Unassigned/Not Applicable	NA	0	0
3	1			1	0
4	4			0	0
5	9			1	0
6	1000			1	0
7	1100			0	0
8	1200			0	0
9	2000			1	0
10	2100			0	0

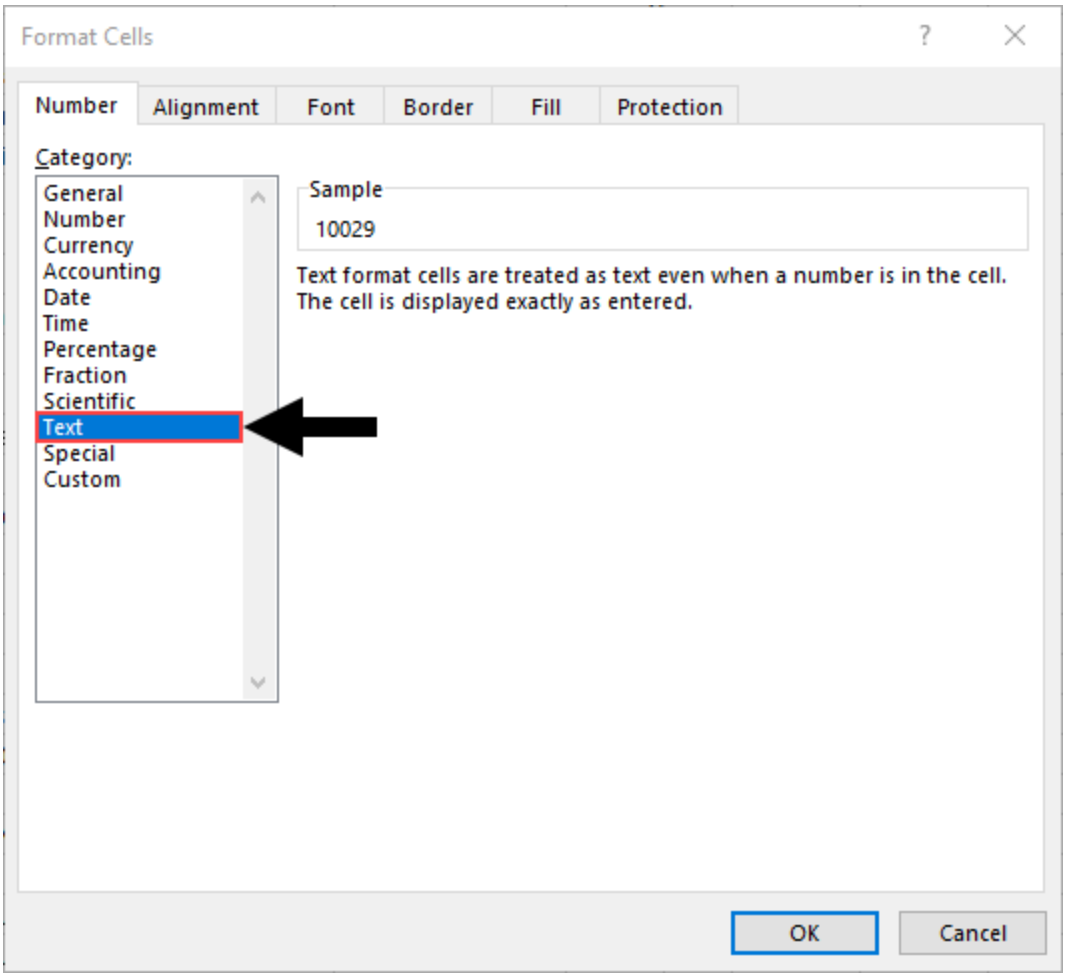
Large numbers

If you add new dimension rows that include large numbers, reformat them so they properly add to the database on return to the system by changing the number formatting to **Number** and the **Decimal places** field to zero.

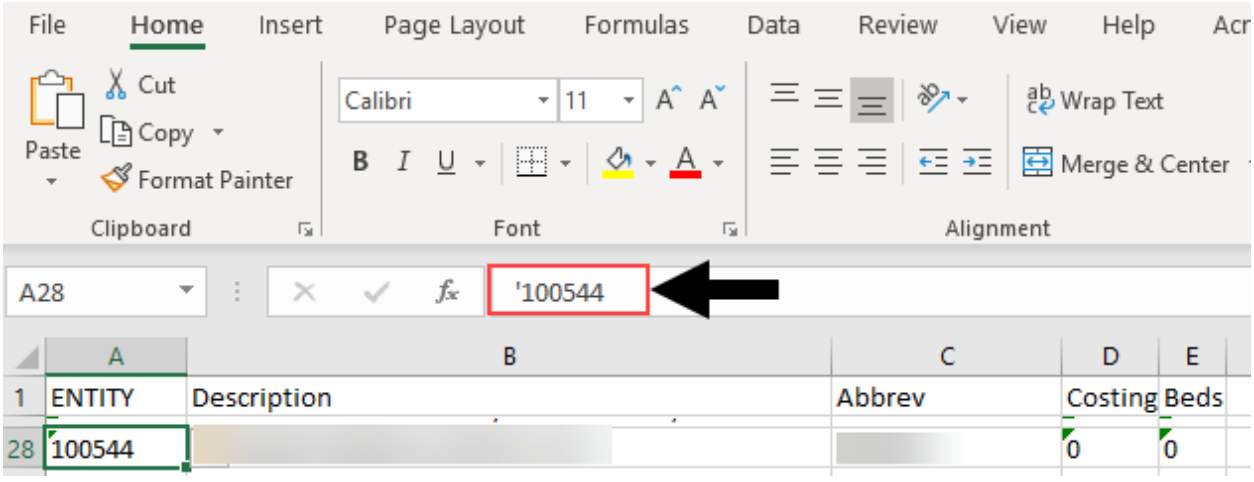


Leading zeroes

For numbers that include leading zeroes, change the formatting to **Text**.



You can also simply add a single quote in front of the zero (this quote mark is not included in the data when it is uploaded).



Formulas

You can include formulas in the spreadsheet, and the system will only import the results into the database.

Configuring variability exceptions

By default, Axiom calculates fixed versus variable percentages for a cost category based on whether its component costs have been defined as fixed or variable at the account level.

Each dimension version allows you to set variability in four ways:

- Cost categories - Sets variability at the broadest level
- Accounts - Overrides variability at the cost category level
- Departments - Overrides variability at the account level
- Variability exceptions - Overrides variability at the cost category, account, and/or department level

It is even possible to use the exception to "bounce back" variability. For example, let's say your Salaries cost category is fixed (0% variable), but you have a PRN department that is 100% variable. However, the PRN department has a scheduler whose salary is fixed. In this scenario, you can set up a cost category exception by department to return your salaries to fixed.

To configure variability exceptions:

1. From the Enterprise Decision Support home page, in the **Cost accounting** section, click **Modify a cost model** or **Create a cost model**.
2. The last cost model selected is shown at the top of the page. To change cost models, select another one from the **Select cost model** drop-down.
3. Under the **Dimension versions, manual statistics, and adjustments** section, click **Manage dimension versions**.
4. Click the **Variability exceptions** tab.
5. To add exceptions, click **Add exception** under the appropriate section.
6. Complete any of the following:

Exception Type	Options
Account exceptions by entity	**Account** - Select the account to override. **Entity** - Select the entity in which to make the exception. **Cost variability %** - Type the override for the calculated cost variance percentage to apply.
Cost behavior exceptions	**Cost Category** - Select the cost category to override. **Department** - Select the department in which to make the exception. **Cost variability %** - Type the override for the calculated cost variance percentage to apply.
Account exceptions by department	**Account** - Select the account to override. **Department** - Select the department in which to make the exception. **Cost variability %** - Type the override for the calculated cost variance percentage to apply.

7. To cancel your changes, click the cancel icon in the **Actions** column.
8. To save your changes, click the save icon in the **Actions** column.
9. To delete an exception, click the delete icon in the **Actions** column.
10. If you are creating a new model, the next step is to configure your manual statistics. Click **Next** in the bottom right corner of the page or click the **Manual statistics** tab at the top of the page.
11. If you are modifying an existing cost model, you can continue making changes to other parts of the model or go directly to processing the cost model if this is your only change.

IMPORTANT: When making any changes to an existing cost model, you must reprocess it in order for the results to reflect the changes.

Managing manual statistics

Axiom uses statistics as a basis for distributing costs for allocation and/or reclass dollar amounts during cost processing. Often, statistics already exist in Axiom as part of Axiom Budgeting and Performance Reporting, such as occupancy, admissions, discharges, patient days, etc. In cases where the statistic does not exist, you can create your own that are not directly derived from encounter or cost data. Examples include square footage, meals served, pounds of laundry, etc. Departments that include the statistic receive their weighted share of the allocated or reclassed balances from the source department or account.

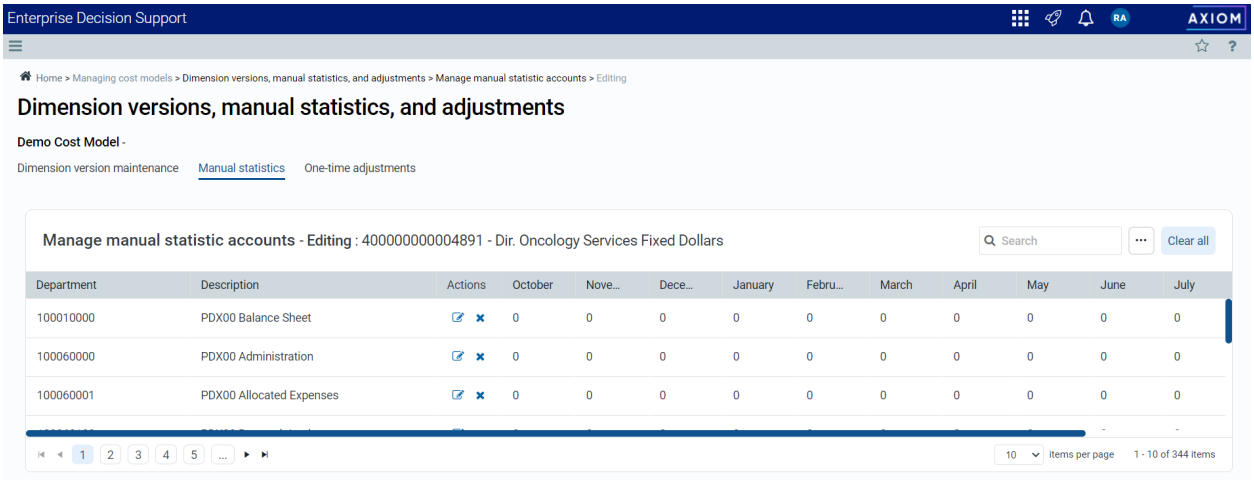
The manual statistics page allows you to define values by department for existing statistic accounts in addition to adding statistics for departments. When a new statistic is added, the input manual statistic writes to the department along with any related manually input values. Axiom then saves these to the costing general ledger (CGL) for reference in any reclass or allocation step.

Adding or editing a manual statistic

Before you add manual statistics, make sure to first obtain the following information:

- The department number(s) in which to apply the manual statistic
- The cost category in which the manual statistic applies
- Data by period, up to 12 periods for a full fiscal year

After you add the manual statistic, Axiom assigns it the same list of departments as those listed in the department dimension version assigned to the cost model that you are setting up. You then enter the values in the appropriate period columns for the departments, as needed.



Each manual statistic account lists each department where you can enter the specific value for one or more periods

Troubleshooting tip: If the list does not reference the correct departments, check that the correct department dimension version is assigned to the cost model you are configuring. For more information on dimension versions, see Working with dimension versions or Working with cost models.

To add or edit a manual statistic:

1. From the Enterprise Decision Support home page, in the **Cost accounting** section, click **Modify a cost model** or **Create a cost model**.
2. The last cost model selected is shown at the top of the page. To change cost models, select another one from the **Select cost model** drop-down.

3. Under the **Dimension versions, manual statistics, and adjustments** section, click **Manage manual statistic accounts**.
4. To add an account, click **+ Add account** and enter the account information on the Add Account dialog. When all required fields have been completed, the **Add** button will become available; click it to add the account.
5. To add or edit statistics for an account:
    a. Find the desired account and click the edit icon in its **Actions** column.

    > **TIP:** You can search by account or by description using the **Search** field in the upper right portion of the page.

    b. Find the desired department and click the edit icon in its **Actions** column. To search for a specific department, use the **Search** field in the upper right portion of the page.
    c. Change the desired values in the month fields that are now available. Months are ordered depending on how your fiscal year is set up in the system. After the changes have been made, save them by clicking the save icon in the **Actions** column. You can also cancel your changes by clicking the undo icon in the **Actions** column.

    > **TIP:** When making several changes, you might find it easier to work on the data in a spreadsheet and upload the changes. For more information, see Editing manual statistic accounts using a spreadsheet.

    d. To clear values from a row or the entire table, do the following:
        - To remove the values in a row, click the **X** in the **Actions** column. All values in the row will be removed.
        - To clear all the values in the table, click **Clear all**. All the values in the table will be removed.

        > **IMPORTANT:** The system will prompt you to confirm the deletion if you use one of these options. Once confirmed, these changes cannot be undone.

6. If you are creating a new model, the next step in the process is to set up one-time adjustments. Click **Next** in the bottom right corner of the page or click the **One-time adjustments** tab at the top of the page.
7. If you are modifying an existing cost model, you can continue making changes to other parts of the model or go directly to processing the cost model if this is your only change.

> **IMPORTANT:** When making any changes to an existing cost model, you must reprocess it in order for the results to reflect the changes.

Editing manual statistic accounts using a spreadsheet

You can use a spreadsheet to edit manual statistic values instead of using the manual statistics web page user interface. The data download as an Excel file includes all of the data that is currently available in the manual statistics editor on the web.

Deleting manual statistics in the downloaded spreadsheet does not remove them from the system. In fact, if you have a large amount of data in the spreadsheet and to help improve performance, we recommend that you remove all the unchanged rows from the downloaded file before uploading.

