

NORTHEAST

NOTES

2002/2003 ISSUE FIVE

Current Topics in Patient Financial Services

by Stephen Thome

The February 27, 2003 Northeast Ohio HFMA meeting included representatives from TransUnion, Kronos and WebMD. These speakers addressed HFMA membership on topics such as the revenue cycle, HIPAA and labor management tools for health care providers.

Daniel Smith, Vice President of Area Sales for TransUnion, acknowledged that credit rating agencies are typically thought of as supporting lenders with credit applications. Dan noted that when hospitals deliver services to patients with the expectation of future payment, that providers are in fact providing short-term loans to patients. He presented several areas in which the same tools used for credit analysis can be applied productively within a hospital's business office.

TransUnion's solutions focus on four elements. Identity verification and fraud prevention tools enable hospitals to ensure they receive the correct address, spelling and social security number for each patient. Credit determination tools can help hospitals assess the collection risk of accounts being used for collateral or sold to a bank or securitization firm. Credit reports can also be used to tailor collection methods to customer characteristics, as well as to decrease returned mail.

TransUnion's tools are highly automated and incorporate data collected from creditors. Dan presented

that TransUnion is capable of providing real-time, online, integrated, processing or batch processing, and that its system and tools can interface easily with most hospital information systems.

Larry Murray, the Executive Director of Business Development for Kronos, presented findings of a study Kronos completed for an HFMA publication. The study examined the financial impact of the nursing labor shortage and opportunities for managing labor expenses. (con't on page 3)

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President's Message

from James E. Hutchinson

Farewell...

This is my last president's message, and I want to thank the people who have made this year such a success for the HFMA Northeast Ohio Chapter. Our Chapter is approaching its 50th anniversary. I have, therefore, had the wealth of experience of many past presidents, officers and directors and a firm foundation of excellence from which to draw during my year as president. The Chapter is financially strong, with outstanding programs and a history of fine newsletters and networking events.

It was difficult to improve upon our remarkable past, but this year's volunteers succeeded in making it happen. Over 70 members volunteer on Chapter committees each year, making it impossible to thank everyone individually. So to all of you who volunteered...*Thank you!* Spe-

cial recognition goes to Rich Fox, our chairman and past president, and to Dave Kilmer, next year's president. Rich and Dave were both immeasurable help and an inspiration. Personal thanks goes to Kathy Much, Chapter coordinator, and Lori Mitchell, newsletter chairperson, who always gently reminded me of my duties and deadlines.

All the committees did superb work this year. The professionalism of the Gerry Haggerty Annual Leadership Institute is indicative of what a wonderful job all the committees and volunteers do to improve on the event each year. A final thanks goes to all Chapter members. It was definitely my pleasure to serve the Chapter and each of you as president this year.

If there is a way we can improve, it is in better informing you, the member, of how much HFMA and the Northeast Ohio Chapter have to offer. I will remain involved, knowing that I will get much more out of HFMA than what I contribute. I look forward to seeing each of you at future HFMA events.

Sincerely,

Jim Hutchinson

Mark Your Calendars

Listed below are the dates, events, and times for the 2002/2003 program year. Be sure to mark your calendars for these events!

<u>Date</u>	<u>Event</u>	<u>Location</u>
May 30, 2003	Medical Group Practice	Hilton South, Independence
June 16, 2003	Past Presidents and Volunteer Appreciation	Sleepy Hollow Golf Course Brecksville, OH
July 2003	Program - Topic TBD	TBD

HFMA Northeast Ohio Welcomes Its New Members

Dennis R. Abbuhl, Jr.
King's Management & Leasing, LLC

Jack L. Bailey
Engelhardt & Emrhein

Christopher M. Bolton
Deaconess Hospital Cleveland

Martin H. Conroy
UHHS/CSAHS Cuyahoga Inc

Joel M. Martin
Barberton Citizens Hospital

Teresa Pannell
St. Vincent Charity Hospital

Matt Sheldon
Lake Hospital System

Michael Vydra
Parma Community General Hospital

February Meeting... (cont'd from front page)

According to Kronos's study, the nursing labor shortage will likely be a long-term issue. The shortage will not only drive up labor costs, but will also create numerous consequences related to quality of care, including delayed or cancelled care, process errors, additional stress for nurses, and retention challenges for providers. The study also found that a hospital's financial condition will determine its ability to invest in resources (e.g., infrastructure, training, equipment) that are proven to attract new nurses and retain current employees.

