Courage IN LEADERSHIP

HFMA Today

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

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Presidents Message

by Becky Hansen

Another year has slipped away unbelievable!

As my year as President draws to a close and I review what we've accomplished as a chapter and how much of our members' time has been devoted to our chapter, I must say how much I appreciate the officers, board members and committees. It is truly a team effort that contributes to our chapter's success!

WHAT'S INSIDE . .

Leaders Agree to Moratorium ___page 2

CMS Proposes Payment Reforms page 3

Grassley Seeks GAO Study______Page 4

Facility Spotlight ______________Page 5

Officer Spotlight ______________Page 6

New Members ______________Page 6

And thank you to so many . . .

HFMA is currently making several major changes in the organization as we incorporate under the State of Illinois and as we make the transition to a balanced score card for measuring chapter performance. Steve Lindemann and Mike Schumacher, respectively, took the lead on these two issues and have done a great job with the transitions. Thank you so much!

Thank you again to the officers, board members and the members who have served on committees and devoted their "spare" time to creating excellent educational opportunities for our members.

Thank you to Steve Ilse for his perseverance with our sponsorship program.

Our sponsors have been outstanding this year! I would like to thank every one of our sponsors for their support of our chapter and for demonstrating a sincere interest in the providers in North Dakota. If you, as members, have an opportunity to thank our sponsors, please remember to do so.

Organizing a chapter newsletter is always a challenge and once again, Phil, you've done a great job and we appreciate your willingness and commitment in publishing our quarterly newsletter.

I would also like to take this opportunity to thank you, our members, for your support this past year. We appreciate your commitment in attending the sessions and the networking events.

As you renew your membership with HFMA please keep in mind what an opportunity you have to become more involved in HFMA. Yes, it does take some extra time, but you receive so many benefits in return. I think anyone who has been involved in chapter leadership would say that one of the greatest rewards is the opportunity to interact with members on local, regional and national levels.

If you recall, the HFMA theme for 2006-2007 is "Courage in Leadership". I would like to challenge you to step out of your comfort zones, make a commitment and become involved in a great organization.

"You must do the thing which you think you cannot do."

-Eleanor Roosevelt-

Enjoy a wonderful spring and summer!

Becky

Presidents Message continued from page 1

CMS Issues Guidance on Hospital Emergency Services Requirements

CMS issued guidance yesterday clarifying the responsibility of hospitals to provide emergency services if they participate in Medicare. The guidance makes it clear that nearly all hospitals--including specialty hospitals and others without emergency departments--must be able to evaluate persons with emergencies, provide initial treatment, and refer or transfer these individuals when appropriate. The guidance does not apply to critical access hospitals, which are subject to separate regulation.

Key requirements include the capability to appraise the emergency situation, provision of initial treatment, and referral when appropriate. The letter clarifies that the Medicare conditions of participation do not permit a hospital to rely on "911 services" as a substitute for the hospital's own ability to provide these services.

Senate, House Leaders Agree to Moratorium on Medicaid Proposed Rule

Senate and House leaders have agreed to a one-year moratorium on the Centers for Medicare and Medicaid Services' proposed rule that would cut $4 billion from Medicaid. The moratorium is to be included in the supplemental spending bill headed for Congress this week. Several healthcare organizations, including the American Hospital Association, sent a letter to congressional leaders urging them to retain language in the bill that would implement a moratorium on the Medicaid proposed rule and protect graduate medical education payments under Medicaid.

"We firmly believe that the proposed rule would undermine the already fragile viability of the nation's healthcare safety net and reduce or eliminate access to healthcare services for millions of low-income individuals and to the community at large," says the letter. "Section 2705 would preserve Congress' authority over major policy changes to the Medicaid program, to be considered in a deliberate and appropriate manner."

CMS Posts Answers to FAQs About NPI Guidance

CMS has posted answers to 99 frequently asked questions about its contingency plan guidance for healthcare providers and others implementing a National Provider Identifier. The agency announced on April 2 that it is implementing a contingency plan for covered entities that will not meet the May 23, 2007, deadline for compliance with the NPI regulations; those entities that attempted to become NPI compliant can continue to accept legacy identifiers through May 23, 2008.