Pay special attention to the following before using this feature:

- DO NOT rename the file name or the worksheets in this file.
- DO NOT add columns, change column names, or change sheet tab names.
- Ensure that there are no duplicate records.
- General formatting is applied to all numbers downloaded in the spreadsheet that you will need to correct before uploading. For instructions, see the Spreadsheet formatting section below.
- All required columns must be completed for each record before uploading.
- Use caution when entering data into the spreadsheet. Neither the spreadsheet nor the system validates the data upon upload.
- Upon upload back to the database, Axiom will remove department manual statistics from the CGL if the period columns include all zeroes.
- Deleting records in the spreadsheet does not remove them from the system.

  TIP: If you have a large amount of data in the spreadsheet and to help improve performance, we recommend that you remove all the unchanged rows from the downloaded file before uploading.

- If the spreadsheet includes a lot of data, it may take several minutes for the upload to complete before the system displays a confirmation message.

To edit manual statistic accounts using a spreadsheet:

1. Add or edit a manual statistic account.
2. In the upper right corner of the page, click one of the following:
   - **Download table** - Use this option to add or edit existing values for a manual statistic account.
   - **Download template** - Use this option if you are adding a new manual statistic account with no data (displays zero in columns for all departments). You can use this as a way to enter all values for a new account.
3. Open the spreadsheet, or save the spreadsheet to a location first and then open it.

4. Add a department by adding a row, or edit the column information for an existing department. If adding new rows, review the Spreadsheet formatting section below.

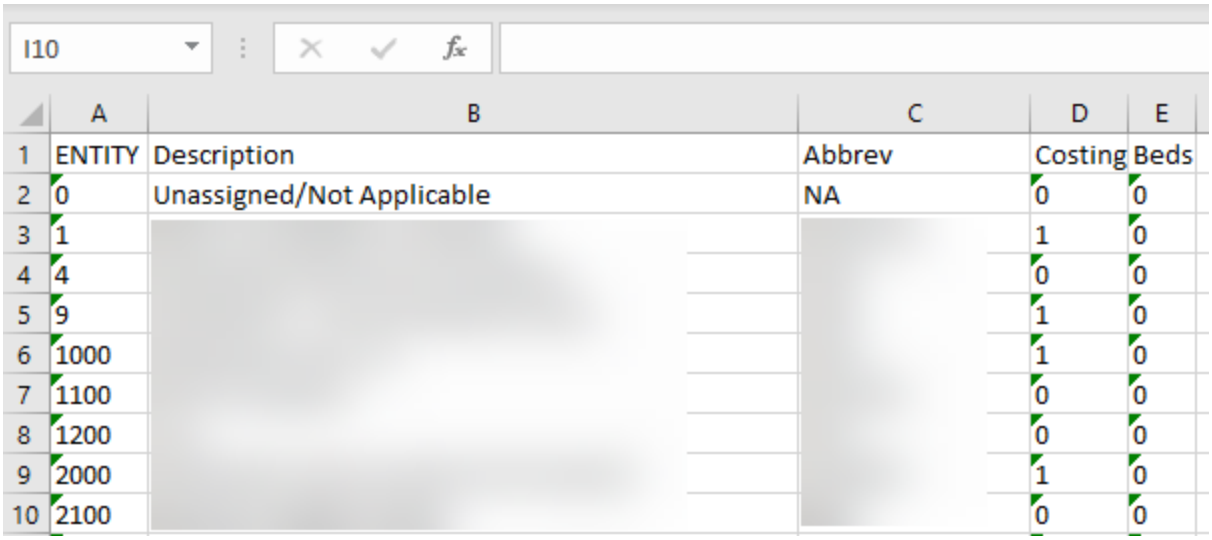
   IMPORTANT: To add a department, it must already exist in the core department dimension for the system.

5. After making your changes, save the spreadsheet.
6. In the manual statistic editor page , click **Upload table**.
7. At the confirmation prompt, click **Upload**.

The table displays the row(s) where changes occurred and/or new rows added.

Spreadsheet formatting

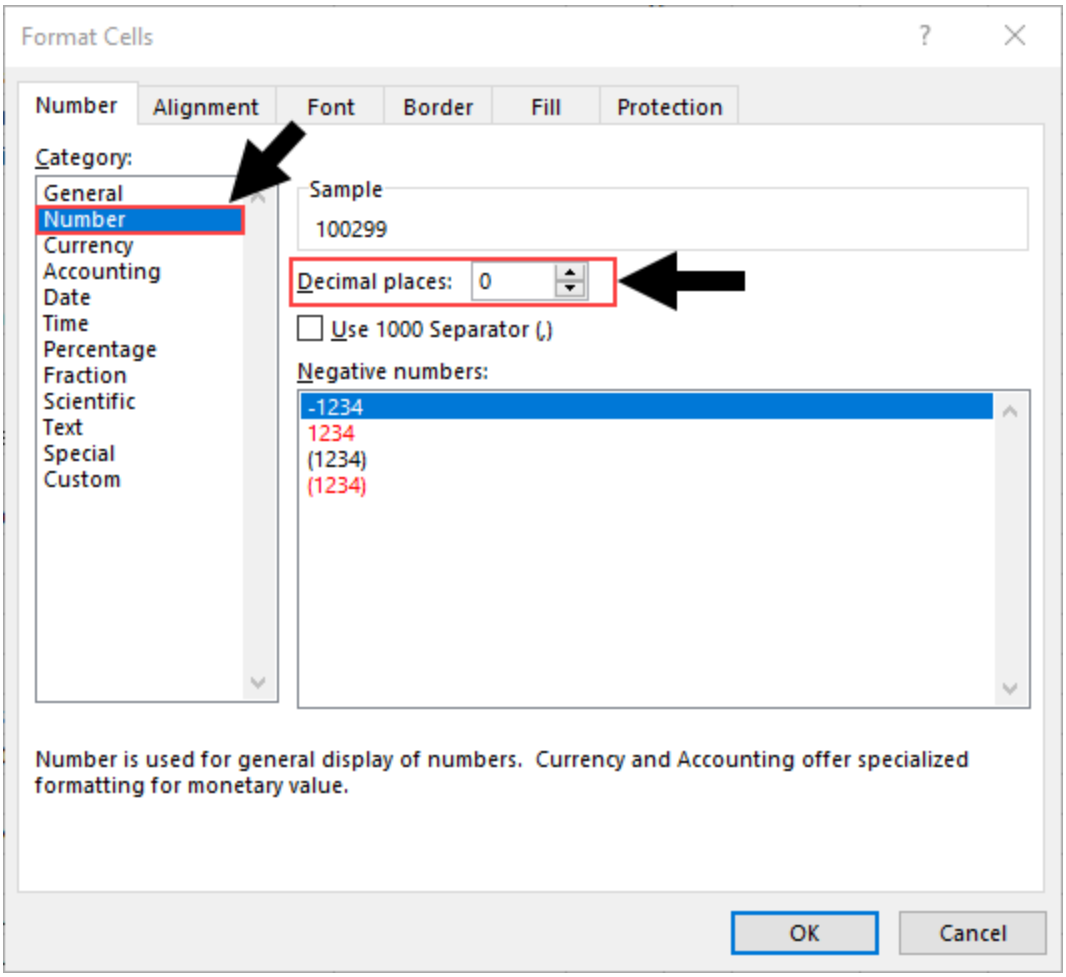
When downloading the manual statistic values, they may display in the spreadsheet with General formatting. This is indicated by the green tick mark in the left corner in some cells—specifically number-based cells.



	A	B	C	D	E
1	ENTITY	Description	Abbrev	Costing	Beds
2	0	Unassigned/Not Applicable	NA	0	0
3	1			1	0
4	4			0	0
5	9			1	0
6	1000			1	0
7	1100			0	0
8	1200			0	0
9	2000			1	0
10	2100			0	0

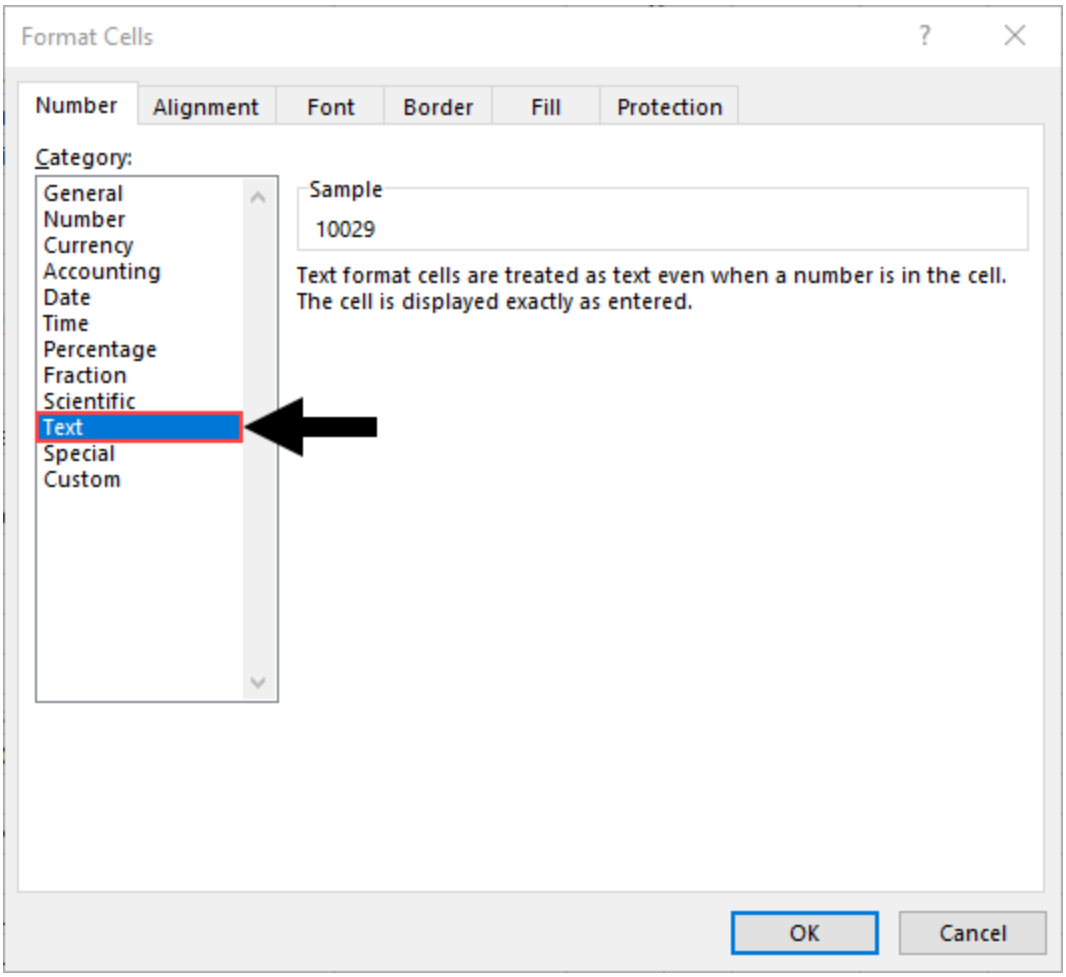
Large numbers

If you add new dimension rows that include large numbers, reformat them so they properly add to the database on return to the system by changing the number formatting to **Number** and the **Decimal places** field to zero.

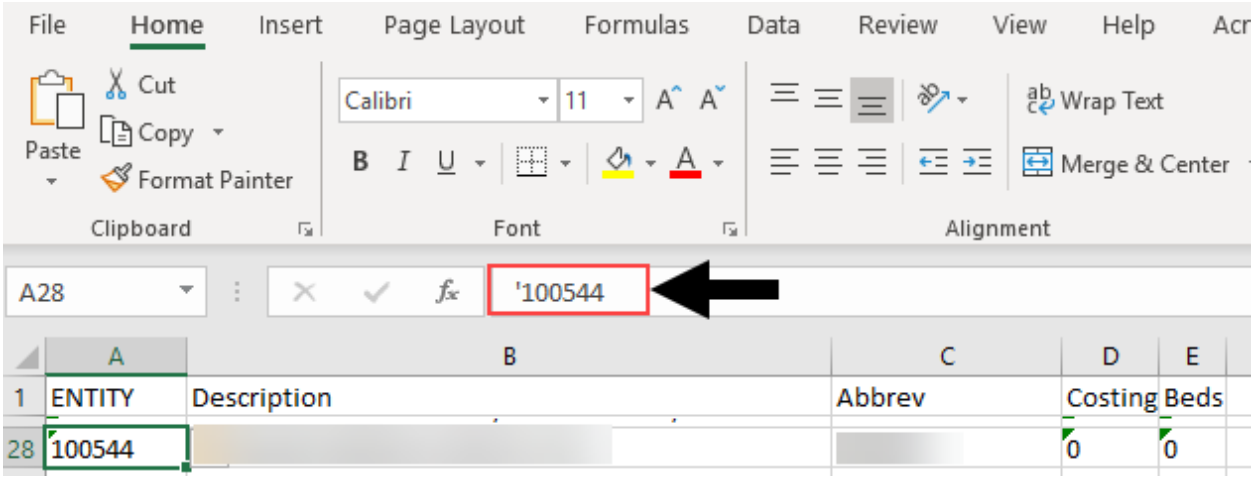


Leading zeroes

For numbers that include leading zeroes, change the formatting to **Text**.



You can also simply add a single quote in front of the zero (this quote mark is not included in the data when it is uploaded).



Formulas

You can include formulas in the spreadsheet, and the system will only import the results into the database.

Working with one-time adjustments

You can directly modify account balances within a given department for a specific cost model by making changes to one-time adjustments. When you enter new amounts, you are actually creating a new record, which is then summarized to the new value. The original amount and a history of each adjustment amount for the account are tracked in the system.

IMPORTANT: Because you are making changes to the CGL table, some existing costing processes may be invalidated. You may need to run some costing processes again. If you import the GL table again, you will need to go through this process again to make further adjustments, including removing adjustments you have entered.

