President’s Message

“Transformation doesn’t ask that you stop being you. It demands that you find a way back to the authenticity and strength that’s already inside of you. You only have to bloom.” Cheryl Strayed. I think this is a great segway into Mary, Mirabelli’s, HFMA Chair theme “thrive”. Mary states, “Now is a time of transformation in American health care – a transformation that will continue to play out over the years to come. During times of change, we can set our sights low and seek only to survive or we can choose to make the most of a challenging situation – choose to thrive.” Mary speaks about the tremendous responsibility and opportunity we have to work in the healthcare industry and serve patients in the midst of all this change...new DRG groups, value based contracts, population health, massive legislative changes, telehealth, MACRA and new and changing technology, just to name a few. How we choose to navigate and lead through it is what matters. Choose to thrive! Change isn’t limited to your work life it also impacts you at home and managing both can be especially challenging. In my own world I can speak to change, new billing system, new leadership, team members leaving, becoming the HFMA president, sick parents, and children (I’ll just leave it at that 😊). Challenging is a great word! It reminds me of the old quote... “Life is change. Growth is optional. Choose wisely.” -- Karen Kaiser Clark

Whether you’re looking at the 400 emails that need to be read or the mountain of paperwork on your desk or rushing off to the next meeting or home to your child’s baseball game ask yourself are you going to just go through the motions or are you going to thrive today. Each of us as leaders has the ability to inspire those around us and make a difference. Mary says, “Chose to thrive and you will be empowered to identify beliefs that may be holding you back... to innovate...and to embrace new chapters in your personal and professional lives.”

Work hard, serve others, be incredible and thrive.

Diane Blake
Northwest Ohio President
NW Ohio Chapter HFMA, Region 6
HFMA Chapter Leadership 2016-2017

Officers
Past President: Joe Williford, Wood County Hospital, Bowling Green, 419-354-8911, willifordj@woodcountyhospital.org
President: Diane Blake, ProMedica, Toledo, 419-824-7279, Diane.Blake@promedica.org
President-Elect: Rachel Herman, The Bellevue Hospital, Bellevue, 419-483-4040 ext 4204 rherman@bellevuehospital.com
Treasurer: Andrew Hageman, ProMedica, Toledo, 419-824-7383, andrew.hageman@promedica.org
Secretary: Derrick Beczynski, ProMedica, Toledo, 419-827-7323, derrick.beczynski@promedica.org

Board Members
Kim McClure: ProMedica, Toledo, 419-824-7225, Kim.McClure@ProMedica.org
Rich Bame: Fulton County Health Center, Wauseon, 419-330-2624, rbame@fulhealth.org
Dan Moncher: Firelands Regional Medical Center, Sandusky, 419-557-7793, MoncheD@firelands.com

Chairpersons
Certification,
Nicole Short: ProMedica, Toledo, 419-824-7292, Nicole.Short@ProMedica.org
Co-Program
Lisa Bloomfield: Credit Adjustments, Inc., Defiance, 419-782-3709, lisa.bloomfield@credit-adjustments.com
Nicole Short: ProMedica, Toledo, 419-824-7292, Nicole.Short@ProMedica.org

Membership
Kevin Kornowa: Huntington Bank, Toledo, 419-249-4985, Kevin.Kornowa@huntington.com

Co-Sponsorship
Diane Blake, ProMedica, Toledo, 419-824-7279, diane.blake@promedica.org
Derrick Beczynski, ProMedica, Toledo, 419-827-7323, derrick.beczynski@promedica.org

Newsletter
Amy Gill: Mercy Health, Toledo, 513-401-0612, amgill@mercy.com

Website
Dan Macke: ProMedica, Toledo, 419-824-7227, Daniel.Macke@ProMedica.org

Co-Social:
Dan Macke, ProMedica, Toledo, 419-824-7227, Daniel.Macke@ProMedica.org
Jeff Neuber, ProMedica, Toledo, 419-824-7372, jeff.neuber@promedica.org

Check out the Northwest Ohio Chapter website at nwohiohfma.org
Connect with us on social media! Be sure to like, follow and share!
Viva Las Vegas!