The FAQs range from "What should health

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care providers do with their NPIs while waiting for implementation instructions from their health plans?" (Answer: Protect NPIs from unauthorized use) to "Does this mean that providers have an additional 12 months to obtain and begin using NPIs?" (Answer: No; failure to obtain an NPI may be viewed as a violation of the good faith provisions of the contingency guidance.)

Physician Self-Referral Might Be Surprisingly Common, Says Study

A study published in Health Affairs online provides the first empirical evidence concerning how often physicians are stretching federal and state laws--and perhaps breaking them--by referring patients to imaging providers with whom they have a financial relationship.

Study author Jean Mitchell, a professor of public policy at Georgetown University, gathered information on all providers who billed a large California insurer in 2004 for three types of diagnostic imaging scans--magnetic resonance imaging, computed tomography, and positron-emission tomography.

Mitchell found that nearly 33 percent of providers who submitted bills for MRI scans, 22 percent of those who submitted bills for CT scans, and 17 percent of those who submitted bills for PET scans were classified as "self-referral." More than half of those who billed for MRI and for CT did not own the imaging equipment, but were involved in referral arrangements that might violate federal and state laws.

CMS Proposes Payment Reforms for FY08 Hospital IPPS

On April 13, CMS issued its proposed rule for the Medicare inpatient prospective payment system for FY08. The rule includes proposals to:

Take significant steps to improve the accuracy of Medicare's payment under the acute care hospital IPPS, while providing additional incentives for hospitals to engage in quality improvement efforts

Restructure the inpatient diagnosis related groups to account more fully for the severity of patients' conditions

Ensure that Medicare no longer pays hospitals for their additional costs of hospital-acquired conditions (including infections)

Expand the list of publicly reported quality measures

Reduce payment for a DRG involving the implantation of a device, when a hospital replaces a device and the replacement is supplied to the hospital at no or reduced cost

Payment to all hospitals would increase by an average of 3.3 percent for FY08 when all provisions of the rule are taken into account, while payments to specific hospitals may increase more or less than this amount depending on the patients they serve. CMS is proposing to adopt a high-cost outlier threshold of $23,015, down from $24,475 in FY07, and expects that by better recognizing severity of illness in the DRGs, fewer cases would be paid as outliers. However, the lower outlier threshold is to meet the legal requirement to continue paying between 5 percent and 6 percent of payments as outliers.

The proposed rule would continue to phase in a change introduced in FY07 that would better align payment with the costs of care by using estimated hospital costs, rather than list charges, to establish relative weights for the DRGs. Under the proposed rule, hospitals would be paid during 2008 based on a blend of one-third list charge-based weights and two-thirds hospital cost-based

continued on page 4

weights for the DRGs. In 2009, hospitals would be paid 100 percent based on cost-based DRG weights.

Expanding on the work of the previous two years, the proposed rule would create 745 new severity-adjusted DRGs (Medicare Severity DRGs, or MS-DRGs) to replace the current 538 DRGs. Although projected aggregate spending from the reforms will not change, payments would increase for hospitals serving more severely ill patients and decrease for serving patients who are less severely ill. Consistent with public interest expressed regarding last year's changes, CMS said, it is proposing to revise the current DRGs so that the system will continue to be based on a nonproprietary case mix system, making it available to the public.

The changes reflect recommendations from the Medicare Payment Advisory Commission. CMS took its initial steps toward implementing the new system when it created new DRGs for cardiac procedures performed in FY06. An additional set of DRGs reflecting severity of illness was introduced for discharges in FY07. By more accurately recognizing the costs of caring for a patient, the new MS-DRGs will further reduce incentives for hospitals to "cherry pick," the practice of treating only the healthiest and most profitable patients. They also address concerns that specialty hospitals may selectively provide such profitable services. For example, concerns about inappropriate payments for specialty hospitals involved payments for certain elective cardiac admissions. Last year, we estimated that payment reforms for 2006 and 2007 reduced payments to cardiac specialty hospitals by over 5 percent. The reforms for FY08 are estimated to reduce payments an additional 4 percent.

Comments on the proposed rule will be accepted until June 12, 2007, and a final rule, to be effective for discharges on or after Oct. 1, 2007, will be published later in the summer.

