

Fine Print

Spring 2007
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Inside This Issue

President’s Message.....1
 HFMA’s Annual Banquet.....3
 Examining & Addressing CDHPs4
 The Results Are In (Annual Election).....5
 Kennedy Dingell introduce Bill to provide Medicare to All...5
 Annual HFMA Golf Tournament.....6
 Buffalo Niagara Spring Institute6
 Photos from our first Annual Spring Institute.....7
 Our Valued Sponsors.....8



President’s Message

Move Forward

“Inaction breeds doubt and fear. Action breeds confidence and courage. If you want to conquer fear, do not sit home and think about it. Go out and get busy.”
 Dale Carnegie

- Manage yourself first
- Own your work
- Voice your opinion
- Embrace simplicity

- Focus on the present
- Organize your thoughts
- Remember your objective
- Write thank you notes
- Anticipate problems
- Recognize others first
- Delegate enthusiastically

* * * * *

I want to thank my fellow officers, directors and committee chairs for all their hard work. I am fortunate to be surrounded by so many talented and dedicated individuals. As a result of their efforts, our move forward as a Chapter was great.

Bruce Liebel's leadership was on display with our very successful Buffalo/Niagara Spring Institute. This inaugural event showcased Bruce's many talents. I look forward to working with him as he assumes the Chapter's presidency. We are in good hands.

Larry Nowak managed with diligence and pride two thankless, but important Chapter tasks - the annual Chapter Directory and the quarterly *Fine Print*. His attention to detail is unmatched. The results speak for themselves.

Jennifer Dunn organized my most rewarding event this past year. Our Day of Caring at the Heart and Soul Soup Kitchen in Niagara Falls helped over 150 families at Christmas. Jennifer's community service aptitude is contagious.

Thank you for the opportunity to serve you.

Best regards,

John P. Eichner
Chapter President

Chapter Officers

President

John P. Eichner, CPA, CHFP

President-elect

Bruce K. Liebel

Secretary

Lawrence E. Nowak, FHFMA

Treasurer

Jennifer L. Dunn

Chapter Directors

Class of 2007

Christine Blidy

Mary Ann Miccichi

Suzanne Roccisano

Class of 2008

Rachel Davis

Susan Dybas

Mary Mahaney

Michael Osborne

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Mary Ann Miccichi

Michael J. Sammarco, FHFMA

Davis Chapter Management

Susan Dybas

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Bruce Liebel

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SAVE THE DATE – HFMA’S ANNUAL BANQUET

By Bruce K. Liebel, President-Elect



It's Back! A survey completed in January showed much interest by our membership in returning to the 'good ol' days' – an annual banquet, complete with dinner, music and dancing.

Please join us on the evening of **FRIDAY, JUNE 1, 2007** at *Classics V*, where we will honor our President, John P. Eichner, CHFP, CPA, for his leadership this past year, and for the installation of the Officers and Board of Directors for the 2007-08 year.

More details are included in the invitations that were sent to our members and sponsors. Don't miss this night of fun – with music by Penelope, featuring HFMA's own Russ Previte on drums.

See You There!

If your organization is experiencing an increase in insured patients' residual self-pay balances, you are not alone. Many facilities across the country are now faced with the task of collecting more dollars from patients, at least until patients' deductibles are met—deductibles which are consistently growing each year due to individuals' enrollment in consumer-driven health plans.

CDHPs, typically high-deductible insurance policies with tax-advantaged savings accounts such as health savings accounts (HSAs), continue to gain more share in the health insurance market each year. One primary reason for the influx of these types of plans is employers' desire to lower their health insurance costs, which have increased by an average of nearly 12 percent in the last five years. In particular, CDHPs have become attractive to employers and employees because of the plans' lower premium growth, often five percent less than traditional PPO and HMO plans.

According to research, in 2006 the average deductible for an HSA-qualified consumer-driven health plan was more than \$2,000 for single coverage—an amount significantly larger than the smaller dollar amounts that hospitals have become accustomed to seeing, and that patients have become accustomed to paying out-of-pocket. Additionally, many of these plans do not have the smaller co-pay amounts (e.g., \$50) that patients have historically been charged for visits to hospital emergency departments, or for tests such as MRIs. Patients are likely to be *fully* financially responsible for the costs of non-preventive care until deductibles are met—known as 'first-dollar' coverage—and may also have co-insurance responsibilities (e.g., patients pay 20 percent of costs above and beyond the deductible until their out-of-pocket maximum limits are reached).

