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# HFMA Today

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

Volume 4, Issue 9 March 2002

## Presidents Message

by Don Schott



Congratulations to Steve Ilse and his officers and board on their installation as the new leadership team for the 2002-2003 fiscal year. Steve and his staff will officially take over the leadership duties of the Chapter on June 1, 2002, the beginning of HFMA's fiscal year. However, since the Chapter does not officially meet again prior to that date, it has been tradition to install the board and officers at our winter conference. Chris Champ, Chapter Liaison Representative for Region 8 and a past-president of the North Dakota Chapter presided over the ceremony in Bismarck on February 7. Steve will become the 42nd president of the North Dakota Chapter. NDHFMA has a rich tradition in excellence in leadership stemming back to 1958 when Howard J. Semingson, of Trinity Hospital, Minot, was installed as the Chapter's first president. The impressive list of past-presidents reads like a "who's who" of health care leadership in North

Dakota. It is quite an honor to be listed with such a distinguished group. Rather than name them here, I will refer you to the listing in your membership directory or the listing at [ndhfma.org](http://ndhfma.org). I was especially pleased to see six past presidents in attendance at this year's installation banquet. Their attendance clearly demonstrates continued support by past leadership of the Chapter's activities and the value placed on the educational offerings of the Chapter. It also conveys their expectation and confidence in the new leadership staff to continue the successes enjoyed by the Chapter at both the regional and national level.

As we look towards the future, I am pleased to announce that the website for North Dakota's Chapter of HFMA is up and running! As stated on its home page, this site was developed in conjunction with staff from National HFMA as part of National's initiative to align the services offered by HFMA Chapters, Regions, and National into a friendly, seamless system for our members. North Dakota is very pleased to be one of the initial Chapters to be selected for this initiative. I am very happy with the early results and believe this site will grow and be invaluable to the Chapter. As a Chapter, with all volunteer staff that changes each year as officers move through the chairs, this website will serve as our "home office" location for conducting much of the business and communications of the Chapter. If you haven't already, I ask that you access [ndhfma.org](http://ndhfma.org) and give us some feedback on what you would like to see on the site.

As spring approaches, so does the Concordia/HFMA Health Care Institute. This year's Institute is slated for April 4 – 5, at the Fargo Ramada Plaza Suites. The impressive agenda covers a variety of topics ranging from "The New Economics of Care" presented by the Advisory Board, Washington, DC, to "Critical Access Designation" presented by John Roberts, Midwest Health Consultants, Inc., Lincoln, Nebraska. In addition to the excellent educational offerings, a television and other great prizes will be given away. Please refer to your registration materials for the full agenda. The agenda may be accessed through a link at [ndhfma.org](http://ndhfma.org) or you may also contact Leslie Hartford, Concordia College, 218-299-4411 if you have any questions.

Hope to see you there!

Don Schott, HFMA 2001-2002 President

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### **–Membership Enrollment Promotion–**

**Members who enroll between March 1-May 31, 2002 will save \$56.00 off their membership dues if they pay for their membership through May 2003.**

**The details are listed on the membership application forms which are available online at [www.hfma.org/join](http://www.hfma.org/join) or from the membership committee members. Applications will also be available at the Concordia/HFMA Healthcare Institute on April 4-5, 2002.**

**Anytime is a good time to join HFMA so encourage those prospective members to join now and save!**

## New e-Learning Web site unveiled

HFMA is proud to announce the launch of the enhanced e-Learning site, a new feature of HFMA's updated Web site. "This self-paced Web-based training allows our members to meet today's life-long learning needs of healthcare organizations," said Richard L. Clarke, FHFMA, HFMA President and CEO. "15 minute e-Learning lessons offer a time-efficient way to excel in your job and career from work, home, or anywhere." More than 1,000 HFMA e-Learning session topics span the healthcare industry, including the areas of compliance, billing, patient access, HIPAA, nursing, and JCAHO. HFMA and industry experts developed the content for the new e-Learning site, which is powered by Webinservice. The new feature will provide e-Learning services to more than 800 organizations nationwide. Courses are available for purchase by individuals and organizations. Many e-Learning features are customizable, including materials that can be tailored to specific audiences or organizational needs. HFMA is offering e-learning to enhance its mission of providing professional development through education, information, and leadership training with the highest standards of professional excellence. For more information about the courses offered, go to [www.hfma.org/elearning/](http://www.hfma.org/elearning/).

