



HFMA Today

Official Newsletter of the North Dakota Chapter of the
Healthcare Financial Management Association

the Business of Caring

Volume 8, Issue 3 August 2005

Presidents Message

BY RON WHETTER



“Business of Caring”

The National HFMA theme for 2005-2006 is the “Business of caring”. It is very easy to tie this theme in with the patient care areas in our hospitals, nursing homes, and clinics. But how do most people think of us healthcare financial types who are trying to collect money from patients, telling managers to reduce costs, and usually dealing with issues that most others would rather

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not touch?

I have been in the healthcare industry for 18 years and am very excited to help lead the chapter thru the 2005-2006 year. I have seen many Financial Professionals demonstrate the “Business of Caring” every day. The successful people in our industry are the ones who will take the time to make sure the others, whether it be a patient, a line manager, or an employee, are better able to understand the industry because we were able to guide them thru the difficult maze called Healthcare Finance. I have seen many CFO’s, Patient Financial Services staff, consultants, and yes even Medicare auditors demonstrate the art of caring.

As I apply the theme to the chapter, I hope to see more members benefit from the experience and the friendship of the 155 existing members. The exchange of information both in the informal and formal settings during our meetings is so valuable.

Our main objective for the current year is to have:

More member involvement with committees, planning and attending meetings.


Even though our chapter covers a wide area, we have been recognized by national HFMA almost every year for providing both quality and being able to provide a large number of educational hours per member. We have provided 5-6 meetings per year with topics ranging from reimbursement, accounts receivable, budgeting, compliance, and accounting issues. The members in attendance have had high marks for our meetings. More importantly they have enjoyed the networking because of having the chance to bounce ideas with one another.

Below are number of strategies we have reviewed to reach our goals:

- 1 Contact inactive members to renew involvement
2. More involvement with planning, preparation, and facilitating educational meetings
3. Committee participation
4. Addition of educational sessions (such as the summer meeting at Lake Metigoshe)

In conclusion, the strength of our chapter is not only the education but the strong networking bonds that have been created by both new and old members. The members of our chapter have a passion for sharing what they know. Please come join us at our upcoming meetings!

Also, get involved! Please give me a call at 701-738-2000 ext 3. or e-mail me at ronw@edgewoodvista.com and say “Put Me To Work”.



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CMS TO REJECT NON-HIPAA-COMPLIANT CLAIMS

Starting October 1, CMS will no longer process electronic Medicare claims for payment unless they comply with HIPAA. CMS said that non-compliant claims will be sent back to the filer for re-submission in compliant form. As of June, only 1.45 percent of claims from hospitals were non-HIPAA-compliant, the agency reported.

The action announced last week affects claims for services provided under fee-for-service Medicare, ending a portion of the CMS HIPAA contingency plan in effect since October 16, 2003, under which Medicare continued accepting non-compliant electronic claims after the original compliance deadline. Although the contingency continues for other electronic healthcare transactions, CMS said it expects to end the contingency plan for those transactions in the future, beginning with the remittance advice transaction.

Read more at <http://www.cms.hhs.gov/media/press/release>

CORRECTION GIVES PROPOSED OUTPATIENT PAYMENTS SLIGHT BOOST

Medicare PPS payments for hospital outpatient services would be slightly higher than stated in the CY06 outpatient PPS proposed rule, CMS announced late last week. The agency said that the conversion factor and budget neutrality scalar for weights that were published in the proposed rule were incorrect: The rural adjustment of 6.6 percent was inadvertently incorporated as 6.4 percent in the calculation of the conversion factor and budget neutrality scalar, and there was a technical error in the estimate of the total aggregate payments for drugs and the total aggregate payments for services receiving new technology payments.

According to CMS, all payment rates, except those for drugs and those for services receiving new technology payments, increase by 0.4 percent. The corrected scalar is 1.003753831, and the corrected conversion factor is \$59.343. These changes also affect the impact table (Table 33) and Table 11 of the preamble that were published in the proposed rule.

Read more at <http://www.cms.hhs.gov/providers/hopps/2006p/1501p.asp>

SNF PPS PRICER UPDATED FOR FY06

CMS has updated the Medicare Part A skilled nursing facility (SNF) PPS pricer for the first quarter of FY06, reflecting the updated SNF PPS payment rates, effective for service dates October 1 through December 31, 2005. According to the transmittal, the update methodology is

continued on page 3



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identical to that used in the previous year and will include reimbursement for services to beneficiaries with AIDS.

The SNF wage index notice that will become effective October 1 is yet to be published.

TRANSFER PROVISIONS SCALED BACK IN FINAL FY06 INPATIENT PPS RULE

The Medicare hospital inpatient prospective payment system (PPS) final rule for services in FY06, posted by CMS on August 1, retains much of the controversial proposed expansion of the post-acute care transfer policy, but stops at 182 DRGs, rather than the proposed 231 DRGs. The expanded transfer policy is estimated to reduce FY06 payments by \$780 million.