Larry also presented tools developed by Kronos that enable hospitals to manage variable labor expenses more effectively. He noted that while it is very common to measure line managers' performance on how well they control staffing utilization, managers typically receive financial and staffing reports for their departments too late to incorporate into their day-to-day decision making during periods incurring higher costs.

Larry presented tools developed by Kronos that improve a manager's ability to improve productivity without compromising quality and safety. By combining time and attendance data with a hospital's utilization statistics, the Kronos tools enable managers at all levels to identify adverse

staffing and utilization variances earlier. In some cases, patterns can be identified and changes implemented within a pay cycle.

These tools are used most effectively with departments with the greatest variability of utilization or units of service and should be used to focus on fundamental process improvement and long-term solutions.

Vince King from WebMD presented an overview of the services WebMD provides and the features and upgrades it has added to comply with HIPAA. Vince asserted that WebMD has been a leader in developing HIPAA solutions since the laws passage, as demonstrated in part through its significant investment in technology upgrades and implementation resources. Vince noted that WebMD currently processes more transactions in HIPAA-standard format than any other company.

Vince addressed WebMD's progress for HIPAA readiness related to claims and remittance, administrative transactions and pharmacy. WebMD will publish enhanced *Plus* versions for its most commonly used legacy submitter formats, and has made HIPAA preparedness information and guides available to its customers through its internet site.

March Meeting: A Look Ahead

by Brian Nestor

On March 27, 2003, the Northeast Ohio Chapter of HFMA presented a program entitled “A Look Ahead: Healthcare Trends for 2003/2004”. The three speakers offered varied backgrounds and perspectives of the issues facing Healthcare today.

The first speaker was Daniel E. Nickelson, Director of Government Affairs at the Cleveland Clinic Foundation. Dan’s subject was ‘Power and Money – The Politics of Healthcare’. Two events in recent history have shaped healthcare as we know it today.

First, World War II led to employer-funding of healthcare cost. Secondly, the assassination of John F. Kennedy and subsequent presidency of Lyndon B. Johnson led to the eventual birth of the Medicare program. Dan felt that the focus on the war was the big event of today that could shape the future of healthcare. Currently the parties are evenly split and there is concern if the Senate will be able to pass anything in the next two years. Other issues include rising Malpractice costs and State Medicaid budget shortfalls.

The next speaker was John F. Jesser, Vice President of Healthcare Management, Northern and Central Ohio, Anthem Blue Cross and Blue Shield. John addressed the Payors Perspective of Healthcare. He started by explaining the reason for escalating premiums, which included drugs, medical devices, and medical advances. Rising drug costs can be traced to many factors. Many companies have been successful in delaying the drugs from going to generic. Also, focused marketing efforts have successfully increased consumer knowledge and demand for new drugs. Physician pressures have also raised costs through the use of nurse practitioners and high-end imaging machines. Rising malpractice payouts have also led to increased utilization in efforts to avoid lawsuits. Finally, federal

mandates such as HIPPA have raised costs of doing business.

The final speaker was William D. Hayes who reports to Barbara Coulter Edwards, the Deputy Director for the Office of Ohio Health Plans with the Ohio Department of Job and Family Services. William spoke of the issues facing Ohio’s Medicaid Budget. He started by noting the Ohio budget shortfalls of 720 million for year 2003. He went on to highlight some of the major contributing factors and the possible actions to limit the deficit. Average Medicaid spending is increasing at twice the increase in average state revenues. Coverage now accounts for 1 in 8 Ohioans (1 in 4 children). Currently Medicaid pays for 70 percent of all nursing home care. To offset the aforementioned issues, some long term strategies have been recommended. Care management for high cost populations and preferred drug list & supplemental rebate programs will be considered. Also, there are thoughts of promoting selective consumer cost sharing as well as Federal reform to fix Medicare. Short term fixes include freezing hospital rates along with reducing eligibility.

(additional photos on page 5)



Bernard Weems and Mike Attebery discuss the meeting's topics.