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## California Health Plans to Reward Physicians for Quality of Care

Six of the largest HMOs in California will reward their contracted physician groups based on a common scorecard that will measure quality of care within the respective health plans, the Integrated Healthcare Association announced on January 15, 2002.

Under this "pay for performance program," Aetna, Blue Cross of California, Blue Shield of California, CIGNA, Health Net, and PacifiCare will be evaluated based on the quality of care provided to their more than 8 million total California members. Some of the companies will commence implementation this year, and all will have their processes in place by 2002.

An independent entity will validate the data and publish the results. Each of the health plans will provide varying incentive payments to the physician groups based on their performance. The program will be managed by a steering committee of business, health plan, physician group, and consumer representatives, as well as experts from the National Committee on Quality

Assurance, the University of California-Berkeley Center for Health Research, and the University of California at San Francisco Institute for Health Policy Studies. For more information, go to <http://www.ihc.org/011502.htm>

## Chapters selected for Web site development

Seven chapters were selected to participate in a pilot program in which HFMA National assists in the development and hosting of their chapter Web sites. While the initial goal was to launch five chapter Web sites by January 31, the goal was surpassed, as two additional chapters were included in the January 31st launch to satisfy the strong interest expressed by chapter leaders.

The chapters selected for phase one of the Web development were Arkansas ([arkansashfma.org](http://arkansashfma.org)), Central New York ([cnyhfma.org](http://cnyhfma.org)), Minnesota ([mnhfma.org](http://mnhfma.org)), North Dakota ([ndhfma.org](http://ndhfma.org)), Rhode Island ([rihfma.org](http://rihfma.org)), Washington-Alaska ([waahfma.org](http://waahfma.org)), and Western Michigan ([wmihfma.org](http://wmihfma.org)).

These chapter sites may also be accessed through the Find A Chapter section of HFMA's Web site, <http://www.hfma.org/chapters/findachapter.htm>. The chapter site designs are similar to that of the recently updated national Web site, which is in keeping with the chapter-regional national alignment initiative to provide a seamless system of service to HFMA members.

In November, chapter presidents were invited to participate in the Web site development program. HFMA National then worked with the selected chapters to build each site. As the pilot test continues, the selected chapters will be trained to maintain and update their sites independently.

Due to the success of this first phase of the Web development initiative, HFMA will move forward in the near future with six more chapters that had requested to participate in the initial pilot program: Great Lakes, Maine, Nebraska, New Hampshire-Vermont, Rochester Regional and Sunflower (Kansas). The intent is to have these phased into two chapter Web sites launched in time for the Leadership Training Conference (LTC) in April.

Arkansas, Central New York, North Dakota, Washington-Alaska, and Western Michigan will continue on to the second phase of the testing of on-line registration assistance for chapters.

Other components of the chapter regional- national alignment initiative that were announced previously include: The Web-based chapter toolkit for program chairs that includes a speaker and topic database;

- Non-renewer information provided to membership chairs upon request;
- Immediate electronic notification to chapters when new members are added;
- A volunteer recruitment toolkit for chapter use that includes a letter template emphasizing the benefits of volunteering at the chapter level;
- Assistance to chapters in their endeavor to provide credit-card transaction capabilities to attendees of chapter educational programs;
- Continued efforts to streamline the data collection involved with the Founders Award program; and
- A promotional brochure targeted at senior financial executives that includes a value statement for organizations that emphasizes the value of both HFMA National and local chapters, completed and distributed in December.



## HFMA's ongoing support for proper financial disclosure

For the past several years, financial disclosure standards for healthcare organizations have been a sleeping giant. However, current issues in the news involving informative financial information seem to have caused the giant to awaken, demanding attention. HFMA believes healthcare organizations have an obligation to provide stakeholders with useful, timely, and accurate financial and operational information. This position is supported by the Association's Code of Ethics, in which members pledge to strive for the objective and fair presentation of financial information. How much financial and operating information should be disclosed, at what frequency, and to whom is still a large dilemma for most healthcare organizations. Currently, there is no industry wide consensus on best practices in disclosure for hospital debt transactions and secondary markets. Healthcare financial managers must determine how to balance stakeholders' appetites for information on an organization's performance against the administrative burdens and legal risks related to providing it. HFMA intends to seek solutions to these ongoing dilemmas.