Under the final rule, hospitals that report quality indica-

tors will receive payments at the full market basket update of 3.7 percent (up from 3.2 percent in the proposed rule); hospitals that don't submit quality data will receive an adjustment of market basket minus 0.4 percent.

On average, the combined changes in the final rule are projected to produce a 3.5 percent payment increase for urban hospitals and a 3.3 percent increase for rural facilities. The final rule will be published in the August 12 Federal Register.

Read more at <http://www.cms.hhs.gov/providers/hipps/cms-1500f.pdf>

2006 PHYSICIAN FEE SCHEDULE UPDATE PROPOSED

Physicians would receive a 4.3 percent reduction in 2006 Medicare payment rates, according to a proposed rule released by CMS. In addition to updating the physician fee schedule, the proposed rule also implements numerous MMA provisions and contains significant regulatory changes to existing payment policies. CMS estimates approximately \$56.6 billion in outlays to 875,000 physicians and other health professionals in 2006.

The proposed rule includes provisions to:

- Expand glaucoma screening benefits to include Hispanic-Americans age 65 and older because they are identified as an ethnic group at high risk for the disease;
- Provide for supplemental payments to federally qualified health centers that contract with Medicare Advantage plans; and
- Revise the payment rate for separately billable drugs and biologicals furnished by end-stage renal disease facilities to be set at average sales price plus 6 percent.

Read more at <http://www.cms.hhs.gov/physicians/>

FINAL 2006 NURSING HOME PPS UPDATE RELEASED

Under the final rule published Thursday, FY06 Medicare skilled nursing facility (SNF) payment rates will include a market basket update increase of 3.1 percent, slightly more than the 3.0 percent estimate predicted in the proposed rule. Total program outlays to SNFs are estimated to increase by \$20 million in 2006.

Among other changes, the final rule refined the resource utilization groups (RUGs), which are used to set daily payment rates for benefi-

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ciaries in nursing homes. CMS increased the number of RUGs from 44 to 53 and increased the rates of all RUG groups to reflect variations in nontherapy ancillary costs not fully captured in the RUG refinements. The RUG refinements will be implemented on January 1, 2006.

The new rule also updates the wage index structure used to adjust for local labor costs and adopts new core-based statistical area geographic designations, replacing the traditional metropolitan statistical area designations. The final rule also retains the 128 percent adjustment for SNF residents with AIDS that was enacted in MMA Section 511.

EXCESSIVE MEDICARE PAYMENTS ARE THE TARGET OF NEW EDITS

Intermediaries will edit Part B claims that meet or exceed a reimbursement of \$50,000, beginning January 1, 2006. The edit is the result of an OIG recommendation included in a report that simple clerical billing errors resulted in \$12 million in overpayment to institutional providers. According to CMS, the edits would apply to all providers. Claims receiving the threshold edit will be suspended and the provider will be notified. If the intermediary determines that the bill is accurate and the reimbursement is not excessive, then the intermediary may override the edit and submit the claim.

Read more at http://www.cms.hhs.gov/manuals/pm_trans/R620CP.pdf

CMS TO ENFORCE HOSPITAL INPATIENT BUNDLING ON AMBULANCE CLAIMS

CMS will edit and deny claims for ambulance services furnished by independent providers during an inpatient hospital stay, effective January 3, 2006. The change is the result of reports from the Boston Regional Office of the HHS Inspector General that cited improper payments for ambulance services provided to hospital inpatients by independent providers. CMS is installing Common Working File edits to prevent payment to carriers for services that should be bundled in the hospital's payment. Currently, the law excludes separate payment for ambulance services furnished to hospital inpatients within the admission and discharge dates unless billed directly by the hospital or furnished under arrangements.

According to CMS, with the exception of occurrences on the admission and discharge dates, all transportation provided to hospital inpatients must be bundled to the hospital. Carriers should not search their files to either retract payment or retroactively pay claims; however, they must adjust claims brought to their attention.

Read more at http://www.cms.hhs.gov/manuals/pm_trans/R622CP.pdf

WSI UPDATE

Newsletter: With many positive changes occurring at WSI, the Provider Relations Department introduces a new quarterly, electronic newsletter, Med-ProLink, to help inform medical providers of updates and changes.

Contents of the first newsletter include:

- Upcoming Regional Medical Provider Seminars
- Claim Number Lookup
- New Treatment and Disability Guidelines
- Authorization Process
- Utilization Review Helpful Hints for Injection
- Electronic Data Interchange
- First Report of Injury Form
- Legislative Changes
- Permanent Partial Impairments

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Provider Seminars: These seminars are to be interactive, informational sessions with providers around the state. Topics that will be discussed will be the new Official Disability Guidelines adopted by WSI in July, First Report of Injury Form, Legislative changes, MAC pricing for Pharmacies as well as items that are on the horizon for WSI.