Let's say someone accidentally entered $100,000 instead of $10,000 into the general ledger. A user makes a one-time adjustment in the cost model of $90,000 to compensate for the mistake. The next month the GL is corrected, so the user will need to remove the $90,000 adjustment and reprocess the cost model.

Making one-time adjustments

You can access a history of each adjustment for a cost model by downloading the table from the **Make one-time adjustments** page, and viewing the **One-time adjustments history** worksheet. For more information, see Editing one-time adjustments using a spreadsheet.

To make a one-time adjustment:

1. From the Enterprise Decision Support home page, in the **Cost accounting** section, click **Modify a cost model** or **Create a cost model**.
2. The last cost model selected is shown at the top of the page. To change cost models, select another one from the **Select cost model** drop-down.
3. Under the **Dimension versions, manual statistics, and adjustments** section, click **Make one-time adjustments**.
4. On the **Make one-time adjustments** page, click the funnel icon  in the upper right corner of the page to filter the list of one-time adjustments to display in the table.

   IMPORTANT: No records will appear in the table until you select departments and accounts in the filter.

5. In the **Filters** panel, do the following:
    a. In the **Enter department(s)** field, type one or more departments in which to make the adjustment, and select them from the list.
    b. In the **Enter account(s)** field, type one or more accounts in which to make the adjustment, and select them from the list.
    c. When you finish entering departments and accounts, click **Apply**.

    > **TIP:** To clear the filter selections, click **Clear all**. To clear the selections in a specific field, click **X** next to the department or account name/number.

6. In the **Actions** column, click the edit icon  .
7. In the appropriate column(s), enter the replacement amount in each period column. If needed, you can revert the column value changes you made back to their original amounts by clicking **X** in the **Actions** column. For more information, see Reverting back to the original one-time adjustment amounts.

    > **IMPORTANT:** The cells do not add dollars to the original amount. You must enter an amount to replace the original. For example, if the original amount is $1,000 and you want to change it to $1,500, you need to enter $1,500 and not $500.

8. After making your changes, click anywhere on the page outside of the table, and then click **Save**.
9. At the confirmation prompt, click **Close**.
10. If you are creating a new model, the next step is to define your costing methods. Click **Next** in the bottom right corner of the page.
11. If you are modifying an existing cost model, you can continue making changes to other parts of the model or go directly to processing the cost model if this is your only change.

    > **IMPORTANT:** When making any changes to an existing cost model, you must reprocess it in order for the results to reflect the changes.

Reverting back to the original one-time adjustment amounts

The source one-time adjustment values are imported from your organization's general ledger into the CGL table in Axiom. If needed, you can revert back to those original amounts at the row level or for the entire table.

Do the following:

- To revert the values for a specific row, in the **Actions** column, click **X**.
- To revert the values for the entire table, click **Clear all** above the table.

Editing one-time adjustments using a spreadsheet

To make it easier to enter a large number of changes at once, you can download a spreadsheet version of the one-time adjustments table, make your edits, and upload the table back to Axiom.

Keep in mind the following when using this file:

- Do not rename the file name or the worksheets.
- Do not add or remove columns, change column names, or change sheet tab names.
- This file only allows you to bulk edit one-time adjustments already loaded into the system. You cannot add new one-time adjustments.
- Values may display in the spreadsheet with General formatting. This is indicated by the green tick mark in the left corner in the cell—specifically number-based cells.
- For numbers that include leading zeroes, change the formatting to Text. You can also simply add a single quote in front of the zero (this quote mark is not included in the data when it is uploaded).
- Ensure that there are no duplicate records.
- If the spreadsheet includes a lot of data, it may take several minutes for the upload to complete before the system displays a confirmation message.

IMPORTANT: The table data is NOT validated so use caution when entering data. Data entered incorrectly will result in an error message when you upload the table.

NOTE: Not meeting any of the requirements listed above may result in Axiom displaying an error message when you upload the file back into the system.

The file includes the following worksheets:

- **Instructions** - Provides instructions on entering values into the spreadsheet and column descriptions.
- **One-time adjustments history** - Shows a record of each amount added or subtracted to an account.
- **New one-time adjustments** - Allows you to enter the replacement amount for each account.

To make bulk one-time adjustments:

1. Open the one-time adjustments page for the cost model.
2. In the upper right corner of the **Make one-time adjustments** page, click **Download table**.
3. In the **New one-time adjustments** worksheet, enter the replacement amount in each period column.

IMPORTANT: The cells do not add dollars to the original amount. You must enter an amount to replace the original. For example, if the original amount is $1,000 and you want to change it to $1,500, you need to enter $1,500 and not $500.

4. After you finish making changes, save the file.

   IMPORTANT: Do not change the file name, add or remove columns, change column names, or change sheet tab names. Doing so will cause the Axiom to display an upload file error message.

5. Return to the browser, and in the **Make one-time adjustments** page, click **Upload table**.
6. Locate the file, and click **Open**.
7. At the prompt, click **Upload**.

   NOTE: Uploading the file will update the data in the database. This cannot be undone.

Using the direct to encounter method

With the direct to encounter (D2E) method, you can create and track cost items for non-chargeable items or services. You can directly cost departments that do not generate patient revenue but incur expenses in response to patient activity using D2E. Examples might include robotic surgical time or central scheduling.

D2E allows you to spread costs that were historically allocated as indirect overhead to specific encounters that utilize the services of that particular department. Examples of indirect costs include patient access, business office, medical records, case management, and insurance pre-certification departments. D2E spreads these costs as a direct cost rather than an indirect cost to those selected encounters.

There are two steps to implementing the D2E method in Axiom:

1. Add D2E definition(s).
2. In the RVU maintenance page, add the pseudo cost item (which is automatically created when you add the D2E definition) to the department, and enter the RVU values.

After you create a D2E definition, Axiom then creates a *pseudo* cost item to the cost item table in the database. It is referred to as "pseudo" because it technically does not exist in the cost item table and is only used to charge for items that are non-chargeable. For more information, see the next section.

About pseudo cost items and D2E

Axiom assigns a pseudo cost item to the departments and encounters that have been identified as D2E departments, along with encounters receiving services from these departments. This pseudo cost item allows you to charge for items that are non-chargeable. The encounters that ultimately receive this allocated cost are identified by a statistic that dictates the allocation. For example, the Patient Access department may be an inpatient-only service that touches every inpatient equally. The statistic in this example is a 1 for every inpatient; the resulting allocation simply takes any inpatient and gives them an equal cost of the Patient Access department.

TIP: It may not make sense to spread costs equally to encounters for some departments, so it is important to review each department separately to determine the best method to gather the set of encounters that will receive the costs. For example, Medical Records requires more effort for inpatients, emergency room visits, and observation cases than it does for labs and outpatients. The total charges may be an appropriate measure to allocate Medical Records net expenses to all cases since any registered patient has contact with this department. More effort may be placed, however, in transcribing for inpatients, emergency room cases, and observation cases, which results in more cost to cases with higher total charges.

Adding or editing a direct to encounter definition

To use direct to encounter (D2E), you configure a D2E definition with the following criteria:

- **Identify the patient population** - Specify the encounters or cost details that qualify for a cost item.
- **Configure the data tabulation** - Specify how you want Axiom to tabulate and derive the data. For example, sum of total or a "use of" scenario, i.e. ten days length of stay.
    - Volume, such as case count, length of stay, or visits
    - Data aggregation, such as averages, maximum or minimum count, or sum
    - The service date or post date to use
- **Identify where to put the D2E cost item** - Define the department(s) in which to place the cost item, which becomes the target of the outbound data of a D2E. The item is then added to the selected departments.

After you create a D2E definition, Axiom then automatically creates a *pseudo* cost item to the cost item table in the database. It is referred to as "pseudo" because it technically does not exist in the cost item table and is only used to charge for items that are non-chargeable. For more information, see About pseudo cost items and D2E.

To use the D2E method, in the RVU maintenance page you must also add the pseudo cost item to the department and enter the RVU values. During the costing process, the cost for the pseudo cost item comes from the RVU values for the department(s) identified in the D2E definition. This means that if you

have not set up an RVU value, pseudo cost items will cost at zero. During the costing process, the assignment of the pseudo cost items will use the RVU value. Anything else will default to an RCC and will then cost through the process.

IMPORTANT: If a department changes or closes, make sure to make the appropriate adjustment to the D2E definition for that department.

To add or edit a direct to encounter definition:

1. From the Enterprise Decision Support home page, in the **Cost accounting** section, click **Modify a cost model** or **Create a cost model**.
2. The last cost model selected is shown at the top of the page. To change cost models, select another one from the **Select cost model** drop-down.
3. Under the **Methods** section, click **Define direct to encounter**.
4. If there is not an existing D2E definition table version assigned to this cost model, the table will be empty.
    a. Click the link in the "Create or select a version here" text within the table.
    b. In the **Modify a cost model** dialog, from the **Direct to encounter** drop-down, do one of the following and click **Save**:
        - To create a new version of the D2E definition table, select **Create new version**.
        - To assign an existing version of the D2E definition table, select the version from the list.
5. If there is an existing D2E definition table version assigned to this cost model and you would like to modify it:
    a. Click the link in the cost model's name in the table's header.
    b. In the **Modify a cost model** dialog, from the **Direct to encounter** drop-down, do one of the following and click **Save**:
        - To create a new version of the D2E definition table, select **Create new version**.
        - To assign an existing version of the D2E definition table, select the version from the list.

    NOTE: Steps 4-5 are optional. As part of the initial set up of the cost model, the version has likely already been created or selected. This step simply provides you a quick and easy way to select another version to use or create a new one from scratch, if needed.

6. In the **Manage direct to encounter cost definitions** page, do one of the following:
    - To add a definition, click **+ Add definition**.
    - To edit a definition, click its edit icon  in the **Actions** column.

7. In the **Add/Edit cost definition** dialog, complete the following, and click **Save**:

Field	Steps
Name	Enter a unique name for the pseudo cost item. **TIP:** We recommend that you use a name that you can visually recognize as a D2E type of cost item in reporting. For example: D2E Item 12345 Medical Records.
Description	Enter a description of the definition.
Table to filter	Select the table that best suits the allocation (cost detail or encounter). **NOTE:** The table you choose affects the choices in the remaining drop-downs in the dialog. For example, if you select cost detail, you need to select the correct selection from the **Volume filter** field and the **Service date proxy** field. The dialog will prompt you to make the correct selections.
1 CostDetail filter	Create or select an existing filter using the Filter Wizard to specify the cost details that qualify for a pseudo cost item. **IMPORTANT:** When creating or using filters for D2E definitions, the utility defaults to filtering the data in the encounter or cost detail table. You can filter on another table type, such as a custom table, but in order for the system to process the D2E correctly, the table must look up to either one of these tables.
2 Aggregation settings	

Field	Steps
Volume filter	Select the best fit for the allocation. The volume field allows you to select a numerical field on which to generate the volume for each patient's D2E cost item. This volume will determine what proportion of cost that each patient receives, so take care that you select a volume proxy that is meaningful for the distribution of the costs in the department. Example 1: The volume for allocating the costs of the patient registration department to patients may use a simple case count on the encounter table for the volume, each patient getting an equal registration share. Example 2: The volume for allocating the costs of a piece of equipment from the IT department that is used over the period of a patient stay may use the length of stay as the volume. Note that there are more selections in this field when using the encounter table. This is because there are more useful numeric value fields in this table. The charge detail table only includes two meaningful volume fields.
Aggregation method	Select one of the following: • To allocate costs based on an average calculation of the volume method, select **Average**. • To allocate costs based on a count of the volume method, select **Count**. • To allocate costs based on a one time count of the volume method, select **Distinct count**. • To allocate costs based on the maximum value in the volume method, select **Maximum**. • To allocate costs based on the minimum value in the volume method, select **Minimum**. • To allocate costs based on the sum of the volume in the volume method, select **Sum**.

Field	Steps
Service date proxy	Because you are creating service dates that do not actually exist, you need to select a date field to copy to generate meaningful service dates to match the actual periods of stay for the patients and to align with the period of costs you are wanting to allocate to those patients. Do one of the following: • For the encounter table filter, for the date range of data to be utilized to allocate the expenses to the encounter level, select **Admit date** or **Discharge date**. • For the cost detail table filter, for the date range of data to be utilized to allocate the expenses to the encounter level, select **Post date** or **Service date**.
3 To departments	Create or select an existing filter using the Filter Wizard to identify the department(s) in which to add the pseudo cost item. If you select more than one department, each one will receive a pseudo cost item with the same value.

8. In the RVU maintenance page, add the new pseudo cost item to the appropriate department(s), and enter the RVU value.

   IMPORTANT: Without an RVU value, D2E items will cost at zero.

9. If you are creating a new model, the next step is to define your cost method exclusions. Click **Next** in the bottom right corner of the page or click the **Cost method exclusions** tab at the top of the page.

10. If you are modifying an existing cost model, you can continue making changes to other parts of the model or go directly to processing the cost model if this is your only change.

    IMPORTANT: When making any changes to an existing cost model, you must reprocess it in order for the results to reflect the changes.

Deleting direct to encounter definitions

To delete a direct to encounter definition:

1. From the Enterprise Decision Support home page, in the **Cost accounting** section, click **Modify a cost model** or **Create a cost model**.
2. The last cost model selected is shown at the top of the page. To change cost models, select another one from the **Select cost model** drop-down.
3. Under the **Methods** section, click **Define direct to encounter**.

4. In the **Actions** column of the **Manage direct to encounter cost definitions** page, click the delete icon  .
5. When ready, process the cost model.

Working with cost method exclusions

In some cases, you may want to exclude certain cost items from cost model processing. You can use exclusions in Axiom to meet this need.

Axiom allows you to create multiple versions of the cost method exclusions table to assign across your cost models. For more information on how cost models work, see Working with cost models.

