

## Presidents Message

by *Becky Hanson*



*Holiday greetings to everyone!*

We just completed our Revenue Cycle Management Seminar in Grand Forks (Nov. 30th-Dec. 1st). I am pleased to say that it was very well attended, we had some great sessions and as usual, the social hour/networking was quite enjoyable! Thank you to

those who were able to attend and participate in this event. Also, thank you to the Altru Health System staff who organized this event for our chapter. It was a job well done!

We also hosted our Annual Awards Breakfast on December 1st at which a number of awards were presented to our chapter members. The awards and recipients are listed separately in this newsletter.

Plans are underway for our Bismarck HFMA session which will be held on February 1-2, 2007. Please mark your calendars and plan to attend this event. More details will be available in a few weeks.

As I write this, it's only three weeks until Christmas—so much to do, so little time!

This year has passed by in such a flurry of "busy-ness". As I reviewed the events in my life this past year, I began to focus on the "time" factor. We get so involved in ourselves and our commitments that we often don't see what is happening around us and what we may be missing . . .

I'd like to share with you a recent experience of mine. While traveling back to Bowman from Grand Forks last week, I had several scheduled stops to make as well as a specific time that I needed to be back in Bowman. As it was, there were a few changes in the weather during the trip, as well as an unexpected delay in Bismarck, thus I would not make it to Bowman on time as I had desired.

Somewhat frustrated, I continued on my way, having to rearrange schedules and make apologies for my delay of approximately an hour or so. As I rounded a curve on Highway 85, I came upon several emergency vehicles, patrol cars, etc.

There was also a very compact vehicle—what remained of the vehicle—in the middle of the road that had yet to be removed from the site of the accident.

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I have since found out that a head on collision had occurred approximately an hour before I drove by that stretch of highway. Approximately an hour before—and I was delayed by approximately an hour as I traveled home. What is the significance? Was it a coincidence? I believe there was a definite reason for the delays on my trip home—although at the time I was quite frustrated. A lesson learned about what is really important in my life—it's not always the schedule I need to keep.

**I found a few quotes about time that I thought worth repeating:**

*"An unhurried sense of time is in itself a form of wealth."* - Bonnie Friedman

*"All that really belongs to us is time; even he who has nothing else has that."*  
- Baltasar Gracian

*"If we take care of the moments, the years will take care of themselves."*  
- Maria Edgeworth

*"Time is the most valuable thing a man can spend."* - Theophrastus

*"Half our life is spent trying to find something to do with the time we have rushed through life trying to save."* - Will Rogers

In 2007, I'm planning on spending more time "taking care of the moments"—whatever they may hold in store for me. Schedule a little less, and relax and enjoy a little more.

I wish you all the very best this holiday season. I'm hoping you will all be able to spend time with those you care about and enjoy every moment to the fullest!

*Have a Merry Christmas  
And a Wonderful New Year!  
Becky*



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## EMPLOYERS PREDICT HEALTH BENEFIT COST INCREASE TO REMAIN STEADY AT 6.1% IN 2007

The total health benefit cost rose by 6.1% in 2006, the same pace as last year, to an average of \$7,523 per employee, according to the National Survey of Employer-Sponsored Health Plans, conducted annually by Mercer Health & Benefits. Employers predict another 6.1% increase in average cost for 2007. Average deductibles, copays, and out-of-pocket maximums, which rose rapidly from 2000 to 2005, showed only modest growth last year. With employee cost-shifting off the table for many employers, reducing this rate further, or even maintaining it, will require other cost management strategies, Mercer said. Asked to rate the importance of six cost management strategies to their organizations over the next five years, care management and consumerism were each rated important or very important by 43% of all employers (and about two-thirds of those with 500 or more employees). The percentage of all employers offering a consumer-directed health plan tripled in 2006, from 2% to 6%. Five years from now, 60% of large employers

say employees will be offered one or more CDHPs, including 10% that say they will offer only CDHPs. More than a third of small employers believe they will offer CDHPs.

## MEDICARE ADVANTAGE PLANS PAID \$5.2 BILLION MORE THAN FEE-FOR-SERVICE PROGRAM

Private Medicare Advantage plans were paid an average 12.4% more per enrollee in 2005 compared with what the same enrollees would have cost in the traditional Medicare fee-for-service program, according to a new report from the Commonwealth Fund. The extra payments to Medicare Advantage plans amounted to \$922 over fee-for-service costs for each of about 5.6 million Medicare beneficiaries enrolled in Medicare Advantage plans, for a total of more than \$5.2 billion. The bulk of these extra payments were mandated by the Medicare Modernization Act of 2003, which were intended to expand the role of private plans in Medicare.

"Medicare should carefully examine whether extra payments to Medicare Advantage plans are the best use of dollars for the beneficiaries the program is designed to serve," said Commonwealth Fund president Karen Davis. "These payments could instead be used to provide better benefits and reduce out-of-pocket costs for seniors and the disabled." Eliminating extra payments to private plans could save Medicare a projected \$30 billion over five years, according to the study's authors.

