



FINE PRINT



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Save the Dates:

- **February 5, 2013** - [Observation Services Webinar](#)
- **February 6, 2013** - [HFMA's Virtual Conference](#)
- **February 7, 2013** - [Annual Chargemaster Seminar](#)
- **February 8, 2013** - [Revenue Cycle and You](#)
- **February 20, 2013** - **No Fault Seminar**
- **March 21, 2013** - [Annual Spring Institute](#)

PRESIDENT'S MESSAGE

KRISTEN CHAPMAN
2012-2013 CHAPTER PRESIDENT

It seems like only last month that I was introducing myself to you, but yet somehow I am already halfway through my term as president! When I last wrote to you I mentioned the importance of volunteering. Stepping up and lending a hand in chapter activities has provided me with friends, skills, and a network that I had not previously experienced. I have made it my priority as president to reach out to chapter members with the personal and professional growth opportunities that I myself have experienced. In October of this chapter year, our first call for volunteers went out to the membership. Our past president, Jennifer Dunn, has stepped up as the chapter's volunteer coordinator and we are already seeing results. Our upcoming events, the Chargemaster Seminar and the Spring Institute, are heavily staffed

with our volunteer recruits. Even volunteering in small ways such as taking registration or distributing evaluation forms at education events are greatly appreciated and a great way to meet your fellow members. Thank you to all of our volunteers and volunteer coordinators.

In other exciting chapter news, the chapter is hosting a Chapter Advancement Team (CAT) facilitation. The CAT Program is a HFMA national program whose purpose is to support chapters by helping them reach their individual goals. Chapters often call on the Program for assistance in strategic planning, succession planning, volunteer recruitment, evaluating education programming, membership recruitment and retention strategies, or meeting facilitation. Facilitations are guided by a

trained consultant specifically selected to best support the individual chapter's needs.

The WNY Chapter's CAT facilitator is Kent Thompson from the North Carolina chapter. He will be visiting us to help guide our chapter through a SWOT Analysis on February 8. A SWOT Analysis is a detailed analysis of the chapter's strengths, weaknesses, opportunities and threats. The goal of the analysis will be a rough outline of the chapter's strategic plan which will be edited and finalized into a final document by a committee of our own members. The strategic plan will be a "live" document containing goals and objectives to be revisited and re-evaluated periodically. The work invested today will be continued by future chapter leaders who will have the opportunity to make it their own as well.

2012-2013 CHAPTER LEADERS

Officers

Kristen Chapman
President

Jeffrey Jacobs
President – Elect

Robert Levesque
Secretary

Paul Vinkle
Treasurer

Board of Directors

Class of 2013

Debbie Cudzilo
Christopher Eckert
Jessica Landers
Peggy McDonough

Board of Directors

Class of 2014

Susan Brown
Ryan Caster
Michael Courneya
Mary Ann Miccichi

Committees

Membership:

Christopher Eckert
Mary Ann Miccichi

Education:

Jeffrey Jacobs
Mary Mahaney

Certification:

John Eichner
Robert Levesque

Social Events:

Ryan Caster
Bruce Liebel

THE MEDICARE REIMBURSEMENT CLIFF

RUSSELL PREVITE, REIMBURSEMENT CO-CHAIR

The Federal government may have avoided the tax portion of the “fiscal cliff” and looks to be avoiding the spending portion soon, but there is a “Medicare Reimbursement Cliff” or possibly a landslide ready to happen over the next several years that hospitals need to be aware of and prepare for. In addition to the threatened 2% sequestration adjustment planned to take affect with the spending cuts on March 1, there are several other cuts that have already taken place or are about to:

- Continuation of market based reductions for coding and productivity improvements.
- DRG reduction factors for readmissions and Value Based Purchasing that are effective 10/1/12. There is an additional 2% penalty for not reporting quality factors under VBP.
- Additional market basket reductions to the DRG increases that have already

begun for the Accountable Care Act, to help fund “Obamacare”.