HFMA Certification Scholarship

To: All Northeast Ohio HFMA members
From: Eric Pohjala, Co-Chair Certification committee
Re: Certification Scholarships

Let the Northeast Ohio Chapter of the HFMA certification committee help you become a certified member. The certification committee is offering scholarships to those members wishing to attain their certification in the HFMA. These scholarships will reimburse you for all or part of your exam fee. To qualify for the scholarship you must meet the following requirements:

- I. Be a member of the Northeast Ohio Chapter of the HFMA.
- II. Submit to the certification committee why you want to become certified member.
- III. Take the certification exam with in one (1) year of your submission to the certification committee.
- IV. Provide the certification committee with a copy of the paid certification exam fee.

You can submit your request for a scholarship to the certification committee by either mail or email. To submit your request by mail the address is:

Eric Pohjala
Vice President, Finance
Medina General Hospital
1000 East Washington St.
Medina, Ohio 44256

To submit your request by email: epohjala@medinahospital.org

Since April 1, 2000, the certification exam has been administered by your chapter via the Internet. This will allow us to have the exam on a specified date. We request your replies by **May 15, 2003**. Once scholarships have been determined, we will get together to set a test date which hopefully will be sometime between the middle and end of June 2003.

If you have questions please feel free to call me at 330-721-5094.

Membership Photos



HFMA meetings are a great place to network...

...and to enjoy a good lunch with fellow members!

Kudos...

Kudos and congratulations go to **Bob Glaser** of Unicare Corporation. Bob was recently promoted to Executive Vice President. Kudos also go to **Joseph Pinczuk**. Joe is now the Chief Financial Officer at Wadsworth-Rittman Hospital. Joe is a former Newsletter Co-Chair for *Northeast Notes*.

Congratulations also go to **Judy Pfeifer** who has accepted a position at University Hospitals Health System in the Reimbursement Department. Judy was previously employed by AdminaStar Federal, Inc and is a new member to HFMA. Welcome Judy!

KUDOS and congratulations also go to **MaryKaye Verbiar**, University Hospitals Health System and husband, Joe. They welcomed a new baby girl,

Rachel Elyce, to their family on February 25, 2003. Mom and new baby are both doing well. Rachel joins sister Katie.

Have you accepted a new position, published an article or received an award? Let your colleagues know what you're doing! Send YOUR news by email, phone, fax or letter to lori.mitchell@eclipsys.com, phone (440) 285-2565 or fax (440) 285-3113. Mail address is Lori Mitchell, Eclipsys Corporation, 12070 Country Oaks Trail, Munson, OH 44024. Please include your name, title, employer and phone or email address.

Remember KUDOS is YOUR news!

The Number Cube Puzzle Contest

Enter our number cube puzzle. One lucky entrant will receive a \$25 American Express Gift Certificate. Try re-arranging the numbers and operators in the cube below to produce a different mathematical equation on each row. Each equation includes 3 numbers and 2 operators. Can you figure out what the equations would be? All correct entries will be included in a drawing. Good luck!

=	=	8	8	2
+	-	2	6	1
=	=	5	2	0
+	+	9	1	9

Congratulations...

to Rhonda Ridenour from Gustafson & Associates, Inc. for correctly answering the contest that was featured in 2002/2003 Issue Four of *Northeast Notes*. Rhonda received a \$25 American Express Gift Certificate. Keep sending in those entries! You could be our next lucky winner!

Send or fax your answer to:
 HFMA Northeast Notes, Lori Mitchell, Eclipsys Corp., 12070 Country Oaks Trail, Munson, OH 44024
 or Fax: (440) 285-3113

**HFMA
Northeast Ohio**

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PUBLICATION SCHEDULE 2002-2003

<u>Issue</u>	<u>Deadline for Articles</u>	<u>Publication Date</u>
One	August 6, 2002	September 7, 2002
Two	October 11, 2002	November 15, 2002
Three	November 27, 2002	December 23, 2002
Four	December 20, 2002	February 1, 2003
Five	March 28, 2003	April 30, 2003

Northeast Notes strongly encourages submission of material for publication. Articles should be typewritten and double spaced, and submitted to the editor by the deadlines listed above. The editor reserves the right to edit materials and accept or reject contributions whether solicited or not. HFMA Founders points are granted for any articles published in *Northeast Notes*.

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