Defining a cost method exclusion

To define a cost method exclusion:

1. From the Enterprise Decision Support home page, in the **Cost accounting** section, click **Modify a cost model** or **Create a cost model**.
2. The last cost model selected is shown at the top of the page. To change cost models, select another one from the **Select cost model** drop-down.
3. Under the **Methods** section, click **Define method exclusions**.
4. If there is not an existing cost method exclusions table version assigned to this cost model, the table will be empty.
    a. Click the link in the "Create or select a version here" text within the table.
    b. In the **Modify a cost model** dialog, from the **Cost method exclusion** drop-down, do one of the following and click **Save**:
        - To create a new version of the cost method exclusions table, select **Create new version**.
        - To assign an existing version of the cost method exclusions table, select the version from the list.
5. If there is an existing cost model exclusions table version assigned to this cost model and you would like to modify it:
    a. Click the link in the cost model's name in the table's header.
    b. In the **Modify a cost model** dialog, from the **Cost method exclusion** drop-down, do one of the following and click **Save**:

- To create a new version of the cost method exclusions table, select **Create new version**.
- To assign an existing version of the cost method exclusions table, select the version from the list.

NOTE: Steps 4-5 are optional. As part of the initial set up of the cost model, the version has likely already been created or selected. This step simply provides you a quick and easy way to select another version to use or create a new one from scratch, if needed.

6. In the **Define cost method exclusions** page, do any of the following to configure the cost method exclusions table:
   - To add an exclusion, click **+ Add definition**.
   - To edit an exclusion, click its edit icon  in the **Actions** column.
7. In the **Add/Edit exclusion** dialog, complete the following fields, and click **Save**:

Field	Description
Name	Type a name for the exclusion.
Description	Type a description for the exclusion.
Add a filter	Use the **Filter Wizard** to identify what cost items in the Cost Detail table to exclude from processing. For instructions on using the Filter Wizard, see "Using the Filter Wizard" in the online help.

8. If you are creating a new model, the next step is to define markup groups. Click **Next** in the bottom right corner of the page or click the **Markup group definitions** tab at the top of the page.
9. If you are modifying an existing cost model, you can continue making changes to other parts of the model or go directly to processing the cost model if this is your only change.

IMPORTANT: When making any changes to an existing cost model, you must reprocess it in order for the results to reflect the changes.

Deleting a cost method exclusion

Deleting an exclusion will remove it from the cost method exclusions table version, thus from the cost model. This action does not remove the exclusion from other versions of the table.

Axiom allows you to create multiple versions of the cost method exclusions table to assign across your cost models. For more information on how cost models work, see Working with cost models.

To delete a cost method exclusion:

1. From the Enterprise Decision Support home page, in the **Cost accounting** section, click **Modify a cost model** or **Create a cost model**.
2. The last cost model selected is shown at the top of the page. To change cost models, select another one from the **Select cost model** drop-down.
3. Under the **Methods** section, click **Define method exclusions**.
4. In the **Define cost method exclusions** page, click the trash bin icon in the **Actions** column.
5. At the **Delete exclusion?** prompt, click **Delete**.
6. Do one of the following:
    - If you are creating a new model, the next step is to define markup groups. Click **Next** in the bottom right corner of the page.
    - If you are modifying an existing cost model, you can continue making changes to other parts of the model or go directly to processing the cost model if this is your only change.

IMPORTANT: When making any changes to an existing cost model, you must reprocess it in order for the results to reflect the changes.

Working with markup groups

Markups are generally applied to supply items that have a variable cost to them based on the time and type of purchase. For example, all pacemakers may use the same cost item number, but the prices can vary by tens of thousands of dollars based on type and manufacturer as well as any purchasing agreements in place. Instead of a fixed charge, your organization uses a markup from the base cost to price the item in a way that ensures that they do not lose money on a consumable item.

The amount or percentage an item is marked up is determined using a markup group definition table in Axiom. You can apply markups by percentage or multiplier. Additionally, you can add a fixed amount on top of the markup, as needed. Refer to your organization to determine which one to use when defining markups.

There are two types of markups you can define:

- **Cost item markup** - This type of definition allows you to apply markups to specific cost items, NDC codes, and/or supply codes. For example, you can create a markup definition at the NDC code level for all aspirin. For more information, see Adding or editing a cost item markup group definition.

- **Charge tier markup** - This type of definition consists of multiple pricing tiers, with each tier encompassing a price range and a markup percentage or multiplier that the system uses to add to the items in that price range. For example, you could create a supply markup group that includes ten tiers that uses a percentage markup type, so items from $.01 to $100 are charged a 20% markup, $100.01 to $200 are charged a 30% markup and so on. For more information, see Adding or editing a charge tier markup group definition.

Reverse markup method and unit costs

When using the reverse markup method, unit costs are calculated by taking the price of an item and marking it down based on the original markup percentage or multiplier defined in the markup group in which the item falls. Basically, you are reverse engineering the current price to determine the unit cost.

To illustrate the math, consider the following example:

- A $1,000 item falls into a tier that carries a 4.0 multiplier (some refer to this a 400% markup, please verify for your specific organization) from the base cost.
- The markdown rate would be: 1 / 400% → 1 / 4.00 → 1/4 → .25
- The original cost of the item would then be computed as: $1,000 * .25 = $250
- You can check this by reapplying the markup rate: $250 * Multiplier → $250 * 4.0 = $1,000

NOTE: Please check with your Syntellis Implementation Consultant or with Syntellis Customer Success for any questions about the computation of markup percentages or the differences between a markup percentage and a markup multiplier.

The reverse markup assignment results in either a remainder or an overage of dollars (or negative dollars) that is applied during the next methods based on methods assigned to other cost items. If no other methods are assigned or no other cost items are remaining, the balance is left on the general ledger as a variance. Each cost category could have its own markup table, which you should assign to the corresponding departments and cost categories.

To maintain markup groups for departments, do the following:

- Identify the cost items, cost pools, or entity/department combinations that you will assign to use the Reverse Markup costing method.
- Determine with department leaders and the Supply/Materials Management department the most appropriate costing method for medical supplies, implants, and pharmaceuticals.
- Obtain the markup tables from the CDM department. Departments that would commonly use a markup table would be Surgery, Cardiac Cath Lab, Ambulatory Surgery Centers, and the Pharmacy. Also consider Cost Items within departments that use large amounts of medical supplies, implants, or pharmaceuticals.

Adding or editing a cost item markup group definition

The cost item markup group definition tab allows you to add, edit, and delete definitions you can use to apply markup percentages or multipliers to specific cost items, NDC codes, or supply codes.

To add or edit a charge tier markup group definition:

1. From the Enterprise Decision Support home page, in the **Cost Accounting** section, click **Modify a cost model** or **Create a cost model**.
2. Under the **Methods** section, click **Define markup group definitions**.
3. Click the **Cost item markup** tab.
4. If there is not an existing markup group definition table version assigned to this cost model, the table will be empty.
    a. Click the link in the "Create or select a version here" text within the table.
    b. In the **Modify a cost model** dialog, from the **Cost method exclusion** drop-down, do one of the following and click **Save**:
        - To create a new version of the cost method exclusions table, select **Create new version**.
        - To assign an existing version of the cost method exclusions table, select the version from the list.
5. If there is an existing markup group definition table version assigned to this cost model and you would like to modify it:
    a. Click the link in the cost model's name in the table's header.
    b. In the **Modify a cost model** dialog, from the **Cost method exclusion** drop-down, do one of the following and click **Save**:
        - To create a new version of the cost method exclusions table, select **Create new version**.
        - To assign an existing version of the cost method exclusions table, select the version from the list.

    NOTE: Steps 4-5 are optional. As part of the initial set up of the cost model, the version has likely already been created or selected. This step simply provides you a quick and easy way to select another version to use or create a new one from scratch, if needed.

6. To show or hide inactive definitions in the table, click the gear icon in the upper-right portion of the screen and check/uncheck the **Show only active definitions** check box. While unchecked, the table shows inactive definitions shaded in yellow. Only active definitions include a check mark in the **Active** column.
7. Do one of the following:

- To add a definition, click **+ Add definition**.
- To edit an account, click its edit icon  in the **Actions** column.

> **TIP:** To find a specific definition, use the **Search** field.

8. In the **Add/Edit cost item markup definition** dialog, complete the following, and click **Save**:

Field	Description
Markup type	Select one of the following: • **Markup** - Apply markup amounts based on percentage and/or a fixed amount. • **Multiplier** - Apply markup amounts using a multiplying factor.
Name*	Enter a name or title for the definition.
Description	Enter the details for the definition.
Markup/Multiplier factor	Enter the percentage or multiplier markup to apply to the cost items, NDC codes, or supply codes.
Code type	Select the code type in which to apply the markup.
Activate?	Do one of the following: • To activate the definition for cost model processing, click the toggle to **Yes**. • To deactivate the definition so that it is not processed with the cost model, click the toggle to **No**. **NOTE:** When you create a new definition, the system activates it by default.
Fixed amount	Enter an amount to add in addition to the percentage or multiplier markup. This step is optional.
Add a filter	In this section, add or select a code type, department, and cost item filter. For instructions, see "Using the Filter Wizard" in the online help.

9. If you are creating a new model, the next step is to define charge tier markups. Click **Next** in the bottom right corner of the page or click the **Charge tier markup** tab at the top of the page.
10. If you are modifying an existing cost model, you can continue making changes to other parts of the model or go directly to processing the cost model if this is your only change.

> **IMPORTANT:** When making any changes to an existing cost model, you must reprocess it in order for the results to reflect the changes.

Adding or editing a charge tier markup group definition

The charge tier markup group definition tab provides a centralized location to add, edit, and delete definitions Axiom uses to reverse engineer the original cost of an item based on the markup percentages or multiplier applied by your organization's purchasing department.

To add or edit a charge tier markup group definition:

1. From the Enterprise Decision Support home page, in the **Cost Accounting** section, click **Modify a cost model** or **Create a cost model**.
2. Under the **Methods** section, click **Define markup group definitions**.
3. Click the **Charge tier markup** tab.
4. If there is not an existing markup group definition table version assigned to this cost model, the table will be empty.
    a. Click the link in the "Create or select a version here" text within the table.
    b. In the **Modify a cost model** dialog, from the **Cost method exclusion** drop-down, do one of the following and click **Save**:
        - To create a new version of the cost method exclusions table, select **Create new version**.
        - To assign an existing version of the cost method exclusions table, select the version from the list.
5. If there is an existing markup group definition table version assigned to this cost model and you would like to modify it:
    a. Click the link in the cost model's name in the table's header.
    b. In the **Modify a cost model** dialog, from the **Cost method exclusion** drop-down, do one of the following and click **Save**:
        - To create a new version of the cost method exclusions table, select **Create new version**.
        - To assign an existing version of the cost method exclusions table, select the version from the list.

    NOTE: Steps 4-5 are optional. As part of the initial set up of the cost model, the version has likely already been created or selected. This step simply provides you a quick and easy way to select another version to use or create a new one from scratch, if needed.

6. To show or hide inactive definitions in the table, click the gear icon in the upper-right portion of the screen and check/uncheck the **Show only active definitions** check box. While unchecked, the table shows inactive definitions shaded in yellow. Only active definitions include a check mark in the **Active** column.

7. To create or select an existing markup group definition table version to assign to this cost model, click the link in the cost model's name in the table's header. In the **Modify a cost model** dialog, from the **Markup** drop-down located at the bottom of the page, do one of the following, and click **Save**:
    - To create a new version of the allocation definition table, click **Create new version**.
    - To assign an existing version of the allocation definition table, select the version from the list.

    NOTE: This step is optional. As part of the initial set up of the cost model, the version has likely already been created or selected. This step simply provides you a quick and easy way to select another version to use or create a new one from scratch, if needed.

8. Do one of the following:
    - To add a definition, above the table click **+ Add definition**.
    - To edit an account, in the **Actions** column of the account to edit, click the notepad icon .

    TIP: To search for a specific definition, use the **Search** field.

9. In the **Add/Edit markup group definition** dialog, complete the following:

Field	Description
Title*	Type a name or title for the definition.
Description	Type the details for the definition.
Activate?	Do one of the following: • To activate the definition for cost model processing, click the toggle to **Yes**. • To deactivate the definition so that it is not processed with the cost model, click the toggle to **No**. **NOTE:** When you create a new definition, the system activates it by default.
Markup type	Select one of the following: • **Markup** - Apply markup amounts based on percentage and/or a fixed amount. • **Multiplier** - Apply markup amounts using a multiplying factor. **NOTE:** You can only select this option when creating a new definition. When you edit a definition, this information is read-only.

Field	Description
Department*	Type the department number in which to apply the definition. **NOTE:** The system excludes any department already assigned to the current mark group definition version.
Cost category*	Select the cost category in which to apply the definition. Cost categories will *not* display under the following conditions: • If the cost category is not included within the version of the dimension tables for the cost model • If the cost category and department combination already exists in an existing definition
Range minimum	Displays the minimum amount the item must meet to qualify for the tier level. This amount is determined by the amount entered in the **Range maximum** column from the preceding tier row. For example, if you enter 299.99 in Tier 2, the range minimum would display 300 for Tier 3.
Range maximum	Type the maximum amount to define the tier price range.
Markup factor	Type the percentage or multiplier markup to apply to the items that fall within the tier price range.
+ Fixed Amount	Type an amount to add in addition to the percentage or multiplier markup. This step is optional.

10. Do any of the following, as needed:
    - To add more tiers, click **+ Add tier** at the bottom of the table.
    - To delete a row, click the trash bin icon in the **Action** column. At the **Confirm delete markup tier** prompt, click **OK**.
11. After making your changes, click **Save**.
12. If you are creating a new model, the next step is to maintain RVUs. Click **Next** in the bottom right corner of the page.
13. If you are modifying an existing cost model, you can continue making changes to other parts of the model or go directly to processing the cost model if this is your only change.

IMPORTANT: When making any changes to an existing cost model, you must reprocess it in order for the results to reflect the changes.

