



hfma™ northwest ohio chapter
healthcare financial management associa

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President's Message

Greetings to fellow Northwest Ohio HFMA members. First I want to thank Samantha for the outstanding leadership in successfully getting the chapter through the first year of the chapter balance scorecard. Northwest Ohio received 100 points out of 100. Great Job!

This year's National message is all about "Making Connections". The connections we all make throughout our career provide us with support on so many levels. On a professional level it may be contacting another member for advice on how to handle a new process in our organization or to clarify our understanding on a new regulation that just passed. The connections we make with other HFMA members can also lead our career paths to new exciting and challenging positions.

When we have the good fortune of spending a detailed amount of time together to benefit the chapter, the support switches from professional to personal. If you haven't had the opportunity to serve the chapter, do so. I personally would not change anything about my involvement with HFMA. Depending on the level of involvement, you may have opportunities to travel along with other volunteers for Northwest Ohio to exciting locations like San Francisco, New Orleans, San Antonio, etc. where you get to meet other HFMA leaders from all over the country. Again... Making Connections. This time away from all the challenges of the office give opportunities to brainstorm new ideas, develop friendships and refocus one's attention on why we are in healthcare finance "to make a difference in someone else's life".

Throughout this chapter year I want to make connections with as many of you as possible not only through my President's Message but also by being at as many Northwest Ohio HFMA events as possible. With the superb job the program committee is doing along with entertaining social events in the 2008/2009-chapter year, members will have many opportunities in "Making Connections".



making
connections

For Immediate Release

Spring 2008

Contact information: Amy Gill
Phone number: 419-668-8101
E-mail address: agill@ftmc.com

Amy Gill Named as President of the HFMA Northwest Ohio Chapter

Norwalk OH — Amy Gill named as President of the Healthcare Financial Management Association (HFMA) Northwest Ohio Chapter for the 2008-2009 term beginning June 1, 2008.

Gill is the Accounting Supervisor for Fisher-Titus Medical Center, an acute care hospital with a long-term care nursing home and assistant living facility in Norwalk, OH. Prior to joining Fisher-Titus, Amy was at Providence Hospital in Sandusky and Cunningham and Associates, a regional CPA firm. Amy earned her BS in Business Administration from Bowling Green State University.

Amy joined HFMA in 2001. Shortly after joining she became involved with the chapter by serving on the Program Committee. Since then she has served as Program Chair, Secretary, President-Elect and now President. She enjoys the connections she's made with being involved and is considering staying involved even after her term as President.

As President Amy's goal is to provide support to HFMA members and leaders and meet every benchmark set for 2008/2009 chapter year. When asked what words of wisdom she would offer to other HFMA members she replied, "Work hard and play harder!"

Amy and her husband Jeff live in Clyde with their three children, 10 year old twins Marissa and Jacob and 4 year old Gavin.

About HFMA

HFMA is the nation's leading membership organization for more than 35,000 healthcare financial management professionals employed by hospitals, integrated delivery systems, managed care organizations, ambulatory and long-term care facilities, physician practices, accounting and consulting firms and insurance companies. Members' positions include chief executive officer, chief financial officer, controller, patient accounts manager, accountant and consultant. HFMA offers members ideas that work, including professional development opportunities, information on key issues, and technical data and networking opportunities, with the ultimate goal of creating a more supportive business environment for members. For more information, visit the Association's website at www.hfma.org.

An Evening of Fun with HFMA and the Toledo Mud Hens

Thanks to the generous sponsorship of
Plante & Moran, PLLC...

The Northwest Ohio Chapter of HFMA is pleased to invite you and your family to an evening of food, fun and baseball with the World Famous –

TOLEDO MUD HENS

SATURDAY, AUGUST 23, 2008

**FIFTH THIRD FIELD
DOWNTOWN TOLEDO**

DINNER – 6:00 P.M.

