

February 2007



We Kick Off SDHFMA's New Sponsorship Year  
featuring our:

## 2007 Platinum and Gold Sponsors

### Platinum

Advanced Asset Alliance

Eide Bailly, L.L.P.

Quality Reimbursement Services

Regional Health

RSM McGladrey

Sanford Health

### Gold

Fisher Consulting

The Midland Group

Wellmark Blue Cross Blue Shield

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SOUTH DAKOTA HEALTHCARE FINANCIAL MANAGEMENT ASSOCIATION

# The Quill Exchange

## President's Message by Bryce Pattison

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Part of our programming improvement was evident at our winter meeting on February 1. The conference included joint sessions on Long Term Care and Critical Access. Speakers included perennial favorite Diane Atchinson and popular national speaker Eric Shell. Diane spoke on Long Term Care and Eric spoke on CAH Economics. The CAH track was a positive addition to our winter meeting and clearly enhanced the educational experience. The educational sessions were tied together by a great networking social the evening prior.

While the year has certainly raced by – as it always does – I am really pleased with current chapter operations. Our membership is strong, financial reserves are healthy, educational opportunities are plentiful, and new networking opportunities are engaging all members.

National membership surveys have consistently demonstrated that the two critical drivers of membership satisfaction are quality educational programs and fun networking opportunities. Armed with that information early last year, your chapter leaders made the decision to:

- enhance our programming (a tall order based on recent history)
- make networking a critical part of our meetings (thank you Tina), AND
- spend some cash reserves when necessary and appropriate

I can safely say, we have done all those things and more – thanks to the committed volunteer leaders of SDHFMA.

The SD, IA, and NE chapters held a joint meeting in Omaha on February 14. The meeting featured presentations on community benefit and pricing transparency. The keynote speaker for the conference was Kevin Lofton, CEO of Catholic Health Initiatives and current President of the American Hospital Association. Mr. Lofton's comments centered on the responsibility of non-profit hospitals to attach an accurate dollar amount to the "community benefit" they provide – but, at the same time, being careful not to overstate that amount. The meeting also included an informative panel discussion on related topics. Deb Fischer-Clemens did a great job representing South Dakota on this panel.

Our annual Spring Symposium is just around the corner. The meeting will be held March 28 – 30 at the Ramkota Hotel in Sioux Falls and includes a great variety of educational topics. As always, we will have our annual business meeting and social/meal on Wednesday evening. On Thursday evening, our chapter leadership will host a "Past Presidents Reception" in

honor of Dave Timpe. I have received a lot of enthusiastic responses regarding this event.

Looking ahead, our chapter is facing a busy couple of months. Our leadership will shift as a new member of the officer team is named and two board positions are filled. Our chapter will also be fulfilling its obligations with the National office to become incorporated in the state of Illinois – dba the South Dakota Chapter. This process is well underway and was overwhelmingly approved by our chapter membership in January.

With planning and transitioning already underway for next year, now is the time for you to seriously consider your next level of involvement in SDHFMA. Should you choose to become a volunteer leader, I can promise you two things: a great feeling of satisfaction and the development of lifelong friendships.

Please feel free to contact me or other members of our leadership team anytime. Our contact detail can be found on our chapter website at [www.sdhfma.org](http://www.sdhfma.org).

Best Regards,

Bryce Pattison

[bryce@aaa-coll.com](mailto:bryce@aaa-coll.com)

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## Platinum Sponsor Spotlight

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Advanced Asset Alliance (AAA) is a consortium of accounts receivable management companies that specialize in the accelerated recovery of aged accounts receivable. Their method is technology driven, performance based, and compliance focused.

As an outsourcing solution based organization, they focus on successful account resolution by providing your patients with reasonable and effective methods of resolving their financial obligations.

The organization also provides specialized accounts receivable management during I.T. conversions, staffing shortages, acquisitions and mergers.

Their team of professionals is committed to helping medical facilities gain every opportunity for growth and profitability in today's dynamic and demanding environment.