ANI 2016 was off to a great start in Las Vegas with the first keynote speaker, Julie Williamson, PhD, Coauthor of Matter: Move Beyond the Competition, Create More Value, and Become the Obvious Choice. She encouraged us to matter more in our businesses by navigating that space between how things have always been done and new ideas and ways of doing things. She presented a lot of thought provoking concepts that really energized those in attendance to have more of an impact in their company.

Monday’s keynote speaker Eric Topol, MD is a practicing cardiologist and the author of The Patient Will See You Now: The Future of Medicine is in Your Hands. He gave us insights into the future of medicine—what is already here now, and challenges and changes to come—as well as the innovations that will be required to drive evidence-based mobile health solutions for more personalized, individual-centric care that will improve outcomes, advance satisfaction, and decrease costs.

Monday night I had the privilege of attending the annual Presidents Dinner with friends from Northwest Ohio and Central Ohio HFMA Chapters. It was a proud night for the Northwest Ohio chapter as we were awarded the multi-chapter yeager for our regional webinar series, the Sister Mary Gerald bronze award of excellence for education and the C. Henry Hottum award for educational performance improvement.

Overall, it was a wonderful conference filled with cutting edge education and technology updates, inspirational keynotes as well as wonderful networking and lots of laughs with fellow HFMA colleagues and friends. Another great ANI in the books!
2016 Northwest Ohio HFMA Social Events

Mud Hens Game
We’d like to thank all that attended the Mud Hens game with NWO HFMA this year!
It was a great day for baseball and fireworks. We tried a new space called Top of Nine, which turned out to be a little different than expected, but we managed to make the best of it. We’d like to thank Plante Moran for generously sponsoring the event again this year!

HFMA Annual Golf Outing
Hope all that attended the annual golf outing at Valleywood Golf Club had a wonderful time. Look for pictures and article in the next newsletter.

Early Careerist... this one is for YOU!!

Who is an Early Careerist? Is it determined by age, tenure in the profession, mindset, etc? For HFMA we use the traditional definition: a young professional, under 35 or 40, who has chosen a profession in or related to healthcare finance.

The purpose of this is to create a perpetually fresh perspective within HFMA, so the organization can welcome and engage the next generation of leaders. One key component is social media. Social media along with education, web content and social events can build engagement and career advancement for early careerists.

On Thursday, August 25 at the Hilton Garden at Levis Commons from 9am till noon, the Northwest Ohio HFMA will be reaching out to those Early Careerist. Why is it so important to join HFMA? What’s in it for me? Two current members of the NWOHio HFMA Chapter, who joined the chapter while they were considered Early Careerist, will share with you their perspective of HFMA.

*The three most important things to remember about buying real estate is, “location, location, location.” As for attending HFMA’s Early Careerist meeting in August (and being involved in HFMA), “networking, networking, networking.”*  
-- Todd Howell, CFO at Concordance Healthcare Solutions LLC
As I write this first article as the Region 6 Regional Executive, summer is halfway over, and school supplies are popping up in stores already! Stock is always changing to stay ahead of the trend. That was the message at ANI this year, too. Changes are coming fast and furious in both the delivery of healthcare itself and on the finance and revenue cycle sides as well.

HFMA is looking to the future and redefining structure and services with the Chapters 2.0 initiative. Innovation is the mantra of the day, and National is encouraging local chapters to try new programs and events tied around issues like early careerists, women in leadership, and physician and payer collaboration. To help take the financial pressure off of the cost of innovation, National has developed a strategic innovation funding program. Chapters can submit ideas in the areas of education, networking, and communications. This will enable chapters to try some things without the anxiety of the costs associated with doing things differently. I am looking forward to the creativity that I know will come out of our Region!

I expect my year as RE to be one of many discussions on change and envisioning what we need to do to thrive as organizations. Thrive is the theme of this year’s HFMA chairperson, Mary Mirabelli. Her opening remarks at ANI were inspiring and challenged us to look for ways to thrive in times of uncertainly and change.

As Ecclesiastes 3 tells us, there is a time for everything, and a season for every activity under heaven. This is our time to thrive, and I look forward to sharing this time with you.