For years, the Association has sought solutions that foster understanding and trust among all healthcare stakeholders. HFMA's Principles and Practices (P&P) Board has played a key role, issuing guidance, P&P Board Statement No. 18, "Public Disclosure of Financial and Operating Information by Healthcare Providers," that has provided a basis for industry practice. (See the November 2001 *Notes from National* for more information about HFMA's actions on the issue of disclosure.)

*The best thing HFMA chapters can do for their members is to ensure they have a clear understanding of the issue, as well as clear knowledge of what constitutes good disclosure practices.  
P&P Board Statement No. 18 is an excellent resource*

The P&P Board has appointed a disclosure task force to lead the board's activities on the issue. The task force has stepped up its work with key agencies to establish best practices for financial disclosure, and is developing additional guidance on the healthcare financial managers' responsibilities in providing accurate disclosure of their institutions.

### **The Role of Chapters**

At this point, the best thing HFMA chapters can do for their members is to ensure they have a clear understanding of the issue, as well as clear knowledge of what constitutes good disclosure practices.

P&P Board Statement No. 18 is an excellent resource for this. In chapter meetings and newsletters, members should be encouraged to read it. The statement is downloadable from the Resource Center on HFMA's Web site at [http://www.hfma.org/resource/P\\_and\\_P\\_board/statement\\_18.htm](http://www.hfma.org/resource/P_and_P_board/statement_18.htm). Members should also know where to find additional information on disclosure. The Resource Center contains a growing collection of material on this topic, including a list of useful resources that is updated as new information is available. All the resources that HFMA makes available on this subject will be found in the Business of Healthcare Focus Area at [http://www.hfma.org/resource/focus\\_areas/business\\_of\\_HC/index.htm](http://www.hfma.org/resource/focus_areas/business_of_HC/index.htm). In the near future, HFMA will be asking the membership for feedback to use as guidance in developing clearer best practices. In the meantime, please share your thoughts on the issue with Rick Gundling, HFMA vice president, at [rgundling@hfma.org](mailto:rgundling@hfma.org), or (800) 252-HFMA, ext. 605.

## Medical Records Salvaged in Texas Hospital Bankruptcy Case

The Texas Department of Health and the Texas Attorney General's office intervened with the bankruptcy proceedings of a Dallas health center to protect patient medical records that were in danger of being abandoned. Tri City Health Centre closed last year and is being liquidated under Chapter 7 of the U.S. Bankruptcy Code. The bankruptcy trustee was seeking permission to abandon the patient records as an overly burdensome management responsibility. However, the attorney general's office objected to the proposed abandonment of the records, citing patient privacy laws and other applicable state laws that require hospitals to retain records for up to 10 years. Under the agreement approved by the U.S. Bankruptcy Court, all patient records will be transferred to EMCC Inc, which currently collects Tri City's accounts. EEMC will store the records for 12 months at its own expense, after which the court will revisit the issue. The order also ensures that, if and when the court no longer requires the records to be maintained, both paper and electronic records must be thoroughly destroyed.

For more information, go to <http://www.oag.state.tx.us/newspubs/releases/2001/20011105tricity.htm>

## Leapfrog Releases Patient Safety Survey; Joins Forces with JCAHO

The Leapfrog Group, a consortium of more than 90 Fortune 500 companies and other large private and public health care purchasers, released the results of a hospital survey gauging compliance with safety standards that the group advocates. Findings from the 241 hospitals that responded include that 3.3 percent of hospitals now use computerized physician order entry (CPOEs) systems, while 30 percent of hospitals plan to implement CPOEs by 2004. Furthermore, 10 percent of hospitals have specially-trained "intensivists" overseeing care in intensive care units (ICUs), while 18 percent plan to enlist "intensivists" by 2004. Contending that the use of CPOEs, evidence-based hospital referrals, and ICU physician staffing can significantly improve patient safety, Leapfrog and its members intend to offer hospitals financial incentives to implement related standards.

In other Leapfrog news, the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) has accepted an invitation from Leapfrog to become a formal partner. The deal cements a previously informal relationship and means that Leapfrog will seek JCAHO's input on its patient safety initiatives. Their first collaboration will be to pursue the identification of a specific set of ICU-related outcome and process measures. These measures may eventually be used to supplement or even replace the current Leapfrog measures, which recommend that hospitals have board-certified or board-eligible intensivists.