- Continuation and expansion of reductions for Hospital Acquired Conditions (HAC), that began in FY09.
- Additional coding reductions proposed for FY14, effective 10/1/13 to help pay for the “Doc Fix”.
- Final Settlement reopening back to 2006 for the revised SSI%, including Medicare Advantage days in the Medicare fraction. A recent DC District Court decision may have put a stop to these reopening but we have not been officially told if NGS will comply with the decision.
- Changes to the Medicare DSH reimbursement formula proposed for FY14 based on a revised reimbursement methodology.
- Penalties for not adopting Electronic Health Records by 2015. Even if hospitals adopt EHR

before that, the incentive payments do not cover the full cost of the implementation.

- Reductions in the reimbursement for Medicare bad debts from 70% to 55%.

Even though these are only Medicare reductions, they will also affect rates for the Medicare Advantage Plans where the Medicare default rates are being paid. Who knows what Medicaid reductions will also occur, that hospitals need to be aware of and plan for?

While healthcare reform is a certainty, budgeting and reimbursement analysis for the changes are anything but certain, and this uncertainty will continue to be a substantial challenge for years to come.

THE REGIONAL FRONT

BRUCE LIEBEL, REGIONAL EXECUTIVE - ELECT

There are several regional events in the planning stage already for 2013, one spring, one summer, and one in the fall. Though two of them are for targeted members, the third is open to all HFMA members. These events, to consider, are as follows:

Mini-LTC

The Region 2 Mini-LTC (Leadership Training Conference), is patterned after the National LTC, which is being held in Anaheim, CA, April 21 - 23. National LTC provides the new chapter leaders with the tools and knowledge needed to successfully carry out the responsibilities as a HFMA chapter leader for the 2013-2014 leadership year. For Region 2, we hold a similar type of training conference, but on a smaller scale, for our 7 chapters. Chapter officers, board members, and committee chairs are invited to participate, giving them the opportunity to hear national updates, sessions for new and "senior" chapter leaders, and networking opportunities with their peers. Get involved and give yourself the opportunity to

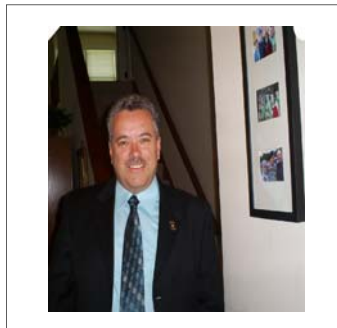
participate in training on a regional basis. This year's Mini-LTC is being led by Chapter leaders from the Metro NY, Central NY, and Puerto Rican chapters and will be held May 19 & 20 at the Otesaga Hotel in Cooperstown, NY.

Fall President's Meeting

This Regional meeting, scheduled for August 22 - 24, is only open to the Region 2 Presidents and President-Elects, along with the Regional Executive (RE), RE-Elect, a Chapter Relations Representative, and a National HFMA Board Member. At this meeting, the Presidents and President-Elects offer the views of their chapter members, gain knowledge of HFMA initiatives, and share best practices. As a region, proposals can be brought forward to the Regional Council to act on as well. This year's Fall President's Meeting is being held in Old San Juan, Puerto Rico.

Region 2 Institute

This annual conference, for which work is already underway, is open to all HFMA members. As I will be the RE, I am in charge of the



Bruce Liebel, REE

team directing this institute. The committee consists of a representative from each chapter, most often a former president, as they have the experience necessary to effectively plan this event, that gets bigger each year. The 2013 Region 2 Institute is scheduled October 9 - 11, at the Turning Stone Resort & Casino, in Verona. National speakers, breakout sessions and numerous networking events make this a must attend event each year. Approximately 13 CPE hours are offered, and numerous sponsors and exhibitors are available for attendees to visit and learn about their products and services offered. If you haven't experienced the Region 2 Institute yet, we suggest you make the trip this year.

To learn more about these Regional Events, contact me at bliebel@ecmc.edu.

2012-2013 CHAPTER LEADERS

Committees

Patient Financial Services:

Susan Brown
John Galley

Patient Access:

Susan Brown
Peggy McDonough

Chargemaster:

Jessica Landers
Cheryl Loverdi

Reimbursement:

Russell Previte
Paul Sweet

Sponsorship:

Deborah Cudzilo
Larry Nowak

Newsletter:

Stephanie Bottomley
Jill Johnson

Davis Chapter Management:

Rachel Davis

Founders:

Susan Dybas

Past Presidents:

Jennifer Dunn

**If you are interested in becoming involved in the Chapter, contact Jennifer Dunn, Chapter Volunteer Coordinator at jdunn@kaleidahealth.org.