Take care,
Dawn Balduf
Region 6 Regional Executive

Explanation of Theme:
It’s not what happens to you, but how you react to it that matters.  
— Epictetus, ancient Greek philosopher

Now is a time of transformation in American health care—a transformation that will continue to play out over the years to come. During times of change, we can set our sights low and seek only to survive—or we can choose to make the most of a challenging situation—choose to thrive.

Strategic change is not an easy path. Likewise, the roads to personal health and professional success are not without obstacles. But no matter the challenges and adversities you may face, you have a choice. Let obstacles stand in your way—or choose to thrive.

Few of us want to become patients, but most will find ourselves in that role eventually. When your turn comes, make the choice. Allow fear to be your dominant response—or choose to thrive.

For those who have committed their professional lives to health care, change is a constant. It is difficult and disruptive. Faced with overwhelming change, you can choose to grumble, choose to wish it away—or choose to thrive.

For healthcare organizations forging a path through the long transition from volume to value, challenges are inevitable.

When charting a course through difficult terrain, your organization can get bogged down or look for detours—or choose to thrive.

To thrive and you will be empowered to identify beliefs that may be holding your back... to innovate... and to embrace new chapters in your personal and professional lives.

Be open to change. Never stop learning. Thrive.

Mary Mirabelli, FHFMA
2015 – 2016 Chair
Today is a good day to be an issuer in the bond market. With paltry returns available through government bonds and investment-grade paper, fixed income investors are reaching for yield and aggressively bidding for nearly all non-investment grade municipal bond credits, including hospitals. However, not all hospitals are a good fit for tax-exempt bonds. Restrictive covenants, transaction and borrower size, and cost of the issuance are a few factors that may make a public bond issue unfeasible.

Fortunately, there is a low-rate, long-term, covenant-light solution. The U.S. Department of Housing and Urban Development (HUD)/Federal Housing Administration’s (FHA) Section (Sec.) 242 program and the U.S. Department of Agriculture’s (USDA) Community Facilities (CF) program both made significant capital contributions to hospitals during 2015. Further, each program made strides toward becoming more user friendly, specifically with HUD’s new loan documents and USDA’s emphasis on processes and uniformity.

Until recently, the FHA Sec. 242 program used closing documents, covenant package and regulatory agreements that were created in 1973. This led to some of the terminology and legal concepts being outdated. The antiquated documents resulted in closing delays and additional costs, as a borrower and its lender counsel would have to negotiate changes to update and revise language. In 2016, HUD introduced a new set of documents that are expected to be finalized later this year. Although the documents do not introduce sweeping changes, much of the terminology and standard loan document provisions have been included. The changes should help alleviate the closing delays that occurred in recent years.

Key Changes

Similar to the FHA Sec. 232 program (used for skilled nursing and assisted living (AL) facilities), HUD has recognized that there are providers who use accounts receivable (AR) financing as a cost-effective means to manage cash flow. Unfortunately, the AR closing documents created for the 232 program were not easily transferrable to the 242 program because of the differing nature of reimbursement protocols.

The new closing documents contain a form of intercreditor agreement and other necessary documents that meet the needs of AR lenders and HUD. Given the increased variability of reimbursement mechanisms and potential delays, the new AR lender provisions are a highly anticipated improvement to the program.

With regard to the 242 program volumes, a frequent criticism is that most of the loan volume is concentrated with existing HUD borrowers via second loan programs (the Sec. 241 program) and refinances of existing HUD loans (the Sec. 223(a)(7) program). In 2009, the release of the 242/223(f) refinance program was thought of by participants in the hospital finance industry as a compelling alternative to the traditional tax-exempt bond markets. For hospitals needing mostly refinance capital, HUD financing offered a highly-rated, inexpensive capital alternative that could fill a void left in the wake of the dysfunctional bond and credit enhancement market. Unfortunately, things did not go as planned as only one 242/223(f) commitment was issued from 2009 to 2012. Recently, however, the program has picked up steam. HUD issued one 242/223(f) commitment each during 2013 and 2014. Additionally, HUD issued three commitments during 2015.