Includes choice of grilled hamburger or hot dog, macaroni salad, baked beans, potato chips, soda/lemonade and cookies!

GAME – 7:00 p.m.

The Toledo Mud Hens vs. the Richmond Braves!!!

COST = \$6.00 PER PERSON

Please complete the following and submit with your payment on or before Monday August 11, 2008

Northwest Ohio HFMA Member Name: _____

Total Attending Age 12 and Over _____ Total Attending Under Age 12 _____

Cost = \$6.00 per person attending. Please make checks payable to the NORTHWEST OHIO CHAPTER – HFMA. Return form and check to:

Hayley Studer, CHFP, CPA
Director of Reimbursement
ProMedica Health System Corporate Finance
2142 N. Cove Blvd.
Toledo, OH 43606-3895
Phone: 419-291-0260
Fax: 419-534-2826
hayley.studer@promedica.org

HFMA Education Corner

The program committee has been hard at work on the sessions for the 2008/2009 Chapter year. We've had three early morning meetings already with much activity in between to work out the many details. There are 10 members on the committee this year with a broad representation of professional responsibilities in our chapter which will add strength in developing program ideas that are relevant and timely.

Below is the list of the committee members with contact information. If you have any suggestions on topics, speakers or locations please be sure and pass the information along to us.

Name	Committee Role	Work Phone	Email
David Wilson	Chair	(419) 660-2518	dwilson@ftmc.com
Darrell Topmiller	Vice Chair	(419) 335-2015 x2106	dtopmiller@fulhealth.org
Dawn Balduf	Advertising	(419)-350-1469	debalduf@ucbinc.com
Whitney Welter	Database management	(419) 383-7109	whitney.welter@utoledo.edu
Richard Bame	Committee Member	(419) 330-2624	rbame@fulhealth.org
Amy Goetz	Committee Member	(419) 734-3131	agoetz@magruderhospital.com
Rachel Herman	Committee Member	(419) 483-4040 xt. 4204	rherman@bellevuehospital.com
Kenneth Swint	Committee Member	(419) 435-7734	ken.swint@promedica.org
Russell Korb	Committee Member	(419) 887-2939	Russell.Korb@ProMedica.org
Sheila Sauter	Committee Member	(419) 251-1836	sheila_sauter@mhsnr.org

Education session schedule for 2008/2009

Below is the planned education schedule as it is currently envisioned for current chapter year. Due to the logistics involved as well as busy schedules the tentative dates are just that. We're hard at work trying to find and lock in speakers and locations.

The August and September dates are finalized and the meeting broacher mailed, which have been in your mail box long before you read this. The October 29th and November 18th dates have been set, locations are being researched and speakers are being finalized.

August 28, 2008

How to Preserve Your Tax Exemption: Part I - More than you wanted to know about Tax Exemption.

- Valerie Schwarzmann, Plante Moran, LLC
- Charles Cataline, Ohio Hospital Association
- Bill Fischer, Shumaker, Loop and Kendrick, LLP

September 25, 2008

How to Preserve Your Tax Exemption: Part II - Brass Tax, applying Exemption Theory & 990 preparation issues

- Valerie Schwarzmann, Plante Moran, LLC

October 29, 2008

Credit Crisis – Impact on bond financing, the patient and you.

- Mark McIntire, Kaufman Hall
- Others speakers yet to be determined

November 18, 2008

Price Transparency – revenue cycle.

January 29, 2009 (Tentative date)

Medicare and Medicaid update and Recovery Audit Contractor update

- Speakers yet to be determined

February 26 and 27, 2009 (Tentative date)

Medicare and Medicaid Cost Report preparation, theory and practice.

- Walt Theado, Plante Moran

March 2009

March Madness/Annual Meeting

April 30, 2009 (tentative subject and date)

Physician Practice Management/Consumer Driven Healthcare

An ANI Perspective

I hadn't been to Las Vegas in about 12 years. I didn't think the city could get more surreal, but it has! It's hard to believe there's a recession going on when you drive down the strip and see one unbelievable hotel after another, all full of people. The Mandalay Bay Resort was huge with wonderful convention facilities. In between workshops and the exhibit hall, we had the Rat Pack, and of course, many Elvis' to entertain us.