Many Physicians Don't Routinely Consider Insured Patients' Out-of-Pocket Costs, Says Study

Increased patient cost sharing is likely to miss the mark in safely reducing healthcare spending because many physicians do not routinely consider insured patients' out-of-pocket costs when recommending expensive medical care, according to a study by researchers at the Center for Studying Health System Change and the University of Chicago Hospitals in the April 9 Archives of Internal Medicine.

Although almost 80 percent of physicians consider patient costs when prescribing a generic over a brand-name drug, far fewer consider patient costs when deciding what diagnostic tests to recommend (40.2%) or deciding whether to hospitalize a patient when outpatient treatment is an option (51.2%), the study found.

"Because physicians consider patient costs less frequently in making decisions about more expensive services, it's likely that increased patient cost sharing will be limited as an effective cost-control tool," said Hoangmai H. Pham, MD, the study's lead author and a senior health researcher at HSC.

Grassley Seeks GAO Study of Not-for-Profit Hospitals' Community Benefits

Sen. Chuck Grassley, R-Iowa, ranking member of the Committee on Finance, has asked the Government Accountability Office to study how not-for-profit hospitals meet the requirement to provide community benefits in exchange for tax-exempt status.

Grassley asked the GAO to identify state standards and hospital guidelines for community benefit; hospital policies for defining--and practices for reporting--uncompensated care, charity care, and bad debt; and levels of executive and board compensation and relationships with for-profit business ventures.

"We need to get a better handle on how non-profit hospitals are fulfilling their requirement to serve the community in exchange for the generous tax breaks they receive," Grassley wrote to the GAO. "We need to make sure tax-exempt hospitals are providing health care to those in need in keeping with their requirement to serve the public."

CMS Announces 2008 Medicare Advantage Payment Rates and Part D Payment Updates

The Centers for Medicare and Medicaid Services has released the 2008 Medicare Advantage capitation rates and payment policies and changes in Medicare Part D payment.

For Medicare Advantage plans, the aged and disabled capitation rates will increase about 3.5 percent. A statutorily mandated adjustment to the MA rates results in an MA rate of growth that is less than the estimated Medicare growth trend for 2008 of about 4.3 percent.

Changes in Medicare Part D payment for CY08 include extending the Medicare demonstration to limit annual changes in Part D premiums due to beneficiary choice of low-cost plans and the Medicare demonstration to transition enrollment of low-income subsidy beneficiaries.

Concordia Institute

April 2007
Fargo

2007/2008 HFMA Planning and Board Meeting

During Joe Heuer's presentation– "I'm dead, who am I?"

Concordia Dinner Banquet

Joe Heuer, Friday Keynote Speaker

Facility Spotlight

(If you have interest in providing an update of things happing at your facility, please provide this to Amy at ahornbache@primecare.org)

ST. ALOISIUS MEDICAL CENTER

Harvey, ND by Sandy Teubner

St. Aloisius Medical Center, located in Harvey, ND is sponsored by the Sisters of Mary of the Presentation, a religious order located in Valley City, North Dakota. The Sisters of Mary of the Presentation belong to a larger religious community founded in 1828 in Broons, France.

St. Aloisius Medical Center is part of the Sisters of Mary of the Presentation Health System (SMPHS), located in Fargo, North Dakota.

St. Aloisius is a 25 bed Critical Access Hospital, licensed as a Level IV Trauma facility. We have 106 licensed long term care skilled beds and a 16 unit senior housing unit. We also provide swing bed services as well as several outpatient services and therapies. We are proud to be the largest employer in the county, employing over 310 staff. We also operate a daycare for our employee's children.

Our mission at St. Aloisius Medical Center is in unison with theSisters of the Mary of the Presentation, to work for the glory of God by bringing the Word and Healing of Jesus Christ to all, with special concern for the elderly and poor. In carrying out our mission, St. Aloisius recently completed a major renovation project of the emergency room and x-ray suite. The new area is home to a larger ER department with four trauma/exam rooms, our new radiology suite, mammography room, CT room, admissions area, business office and new patient waiting areas. The old ER space was renovated for use by Physical and Occupational Therapy. We were excited to see the transition take place over the past year and are happy to see it is serving the needs of our rural community.