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HFMA'S CERTIFIED REVENUE CYCLE REPRESENTATIVE PROGRAM (CRCR)

SUSAN BROWN, PFS CO-CHAIR

When I became aware of this new certification program, I asked myself a list of questions:

- What is it?
- Who should do it?
- How does it work?

I went to the HFMA website to investigate and fact find and discovered the answers to my questions.

What is it? It is a certification program for revenue cycle staff.

Who should do it? Anyone that is involved in the revenue cycle process, including scheduling, compliance, billing, coding, MSP, finance, and patient access.

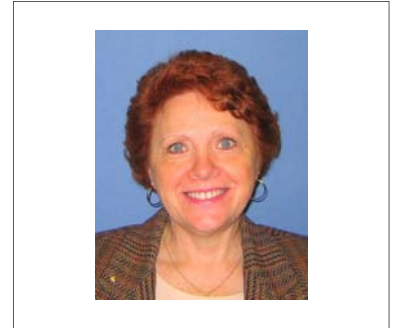
How does it work? You must purchase the license for each staff that is going to prepare for the exam. The exam has 150 questions and you are allowed 3 hours to take it. You must recertify once every two years. There will be 75 questions on the recertification exam. The cost

is \$400 for 1-10 staff members. The price drops to \$300 per staff member once you have 11-20, and so on.

Once I had completed my investigation, I set up a meeting with our HR Director to find out how we could bring this program to our staff and pay for it.

After presenting my facts and ideas to the HR Director, I had to give her some time to look at it from the HR perspective. While I was waiting for that to happen, I began presenting my ideas to the CFO. I needed "buy-in" in order to move forward with my ideas. The CFO liked the idea and needed to know how this was actually going to work.

Included in my proposal was the hospital paying for the initial certification for any staff member that wanted to take the exam. Once certified, I wanted to create five team lead positions, which would require certification. In order to keep the lead position



Susan Brown, PFS Co-Chair

job, certification must be maintained, and the recertification process would be the employee's financial responsibility.

I had a second meeting with the HR Director and was told we could move forward. I then went back to the CFO and got the go ahead. I presented the program at one of my staff meetings and asked if anyone was interested to let me know. We ended up with 10 people who wanted to go through the program. This would have been a cost of \$4,000 total. To save money, I added myself to the group, bringing the group to 11 people, which reduced the total cost \$700 to \$3,300 total.

Everyone took the test, passed, and then applied for the lead positions. At this point, I had created job descriptions and was ready to get this in motion. I had already spent about a year trying to pull it all together. I made it effective for 11/25/12, put everyone in place, and gave them the month of December to evaluate their team as a whole. We will have our first meeting to discuss their plan for 2013 in January.

They all found the program to be very informative and they picked up on things they didn't know previously because it may not have been their particular payer. I saw real enthusiasm and excitement as we moved forward with the program.

I encourage all facilities to at least take a look at the program and what it has to offer. Then you can make your decisions

about whether you think it would benefit your organization. I am looking forward to positive and exciting outcomes next year because of it.

For more information on the Certified Revenue Cycle Representative Program, please visit <http://www.hfma.org/crcr/>

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Thank you to all Chapter sponsors for their support.

STAY CONNECTED

MARY T. MAHANEY, EDUCATION CO-CHAIR

What would we do without technology? iPads, iPods, iPhones.

We certainly are connected to everyone and everything. How is it then we cannot leave our offices anymore to attend as many education sessions?

HFMA has the solution - Webinars! Webinars that are often free!

Education is so important to remain informed healthcare professionals. That is why HFMA changes with the times as well.

This does not mean HFMA will not have

education sessions at convenient sites with speakers and tools for information. Webinars are an "additional" tool to ensure we are meeting your needs for information on subjects, when your time does not allow you to leave the office.

We understand there are staffing issues, budget constraints, supervisors and other "fires" that are keeping you in the office these days. This does not mean you cannot receive education while at your job. It only requires an hour or so of your time at your desk to receive vital information.

So please consider attending these types of education sessions. Stay connected!