Thank you Advanced Asset Alliance for Supporting SDHFMA!

## Upcoming SDHFMA Educational Meetings

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**Mar. 28-30, 2007:** Spring Symposium in Sioux Falls

**July 26, 2007:** Summer Meeting in Chamberlain

**Sept. 19-21, 2007:** 2007 Annual SDAH Convention, Sioux Falls

## Meet New Member— Barb Morgan

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Okay....this will be a little weird but the New Member profile for this month will feature.....me—Barb Morgan. I have been employed with the Avera Heart Hospital of SD since it opened in March of 2001. I have been the Business Office Team Leader for the past 4-½ years, overseeing the Business Office and Registration Departments. Before that time, I worked for 13 years for Avera McKennan Hospital in several different capacities within the Business Office.

My favorite part of my job is the variety of issues I deal with on a daily basis—there is never a dull moment! Trying to keep up with Medicare, Medicaid, and commercial insurance regulations and changes is always a challenge—only my hairdresser knows how challenging!

I would have to say that my venture into

the healthcare field was purely accidental. There was an ad in the newspaper for a new position within McKennan Hospital, I applied for it, and was hired—sorry—nothing very mysterious there.

I have been married to my husband Mike going on 28 years and have three children, two boys, and a girl. I grew up in Estherville, Iowa moving to Sioux Falls when my father's employer transferred him here. My ambition growing up was to be an archeologist but I figured that by the time I grew up, all the good bones would be taken—boy was I wrong!

My favorite aspect of living in South Dakota is the people. People here are still friendly and, for the most part, trusting. A handshake and a person's word still means something here, and I hope this is something that will never change.

My favorite dream house would be on a secluded lake somewhere where I could listen to the call of the loons in the early morning hours while sipping coffee on a deck overlooking the water. I am not sure if it qualifies as a hobby, but I am an animalholic. I have four dogs, several—okay ten—differing varieties of parrots, and an aviary of several different species of finches.

My favorite fall activity would be playing in the leaves, but since my youngest is sixteen, I look pretty funny doing this by myself, so I go for walks instead. I am impatiently waiting for grandchildren so that I can resume this activity once again.

I joined HFMA after researching several other organizations because I feel it offers the most comprehensive local and countrywide, up-to-date information, on the healthcare industry and allows me the opportunity to meet many new colleagues.

Normally, this is the spot that I would say to welcome me as a new member of HFMA, but that seems just a little bizarre. I will instead thank you all for allowing me the opportunity to be a part of this great organization.

*Information obtained and written by Barb Morgan .*

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## Business Meeting Minutes Now Available

Minutes from the business meeting held February 22, 2007 are now available on the SDHFMA website. Go to <http://www.sdhfma.org> and click on the link for "Chapter Business".

## Meet Senior Member—Doug Kotinek

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Our senior member article for this newsletter features Doug Kotinek. Doug is currently employed with Rapid City Regional Hospital in the Cost Accounting and Decision Support area. Doug has worked in this capacity for “22 years, 359 days, and ?? hours,” but who’s keeping track? While attending college, Doug worked for Chadron Community Hospital in Chadron, NE and upon graduation, as Controller of Rushmore Community Health Resources, Inc., at that time a sister corporation of Rapid City Regional.

Doug states that the best part of his job is the variety of projects that come across his desk, especially in the Decision Support capacity as each phone call is “an adventure.” Doug was lead into healthcare by relatives who are medical professionals (a surgeon, a radiologist, a surgical nurse, and a physical therapist, etc.)—that is quite a line up Doug!

Doug’s family also consists of his parents who live in New Mexico and three brothers. Not a South Dakota native, Doug grew up in South-Central Nebraska—one mile from the Kansas border. Doug’s dream growing up was to be a forest ranger in the mountains.