For more information, go to <http://www.leapfroggroup.org>

New/reinstated members  
as of 2/28/02: \_\_\_\_\_

**Welcome!!**

Paula Wilkie  
Chief Financial Officer  
Presentation Medical Center  
Rolla, ND

Reinstatements: \_\_\_\_\_

**Welcome Back!!**

Bruce Bowersox  
Administrator  
Hillsboro Medical Center  
Hillsboro, ND

Darlene Swanson  
Business Manager  
Hillsboro Medical Center  
Hillsboro, ND

**WE NEED MORE PEOPLE  
LIKE YOU**

Our member-get-a-member campaign will end April 30<sup>th</sup> for this year. Chapters all across the nation have struggled with member recruitment and retention this past year. Wouldn't it be nice if the North Dakota Chapter could lead the way in membership recruitment and retention?

In order to do this we need the help of all of our members to identify prospective members and promote the benefits of HFMA. If you know of anyone who may be interested, you may contact any of the membership committee members with the information and we will contact them for you. It's as easy as that!

Also, please note the announcement in this newsletter of the reduced rates for new members enrolling between March 1 and May 31, 2002.

The following is a list of the committee members you may contact:

- Mike Schumacher • Vance Reinbold
- Kelly Erhardt • Jim Novak
- Becky Hansen

We look forward to hearing from you!

**ANI keynote speakers announced**

HFMA is proud to announce the line-up of keynote speakers for the 2002 Annual National Institute (ANI). The ANI will be held June 16-20 at the Washington State Convention Center, Seattle, Washington. The keynote speakers will share their knowledge, perspectives, and strategies at the General Assembly each morning of the conference. Monday's keynote address will be presented by James Canton, PhD, President, Institute for Global Futures. This leading futurist, digital entrepreneur, and author specializes in tomorrow's technology and its impact on business, customers, and society. The building blocks of the next global economy have emerged, and healthcare leaders need to understand how to leverage this new model so their organizations will adapt and profit in this emerging economy, meeting the innovative challenges of the digital future. Tuesday, forecasting pioneer Marvin Cetron, PhD, president of Forecasting International, will address the trends driving change within the healthcare industry. Cetron provides industry and government with the benefits and insights of an international group of experts. An author of dozens of books, he has monitored closely 50 trends shaping our culture and economy, helping organizations succeed by understanding and leveraging the forces at work. Annette Moser-Wellman, founder of FireMark, will speak on Wednesday, helping to unlock the creative genius and apply imagination to business. Learn why it's important to think like an artist as well as a manager and why how you think is as important as what you think. Moser-Wellman will help healthcare professionals and their organizations identify personal creative styles and master the tools to meet workplace challenges. The theme for this year's conference is *ani'O2-A Breath of Fresh Air. Absorb. Network. Integrate solutions. Refuel your career.* Visit the ANI Web site at [www.hfma.org/ani/](http://www.hfma.org/ani/) for the latest updates, program information, and to register.

**2002/2003 Installation Banquet - Bismarck Holiday Inn**



Left: Incoming President Steve Ilse and Outgoing President Don Schott

Below: 2002/2003 Board of Directors Officers BOD: Les Wietstock, Mary Lou Zimmerman, Sandy Teubner, Mike Schumacher, Bonnie Kuehnemund, Tim Blasl, Joy Atkinson. Officers: Becky Hansen, Treasurer; Ron Whetter, Secretary; Jerry Peeler, Vice President; Doug Okland, President; Steve Isle, President; 2002/2003 Region 8 CLR, Chris Champ