HFMA Chairman Bob Broadway introduced his theme: **"Making Connections."** He challenged leaders to make connections personally and professionally. On the professional side, he says, "Making connections with everyone – providers, payers, employers, and consumers – is the only way to improve our broken system."

Steve Case, cofounder of America Online and chairman/CEO of Revolution Health Group, was a keynote speaker at Tuesday morning's opening session. He told the group that at a time when consumers are responsible for a greater portion of their healthcare costs, providers must take bolder steps to address consumers' growing expectations and demands. He talked about how consumers have been so disengaged in managing their own health, and that it was time to refocus the healthcare industry back on the consumer. Revolution Health Group is involved with Care Pages, a community of free web pages that allow patients to keep their families and friends updated regarding their progress while they are in the hospital. He talked about redi-clinics providing healthcare services in retail markets. Case encouraged providers to think of consumerism as an opportunity rather than a threat.

Some of the most popular workshops were: 990 update, RAC audits, and in the self pay arena, the increased interest in automation of charity, variations on credit scoring, and segmentation of self-pay portfolios. There were hundreds of vendors, offering every possible service and product to the healthcare financial world. This was the largest ANI yet.

For me personally, one of the best workshops was the Impact of 2008 Elections on Healthcare Providers by Thomas C. Royer, MD. He is the President and CEO of Christus Health based in Texas. He spoke very candidly about the need for us all to accept the desirability of some form of national healthcare, along with a collaborative willingness to pay for the appropriate services in the appropriate settings. He talked about learning journeys that his own organization has made to places like New Orleans, Canada, and India, along with innovative clinics in the slums of Mexico. Hospitals cannot

afford to continue fighting the transition of care from acute settings to non-acute. He challenged providers to continue their sacred ministry of healthcare by doing what's right for patients and their families.

ANI's next stop is Seattle, June 14-17, 2009. Visit the home of the original Starbucks, hear the sound of an orca blowing as it surfaces, or stand in the absolute stillness of an Olympic rainforest. You can do this and much more while staking part in ANI's premier educational sessions and events. It's well worth the commitment.



Shelia Sauter, MHP, Dawn Balduf, UCB and Amy Gill, Fisher Titus enjoy some down time with Elvis 1 and Elvis 2. What happens in Vegas stays in Vegas!

making
connections

HFMA Chapter Leadership 2008-09

Past President: Samantha Platzke, Mercy Health Partners – Northern Region, Toledo, 419-251-2046, samantha.platzke@mhsnr.org

President: Amy Gill, Fisher Titus Medical Center, Norwalk, 419-668-8101, ext. 6280, agill@ftmc.com

President-Elect: Todd Howell, Seneca Medical Inc, Tiffin, 419-447-0222 ext 304, thowell@senecamedical.com

Secretary: Dawn Balduf, United Collection Bureau, Toledo, 419-866-6227, ext. 6426, debalduf@ucbinc.com

Treasurer: Hayley Studer, ProMedica Health System, Toledo, 419-291-0260, hayley.studer@promedica.org

Board Members

Rob Goshia,, Paulding County Hospital , Paulding, 419-399-1106, rgoshia@saa.net

Diane Blake, ProMedica Health System, Toledo, 419-291-3866, diane.blake@promedica.org

Chairpersons

Dave Wilson, Program, Fisher Titus Medical Center, Norwalk, 419-660-2518, dwilson@ftmc.com

Christina Rizzo, Membership, Mercy Hospital of Tiffin, Tiffin, 419-448-3644, christina_rizzo@mhsnr.org

Todd Howell, Certification, Seneca Medical Inc, Tiffin, 419-447-0222 ext 304 thowell@senecamedical.com

Diane Blake, Newsletter, ProMedica Health System, Toledo, 419-291-3866, diane.blake@promedica.org

Char Masters, Sponsorship, Masters Associates, Toledo, 419-534-2852, char@mastersassoc.com

Rob Goshia, Website, Paulding County Hospital , Paulding, 419-399-1106, rgoshia@saa.net

Kim McClure, Social, ProMedica Health System, Toledo, 419-291-3866, kim.mcclure@promedica.org

HFMA Certification

A few reminders...