If you have any questions regarding our education sessions, please visit www.hfma.org (national) or www.hfmawny.org (local).

Welcome New WNY Chapter Members:

WNY HFMA is pleased to welcome the following new members:

Maureen Lehsten

Chief Financial Officer

The Center for Hospice and Palliative Care

Joseph O'Donnell

Director, Revenue Operations

Aetna/Prodigy Health

Niagara Falls Memorial Medical Center

Accountant

Niagara Falls Memorial Medical Center

Michael Proulx

Manager, Financial Performance

Roswell Park Cancer Institute

THE CHFPA EXAM AND HOW TO PREPARE FOR IT

ROBERT P. LEVESQUE, CERTIFICATION CO-CHAIR

HFMA's Certified Healthcare Financial Professional (CHFPA) is intended for mid-level healthcare professionals with a minimum of 3 to 5 years experience. CHFPA certification demonstrates your qualifications to senior management, co-workers, and the industry, highlighting your commitment to the profession and to maintaining up-to-date skills and knowledge. HFMA certification is the standard in the health care industry for finance professionals.

CHFPA REQUIREMENTS INCLUDE:

- A minimum of 3-5 years of healthcare financial management experience including financial responsibility or senior accountant/analyst with knowledge of revenue cycle operations
- Current and active regular or advanced HFMA membership
- Successful completion of one comprehensive certification exam

EARNING THE CHFPA DESIGNATION

The CHFPA is earned by successfully completing the online certification examination. The exam consists of 150 multiple-choice questions covering six content areas:

- Revenue Cycle
- Budgeting and forecasting
- Financial Reporting
- Internal Controls
- Disbursements
- Contracting

SCHEDULING AND TAKING THE EXAM

The exam is scheduled directly with Castle Worldwide, HFMA's technical support partner. Testing centers are located throughout the United States and Canada. WNY candidates have been able to schedule and take the exam locally. The exam is delivered over the Internet. You are allotted 4 hours for completion. You will receive your score immediately after finishing the last question of the exam.

The total cost for CHFPA certification is presently \$590, which includes \$195 for study materials and

\$395 to take the exam. The latter includes application, testing and processing fees. The retest fee is \$200. The study materials are recommended but not required for testing candidates and are available for one calendar year from the date of purchase.

CHAPTER SUBSIDY

As an incentive for members to obtain certification, the chapter will pay the \$195 license fee for the study materials on a one-time only basis, limited to a maximum of 10 licenses per chapter year. To qualify, members must meet HFMA eligibility requirements for obtaining certification and should demonstrate their intent on becoming certified. The chapter will also reimburse \$200 after the candidate has successfully passed the exam. The reimbursed amounts are limited to the self-funded portion paid by each member.

PREPARING FOR THE EXAM

FOCUS AREAS

The three main areas that are emphasized are: Revenue Cycle Operations, Budgeting and Forecasting and Financial Reporting. You need to know the Revenue Cycle operations pre-service, point-of-service, and post service. You also need to know the way around the financial statement, i.e. how to find and apply financial data. Financial ratios are heavily emphasized.

SUGGESTED PLANNER

The following activities are suggested for successfully preparing for the exam:

- Create study plan
- Understand the certification process
- Take sample exam
- Obtain access to Core Curriculum, i.e. study materials
- Study each of the six areas covered in the exam, with particular emphasis on the top three areas
- Take sample exam again
- Complete the Core Curriculum end of course assessment (to obtain 10 hours of CPE you need to score 70% or higher)

- Participate in Health-care Practicum Coaching Course
- Register for CHFPP exam
- Take CHFPP exam

CERTIFICATION PRACTICUM

National HFMA has developed a “Practicum”, which is a guided application of knowledge and/or study materials. It utilizes “micro-cases” and exercises to build and solidify understanding that draws upon professional experience, knowledge and problem solving skills. It follows the six modules that are covered in the exam. The Practicum was established when the certification process undertook major changes effective January 1, 2011. The chapter has offered to members the Practicum as a Coaching Course during the past year. Two Coaching Courses have been held comprising six two-hour sessions held bi-weekly. Depending on the level of interest, another Coaching Course will be scheduled within the next few months.