## IRS REPORTS ON ITS EXEMPT-ORGANIZATION INITIATIVES

The IRS issued a report discussing accomplishments and initiatives related to tax-exempt organizations in 2006 and outlining its work plan for 2007. The IRS says it will publish its findings on the Executive Compensation Initiative Project, which is designed to stop tax-exempt organizations from overpaying their executives, late this year. In 2007, the IRS will specifically examine how hospitals determine compensation for their executives and other insiders based on the compliance check letters and questionnaires that were sent to hospitals in May and define "next steps, which could include education, guidance, examinations, and/or additional compliance check activity."

Other priorities for 2007 include enacting the Tax Increase Protection and Reconciliation Act of 2005 and the Pension Protection Act of 2006, which significantly change laws governing tax-exempt organizations; redesigning Form 990; and assisting organizations with total assets of \$10 million or more adhere to new electronic filing requirements.

## REFORM OF LONG-TERM CARE NEEDED NOW: REPORT

A report for the National Commission for Quality Long-Term Care by two Brown University researchers describes the current state of long-term care in the

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United States and outlines six key "areas of concern" to meet the needs of aging baby boomers. "Reform is necessary not only for the sake of future generations of long-term care recipients, but also for the sake of those thousands of individuals receiving inadequate care in the current environment," said Vincent Mor, chair of Brown's Department of Community Health. Yet, there has been no national consensus about how long-term care should be delivered and financed. The researchers maintain that the following must be addressed to create a better long-term-care system: prioritizing long-term care financing, empowering individuals and families, promoting physician and organizational change, investing in the long-term care workforce, modernizing regulatory controls and incentives, and leveraging health IT.

#### **PHYSICIAN FEE SCHEDULE FINAL RULE INCREASES PAYMENT FOR E&M SERVICES**

The Medicare Physician Fee Schedule final rule released by the Centers for Medicare and Medicaid Services reduces payment for physician-related services by 5.0%—slightly less than the 5.1% reduction in the proposed rule—to account for growth in volume and intensity of physician services, effective Jan. 1, 2007. The final rule also significantly increases the work component for the relative value units for patient evaluation and management. The hallmark of this rule is a stronger emphasis on the physician-patient relationship; the work component for RVUs associated with an intermediate office visit is increasing by 37%, for example, and the increase for a hospital visit requiring moderately complex decision making is 31%. The final rule also expands the preventive services Medicare will cover, such as preventive ultrasound screening for abdominal aortic aneurysms and bone-mass measurement due to long-term steroid therapy, and it exempts the colorectal cancer screening benefit from the Part B deductible. For beneficiaries in underserved areas, Medicare will now include diabetes outpatient self-management training and medical nutrition therapy services in the federally qualified health center benefit.

As in the proposed rule, the final rule adopts a new methodology for determining practice expense RVUs, but the changes will now be phased in over four years. This methodology will be more transparent than the existing methodology, allowing specialties and other stakeholders to predict the effects of proposals to improve accuracy of practice expense payments. Consistent with requirements of the Deficit Reduction Act of 2005, the final rule caps payment rates for imaging services under the physician fee schedule at the amount paid for the same services when performed in hospital outpatient departments. The final rule includes a list of codes to which the outpatient

prospective payment system cap would apply. The rule also finalizes a policy of reducing by 25% the payment for the technical component of multiple imaging procedures on contiguous body parts. CMS will apply the multiple imaging reductions first, followed by the OPPI imaging cap, if applicable.

CMS projects that it will pay approximately \$61.5 billion to more than 900,000 physicians and other healthcare professionals in 2007 as a result of the payment rates and policies adopted in this rule.

#### **CMS' FINAL RULE ON OPPI REQUIRES HOSPITALS TO REPORT OUTPATIENT QUALITY MEASURES BEGINNING IN 2009**

The Centers for Medicare and Medicaid Services released the 2007 hospital outpatient prospective payment system final rule, which includes provisions for expanding the quality reporting requirement for hospital inpatient services and increasing the list of services for which Medicare will make payment to ambulatory surgical centers in 2007. CMS will develop outpatient-specific quality measures and require hospitals to report on them starting in 2009.

The final rule includes a 3.4% market basket update to Medicare payment rates for services paid under the hospital OPPI for CY07. The rule also:

- Ties OPPI rate increases to the reporting of quality measures beginning in 2009
- Expands hospital reporting of additional quality measures for inpatient services beginning in FY08
- Revises the ASC payment and coding structure for drug administration services

In addition, the rule implements a provision of the Deficit Reduction Act that requires that Medicare payment for surgical procedures performed in ASCs not exceed the Medicare payment for the same procedures when they are performed in a hospital outpatient department subject to the OPPI. This provision will result in decreased payment for approximately 280 procedures on the ASC list beginning Jan. 1, 2007. The rule also includes three new measures from the Surgical Care Improvement Project related to the process of care for surgical procedures.

The final rule provides that hospitals will continue to report clinic and emergency department visits and critical care services using Current Procedural Terminology codes. Medicare will pay for five levels of service in the ED and in clinics, and will pay for two levels of critical care services, based on the presence or absence of a trauma response. However, CMS is not finalizing its proposal to create 12 new HCPCS codes for visits to hospital clinics, full-time EDs, or critical care services.