2007-2008 self study guides and corresponding exams expire December 31, 2008

Encourage members to take the exam prior to the end of the year so they do not need to prepare again from the new 2009-2010 study guides that will be available at the end of the year.

- Candidates taking the 2007-2008 exams for the first time must complete the exam by December 31, 2008.
- If an exam being taken for the first time is scheduled January 1, 2009 or later, the candidate will be administered the 2009-2010 version of the exam.
- Candidates unsuccessful on a 2007-2008 exam completed prior to December 31, 2008 will be allowed one more attempt on the 2007-2008 exam only if the exam is scheduled prior to April 11, 2009. Subsequent retakes will be with 2009-2010 version of the exam. Exam fees apply for all retakes.

Price increases for the 2009-2010 certification program

As you begin your budgeting process, consider the following price increases.

- Effective immediately - Due to increased fuel charges, the cost for ground shipment of the self study guide has increased from \$10 to \$15 per copy of a course ordered.
- Effective January 1, 2009 - CHFP application fee is increasing from \$50 to \$75 and FHFMA application fee from \$125 to \$150.
- Effective for the 2009-2010 certification self-study guides, upon availability - All self study guides (Core and specialties) will be \$325 each, meaning the specialties courses are increasing from \$295 to \$325.
- Effective for exams scheduled January 1, 2009 or later - All exams will be \$125 each (Core and specialties), meaning the specialty exams are increasing from \$100 to \$125.

Todd R. Howell, CPA, FHFMA, Chapter President-Elect and Certification Proctor
Chief Financial Officer
Seneca Medical, Inc.

Kelly's Commentary



Does Anyone Remember the Basic Premise of the HMO?

Wasn't it to manage the prevention and maintenance of chronic illness and reduce acute episodes? As gasoline prices reach \$4.00 + per gallon and food prices threaten double digit inflation, more and more Americans are entering the ranks of the "working poor". Many of these individuals have been faced with higher deductible and coinsurance amounts on an annual basis as their employers attempt to limit their health benefit expenses and maintain competitive advantage and profit margins. As a result, more and more people are making a conscious decision to put bread on their table and gas in their tanks and are deferring preventative, elective, and basic health care needs. While this decision is meant to be short term it eventually results in an increase in acute illness and additional pressure on the country's emergency centers. This trend has been experienced across the country and will only intensify as recession looms. It is high time for the candidates and political parties in this Presidential election year to put health care coverage on the forefront. Will the candidates take a defined stand to move toward reform of a broken system or will they throw out vague opinions and promises in hopes of not isolating a major voting block or influential lobby? Stay tuned for a look at the candidates' decisions in the next newsletter.

The opinions expressed in this column are not the opinions of HFMA on either a national or local level. Please e-mail all comments to Diane Blake at diane.blake@promedica.org.