## Concordia / HFMA Spring Health Care Institute April 4 - 5, 2002

### Program Agenda

#### Thursday, April 4th

- 7:30 - 8:15 a.m. Registration, Continental Breakfast
- 8:15 - 10:00 Healthcare Advisory Board  
Mathew Camahan, Washington, D.C.
- Dilemma of profitless growth
  - Shortage economy – impact analysis on hospital economics
  - Seeking balanced growth; meeting market demand
- 10:15 – 11:00 Healthcare Advisory Board – continued
- Seeking balanced growth; meeting market demand (continued)
  - Questions and answers
- 11:00 - 12:00 Washington Update  
Liz Propp, National HFMA
- National Update
- 1:00 - 2:30 Patient Friendly Billing  
Liz Propp, National HFMA
- Project Overview
  - Available Resources
- 2:45 - 3:45 Breakout Session 1: APC's  
Phil Schmid, Manager, Healthcare Services and Mark Hollan, Eide Bailly Inc., Bismarck, ND
- Final April 1<sup>st</sup> updates
  - New observation payments
  - Missed payments / billing opportunities
- Session 2: Critical Access  
John Roberts, Midwest Health Consultants, Inc.
- Impact of Flex program on rural healthcare in Nebraska
  - Flex program objective areas: community & network development, EMS integration & CAH operations
  - Compare methods, tools and approaches in implementing the Flex program
- 4:00 - 5:00 Breakout Session 3  
HIPAA Information Security: the Final Rule (if finalized)  
Mark Eich, Principal, LarsonAllen eSource
- Overview of the Final Rule
  - Information Security as a Business Issue
  - Implementing the Standard
- If final rule is not available by the date of the Institute:
- Trends in information security risk
  - Why information security is a business issue, not a technical issue
- Breakout Session 4  
Business Office OutSourcing Roundtable Discussion  
Doug Okland, Moderator
- Why you may want to consider outsourcing various aspects of the business office
  - Types of services they provide
  - Benefits of Outsourcing
  - Success stories

#### Friday, April 5th

- 7:30 - 8:15 a.m. Registration
- 8:30 - 10:00 Electronic Records  
Caryn Hewitt, Clinical Informatics Manager; MeritCare Health System, Fargo, ND
- Gain understanding of the process of selection and implementation of an EPR (Electronic Patient Record)
  - Gain understanding of the status of EPR implementation at MeritCare Health System and the vision for the future.
- 10:15 - 12:00 Emotional Intelligence at Work - Patty Corwin - NDSU, Fargo, ND
- Learn how we make decisions and influence others
  - Understand how emotional intelligence will impact relationships
  - Learn how to build and sustain trusting relationships
  - Learn how to increase energy and effectiveness under stress and pressure

### \*\*\*ATTENTION NEW HFMA MEMBERS\*\*\*

The Membership Committee for the North Dakota Chapter would like to invite anyone who has joined HFMA during the 2001-2002 year to a "New Member Breakfast". The breakfast will be held on Friday, April 5<sup>th</sup>, 2002 at 7:30 a.m. in the Signature II Room at Basie's Restaurant located at the Ramada Plaza Suites.

We would like to meet the newest members of our chapter and introduce ourselves to you. We will also discuss some of the benefits of being a member of HFMA and how you can play an active role in our local chapter.

We hope you are planning to attend the Concordia/HFMA Healthcare Institute scheduled for April 4-5, 2002 and will be able to join us for this event prior to the conference lectures.

### **Win credit vouchers, apparel awards, even a chance at a \$1000 Grand Prize! - All for the excellent cause of growing our association.**

Here's how:

Recruit one or two new members\* by April 30, 2002, and you'll win your choice of an HFMA apparel item (approximate retail value of \$25.00). Recruit three new members and get a \$100.00 credit voucher toward any HFMA national product or service (excluding membership and Forum dues.) Bring in four or more new members and you'll earn a \$150.00 credit voucher!

Grand prize? \$1000.00 in cash - to be awarded in a random drawing among those of you who recruit four or more new members. Since you'll receive one chance for each new member you bring in, the more new members you sponsor, the greater your chance to win!

Encourage prospective recruits to visit <http://www.hfma.org/join>. Other promotional materials, including applications, are also available by calling HFMA member services at 1 (800) 252- HFMA, ext. 2 or e-mail <mailto:memberservices@hfma.org>.

When you provide a prospective member with an application, please make sure that your name appears in the 'sponsor' area, in order to receive proper credit.

Your influence will help us keep growing.

\*New student memberships and reactivated prior memberships are welcome, but promotion credits apply to the recruiting of regular members only.

# **2002 HFMA Meetings**

**April 4-5, 2002 • Fargo**

**Concordia/HFMA Institute**

**June 13-14, 2002 • Fargo**

**EideBailly Healthcare Symposium**

**July 25-26, 2002 • Medora**

**Montana, North Dakota, South Dakota, Wyoming Joint Meeting**

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