OTHER STUDY AND EXAM TIPS

- There are calculations! It is a *finance* exam. You are allowed to bring a basic calculator and

- some scratch paper.
- Although you should review all areas covered in each module, due to each candidate’s limited study time, we suggest that you devote more time to unfamiliar areas. Example: Revenue Cycle managers should devote more time to the financial areas and vice versa.
- The exam can be scheduled at any time, with submitting your scheduling request at least 7 days prior to the date you wish to take the test. However, it is recommended that it be taken within the one year access period of the study materials in order to take full advantage of its availability and retain the knowledge obtained from it.
- As you take the exam, the testing application allows a candidate to flag a question and return to it.
- You will need to know the major regulations, such as ERISA and COBRA.
- There may be questions on cost reporting and different costing (*continued next page*)

THE CHFP EXAM AND HOW TO PREPARE FOR IT (CONTINUED)

ROBERT P. LEVESQUE, CERTIFICATION CO-CHAIR

methods, Medicare DRG's, payables and payroll, internal controls, contract terms, charity care versus bad debts, and break-even analysis. So, don't overlook these areas when studying for the exam.

ADDITIONAL INFORMATION

- A score of 30 is the maximum given. Passing is 21, or 70%.
- Your strengths and weaknesses will be given with your test score.
- If you are unsuccessful, you can re-take the exam but must wait at least 90 days before being allowed to do so.

AFTER BECOMING CERTIFIED, WHAT'S NEXT?

After obtaining CHFP designation, becoming a Fellow of HFMA is recommended. The cost is a one-time application fee of \$150. The requirements for fellowship are:

- Current CHFP designation
- Five years total as a regular or advanced HFMA member
- Bachelor degree or 120 hours from an accredited college or university
- Reference from an HFMA Fellow or current elected HFMA chapter officer
- Volunteer activity in healthcare finance within 3 years of applying for FHFMA designation

Members who have earned either the CHFP or Fellow of HFMA designation must maintain their certification. They need to meet the following requirements:

- Remain an active HFMA member in good standing
- Complete 90 contact hours in eligible education programs every three years. At least half of these contact hours must be in healthcare finance-related topics and at least 20 contact hours must be completed in each of the three years.

During the past three years, five chapter members have passed the CHFP exam. The chapter presently has twenty-three members who have obtained and maintained CHFP and/or Fellow designation. The chapter will continue to support any member who wishes to become certified. Why not join these health care professionals and become a certified member of HFMA?

Contact information:

Robert P. Levesque,
FHFMA, CPA

blevesque2@verizon.net

John P. Eichner, FHFMA,
CPA

jeicher@ecmc.edu

ATTENTION HFMA RENEWALS AND NEW MEMBERS

MARY ANN MICCICHI, MEMBERSHIP CO-CHAIR

Just a reminder to those of you that have not renewed your HFMA Membership - time is running out! Please go online to renew. (www.hfma.org/membership)

New Members: If you join in January dues are only \$146, February \$124. Please take advantage of this reduced rate and join now. Also take advantage of the reduced New Member Dues and save \$100 more off your membership if paid through 2014. This will give you a 2 year membership for only \$338 in January, or \$316 in February. This is a significant savings.

If you know someone who has recently retired and was active in HFMA previously, please contact them and let them know HFMA has a special Retiree rate of only \$35 per year. This is a great opportunity for them to keep in contact with their peers and keep up on what's happening in healthcare.

HFMA is the leading membership organization for healthcare financial management

executives and leaders. Its more than 39,000 members value the Association's role as a respected thought leader on top trends and issues facing healthcare.

Education and Professional Development is one of the top benefits of being an HFMA member. If you are already a member you may know someone else in your facility that may benefit from joining. Take this opportunity to review the following benefits and pass them on to others.

Events - Increase your knowledge base with HFMA's Fall and Spring Seminar Series, ANI: The HFMA National Institute, and our Virtual Healthcare Conference at significant member discounts.

Webinars - Our webinars are free to members and focus on the industry topics that healthcare finance professionals rely on to achieve their goals, including reform, regulatory, revenue cycle, cost and quality improvement, physician integration, and more.