The construction was made possible through our Gift Campaign, launched in 2003 with an overall goal of $1.2 million. We raised $1.1 million in gifts and pledges and as of this date we have collected $900,000. The final steps of our new construction will be to install our new CT scanner by June of 2007 and to renovate the old x-ray area to accommodate our expanded laboratory.

We are very proud of our new addition and the changes taking place at St. Aloisius. Please stop in and see us if you ever travel through Harvey – we'll be happy to show you around!

HFMA "OFFICER/BOARD SPOTLIGHT"

Sandra Teubner, Board Member

What is your current job/position? Chief Financial Officer at St. Aloisius Medical Center, Harvey, ND

What are the responsibilities of your position? I oversee all of the financial operations of the medical center. I oversee the business office and supervise the Health Information Director and Materials Management Director.

How long have you been at your current position? 1 ½ years

What was your very first job in healthcare? I worked on a marketing project on an internship in the marketing department/emergency department at St. Luke's in Fargo my senior year at MSU – Moorhead. That peaked my interest in healthcare/business combination. I accepted a job as Business Office Manager at Towner County Memorial Hospital after college graduation.

What other healthcare-related positions have you held? My position of Business Manager at TCMH basically changed to CFO over the years as we expanded to include a clinic and long term care facility becoming Towner County Medical Center. I held that position for 18 years.

What do you like best about your current job? The people I work for and work with!

Tell us about your family. I have been married to Bruce for 17 ½ years and we are the parents of Kelsey, 12 and Bryce, 9.

What do you like to do when you're not at work? I enjoy my kid's activities/sports, scrapbooking, going for walks, downhill skiing.

What has been your proudest moment (personally or professionally)? Personally – becoming a mother!

What has been the best advice you have ever received? When God closes a door, he opens a window!

Why did you join HFMA? To network with colleagues and to keep up to date in the industry.

What are your favorite foods? Pizza, ice cream, chocolate

Share with us one of your favorite quotes. "Be patient, good things come to those who wait."

What would surprise people to learn about you? I was valedictorian of my high school graduating class of 152 students at the Academy of the Holy Angels in Richfield, MN. Growing up in Minneapolis and moving to rural North Dakota is a surprise to most but I love it!

What movie would you recommend seeing? The Guardian – it truly made me appreciate the Coast Guard and all of the men and women who serve and protect us on a daily basis.

Who would you say has been your greatest mentor, personally or professionally? Tim Tracy, the past CEO at TCMC.

How did you first become involved with HFMA? I went to my first HFMA meeting in 1988 or so and have been a member ever since. I joined the board a few years ago.

What have been the personal and/or professional benefits you've realized from your HFMA involvement? The friends I've made in this profession and the knowledge gained both from my colleagues and HFMA.

Michelle Ohm
Payor Relations Coordinator
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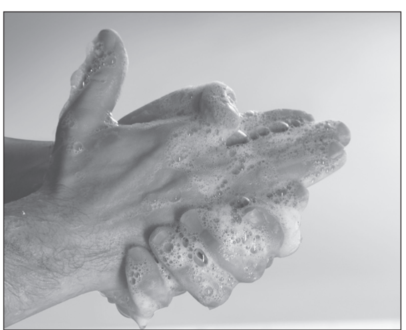

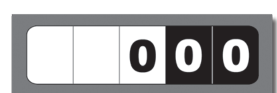

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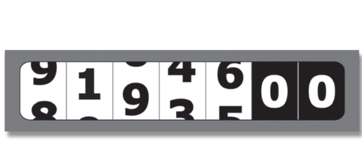

Average cost for getting the flu—including unnecessary trips to the doctor, antibiotic misuse, and spreading germs at work—thousands of dollars.

There are many things you can do to avoid costly medical expenses. Washing your hands—the best way to prevent colds and flu—is just one of them. ***You decide.***

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2007/2008 HFMA Meetings

- ✔ Patient Driven Healthcare
  June 14th
  Bismarck
- ✔ NDHA
  Sep 12th-14th
  Bismarck
- ✔ A/R Institute
  Nov 29th-30th
  Grand Forks
- ✔ Reimbursement Institute
  Jan 24th-25th
  Bismarck
- ✔ Concordia Institute
  April 3rd-4th
  Fargo

For more information or if you have suggestions for conference topics, please call Jodi Atkinson at (701) 228-9312

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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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