The information is as follows:

Sept. 12	Bismarck	Radisson Hotel	1:30-4:30 p.m.
Sept. 14	Jamestown	Gladstone Inn	1:30-4:30 p.m.
Oct. 3	Minot	Sleep Inn	1:30-4:30 p.m.
Oct. 4	Williston	Marquis Inn	8:30-11:30 am
Oct. 4	Dickinson	Days Inn	2:00-5:00 p.m.
Oct. 11	Grand Forks	Ramada Inn	8:30-11:30 p.m.
Oct. 11	Fargo	Doublewood Inn	2:00-5:00 p.m.

Please register online:

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HOSPITAL QUALITY OF CARE ISSUES LEAD TO FALSE CLAIMS SETTLEMENT

Central Montgomery Medical Center (CMMC), a hospital located in Lansdale, PA, has reached a civil settlement with the U.S. Attorney's Office over allegations that in 2002 it knowingly billed the government for patients that were improperly physically or chemically restrained. The settlement is the first in which an acute care hospital has faced False Claims Act allegations arising from violations of the 1999 federal restraint regulations.

CMMC has agreed to pay the government \$200,000 and to hire a consultant to review restraint usage at the hospital, according to the Attorney's Office. CMMC has denied any wrongdoing in agreeing to the settlement. U.S. Attorney Patrick Meehan acknowledged, "CMMC has taken significant steps in reducing restraint usage at the medical center."

Read more at <http://www.usdoj.gov/usao/pae/News/Pr/2005/jul/CMMC.html>

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Sisters of Mary of the Presentation Health System (SMPHS), a not-for-profit health care system, is currently seeking an experienced individual for the position of Chief Financial Officer for St. Aloisius Medical Center. St. Aloisius Medical Center is located in Harvey, North Dakota and is a 25-bed Critical Access Hospital, 106-bed nursing home facility, and 16-unit senior housing facility.

The ideal candidate will be a proven, results-driven professional who possesses the interpersonal skills necessary to cultivate strong teams and facilitate effective relationships with board members, the medical staff, and the executive team.

Reporting to the Chief Executive Officer, the selected individual will work with the CEO and Board of Directors to ensure the overall financial integrity of the organization. The CFO will be responsible for financial analysis, planning and reporting, budgeting, reimbursement, and staff development.

The successful candidate will possess a bachelor's degree in finance accounting or business administration with 3-5 years of experience in a healthcare organization. A Certified Public Accountant is preferred.

SMPHS offers a competitive compensation and benefit package. For consideration, please forward resume and salary history to:

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HFMA “OFFICER SPOTLIGHT”

Jodi Atkinson, Secretary

What is your current job/position? Chief Executive Officer at St. Andrew’s Health Center

What are the responsibilities of your position? Ensuring that we are compliant with all the regulations for a Critical Access Hospital and the overall functions of the health center and clinic

How long have you been at your current position? Two years and four months. I have been employed at St. Andrew’s for 19 years.

What was your very first job in healthcare? Admitting Clerk

What other healthcare-related positions have you held? Administrative Assistant, Human Resource and Chief Financial Officer

What do you like best about your current job? Providing the best possible care and services to the patients that we serve and working with my team members at St. Andrew’s Health Center

What are your hobbies? Spending time with family and friends, traveling, camping and outdoor activities.

What has been your proudest moment (personally or professionally)? Both personally and professionally, it has been the advancements in my career.

What has been the best advice you have ever received? Treat others as you want to be treated.

Why did you join HFMA? For the educational opportunities and networking.

What are your favorite foods? Chinese and Mexican

Share with us one of your favorite quotes. “Do unto others as you would have done unto you”

How did you first become involved with HFMA? Committee? Director? Officer? First, as a HFMA board member--I believe that participating helps one to grow and learn. Then, I continued with my advancement as an officer to help with all Chapter events. Both have proven to be very rewarding.

What is your current role with the North Dakota Chapter of HFMA? I am secretary for the North Dakota Chapter.

What have been the personal and/or professional benefits you’ve realized from your HFMA involvement? The personal benefit is that I have developed very good friendships. The professional benefit has been the growth and education on the overall impacts of finances for healthcare as well as other educational offers and networking by attending meetings.

New HFMA Members!



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Pamela Prince
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Brian Darcy
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Marsha Buchwitz
Provider Relations
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Brian Rahman
Patient Financial Services Manager
Meritcare Health System

2005/2006 HFMA Meetings

Video Conference
September 16

A/R Institute
December 1-2
Grand Forks

Reimbursement Institute
January 26-27, 2006
Bismarck

Concordia Spring Institute
April 2006
Fargo

For more information or
if you have suggestions for
conference topics, please call
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The North Dakota Chapter would like to thank the following sponsors for their donations. These donations are used to assist us in providing high quality educational programs for our members at a reasonable cost. During the year, each sponsor is recognized in a variety of ways, including program announcements, sponsorship boards at meeting activities, chapter newsletters, social events and in the membership directory. If interested in becoming a sponsor please contact Steve Ilse at (701) 258-3525

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