Deleting a markup group definition

To delete a markup group definition:

1. From the Enterprise Decision Support home page, in the **Cost Accounting** section, click **Modify a cost model** or **Create a cost model**.
2. Under the **Methods** section, click **Define markup group definitions**.
3. Click the **Cost item markup** or **Charge tier markup** tab.
4. To show or hide inactive definitions in the table, click the **Show only active definitions** check box at the top of the page. If you unselect the check box, the table displays the inactive definitions shaded in yellow. Only active definitions include a check mark in the **Active** column.
5. To delete a definition from an existing markup group definition table version, above the table, click the gear icon next to **Version**.
6. In the **Modify a cost model** dialog, from the **Markup** drop-down, select a version from the list.

   NOTE: Steps 5-6 are optional. As part of the initial set up of the cost model, the version has likely already been created or selected. This step simply provides you a quick and easy way to select another version to use or create a new one from scratch, if needed.

7. In the **Actions** column of the **Markup group definitions** page, click the trash bin icon.
8. At the **Delete definition?** prompt, click **Delete**.
9. You can continue making changes to other parts of the model or go directly to processing the cost model if this is your only change.

IMPORTANT: When making any changes to an existing cost model, you must reprocess it in order for the results to reflect the changes.

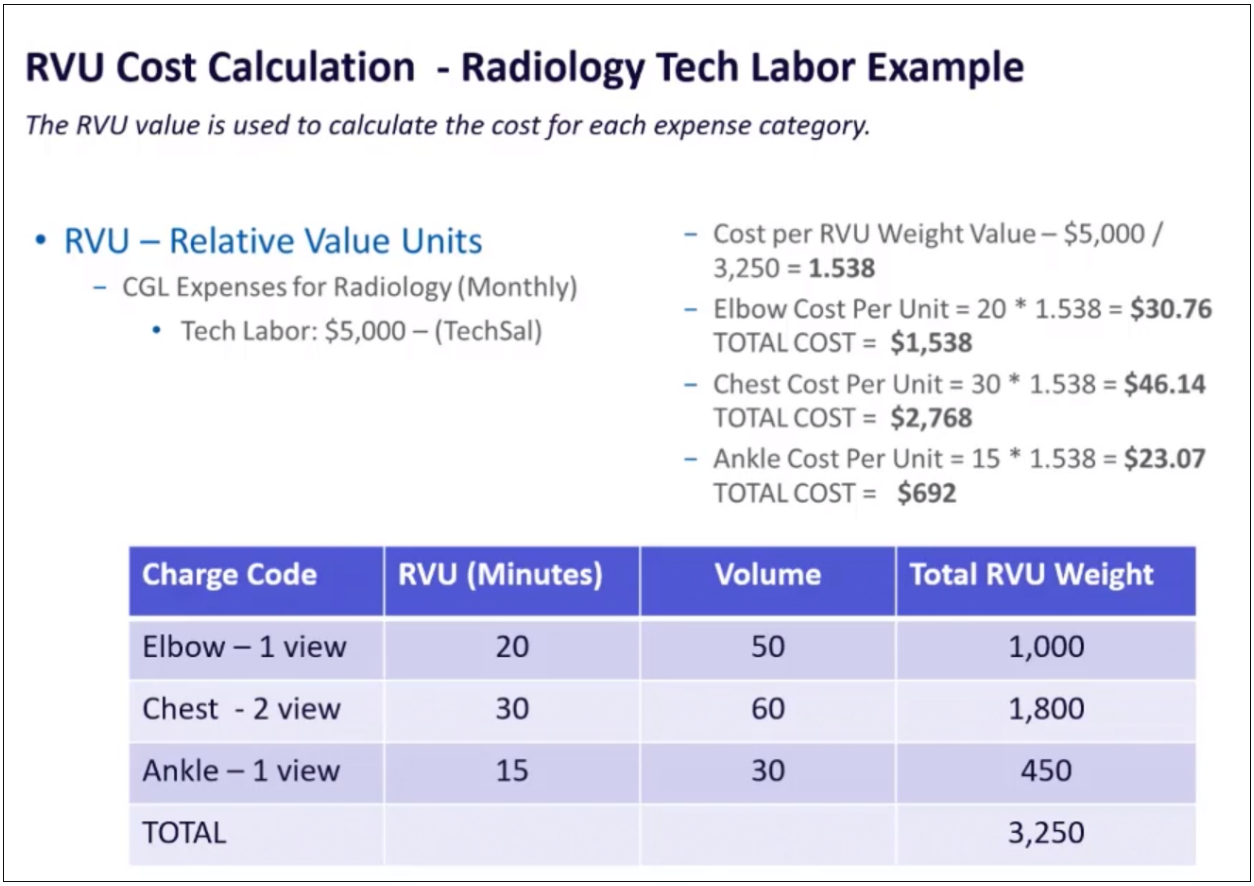
Using the Relative Value Units (RVU) method

The Relative Value Units cost allocation method is the most commonly chosen methodology in which to calculate cost at the cost item level. RVUs were developed in the late 1980s from Harvard University study of physicians estimates of the work involved in providing their services in comparison to work involved for particular services. The results of these estimates evolved into the RVUs used for services today.

RVUs allow you to assign a measure of relative comparison value to the items to be costed, and then based on the RVU value of the cost item, allows you to determine the cost item's cost. In costing, RVUs are created for various types of costs but typically come in the form of labor minutes, which are used to allocate cost from labor cost pools, or an acquisition cost, which is used to allocate from supply cost pools.

In the following example, the radiology department has $5,000 in technician labor expenses. This department has three study-type charges: Elbow 1, Chest 2, and Ankle 2. The department uses the minutes it takes to do each study as the RVU value for each study. The RVU value is multiplied by its volume to calculate the total RVU weight. The sum of the RVU weight for all three charges is $3,250. The total RVU weight is used to calculate the technician cost for each charge. The technician labor cost is divided by the total RVU weight to calculate the cost per RVU weight value, which in the following example is 1.538.

The elbow charge cost per unit is the elbow view 20 RVU multiplied by 1.538 to equal $30.76. With a volume of 50, the total is $1,538. The same calculation methodology is also applied to the chest and ankle studies.



Charge Code	RVU (Minutes)	Volume	Total RVU Weight
Elbow – 1 view	20	50	1,000
Chest - 2 view	30	60	1,800
Ankle – 1 view	15	30	450
TOTAL			3,250

Example of how RVU is calculated for a department

RVUs are assigned to cost items within a department and entity for a facility or a provider. This allows codes to receive only the related expenses, such as labor for time charges and supply expense for implant items. The RVU basis should reflect the department structure and data available.

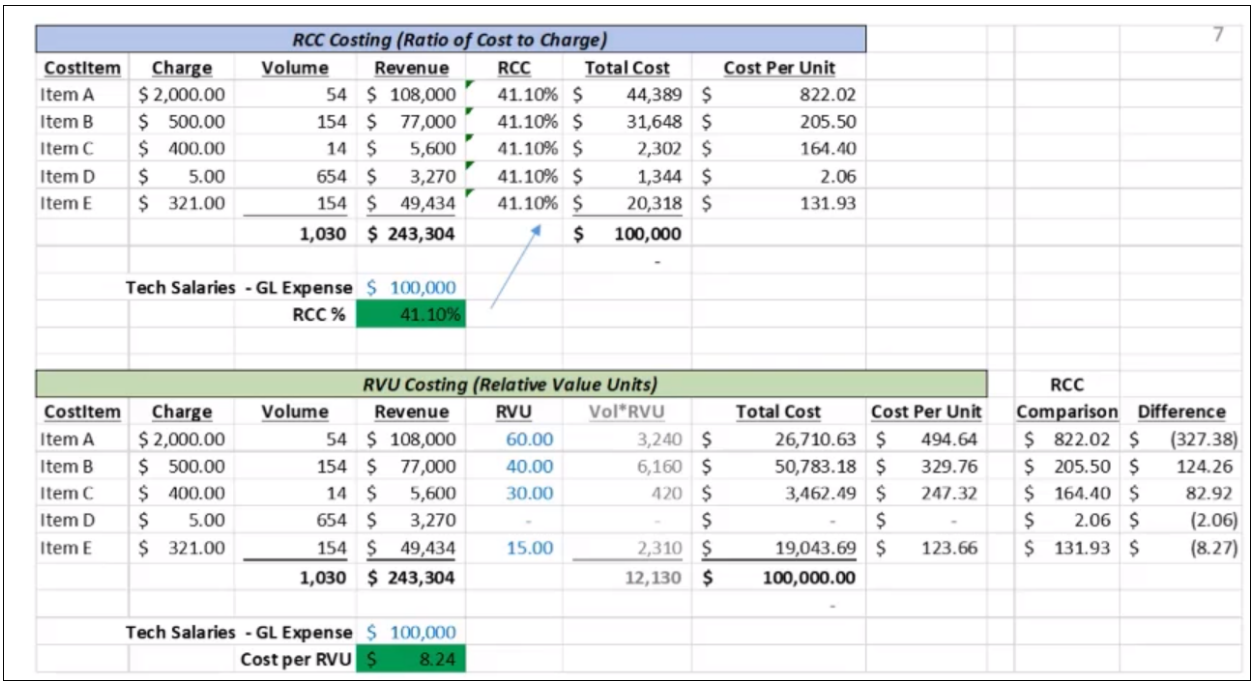
You should update RVUs, as needed. For example, when minutes are used for procedures, you should check in once a year with the department managers to verify whether or not anything has changed. Have they made processes changes that have made some procedures quicker or is there no longer a

need for an RN to be present for certain procedures? Have any procedures been added? Setting up an annual review of RVUs is a best practice you should use to make sure that you are allocating costs properly.

TIP: The most basic rule of RVU costing is that any item that does not consume resources should receive an RVU value of zero so that no cost is assigned to that cost item.

RVU vs RCC method

Both the RVU and Ratio-to-Cost (RCC) methods are both allocation cost methods—meaning that all of the expenses in the department are used to calculate the cost of the cost items. In RCC, that ratio of cost to charge is calculated based on the revenue and expenses of the cost category. In the following example, the total revenue of all the cost items is $243,304 and the expenses for the technicians is $100,000. The RCC is 41.10%. That RCC is used to calculate the cost of the cost item.



RCC Costing (Ratio of Cost to Charge)

CostItem	Charge	Volume	Revenue	RCC	Total Cost	Cost Per Unit
Item A	$ 2,000.00	54	$ 108,000	41.10%	$ 44,389	$ 822.02
Item B	$ 500.00	154	$ 77,000	41.10%	$ 31,648	$ 205.50
Item C	$ 400.00	14	$ 5,600	41.10%	$ 2,302	$ 164.40
Item D	$ 5.00	654	$ 3,270	41.10%	$ 1,344	$ 2.06
Item E	$ 321.00	154	$ 49,434	41.10%	$ 20,318	$ 131.93
		1,030	**$ 243,304**		**$ 100,000**	
					-	
	Tech Salaries - GL Expense		$ 100,000			
		RCC %	41.10%			

RVU Costing (Relative Value Units)

CostItem	Charge	Volume	Revenue	RVU	Vol*RVU	Total Cost	Cost Per Unit	RCC Comparison	Difference
Item A	$ 2,000.00	54	$ 108,000	60.00	3,240	$ 26,710.63	$ 494.64	$ 822.02	$ (327.38)
Item B	$ 500.00	154	$ 77,000	40.00	6,160	$ 50,783.18	$ 329.76	$ 205.50	$ 124.26
Item C	$ 400.00	14	$ 5,600	30.00	420	$ 3,462.49	$ 247.32	$ 164.40	$ 82.92
Item D	$ 5.00	654	$ 3,270	-	-	$ -	$ -	$ 2.06	$ (2.06)
Item E	$ 321.00	154	$ 49,434	15.00	2,310	$ 19,043.69	$ 123.66	$ 131.93	$ (8.27)
		1,030	**$ 243,304**		12,130	**$ 100,000.00**			
						-			
	Tech Salaries - GL Expense		$ 100,000						
		Cost per RVU	$ 8.24						

Comparison of cost calculations between RCC and RVU methods

For RVU, the total weighted RVU volume and the expenses for the technician salaries are used to calculate a cost per RVU, which is $8.24. This cost per RVU is used to calculate the unit cost of the item. When you compare the RCC cost results to the RVU cost results, you can see that the RVU value drives the cost per unit. If an item does not have an RVU value, Axiom will not calculate a cost per unit.

The RVU cost method is a more accurate cost method than RCC because it does not depend on the price of an item to calculate the cost.

Best practices for collecting RVUs

The following process describes a general procedure to gather the information you need to determine RVUs.

1. Determine the department(s) in which to collect the RVUs.
2. Set up meetings with department managers to discuss the process and the benefits of using RVUs in costing. It is likely that you will need to have more than one meeting. If possible, have a meeting with all of the department leaders of a particular service line at the same time. For example, all radiology or pharmacy. If you are a multi-facility organization, plan to bring together someone from each facility to participate.
3. Collect revenue and usage data on each department that is relative to the time period that is being costed. Revenue and usage data contains a list of cost items (charges, procedures, etc.) along with volume and unit charge that are captured within that department.
4. Set up a spreadsheet for each department that lists the cost items vertically, with the volume, revenue, unit charge, and all cost categories used in that department in columns.
5. Discuss departmental operations.
    a. Discuss the staff and their roles within the department: RN, Tech, Managers/Supervisors, etc.
    b. Walk through the process of servicing an average patient who has a visit in this department:
        - How does the patient arrive to the department? Are they transported by the transport department, or does someone from this department retrieve the patient from their room or other area? Is this an outpatient department where the patient arrives without assistance?
        - Is registration involved? Who registers the patient?
        - Is pre-procedure work completed? Who performs this work? Is it performed prior to arriving to this department?
        - Who performs each function and how long does it take? How many procedures are charged to the patients in this department? Does an RN take 10 minutes, 20, or not involved at all with specific procedures? How about the tech or aide? Or perhaps all are involved but for different lengths of time.