Professional Designations - Earn more, get promoted, and gain the respect of your organization's leadership team with certifications, such as HFMA's Certified Healthcare Financial Professional (CHFP) designation, or become a Fellow of HFMA (FHFMA).

Career Development Resources - Build your career with HFMA's career development resources, which include self-assessments, nationwide job postings, and confidential resume referral services.

Along with the above benefits our local chapter has many committees that may interest you or others you work with. We hold numerous education sessions that are discounted for members but also available at a non-member fee. You can visit our local website at www.hfmawny.org and see what we offer.

If you have any questions, please contact: Christopher.eckert@freedmaxick.com or mmiccichi@brylin.com

HFMA National Save the Dates

April 1, 2013 - Helen M. Yerger Award entries due to national Chapter Relations

April 21-23, 2013 - Leadership Training Conference (LTC), Anaheim, CA

June 16-19, 2013 - ANI: The HFMA National Institute, Orange County Convention Center, Orlando, FL

Editorial Policy: Opinions expressed in signed articles are those of the authors and not necessarily those of the WNY Chapter of the newsletter committee. The committee believes the contents of *Fine Print* are interesting and thought provoking, the staff has no authority to speak for the Officers or Board of Directors of the WNY Chapter of HFMA.

HOLIDAY SOCIAL

JILL JOHNSON, NEWSLETTER CO-CHAIR

Do you know the name of the building the Embassy Suites on Delaware Avenue is in?

One of the teams in the 2012 World Series Final?

The five boroughs of New York City?

Which rock group recently celebrated their 50th anniversary?

HFMA National's current president?

These were among the questions guests at the Holiday Social answered. In case you were wondering, the answers are: The Avant Building; San Francisco Giants or Detroit Tigers; Manhattan, Queens, Bronx, Brook-



The Ladies in Red (l to r): Mary Mahaney, Susan Dybas, Ellen Weissman, Susan Brown, and Rachel Davis.

lyn, and Staten Island; the Rolling Stones; and Joe Fifer.

Prizes were awarded to John Eichner, Jill Johnson, and Christine Blidy.

The Holiday Social was held at the Pan Am Grille in the recently renovated Hotel Lafay-

ette on December 7. Organized by Bruce Liebel and Ryan Caster, the event featured not only trivia, but food and drinks, and a collection for the Buffalo News Neediest Fund.

More photos from this event are posted on our website: <http://www.hfmawny.org/Home/Photos.aspx>



Mike Osborne and Mike Sanchez

PATIENT FINANCIAL SERVICES COMMITTEE UPDATE

SUE BROWN, PFS CO-CHAIR

In November, we held our regularly scheduled PFS meeting. We talked about the upcoming webinars in February and May. We touched on some issues that most facilities are dealing with.

In December, we dialed in for the Medicare Update session. This session took the place of our regularly scheduled PFS meeting for December. These Medicare webinars are extremely informative and interactive. You actually get to ask questions and have them answered. The turnout for this session was good.

Upcoming in 2013: On February 8, from 9am-10:30am, we are having a webinar session that will be held at WNYHA with the ability to dial in if you cannot make the commute. This webinar is for both PFS and Patient Access staff as well as the managers for those areas. The intent for Patient Access was to have managers attend, seeing it is so hard or nearly impossible to have Access staff leave

their work stations during business hours. The managers could then provide this information to the staff at a regularly scheduled staff meeting. This February's webinar is about Mr. Duck's Magical Visit. It is going to walk everyone thru a patient experience in the ER right through to the claim being resolved.

On May 10th, from 9am-10:30am, we are having the second half of this series. This session will walk you through the UB40. Again, this session is for both PFS and Patient Access. It will let the Patient Access staff see how the data they collect fits into the billing process and how the information collected is what populates claims forms.

We look forward to seeing anyone that can make it to WNYHA on Niagara Falls Blvd. If you cannot make that location, please feel free to dial in. Both sessions are free to attendees. There is a flyer on our website (<http://www.hfmawny.org/>

Portals/0/Chapman/ Feb%208%202013%20PFS%20Patient%20Access%20Webinar.pdf). Please RSVP to Sue Brown by February 1, 2013 whether you are physically attending or dialing in.

I believe you will find both sessions helpful to your staff and your organization as a whole. Lorraine Schnelle from Schnelle & Associates will be presenting both sessions.