Migrating Risk with Price Transparency by Karl Kimball

Health care historically never thought of itself as an industry. However, the pressures that traditional U.S. health care providers are feeling is industrial in nature i.e., competition, quality of service, price competition, and consumer (patient) value. Hospitals are challenged to be competitive but find it extremely difficult to both comprehend and also take actionable steps to thwart the competition. Perhaps the first and most important step for hospitals is to provide price transparency. Consumers must know what the price is for health services. Hospitals will be forced to follow the same course all other industries have been forced to follow i.e. price transparency. Consumers do not accept a continuous chain of discovery and follow-on charges. Consumers demand fixed prices. However, price transparency carries risks for hospitals. These risks are especially high because hospitals don't know their true costs for services and therefore are reluctant to give fixed prices. The simple task of providing prices for services is difficult for a hospital because the traditional way hospitals determined costs is based upon estimation algorithms of RCCs and RVUs. Both methodologies fail because they are based upon averages and are so inaccurate it puts the hospital at very high risk. Further, quality initiatives to improve services and provide price transparency are all but impossible with RCCs and RVUs because the incremental cost changes of a quality program are small compared to the error introduced by averaging based methodologies.

Scientifically, hospitals have not followed the science of quality (Edwards Deming model) and Activity Based Costing used to determine true costs and hence provide a solid scientific foundation for pricing. Hospitals must adopt these methodologies that will allow them to understand costs, which leads to profitability, and finally price transparency. Deming put forward a definition of quality as "meets requirements". This defined quality as set of metrics rather than a subjective evaluation. The early Volkswagen Beetle represented a low end car that was highly reliable because of a low maintenance air cooled engine. The Volkswagen Beetle was manufactured with very few flaws and met the criteria that set the standard for "economy car". The consumer got exactly what they expected when they purchased a Beetle, low price, low maintenance, and high reliability. Activity Based Costing is primarily a methodology of measuring the consumption of resources for a specific activity. This methodology is the heart of modern day supply chain and manufacturing that every successful company in every industry uses to insure that costs are known and pricing can be transparent. Without known costs all other metrics are meaningless, i.e. profit, price, and quality. Price transparency is an extremely important topic for all hospitals. The ease and low cost of international travel has created more than just vacation time abroad, it has created access to markets that now cater to consumers. Dubbed "medical tourism", the attraction of low cost health care on par with the best of U.S. health care combined with the luxury and services of a vacation resort is increasingly the choice for major clinical procedures. Soon, even routine procedures will become routine for the consumer to seek outside the U.S., because they can be combined with a vacation or business trip. Consumers will opt for treatment where the convenience, cost, and quality combination makes it their best choice. The bottom line is that there is now competition for traditional health care.

The driver for this competition is not the chance for the consumer to have their hip replaced in exotic location. The driver is cost. The continuing rise in U.S. health care costs is the driver that is creating choice for the consumer. Competition is also coming from the bottom i.e. retail health care from Walmart and others who provide affordability. Walmart leverages their low overhead to provide specific, high profit, high volume procedures. Again, low cost health care providers target and commoditize procedures that provide a combination of convenience, cost, and quality attractive to the consumer. Eventually they will dig deep into the mainstream health care market cherry picking and commoditizing more and more procedures.

The path to price transparency for hospitals is a path to industrialization for health care. Hospitals must transition because their competitors are taking their market away. For Hospitals to be successful they must provide price transparency and insure that the profit and quality they provide is competitive to stave off competition. Price transparency is the goal for hospitals to be competitive, however the price hospitals must pay is the cost to transition to scientifically sound methodologies such as the Deming model and Activity Based Costing.

About the Author: Karl Kimball is Vice President of North America for Cortell Health and a member of the Texas Lone Star HFMA Chapter. Kimball holds a BS in Mathematics from University of Texas at Arlington. Karl has been a major contributor to the development of computer and communications standards and has been an ANSI Advisory Board member, a POSIX contributor, JTC 1 Delegate, workgroup leader for the ISO transaction processing standards. He has held various executive and leadership roles for IBM, Apple, Datapoint, and was a founding member of Corporation for Open Systems. Karl can be reached at karl.kimball@cortellhealth.com.

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Editorial Policy for THE EXAMINER

THE EXAMINER is published four times per year.

Our objective is 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 type-written. 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:

Diane Blake, Editor
The Toledo Hospital
2142 N. Cove Blvd
Toledo, OH 43606
diane.blake@promedica.org
Fax 419-479-6910

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