Hospitals Improve Fiscal Outlook

Valley Presbyterian Hospital (VPH) was one of the new borrowers that successfully completed a refinance using the 242/223(f) program. VPH is an urban hospital that experienced difficult times in the early to mid-2000s, but an excellent management team had turned around the financial profile in recent years. VPH was interested in options to refinance its existing debt, which dated back to a time when interest rates were higher. The hospital carried relatively little debt and did not have any large immediate capital needs. Further, VPH serves a large amount of low-income patients and subsequently receives a large amount of its revenue.
from the California provider fee program, which led to a limited appetite in the bond market. Consequently, tax-exempt bonds would have been an expensive solution. Fortunately, the FHA program proved to be an effective low-cost option. The Office of Hospital Facilities (OHF) identified VPH as a candidate for a relatively new accelerated processing initiative, which included a more streamlined application process. The project received a commitment for mortgage insurance within five weeks of submitting a complete firm application. VPH was also able to keep its revolving line-of-credit in place, using the first version of the AR documents described in the program changes above.

On the USDA side, the CF program provides financial assistance through direct and guaranteed loans for certain types of facilities or organizations in communities with less than 20,000 residents. Direct loan rates are reset quarterly (although fixed for the life of the loan), and the current rate is a historically low 2.875%. The maximum length of term is 40 years. A USDA guarantee is an agreement to guarantee 90% of a commercial loan, typically issued by a traditional bank. Guaranteed loan rates are determined by the lending bank. In recent years, the vast majority of funds allocated to the program have gone to direct loans. In many cases, USDA direct and guarantee loans are used for permanent financing in conjunction with lower-cost private sector solutions like bond anticipation notes or bank private placements for interim construction financing.

In fiscal year 2015, the USDA CF direct and guaranteed program obligated over $1 billion to 234 health care projects which includes hospitals, nursing homes and AL facilities. During the previous three governmental fiscal years, USDA CF obligated over $2.2 billion to 557 health care projects. The total USDA CF health care portfolio includes 448 hospitals with $1.6 billion of total principal. Loan sizes range from less than $1 million to $165 million.

The USDA CF program guidelines generally require that projects include at least 50% of new money uses (i.e., less than 50% for refinance of existing debt). However, the guidelines do allow funds to be allocated for the “purchase of existing facilities when it is necessary either to improve or to prevent a loss of service.” Prospective applicants are encouraged to contact a financial advisor with USDA experience if they have a project that meets the above criteria. In one example, Story County Medical Center (SCMC) is a county-owned critical access hospital in rural Iowa. SCMC built a replacement hospital in 2009 but wanted to build a medical office building on-site in order to consolidate operations. SCMC applied for and was obligated $14 million in direct loan proceeds towards its $15.4 million project at a rate of 3.5%. SCMC then secured private sector financing below 2% (fixed) to fund construction of the project. Upon construction completion, the USDA direct loan will be used to refinance the interim loan.

Because hundreds of local field offices serve as the initial point-of-contact for applicants, the national USDA CF program is administered in many different ways. As the program grows in popularity, market participants continue to encourage USDA to refine its processes in order to yield more predictable outcomes. Fortunately, the national office recognized these challenges and has started providing more training for local and state USDA staff in combination with the various market participants such as investment banks, feasibility consultants, architects and contractors. In addition, during the past year, USDA conducted four regional training seminars. These steps are helpful and encouraging for the trajectory of the program.

Clearly, both HUD and the USDA are being proactive in their efforts to make agency financing more efficient and effective. Recent results indicate that both are on the right path.

Kyle Hemminger is a vice president with Lancaster Pollard in Austin, Texas. He may be reached at khemminger@lancasterpollard.com.

Ritchie Dickey is a vice president with Lancaster Pollard in Atlanta, Georgia. He may be reached at rdickey@lancasterpollard.com.
FUN FACTS ABOUT OUR NORTHWEST OHIO PRESIDENT, DIANE BLAKE

Why did I become involved in HFMA: My boss Kim McClure “asked” me to join and be on the social committee.

What does HFMA mean to me: I owe Kim a huge “thank you” because he did get me involved in the HFMA. I have had an opportunity to network with some extraordinary business men and women and along the way have made lifelong friends. It truly feels like an extended family.