NOTE: For multi-facility organizations, there will be nuances that will dictate differences in RVU collection. For example, a larger hospital may have a transport department that moves patients around to where their next test is located, but the small hospital has to send staff to retrieve the patient from their room. The time it takes to perform a task in the hospital with the transport department will be less than the hospital who has to get the patient. There may be small hospitals, however, who bring the equipment to the bedside and may actually take less time than the larger hospital. The goal is to understand the process involved within each department for an average case and to determine the skill mix and time needed to perform procedures.

c. Collect supply, pharmacy, depreciation, and other RVUs based on various measures, which may or may not involve a measure of time. Supplies are typically acquisition cost (microcosted), as is pharmacy. Depreciation is typically fixed asset information, all of which are a separate function from the traditional RVU process in Axiom Enterprise Decision Support.

Adding or editing an RVU

NOTE: To use the RVU maintenance section of the cost model, the RVU table must be loaded into Axiom as part of the system setup. If you are using the direct to encounter (D2E) method, you must first add D2E definitions for the cost items in which to apply RVUs. For more information, see Using the direct to encounter method.

The RVU maintenance page allows you to add or edit those RVUs loaded into the system. This section does not allow you to build RVUs at this time. If there are no values or zeroes in the columns, Axiom assumes that you are not using RVU for the cost category for the department and entity.

To add or edit an RVU:

1. From the Enterprise Decision Support home page, in the **Cost accounting** section, click **Modify a cost model** or **Create a cost model**.
2. The last cost model selected is shown at the top of the page. To change cost models, select another one from the **Select cost model** drop-down.
3. Under the **Reclasses and allocations** section, click **Maintain RVUs**.
4. If there is not an existing RVU maintenance table version assigned to this cost model, the table will be empty.
    a. Click the link in the "Create or select a version here" text within the table.
    b. In the **Modify a cost model** dialog, from the **RVU** drop-down, do one of the following and click **Save**:
        - To create a new version of the RVU maintenance table, select **Create new version**.

- To assign an existing version of the RVU maintenance table, select the version from the list.

5. If there is an existing RVU maintenance table version assigned to this cost model and you would like to modify it:
    a. Click the link in the cost model's name in the table's header.
    b. In the **Modify a cost model** dialog, from the **RVU** drop-down, do one of the following and click **Save**:
        - To create a new version of the RVU maintenance table, select **Create new version**.
        - To assign an existing version of the RVU maintenance table, select the version from the list.

> **NOTE:** Steps 4-5 are optional. As part of the initial set up of the cost model, the version has likely already been created or selected. This step simply provides you a quick and easy way to select another version to use or create a new one from scratch, if needed.

6. On the **RVU maintenance** page, click the funnel icon  in the upper right corner of the page to select the entity and department in which to filter the data from the database and display in the table.

> **IMPORTANT:** No records will appear in the table until you select an entity and department in the filter.

7. In the **Filters** panel, do the following:
    a. In the **Enter entity** field, select the entity in which to filter the department list.
    b. In the **Enter department** field, select department in which to add or edit the RVUs.
    c. Click **Apply**.

> **TIP:** To clear the filter selections, click **Clear all**.

8. To choose either **Provider view** or **Facility view**, click the gear icon  in the upper-right portion of the screen and select one or the other.
9. Do one of the following:
    - To add an RVU, click **Add RVU**.
    - To edit an RVU, click its edit icon  in the **Actions** column.
10. In **Cost Item** column of the table, select the desired cost item. A search field is available to help find specific cost items, if needed. For new cost items only.

11. For provider RVUs, from the **Provider** column, select the provider the cost item applies to.
12. Enter RVU values in the columns, as needed.
13. Do one of the following:
    - To save your row changes, click the save icon in the **Actions** column.
    - To discard your changes, click the undo icon in the **Actions** column.
14. If you are creating a new model, the next step is to define your reclasses. Click **Next** in the bottom right corner of the page or click the **Reclass definitions** tab at the top of the page.
15. If you are modifying an existing cost model, you can continue making changes to other parts of the model or go directly to processing the cost model if this is your only change.

Deleting an RVU

To delete an RVU:

1. From the Enterprise Decision Support home page, in the **Cost accounting** section, click **Modify a cost model** or **Create a cost model**.
2. The last cost model selected is shown at the top of the page. To change cost models, select another one from the **Select cost model** drop-down.
3. Under the **Reclasses and allocations** section, click **Maintain RVUs**.
4. On the **RVU maintenance** page, click the funnel icon in the upper right corner of the page to select the entity and department in which to filter the data from the database and display in the table.

   IMPORTANT: No records will display in the table until you select an entity and department in the filter.

5. In the **Filters** panel, do the following:
   a. In the **Enter entity** field, select an entity from your organization.
   b. In the **Enter department** field, select a department from the entity.
   c. Click **Apply**.

   TIP: To clear the filter selections, click **Clear all**.

6. On the upper right area of the page (next to the Search box), select whether to delete the RVU for providers of facilities by clicking to the **Provider/Facility** toggle.
7. In the **Actions** column, click the trash can icon.
8. At the confirmation prompt, click **Delete**.

9. When ready, process the cost model.

Managing reclasses

In the cost accounting process, you can apply dollars incurred by one department to other departments using the reclasses and/or allocations. For example, applying costs for inpatient transportation, building maintenance, or marketing to a clinical department.

To reflect these transactions, Axiom uses a single account for allocations and a single account for reclasses to offset costs in source departments and write costs to receiving departments. Each of these accounts includes a flag that indicates the department and version.

Reclassification is the process of moving dollars from one general ledger location to another. Unlike overhead allocations that allow you to move only overhead expenses, you can use reclasses to move expenses, statistics, revenue, deductions, and other dollar types from one department or account to another. For example, you can take non-patient revenue and reclass it as a negative expense from one department to another or reclass statistics from one statistical account to another.

Let's say you have a cafeteria in your hospital. You can run a revenue reclass to offset the expenses of the cafeteria with its revenue, and then run an allocation to redistribute any remaining dollars across different In Patient departments.

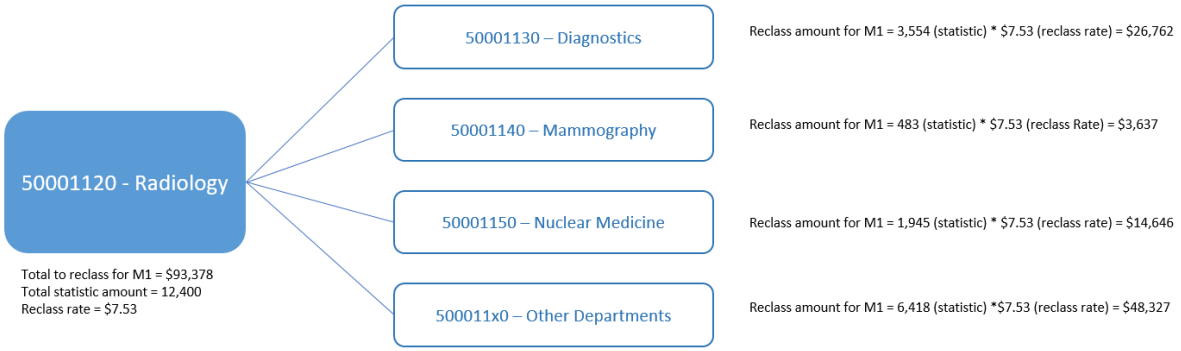
There are three types of reclass definitions you can create:

- **Payroll** - Reclass payroll dollars from one department to another
- **Account** - Reclass dollars from specified accounts to spread across accounts in the same or other departments
- **Department** - Reclass dollars from specified departments to spread across other departments

Axiom determines the spread amount by performing the following calculations and applying a reclass rate to each applicable department or account:

- Sum the total number of statistical accounts
- Divide the total source dollars from the accounts (the departments you are moving dollars from) by the total statistics to determine a rate per statistic
- Multiple the rate by the total number of statistics for each department

In the following example, a hospital reclasses $93,365 of expenses from Radiology to spread them across separate Radiology departments. The system determines the M1 reclass rate by dividing $93,365 by the key statistic of 12,400. This calculates to a reclass rate of $7.53. The system then multiplies $7.53 by the key stat for each department. The Radiology Diagnostics department receives expenses with a total of $26,762.



Adding, editing, or cloning reclass definitions

Reclassification is the process of moving dollars from one general ledger location to another. Unlike allocations that allow you to move only overhead expenses, you can use reclasses to move expenses, statistics, revenue, deductions, and other dollar types from one department or account to another.

A reclass definition is set of business rules and data sources used to define the conditions in which to move the expenses from direct departments to other departments where the patient activity exists. The definition allows you to:

- Identify the source of the reclass by specifying the departments and accounts house the expenses to move
- Select the statistic to use to spread the expenses
- Identify the targeted departments for the spread
- Select the cost category in which to push the costs to

To offset expenses in your costing model with other operating revenue, you can create a reclass definition to handle this scenario. Consider the following before adding this type of reclass definition:

- Is this revenue related to the expenses in this department?
- Should it be spread to multiple departments?
- Do you want to the offset to be in its own cost category or a just to reduce a specific expense cost category?

Setting up this type of definition is very similar to other types of reclasses. The only difference is that you will need to select **Yes** in the **Revenue only?** toggle in the definition dialog to identify the source of the revenue departments and accounts to reclass.

The **Manage reclass definitions** page allows you to view and configure reclass definitions, and selecting the department or accounts in which to reclass dollars from and to. You can create a new definition by cloning an existing definition and editing it.

Axiom allows you to create multiple versions of the reclass definition table to assign across your cost models. For more information on how cost models work, see Working with cost models.

NOTE: When processing reclasses, Axiom automatically generates a reclass revenue account in the database by adding +1 to the reclass account. For example, if a reclass account is 20000, then the revenue reclass account will be 20001.

To add, edit, or clone reclass definitions:

1. From the Enterprise Decision Support home page, in the **Cost accounting** section, click **Modify a cost model** or **Create a cost model**.
2. The last cost model selected is shown at the top of the page. To change cost models, select another one from the **Select cost model** drop-down.
3. Under the **Reclasses and allocations** section, click **Define reclasses**.
4. To show or hide inactive definitions in the table, click the gear icon in the upper-right portion of the screen and check/uncheck the **Show only active definitions** check box. While unchecked, the table shows inactive definitions shaded in yellow. Only active definitions include a check mark in the **Active** column.
5. If there is not an existing reclass definition table version assigned to this cost model, the table will be empty.
    a. Click the link in the "Create or select a version here" text within the table.
    b. In the **Modify a cost model** dialog, from the **Reclass** drop-down, do one of the following and click **Save**:
        - To create a new version of the reclass definition table, select **Create new version**.
        - To assign an existing version of the reclass definition table, select the version from the list.
6. If there is an existing reclass definition table version assigned to this cost model and you would like to modify it:
    a. Click the link in the cost model's name in the table's header.
    b. In the **Modify a cost model** dialog, from the **Reclass** drop-down, do one of the following and click **Save**:
        - To create a new version of the reclass definition table, select **Create new version**.
        - To assign an existing version of the reclass definition table, select the version from the list.

NOTE: Steps 5-6 are optional. As part of the initial set up of the cost model, the version has likely already been created or selected. This step simply provides you a quick and easy way to select another version to use or create a new one from scratch, if needed.

7. Do any of the following:
   - To add a definition, do one of the following:
     - If you are not yet sure in what order to place the new definition, click **+ Add definition** at the top of the page. The system places the definition to the bottom of the list of active definitions.
     - If you know where to place the new definition in the list, click the plus icon in the **Actions** column of the definition that should be on top of it. The system places the definition after that definition.
   - To edit a definition, click the edit icon in its **Actions** column.
   - To clone a definition, click the notepad icon in the **Actions** column. In the **Edit reclass definition** dialog, click **Clone** in the bottom left corner.
8. If adding a definition, in the **Select reclass type** dialog, select the type of reclass to add, and click **OK**.
9. In the **Add/Edit reclass definition** dialog, complete the following, and click **Save**:

Field	Description
Title*	The name of the definition.
Comment	The details or description of the definition.
Activate?	Do one of the following: • To activate the definition for cost model processing, click the toggle to **Yes**. • To deactivate the definition so that it is not processed with the cost model, click the toggle to **No**. For more information regarding this option, see Activating or deactivating reclass definitions.
Use source cost categories? (Department reclasses only)	Do one of the following: • To create the pseudo account for all of the cost categories for your target departments, click the toggle to **Yes**. The system will create the pseudo account for all of the accounts you select further on in this utility. • To create only one pseudo account, click **No**.

Field	Description
Cost category (Department reclasses only)	If you set the **Use Source Cost Categories** toggle to **No**, select the cost category in which to apply the pseudo account.
Full reclass? (Department reclasses only)	To reclass all the accounts including statistics click the toggle to **Yes**. **NOTE:** This option does not reclass revenue accounts. **TIP:** If you only want to reclass specific accounts instead of a full reclass, select the **Include statistics?** option.
Revenue only? (Account and department reclasses only)	To reclass revenue accounts only, click the toggle to **Yes**.
Include statistics? (Department reclasses only)	To reclass statistic accounts as well as other accounts, click the toggle to **Yes**. **TIP:** You can use this option to not only reclass statistic accounts but also add/select filters to reclass specific accounts.
% or **$**	Select to reclass the department(s) by a percentage or dollar amount, and enter a maximum percentage or dollar amount. The default is to reclass 100% of the department(s). For example, let's say a doctor is also a professor, and you want to move half of his $120,000 salary into a teaching department. You can use this option to move $60,000 of his salary to that department. **NOTE:** If you reclass from multiple departments, the system determines the percent to reclass by weight. For example, if you have two departments and one department is twice as large as the other, the system will allocate twice as much from the larger department. The system also does not allow you to reclass to a negative amount. So if you reclass $50,000 but only have $36,000 available, then the system will only reclass the full $36,000
Allow reclass rules with 0 results	To allow Axiom to process and save $0 of movement when the reclass is processed, click the toggle to enable this option. **NOTE:** If you do not select this option and the reclass processes $0 of movement, the reclass will fail. For example, if you reclass teaching dollars that only happen six months out of the year, then you may want to use this option.