Thanks and hope to see you there.

5 BENEFITS OF CUSTOMER LOYALTY

*TIM LARKINS, CEO, E5XCELLENCE, LLC
MEMBER, SOUTH CAROLINA CHAPTER OF HFMA*

Loyalty is an important yet rare quality in our culture. It is demanding and volatile. Without an environment containing consistence of trust and attentive care, it will not survive.

Customer loyalty is no different. Your customers want and hope they can trust you. They demand the care that anticipates their unspoken needs and quickly responds to their spoken requests. The organizations recognizing this are able to create and sustain customer loyalty not because they are lucky or just happen to be the right people. They do it deliberately. And they deliberate because they understand customer loyalty is a vital key to sustained growth and profitability.

The first area of benefit from creating loyal customers is obvious yet significant - ***fewer of your customers choose others to provide the service they originally entrusted to you.*** Most companies spend too much time

and money on the marketing efforts of “hunting and fishing” and not enough on nurturing their existing customers. Engage your staff’s creativity to determine how your team can make each customer encounter special.

A ***motivated staff*** is the next benefit. This is the lynchpin to creating customer loyalty - creating staff loyalty within your own organization. Engaged, educated, empowered, enriched, and energized team members will supply their discretionary effort at work to ensure your customers are satisfied. It is leadership’s responsibility to model behavior that is caring, trusting, and supportive. In other words, take care of the people you have entrusted with the care of your customers.

How would you like ***fewer complaints*** while serving more clients? Does it sound too good to be true? With greater customer loyalty, over time it becomes a reality. This frees you and

your staff to pursue more productive work.

The fourth benefit is pure magic as ***your customers become your promoters.*** As you quickly close the loop on complaints and anticipate the needs of the customer, *they will tell the story of your outstanding service to other potential customers.* Most understand that things go wrong. What they don’t understand is why it took so long to fix, why it happened again, why they had to keep calling back for updates, and why there was no sense of urgency with your staff.

Think of it this way. People are going to tell stories of their experiences. When your company “blows it”, your customer is going to tell their peers, friends, and whoever else will listen. It is nothing personal. They do not think about this hurting your reputation in the industry. Resolving complaints timely, effectively, and to the customer’s satisfaction puts you in control of the end of the

“Your customers want and hope they can trust you.”

story. Now they still tell the story but with a happy ending where you and your staff are the heroes.

Finally, ***a stronger, more predictable bottom line*** will result as the first round of benefits become reality.

Organizations struggling to achieve distinction in their industry, memorability with their clients, and profitability on their bottom line need to focus on creating loyalty with their customers.

They want confirmation that choosing your organization was a wise decision. They want you to do what you promised and respond to their needs and requests timely. Your challenge is to do this *and* provide the “what else.”

So how are you doing? Maybe a Customer Loyalty initiative could help.

Author biography: Tim crafts customized solutions to help complex organizations grow through the engagement

and inspiration of their employees. Connecting associate engagement with organizational growth, Tim has been a leading voice in the healthcare sector for the last two decades - leading complex organizations to realize organizational change and growth.

An in-demand keynote and executive-session facilitator, Tim helps senior leaders understand and plan for the human dimension of organizational growth.

A REFRESHER COURSE ON THE NYS SURCHARGE ON SELF-PAY ACCOUNTS

KRISTEN CHAPMAN

Effective January 1, 1997, the New York Prospective Hospital Reimbursement Methodology (NYPHRM) system expired and was replaced by a new system established under certain provisions of Chapter 639 of the Laws of 1996, the New York Health Care Reform Act (HCRA). According to these provisions, certain surcharges must be remitted to NYS depending on payor categories. Specific to self-pay payors is a 9.63% surcharge

effective 4/1/09 - 12/31/14. It is the obligation of certain providers (hospitals, outpatient hospitals, and diagnostic and treatment centers) to not only determine that the payor/patient is indeed uninsured, but to bill, collect, and then remit that surcharge to the NYS Office of Pool Administration. The inherent program with providers billing self-pay patients the 9.63% surcharge is that the surcharge amount must be captured in the provider's

billing system in order to bill it, but the amount is not actually due to the hospital for services and therefore is not revenue to the hospital. Instead of crediting a revenue account, the hospital credits a liability account for the amount of the bill attributable to the surcharge.