Ultimately, providers may need to allocate more resources toward collecting self-pay receivables, especially for patients enrolled in CDHPs who are relatively healthy and do not seek enough care to reach their annual deductibles. Industry leaders have noted that patients with CDHPs are not the same as traditional insured patients—in actuality, they are self-pay patients up to a very high deductible.

In order to effectively identify and prepare for CDHPs' impact on your organization, it may be

necessary to proactively assess the insurance market in your area to determine if—and in many cases, when—payers and employers will partner together to enroll more individuals in consumer-driven plans. Payers and employers are not likely to seek out your organization and inform you of their CDHP plans, and patients' insurance cards may not explicitly mention their enrollment in CDHPs either. Instead, as a revenue cycle leader you may need to stay informed by examining advertisements, other media, and news items in your communities that can alert you to CDHP offerings.

Payers and employers may also need to be contacted to determine the extent of which individuals are enrolling in CDHPs. By contacting employers and carefully tracking and trending the high-deductible accounts in your organization's patient accounting system, you will become better able to statistically project how many potential patients have consumer-driven, high-deductible plans. In turn, this will enable you to identify if CDHPs are gaining a share of the market in your area, and if dedicated strategies are needed to ensure accounts featuring these types of plans do not cause a significant strain on your organization's financial health.

In particular, best-performing facilities have responded to the rise of CDHPs (and patients' residual self-pay balances) with two main areas of focus. The first is re-examining and in some cases adjusting the discounts contracted payers receive, especially if a significant portion of the payer's enrollees are enrolled in high-deductible plans. Historically, third-party payers have received discounts because they reimburse hospitals in a timely manner—often within 15 – 30 days of service. However, if more and more of payers' patients are enrolled in plans that increase patients' out-of-pocket amounts and 'first-dollar' responsibility, essentially hospitals are then providing payers with discounts to collect from patients what was previously payers' financial responsibility.

Second, the rise of CDHPs emphasizes the importance of collecting at point of service—ideally, patients' entire estimated balances up to their deductible limits—in order to reduce the risk of increased bad debt. Academy research shows that approximately one-third of providers have not implemented POS collections at their facilities; if you are concerned about the impact of high-deductible, consumer-driven plans, now may be the time to consider (or re-consider) this practice.

While the number of employers offering CDHPs is on the rise, as is the number of enrollees, the impact of

these plans are not likely to be fully known until many more patients enroll. Meanwhile, it is important for leaders to strategically respond to the implications that are known in order to protect their organizations' future financial health.

You can reach The Academy of Healthcare Revenue at 888.700.5223 or contact@healthcarerevenue.org

The Results Are In!

By Larry Nowak, FHFMA, Secretary

The nominating committee of the WNY Chapter HFMA met to review the nominations and select a slate of candidates for officers and directors for the new fiscal year beginning June 1, 2007.

The slate of officers and directors were presented for a vote at the Cost Report Education Program and were approved with a majority vote from our members.

The chapter leaders for the upcoming year are as follows:

Officers:

Bruce K. Liebel, President
Lawrence E. Nowak, FHFMA, President Elect
Susan Brown, Secretary
Jennifer L. Dunn, Treasurer
(2nd year of 3 Year Term)

Board of Directors – 2-Year Term

Class of 2008

Rachel Davis
Susan Dybas
Mary Mahaney
Michael Osborne

Class of 2009:

Christine Blidy
Judy Conti
Tamara Dickey
Edward Thomas

Congratulations chapter leaders. We are looking forward to a very fun and productive year!

Thursday, April 26, 2007

Kennedy, Dingell Introduce Bill to Provide

Medicare for All

On Thursday, April 26, 2007, Sen. Edward M. Kennedy, chairman of the Senate Health, Education, Pensions and Labor Committee, and Rep. John Dingell, chairman of the House Committee on Energy and Commerce, introduced legislation to extend Medicare to all Americans, reduce costs, and improve quality of care, including more effective use of health IT.

The goal of **Medicare for All** is to address many of U.S. healthcare's greatest challenges by providing universal coverage within five years through a three-stage phase-in, benefits equivalent to those available to senators and representatives, choice of enrollment in Medicare or private plans through a plan similar to the one available to federal employees, financing through a payroll tax that will reduce average employer healthcare expenses, and incentives to improve quality and bring IT to medical care.

“We applaud Senators Kennedy and Dingell for focusing attention on providing universal coverage. This issue has been on the back burner of Congress for much too long,” said Richard L. Clarke, DHA, FHFMA, president and CEO of HFMA. “The idea of ‘Medicare for All,’ however, seems to be a ‘one size fits all’ approach to this problem. The issues of providing coverage for the uninsured and underinsured are very complex, and one size may not fit all. We need an approach that keeps the best parts of our pluralistic system of delivery and payment while dealing with the real problems of access for the uninsured and cost.”