Field	Description
1. From departments	Select source departments to allocate dollars from by clicking the funnel icon to add or select a filter. For instructions, see "Using the Filter Wizard" in the online help. **TIP:** Preview the filter query or results by clicking the notepad icon or spreadsheet icon to toggle between the two views.
And accounts	Select the account(s) to allocate by clicking the funnel icon to add or select a filter.
2. Reclass based on	Select the statistic account(s) in which to reclass by clicking the funnel icon to add or select a filter.
3. To departments (Account and department reclasses only)	Do one of the following: • To reclass to all the departments based on the criteria selected in the **2. Reclass based on** section, select **All departments**. • To reclass to specific departments, select **Select department(s)**, and click the funnel icon to add or select a filter. **NOTE:** This option does not apply to payroll reclass definitions because the reclass is automatically applied to all payroll departments by default.

10. Edit the definition processing order, as needed.
11. If you are creating a new model, the next step is to define your allocations. Click **Next** in the bottom right corner of the page or click the **Allocation definitions** tab at the top of the page.
12. If you are modifying an existing cost model, you can continue making changes to other parts of the model or go directly to processing the cost model if this is your only change.

    IMPORTANT: When making any changes to an existing cost model, you must reprocess it in order for the results to reflect the changes.

Ordering reclass definitions

Axiom processes reclass definitions in the order they display on the **Manage reclass definitions** page. The order in which the definition runs is indicated in the **Run order** column. Keep in mind that any deactivated definitions retain their original locations. So, if you reactivate a deactivated definition, the system will prompt you to specify whether to put the definition back in its original location or select a new location. For more information, see Activating or deactivating reclass definitions.

If the list only shows activated definitions, then you may notice gaps in the **Run order** column. This means that the missing run order definitions have been deactivated. To view the run order for all definitions, whether active or deactivated, remove the check mark from the **Show only active definitions** check box at the top of the page.

IMPORTANT: Reordering definitions can affect the run process for other definitions.

To order reclass definitions:

1. From the Enterprise Decision Support home page, in the **Cost accounting** section, click **Modify a cost model** or **Create a cost model**.
2. The last cost model selected is shown at the top of the page. To change cost models, select another one from the **Select cost model** drop-down.
3. Under the **Reclasses and allocations** section, click **Define reclasses**.
4. Do one of the following:
   - To move a definition to a new location on the list, in the **Actions** column, click the arrow  icon. In the **Move definition?** dialog, select the definition to move the definition after, and click **Move**.

     For example, let's say there are six definitions. The definition currently in position 3 can be moved after positions 1, 4, 5, and 6. Positions 2 and 3 are not listed because the definition already resides after position 2 and exists as position 3.

     NOTE: If there are only two definitions in the list, you can only change the order by moving the definition in position 1 to position 2.

   - To order the definitions by method type, click **Order by reclass method** at the top of the page.

     IMPORTANT: Using the **Order by reclass method** button means that the system will remove any custom ordering referenced in the first bullet above. You can reorder the definitions, if needed, after you group the definitions by method type.
5. When ready, process the cost model.

Activating or deactivating reclass definitions

Instead of deleting a definition, you can simply deactivate it so that the system does not process it with the cost model. You can activate it again, as needed, and place the definition in its original run order or select a new run order position.

Activating a reclass definition

When you create a new definition, the system activates it by default unless you deactivate it. These steps apply to any definitions that you want to reactivate.

To activate a reclass definition:

1. From the Enterprise Decision Support home page, in the **Cost accounting** section, click **Modify a cost model** or **Create a cost model**.
2. The last cost model selected is shown at the top of the page. To change cost models, select another one from the **Select cost model** drop-down.
3. Under the **Reclasses and allocations** section, click **Define reclasses**.
4. On the **Manage reclass definitions** page, to display the deactivated definitions in the list, click the **Show only active definitions** check box at the top of the page.
5. For the definition to activate, in the **Active** column, click **Mark active**.

   TIP: If you are in the definition, you can also activate it by clicking the **Activate?** toggle to **Yes**.

6. In the **Activate definition?** dialog, do one of the following:
   - To activate the definition in its original run order position, click **Keep definition in its original position**.
   - To activate the definition and place it in a different run order position, click **Move definition after the following definition**. Then, from the drop-down, select definition to place the definition after.
7. Click **Activate**.
8. Edit the definition processing order, as needed.
9. When ready, process the cost model.

Deactivating a reclass definition

To deactivate a reclass definition:

1. From the Enterprise Decision Support home page, in the **Cost Accounting** section, click **Modify a cost model** or **Create a cost model**.
2. Under the **Reclasses and allocations** section, click **Define reclasses**.
3. Click the **Reclass definitions** tab.
4. For the definition to deactivate, in the **Active** column, click the check mark.

   TIP: If you are in the definition, you can also activate it by clicking the **Activate?** toggle to **No**.

5. In the **Deactivate definition?** dialog, review the message, and click **Deactivate** to proceed.

6. At the confirmation prompt, click **OK**.
7. When ready, process the cost model.

Deleting reclass definitions

Deleting a definition may affect the run process for other definitions and cause validation errors in the cost model. We recommend reviewing the definition order and making any necessary edits before processing the cost model. For more information, see Ordering reclass definitions.

> **TIP:** You may want to consider deactivating a definition instead of deleting it. For more information, see Activating or deactivating reclass definitions.

To delete a reclass definition:

1. From the Enterprise Decision Support home page, in the **Cost accounting** section, click **Modify a cost model** or **Create a cost model**.
2. The last cost model selected is shown at the top of the page. To change cost models, select another one from the **Select cost model** drop-down.
3. Under the **Reclasses and allocations** section, click **Define reclasses**.
4. On the **Manage reclass definitions** page, to display the deactivated definitions in the list, click the **Show only active definitions** check box at the top of the page.
5. In the **Actions** column, click the trash bin icon for the definition to delete.
6. At the **Delete Acct Reclass Definition** prompt, click **OK**.
7. When ready, process the cost model.

Managing allocations

In the cost accounting process, you can apply dollars incurred by one department to other departments using the reclasses and/or allocations. For example, applying costs for inpatient transportation, building maintenance, or marketing to a clinical department.

To reflect these transactions, Axiom uses a single account for allocations and a single account for reclasses to offset costs in source departments and write costs to receiving departments. Each of these accounts includes a flag that indicates the department and version.

In Axiom, allocation definitions define the rules and order in which to move overhead expenses from support departments (security, IT, utilities, etc.) to revenue-producing departments (usually in-patient departments).

Axiom uses the step-down method to allocate costs from one department to other departments using a sequential process. When setting up the allocation sequence, we recommend allocating costs starting with the most supported departments (based on count) and working your way down to the fewest supported departments. Keep in mind that this may not always correlate to the departments with the highest cost.

For example, if an overhead administration department holds $500,000 in C-level salaries, you may want to allocate this first since administration supports the entire system. On the other hand, a group of clinical support departments may hold $1 million in cost, but since they would support a more limited amount of departments (clinical only), you would allocate this cost after the administration department.

TIP: Your Syntellis Implementation Consultant can help you set up the allocation definition run order.

You manage the allocation definitions and run order for a cost model in **Reclasses and allocations > Manage allocations**. From this page, you can add, edit, and delete definitions as well as order their run sequence.

Adding, editing, or cloning allocation definitions

An allocation definition is set of business rules and data sources used to define the conditions in which expenses are moved from overhead to direct departments. The definition allows you to:

- Identify the source of the indirect allocation by specifying the departments and accounts house the expenses to allocate
- Select the statistic to use to spread the expenses
- Identify the targeted departments for the spread
- Select the cost category in which to push the indirect costs

When using a single step-down approach, the order of the definitions becomes important. The order can be adjusted after they are created.

The **Manage allocation definitions** page allows you to view and configure allocation definitions, including setting the order you want the system to process them and how you want to allocate dollars.

Axiom allows you to create multiple versions of the allocation definition table to assign across your cost models. For more information on how cost models work, see Working with cost models.

TIP: Make sure to maintain your allocation definitions on a regular basis as departments, accounts, statistics, and so on are updated in your organization.

To add, edit, or clone allocation definitions:

1. From the Enterprise Decision Support home page, in the **Cost accounting** section, click **Modify a cost model** or **Create a cost model**.
2. The last cost model selected is shown at the top of the page. To change cost models, select another one from the **Select cost model** drop-down.
3. Under the **Reclasses and allocations** section, click **Define allocations**.
4. To create or select an existing allocation definition table version to assign to this cost model, click the link in the cost model's name in the table's header. In the **Modify a cost model** dialog, from the **Allocations** drop-down located at the bottom of the page, do one of the following, and click **Save**:
    - To create a new version of the allocation definition table, click **Create new version**.
    - To assign an existing version of the allocation definition table, select the version from the list.

NOTE: This step is optional. As part of the initial set up of the cost model, the version has likely already been created or selected. This step simply provides you a quick and easy way to select another version to use or create a new one from scratch, if needed.

5. To show or hide inactive definitions in the table, click the gear icon in the upper-right portion of the screen and check/uncheck the **Show only active definitions** check box. While unchecked, the table shows inactive definitions shaded in yellow. Only active definitions include a check mark in the **Active** column.
6. Do one of the following:
   - To add a definition, do one of the following:
     - If you are not yet sure in what order to place the new definition, click **+ Add definition** at the top of the page. The system places the definition to the bottom of the list of active definitions.
     - If you know where to place the new definition in the list, click the plus icon in the **Actions** column. The system places the definition after the existing definition.
   - To edit a definition, click the notepad icon in the **Actions** column.
   - To clone a definition, click the notepad icon in the **Actions** column. In the **Edit allocation definition** dialog, click **Clone** in the bottom left corner.

     TIP: To find a specific definition, use the **Search** field.
7. In the **Add/Edit allocation definition** dialog, complete the following fields, and click **Save**:

Field	Description
Title*	The name of the definition.
Comment	The details or description of the definition.
Use source cost categories?	Do one of the following: • To assign the definition to all cost categories, click the toggle to **Yes**. • To assign the definition to a specific cost category, click the toggle to **No**. **NOTE:** This field does not display if the cost model uses simultaneous equations. For more information, see Creating or modifying a cost model

Field	Description
Activate?	Do one of the following: • To activate the definition for cost model processing, click the toggle to **Yes**. • To deactivate the definition so that it is not processed with the cost model, click the toggle to **No**. For more information regarding this option, see Activating or deactivating allocation definitions.
Cost category	If you set the **Use source cost categories** toggle to **No**, select the cost category in which to apply the account. **NOTE:** This option is only enabled when you select **No** in **Use source cost categories**.
1. From departments	Select the source department(s) in which to allocate dollars from by clicking the funnel icon to add or select a filter. For instructions, see "Using the Filter Wizard" in the online help. **TIP:** Preview the filter query or results by clicking the notepad icon or spreadsheet icon to toggle between the two views.
And accounts	Select the account(s) in which to allocate dollars from by clicking the funnel icon to add or select a filter.
2. Allocate based on	Select the statistic account(s) in which to allocate by clicking the funnel icon to add or select a filter.
3. To departments	Do one of the following: • To allocate to all departments based on the criteria selected in the **2. Allocate based on** section, select **All departments**. • To allocate to specific departments, select **Select department(s)**, and click the funnel icon to add or select a filter.

8. Edit the definition processing order, as needed.
9. If you are creating a new model, the next step is to process the cost model. Click **Next** in the bottom right corner of the page.
10. If you are modifying an existing cost model, you can continue making changes to other parts of the model or go directly to processing the cost model if this is your only change.

IMPORTANT: When making any changes to an existing cost model, you must reprocess it in order for the results to reflect the changes.

Ordering allocation definitions

Axiom processes allocation definitions in the order they display on the **Manage allocation definitions** page. The order in which the definition runs is indicated in the **Run order** column. Keep in mind that any deactivated definitions retain their original locations. So, if you reactivate a deactivated definition, the system will prompt you to specify whether to put the definition back in its original location or select a new location. For more information, see Activating or deactivating allocation definitions.

If the list only shows activated definitions, you may notice gaps in the **Run order** column. This means that the missing run order definitions have been deactivated. To view the run order for all definitions, whether active or deactivated, remove the check mark from the **Show only active definitions** check box at the top of the page.

IMPORTANT: Reordering definitions can affect the run process for other definitions.

To reorder allocation definitions:

1. From the Enterprise Decision Support home page, in the **Cost accounting** section, click **Modify a cost model** or **Create a cost model**.
2. The last cost model selected is shown at the top of the page. To change cost models, select another one from the **Select cost model** drop-down.
3. Under the **Reclasses and allocations** section, click **Define allocations**.
4. On the **Manage allocations** page, in the **Actions** column, click the arrow icon  for the definition to move.

   For example, let's say there are six definitions. The definition currently in position 3 can be moved after positions 1, 4, 5, and 6. Positions 2 and 3 are not listed because the definition already resides after position 2 and exists as position 3.

   NOTE: If there are only two definitions in the list, you can only change the order by moving the definition in position 1 to position 2.

5. In the **Move definition?** dialog, select the definition to move the definition after, and click **Move**.
6. When ready, process the cost model.

Activating or deactivating allocation definitions

Instead of deleting a definition, you can deactivate it so that the system does not process it with the cost model. You can activate it again, as needed, and place the definition in its original run order or select a new run order position.

Activating an allocation definition

When you create a new definition, the system activates it by default unless you deactivate it. These steps apply to any definitions that you want to reactivate.

To activate an allocation definition:

1. From the Enterprise Decision Support home page, in the **Cost accounting** section, click **Modify a cost model** or **Create a cost model**.
2. The last cost model selected is shown at the top of the page. To change cost models, select another one from the **Select cost model** drop-down.
3. Under the **Reclasses and allocations** section, click **Define allocations**.
4. On the **Manage allocation definitions** page, to display the deactivated definitions in the list, click the **Show only active definitions** check box at the top of the page.
5. For the definition to activate, in the **Active** column, click **Mark active**.

   TIP: If you are in the definition, you can also activate it by clicking the **Activate?** toggle to **Yes**.