For example, if a hospital were to bill a self-pay patient \$1,500 for hospital charges:

(continued next page)

A REFRESHER COURSE ON THE NYS SURCHARGE ON SELF-PAY ACCOUNTS (CONTINUED)

- Total revenue to the hospital = \$1,500
- Total surcharge liability recorded = \$144.45 (\$1,500 x 9.63%)
- Total amount of receivables recorded = \$1,644.45 (\$1,500 + \$144.45)

When self-pay patients remit payment to their provider it is the hospital's duty to remit the 9.63% surcharge to NYS. Using the example above and assuming the uninsured patient paid the entire bill then the hospital would generally record the receipts as such:

- Record cash: \$1,644.45
- Reduce accounts receivable: \$1,644.45

And when the surcharge is remitted to the state:

- Reduce cash: \$144.45
- Reduce surcharge liability: \$144.45

Once the hospital has made sufficient effort to collect a receivable they may write the amount off to bad debt. If the

receivable amount includes self-pay surcharge amounts then that portion of the receivable that is attributable to the surcharge should be recorded as a reduction of the originally recorded liability and only that portion attributed to the provider charges should be recorded as bad debt expense. In the example above:

- Bad debts expense = \$1,500
- Decrease in surcharge liability recorded = \$144.45 (\$1,500 x 9.63%)
- Decrease in accounts receivable = \$1,644.45 (\$1,500 + \$144.45)

As you can see in the example above, if the hospital were to record the entire receivable amount of \$1,644.45 to bad debt expense, then they would be overcharging their bad debts expense and the surcharge liability would begin to grow over time as uncollectible amounts were never removed from the liability. Many hospitals do not have the resources to reduce the self-pay liability portion of each self-pay bad debt write-off individually and

instead elect to adjust their total liability periodically. For example, if at the end of the month a provider had written off self-pay receivable amounts of \$10,000 then the self-pay liability and bad debts expense should each be adjusted/reduced by \$878.41 (\$10,000/1.0963 = \$9,121.59

\$10,000 - \$9,121.59 = \$878.41).

Several additional scenarios and much more information can be found at the New York State's Department of Health website, <http://www.health.ny.gov/regulations/hcra>.

Chargemaster Seminar

Holiday Inn - Buffalo/
Amherst
1881 Niagara Falls
Blvd.
Amherst, NY 14227
(716) 691-8181

February 7, 2013

Registration - 7:30

**Session - 8:00 -
4:00**

*** There will be a 15
minute morning
break, a 1 hour
lunch, and a 15
minute afternoon
break.**

Pricing:
HFMA Members \$50
Non-Members \$75

Lunch is included.

CPE Hours: 6.5 hours

**Please note handouts will
be emailed to all
registrants prior to the
seminar and will not be
available at the seminar.**

**Register by Monday,
January 28, 2013**

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hfma™ western new york chapter
healthcare financial management association

Charge Master Update - This will be a detailed presentation on significant CPT and HCPCS changes that impact the Charge Description Master (CDM) for 2013. The primary focus of this session will be technical CDM charged codes. We will discuss key charge master process changes related to the latest APC final rule, as well as CPT and HCPCS additions, revisions, and deletions. Areas of significant change this year include psychiatric coding, molecular pathology, and physical therapy, among others.

Program Agenda

- CDM Basics (e.g. revenue code, CPT/HCPCS, modifiers)
- Summary of significant changes from OPPS and the MPFS Final Rule
- Key CPT/HCPCS changes impacting CDM Medicare and NY Medicaid reporting:
 - Laboratory - including molecular pathology
 - Radiology
 - Physical Therapy
 - Psychiatry Billing
 - Cardiology
 - Drugs/Biologicals and Vaccines
 - Evaluation and Management Codes
 - Neurology
 - Devices and Prosthetics and Orthotics
 - Professional Service Reporting
- Medicare and Medicaid Outpatient Reimbursement and the CDM codes
- Medicare and Medicaid Edits - MUE, CCI, OCE, LCD/NCD edits
- Modifiers and Reporting them on the CDM
- Questions/Discussion