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Annual HFMA Golf Tournament

By Michael J. Sammarco, FHFMA

SAVE THE DATE!!

Friday, July 27, 2007

At

**Rothland Golf Course
12089 Clarence Center
Road
Akron, NY 14001**

The date for the annual HFMA golf tournament is scheduled for Friday, July 27, 2007. Despite the rain delay, last year's tournament was a combination of fun and success. Once again, we will be looking for tournament sponsors for our event. We are also looking for volunteers for our golf committee to plan and organize the tournament. If you, or an associate is interested in participating in the tournament, volunteering for the committee, or sponsoring the tournament please contact:

Michael J. Sammarco
Erie County Medical Center
Corporation
462 Grider Street
Buffalo, NY 14215
716-898-3362
msammarc@ecmc.edu

Watch for more information. Let's continue this fine HFMA tradition!

BUFFALO/NIAGARA SPRING INSTITUTE

By Bruce K. Liebel, President-Elect

WE DID IT! With planning that began last year, and despite conflicting sessions with the Attorney General and NCAA Basketball tournament that hindered our attendance, more than 50 attendees gathered at the Adam's Mark Hotel in Downtown Buffalo on March 15th for our inaugural Spring Institute.

The session started with a bang with our Keynote Speaker, comedian Kent Rader (a former CFO/Controller), with his talk on "Laughter Matters". The evaluations included comments such as, "Good Opener – Set A Great Mood", "Wonderful Start to the Day", "Very Good Speaker; Funny and Still Gets His Points Across", "Awesome Speaker", "He is an Excellent Stress Reliever. Good Advice to Use Daily!", and "Great Way to Start off the Institute". In regards to the speaker's 'Presentation Ability', EVERY SINGLE evaluation gave him a perfect 5!

The break-out sessions came next with Robin Bradbury from re|solution speaking about "Ten Questions Leaders Should Be Asking About the Revenue Cycle". Comments included: "Very useful session" and "Excellent Presentation with Useful Information to Take Back", along with several comments that more time was needed. Running concurrently was Charlie Robinson from MedQuist, leading a session on "Patient Financial Services and HIM: Working Better Together", which was noted to be "A Good Presentation".

The second breakout sessions had Dean Rossiter from the Wellington Group speaking on "How to Maximize Medicare Reimbursement Through APC's", where an attendee noted it provided "useful ideas to take back", while Ron Leazer from MedQuist joined Charlie Robinson on "Revenue Cycle Repair – A Look at the Middle", with "Useful Info to All".

After a great lunch, attendees were treated to a high energy session on "Maximizing Human Capital – Building Revenue Cycle Teams of Excellence", presented by Tamie Osborn and Bobette Gustafson (President) of Gustafson & Associates. Comments received at this dynamic session included: "Great Speakers & Presenters", "Would be an Excellent Program for an Entire Management Team", "Excellent; Good Info", "Great Session – Both Speakers Provided Numerous Tips – Great Energy for an Afternoon Session."

The day ended with a Network Reception sponsored by 5 of the local hospitals and the refreshments were enjoyed by those who attended.

Our thanks to all those who contributed in planning and running the 2007 Institute. Overall, the Institute was deemed to be a success, as it provided attendees with an enjoyable day of education sessions. In addition, we plan on making the 2008 Buffalo/Niagara Spring Institute even better!

Photos from the First Annual HFMA Spring Institute



Debbie Cudzilo and Judy Conti register the attendees



Bobette Gustafson presents on Revenue Cycle Teams of Excellence



Comedian Kent Rainer starts the morning out right with laughter, a lot of it!



Charlie Robinson speaks on Revenue Cycle Repair

The Western New York Chapter of HFMA is pleased to recognize, and wishes to express its sincere appreciation to those who support our educational programs throughout the year – our valued 2007 Sponsors!

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 - Underwriting a portion of our educational programs
 - Bringing national programs to the local market
-

Editorial Policy: Opinions expressed in signed articles are those of the authors and not necessarily those of the Western New York HFMA Chapter or the Newsletter Committee. The Committee believes that the contents of *Fine Print* are interesting and thought provoking, but the staff has no authority to speak for the Officers or Board of Directors of the Western New York Chapter of HFMA. Readers are invited to submit material for publication. Articles should be submitted in MS Word format and relevant to current healthcare finance topics. The committee reserves the right to edit material for content and length and also the right to reject any contribution, whether solicited or not. Direct all inquires to Larry Nowak at lnowak@kaleidahealth.org.