Favorite HFMA memory: There are so many great memories: Texas leadership training “There’s a little captain in all of us”; Fort Lauderdale leadership training with the beautiful views and great friends.

Years with current employer: ProMedica, 33 years

Job title: Administrative Director, Finance

First job: Wendy’s

Best part of my job: The people I have the pleasure of working with.

Family: My husband Bruce; Children, Christy (Manual), Melanie and Benjamin; Grandchildren Briana and Manny

If I’m not at work I’m: with my Family

Proudest moment: So many with regards to my children.

Favorite quote: I can do all things in him who strengthens me. Philippians 4:13

Favorite vacation spot: Hawaii and OBX

Favorite food: Margaritas (I know that’s not a food! 😊)

Heroes: My Mom and Dad

People might be surprised to know: My Mom’s name is Janet Jackson

WELCOME NEW MEMBERS!

“Experiment! Meet new people. That’s better than any college education… By adventuring about, you become accustomed to the unexpected. The unexpected then becomes what it really is… the inevitable.”

-- Amelia Earhart

The following members recently joined the Northwest Ohio Chapter of HFMA. We welcome you to the chapter and encourage you to take advantage of the many professional development, networking and information resources available to you at HFMA. Other HFMA members are a terrific resource for your everyday professional challenges – we encourage all members, current and new, in the words of Amelia Earhart, to adventure about and meet new people. You might be surprised at how it impacts you.

Here are some of our new members to make welcome:

Brenda Falter, Manager HIMS/PFS, Henry County Hospital, bfalter@henrycountyhospital.org
Jeffrey Neuber, Financial Analyst II, ProMedica, jneuber2@gmail.com
Matthew Cavanagh, Manager, Gilmore Jasion Mahler Ltd., mcavanagh@gjmltd.com
Michelle Ellerbrock, Manager Finance, Health Select, mellerbrock@mercy.com
Nicole Reece, Account Executive, AbbVie, Nicole.Reece@abbvie.com
Becky Brickner, Financial Analyst, Mercy Health, rabrickner@mercy.com
Free Webinars through HFMA for Members
Through HFMA website there are live webinars and On-Demand Webinars. Most webinars are free for members and $99 for non-members, unless otherwise noted.

Check out the on-demand webinars on HFMA’s website.
Here’s a list of upcoming Live Webinars in August.

August 10  Digital Payments and Consumerism – The New Normal!
August 16  2017 Proposed Rule Changes to Outpatient Payment Systems (OPPS) and Ambulatory Service Centers (ASC)
August 23  5 Signs it’s Time to Outsource Your Revenue Cycle: Key Focus Areas to Improve Financial Health at Your Hospital
August 24  Work-From-Home Strategies: Creating Effective Programs to Increase Productivity and Improve Employee Satisfaction
August 30  Moving Patient Access to the Front Lines: How the MetroHealth System is Embracing Consumerism

SAVE THE DATES
Education Events for Northwest OHIO HFMA Chapter Year 2016-2017

August 25: Early Careerist from 9am till Noon (NEW!!)
September 22: Bundled Payments/Patient Experience
October 20: Business Analytics/Company trends for Physicians (Networking Event)
January 19: Medicare Update
February 23 & 24: Cost Report update
March 16: Annual Meeting\March Madness
March 23: Women’s Conference (NEW!!)
April 20: Healthcare Mash UP

**All meetings except for the Annual Meeting on March 16 will be held at the Hilton Gardens at Levis Commons

Editorial Policy:
THE EXAMINER is published four times per year. Our objectives are to provide members with information regarding chapter activities as well as ideas to help individuals in the performance of their job duties. Your chapter leadership strongly encourages the submission of material for publication. Articles should be typewritten. Letters should be legible and must be signed. The editor reserves the right to edit material and accept or reject contributions whether solicited or not. Send all correspondence or materials for publication to:
Amy Gill, Controller
Mercy Health
513-401-0612
amgill@mercy.com
Opinions expressed in articles or features are those of the author and do not necessarily reflect the views of Healthcare Financial Management Association, Northwest Ohio Chapter or the editor.