6. In the **Activate definition?** dialog, do one of the following:
   - To activate the definition in its original run order position, click **Keep definition in its original position**.
   - To activate the definition and place it in a different run order position, click **Move definition after the following definition**. Then, from the drop-down, select definition to place the definition after.
7. Click **Activate**.
8. Edit the definition processing order, as needed.
9. When ready, process the cost model.

Deactivating an allocation definition

To deactivate an allocation definition:

1. From the Enterprise Decision Support home page, in the **Cost Accounting** section, click **Modify a cost model** or **Create a cost model**.

2. Under the **Reclasses and allocations** section, click **Define allocations**.
3. Click the **Allocation definitions** tab.
4. For the definition to deactivate, in the **Active** column, click the check mark.

   TIP: If you are in the definition, you can also activate it by clicking the **Activate?** toggle to **No**.

5. In the **Deactivate definition?** dialog, review the message, and click **Deactivate** to proceed.
6. At the confirmation prompt, click **OK**.
7. When ready, process the cost model.

Deleting allocation definitions

Deleting a definition may affect the run process for other definitions and cause validation errors in the cost model. We recommend reviewing the definition order and making any necessary edits before processing the cost model. For more information, see Ordering allocation definitions.

TIP: You may want to consider deactivating a definition instead of deleting it. For more information, see Activating or deactivating allocation definitions.

To delete an allocation definition:

1. From the Enterprise Decision Support home page, in the **Cost accounting** section, click **Modify a cost model** or **Create a cost model**.
2. The last cost model selected is shown at the top of the page. To change cost models, select another one from the **Select cost model** drop-down.
3. Under the **Reclasses and allocations** section, click **Define allocations**.
4. On the **Manage reclass definitions** page, to display the deactivated definitions in the list, click the **Show only active definitions** check box at the top of the page.
5. In the **Actions** column, click the trash bin icon .
6. At the **Delete definition?** prompt, review the message, and click **Delete**.
7. When ready, process the cost model.

4

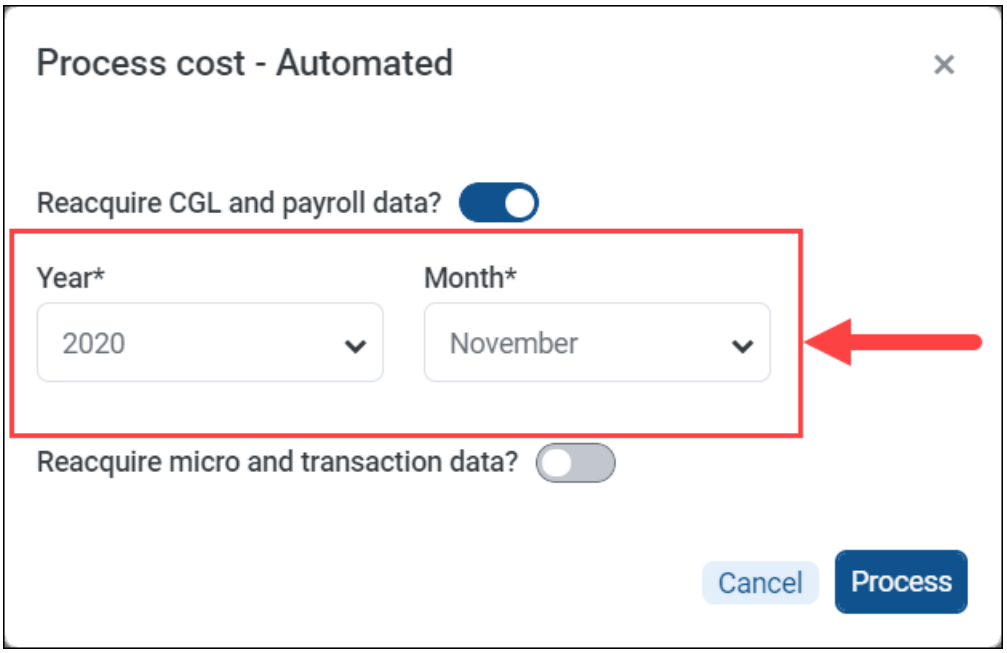
Processing a cost model

Axiom offers two ways in which you can process cost models:

- **Run the full process** - Use this method to run each job in the process from beginning to end, including acquiring data, processing the costs, and summarizing the results.
- **Select options and then process** - Use this method to configure only those options of the cost model that you want to process. For example, if you added or changed reclass definitions, you can configure Axiom to only process the reclasses to see the results of those changes.

Closed-period costing

You can run process cost models for a closed period. For example, your organization may run a cost process monthly during the current fiscal year when only certain periods close so that the debits and credits used to calculate the cost comes from the same time period. When processing a current cost model, you can set the cost period end date so that Axiom acquires the last closed CGL and payroll data. This date must be within the model dates prior to the current period and include at least one period. For example, if a model has a January 1st start date and the current month is June, then the only months Axiom displays will be January through May.



When processing a model within a model year, the processing dialog includes Year and Month drop-downs so that you can select the end date of the last closed month of CGL and payroll data to acquire and use in the model

Running the full process

To run the automated cost process:

1. From the Enterprise Decision Support home page, in the **Cost accounting** section, click **Modify a cost model**.
2. Select the model from the **Select cost model** drop-down at the top of the page.
3. Under the **Processes** section, click **Run automated cost process**.
4. In the **Process cost - Automated** dialog, do the following, as needed:
    - To acquire the most recently closed CGL and payroll data, click the toggle to **Yes**, and from the **Year** and **Month** drop-downs, select the end date in which the CGL and payroll data were closed.
    - To reacquire micro and transaction data from the database, click **Yes**.
5. Click **Process**.

The **Scheduled Job** page displays the status of the jobs used to process the cost model. For instructions on how to view the status of jobs currently processing, see Viewing Axiom processing status.

Selecting options and then process

To select options and then process:

1. From the Enterprise Decision Support home page, in the **Cost accounting** section, click **Modify a cost model**.
2. Select the model from the **Select cost model** drop-down at the top of the page.
3. Under the **Processes** section, click **Run advanced cost process**.
4. In the **Process cost advanced** page, select the check box next to the options to process.

    To acquire the most recently closed CGL and payroll data, click the **Load CGL** checkbox, and from the **Year** and **Month** drop-downs, select the end date in which the CGL and payroll data were closed.

    TIP: To load data to work with in the system—without also processing cost calculations—select *only* the **Load CGL** and/or **Load payroll** checkboxes. Then, select the end date year and month for the CGL data to load.

5. Click **Process** at the top of the page.

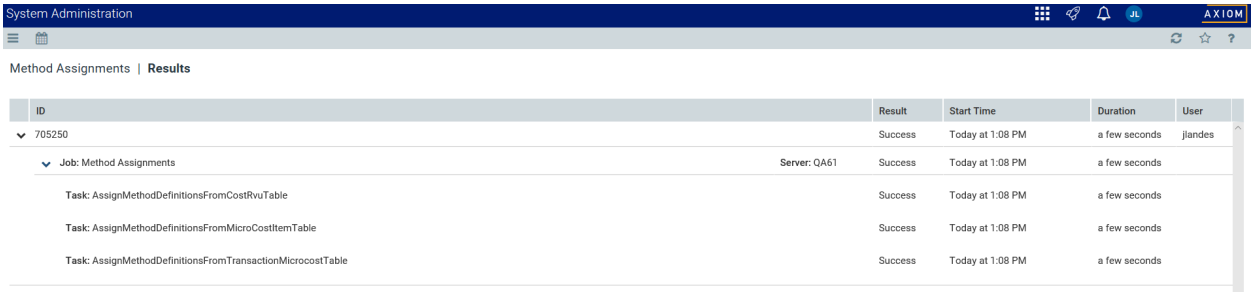
The **Scheduled Job** page displays the status of the jobs used to process the cost model. For instructions on how to view the status of jobs currently processing, see Viewing Axiom processing status.

Viewing Axiom processing status

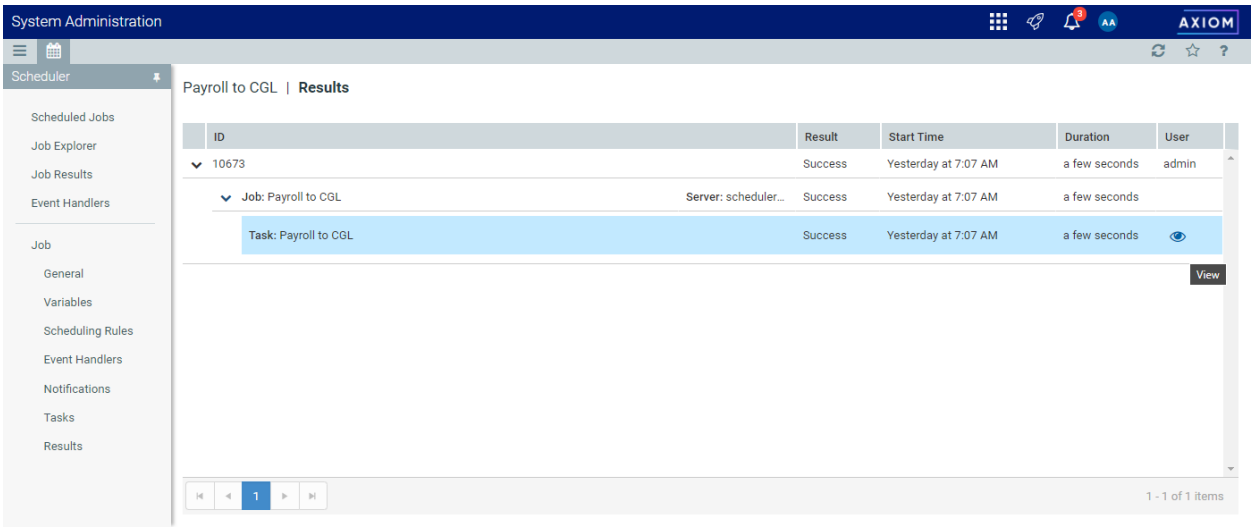
You can view the status of jobs currently processing or the results of all processed jobs.

Viewing job results after processing

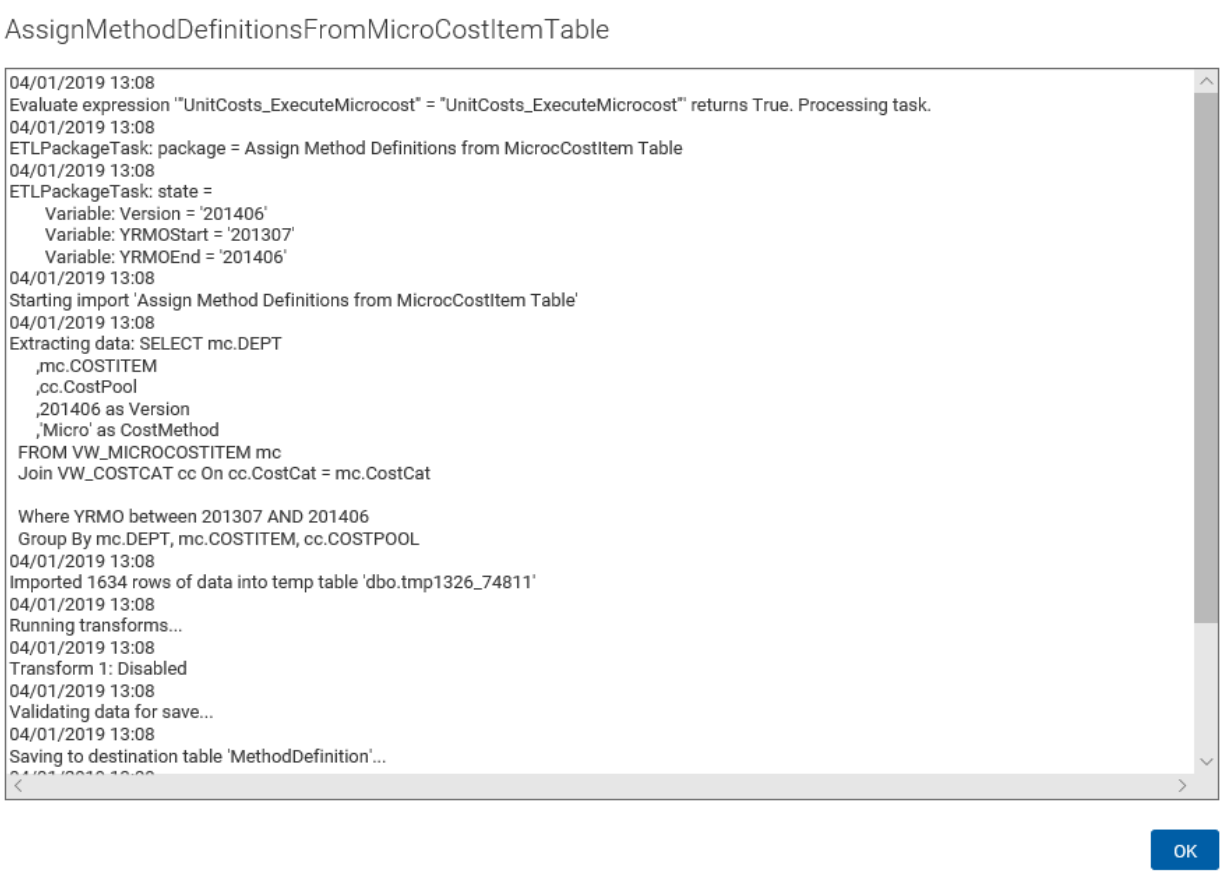
Axiom processes tasks, such as processing cost models, using Scheduler. For more information about Scheduler, see "About Scheduler" in the online help. When tasks are processing, the system opens a separate tab that displays the status of the processes, including the result, the time the job was started, how long it lasted, and the user that ran the job.



To review the details of a task, click the eye icon in the **User** column.



A dialog displays with details about what actions the system performed as part of the task, as shown in the following example.



Accessing the job queue

To access the job queue:

1. From the Enterprise Decision Support home page, in the **Administration** section, click **View job status**.
2. From this page, you can view the list of jobs and their status. You can also:
   - Refresh the status of the list of current processing jobs.
   - View all job results.