# Grand Forks Meeting

## November 30th

### Revenue Cycle Management



*Jerry Peeler receiving the Founders Medal of Honor award*



*Attendees during the luncheon*



*Attendees networking*

## 2006 NDHFMA Awards Presented

The following awards were presented at the Annual Awards Breakfast held at our Grand Forks Revenue Cycle Management Seminar on December 1<sup>st</sup>, 2006:

**Founders Awards:**

Founders Medal of Honor	<i>Jerry Peeler</i>	Altru Health System
Muncie Gold Award	<i>Michael Schumacher</i> <i>Jodi Atkinson</i>	Eide Bailly, LLP St. Andrews Health Ctr.
Reeves Silver Award	<i>Lori Kudrna-Blees</i>	Medcenter One
Follmer Bronze Award	<i>Karan Ehlers</i>	West River Regional Health Center
<b>Service Awards:</b>		
5 year	<i>Stan Salwei</i> <i>Krystal Claymore</i> <i>Amy Hornbacher</i> <i>Rosemarie Kuntz</i>	Altru Health System Catholic Health Initiatives St. Alexis Medical Ctr. St. Alexis Medical Ctr.
10 year	<i>Donald Schott</i> <i>Laurie Peters</i> <i>JoNell Moore</i> <i>Renee Osland</i> <i>Michael Schumacher</i> <i>Heather Strandell</i> <i>Rick Pavek</i>	BCBS ND Northland Healthcare Eide Bailly, LLP Eide Bailly, LLP Eide Bailly, LLP Altru Health System Eide Bailly, LLP
15 year	<i>Bryan Wendorff</i> <i>Becky Hansen</i> <i>Phil Schmid</i> <i>Leslie Urvand</i> <i>Peter Hoistad</i> <i>Mark Engelstad</i>	DMS Health Group Southwest Healthcare Independent Healthcare St. Luke's Hospital Brady, Martz Brady, Martz
20 year	<i>Connie Hamre</i> <i>Michael Lefor</i>	Catholic Healthcare Audit DCI Credit Services

**Outstanding Member of the Year Award**  
*Steve Lindemann - BCBS*

**Chapter Achievement Awards:**  
Educational Performance Improvement  
*Michael Schumacher*

Excellence for Education  
*Michael Schumacher*

Membership Growth and Retention  
*Tim Blasl*

New Member Retention  
*Steve Ilse*

**Yerger Awards:**  
Innovation  
Message Board Solution  
*Steve Lindemann*

Education  
Member Involvement in Planning  
*Nancy Schultz (Altru)*

# HFMA OFFICER SPOTLIGHT

*Deanna Picotte, Board Member*

**What is your current job/position?** *I am currently Reimbursement Manager at MeritCare Health System in Fargo.*

**What are the responsibilities of your position?** *I am responsible for reimbursement analysis, oversight of the chargemaster, cost report preparation, and valuation of accounts receivable.*

**How long have you been at your current position?** *Seven years.*

**What was your very first job in healthcare?** *I started as a housekeeper!*

**What other healthcare-related positions have you held?** *I have held positions as a Certified Nursing Assistant and Auditor.*

**What do you like best about your current job?** *My Associates!*

**What are your hobbies?** *Learning new things, cooking, reading.*

**What has been your proudest moment (personally or professionally)?** *Becoming a Mommy!*

**What has been the best advice you have ever received?** *"Get a thicker skin!"*

**Why did you join HFMA?** *"OK, HFMA is my special object!"*

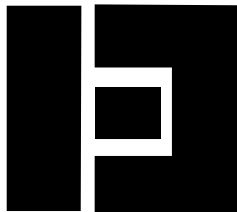
**What are your favorite foods?** *Blueberries, merlot*

**Share with us one of your favorite quotes.** *We are always in relationships--with ourselves, with friends, with family, with colleagues, with nature, with the universe. The trick is to take time to nurture those relationships.*

**How did you first become involved with HFMA?** *Committee? Director? Officer? As an Education Program chair.*

**What is your current role with the North Dakota Chapter of HFMA?** *Board Member and Chairperson of the Pro-action/Advocacy Committee.*

**What have been the personal and/or professional benefits you've realized from your HFMA involvement?** *Great relationships with other professionals and opportunities to learn.*



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# New Members!!

**Trina Taszarek-Schilling**

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**Florence Natocho**

Intern  
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**Rena Snyder**

Business Office Manager  
Sakakawea Medical Center  
Hazen

**Angie Amundson**

Business office Mgr.  
Northwood Deaconess Hospital  
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**Darcey Nitschke**

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✓ Reimbursement & Legislative  
**February 1-2, 2007**  
Bismarck

✓ Patient Driven Healthcare  
**March 1, 2007**  
Bismarck

✓ Concordia Institute  
**April 12-13, 2007**  
Fargo

For more information or  
if you have suggestions for  
conference topics, please call  
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