Doug loves the Black Hills area of South Dakota and would build his dream house somewhere in the mountains of New Mexico. Not surprisingly, Doug’s hobbies include camping, hiking, fishing and, as a private pilot and licensed aircraft mechanic, rebuilding aircraft. His favorite fall activities include anything outdoor or aircraft related. In past years, he has backpacked the Centennial Trail in the Black Hills, canoed the Missouri River from the Fort Randall dam to Sioux City, and volunteered as a pit crew mechanic for a Formula One racer at the annual Reno Air Races—talk about exciting!!!

Doug was drawn to HFMA because he feels that it is the only organization whose “memberships reflect healthcare finance professionals.” He values the national contacts made possible through his HFMA membership and is always looking for new ideas from the members.

Unfortunately, we were unable to obtain a picture of Doug so you will just need to look him up at the next HFMA event. Thanks Doug for your dedication to the healthcare industry and your loyalty to HFMA!

*Information obtained and written by Barb Morgan*

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## Membership Update

Starting Count (Dec. 1, 2006):	133
New Member:	1
Reinstated Members:	2
Transfer-In:	1
Ending Count (Jan. 31, 2007)	137

### New Member

**Rick Stracqualursi**, ED, Rapid City Regional Health, Rapid City, South Dakota

### Reinstated Members

**Kent Olson**, CEO, Phillip Health Services, Phillip, South Dakota

**James Doyle CPA**, Director of Finance, Regional Health Network, Rapid City, South Dakota

### Transferred-In Member

**Robin Bates**, Senior V.P. Managed Care Services, Avera Health, Sioux Falls, South Dakota

# Feb. 1, 2007 Long-Term Care/CAH Meeting in Chamberlain

(read what you missed by not attending...)

## Hot Games...Cool Talkin' Networking Event

By Tina Horner

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Braving the cold weather and dark night, thirty-one members drove to Chamberlain Wednesday, January 31st to participate in the "Hot Games...Cool Talkin'" SDHFMA networking event held at 7:00p.m. at Cedar Shores Resort. Guests were welcomed with a hot pot of chili, appetizers, caramel corn and cool beverages while enjoying one of several games available for their enjoyment. Door prizes were awarded throughout the evening while guests played Texas Hold 'em, Black Jack, Aggravation & Phase 10. Some members ventured away from the typical poker chips and used their caramel corn as their ante and buy-in while others used more conventional means of getting into the game. A few of the speakers from our Thursday conference joined our event, giving the members the opportunity to network with the folks behind the face of our new fiscal intermediary, Noridian Administrative Services, LLC of Fargo, ND. Despite the bitter cold outdoors, we all enjoyed good food and great fun indoors!

## CAH Track

By Bev Ulrich

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HMFA was pleased to be able to bring Eric Shell of Portland, ME to South Dakota, his first trip ever to South Dakota. Eric delivered two dynamic presentations related to Critical Access Hospital reimbursement. The morning presentation was on Rural Hospital Replacements. He identified some of the advantages and disadvantages of replacing small rural CAH facilities. The second presentation of the day was on CAH Economics. In this presentation Eric identified CAH performance improvement strategies along with a framework for decision making. The information was presented in an easy-to-follow format to over twenty CAH leaders from across the state.

## Long-Term Track

By Tina Horner

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HMFA brought back Ms. Diane Atchinson of Kansas City, MO to South Dakota for the main portion of the Feb. 1st conference on issues facing the long-term care facilities within our state. Diane spoke to over 30 long-term care leaders about resident directed care, the future face of long-term care and the emerging trend of CMS's paying for performance and how that concept could look for long-term care facilities. The attendees then had the opportunity to be introduced to Noridian Administrative Services personnel who will be working with them through the upcoming conversion from Cahaba and received some information regarding that conversion. Deb Bowman, South Dakota Secretary of the Department of Social Services, finished out the day via teleconference. She talked about the goals and objectives of the state's Long-Term Care Council on Reimbursement, highlighting some of the items on the Council's action plan. She also provided an overview of the latest bills currently in the legislative session stream that could impact healthcare in our state.

# South Dakota Healthcare Financial Management

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## Balance Sheet November 30, 2006

Assets		
Cash	\$ 57,841	
Accounts Receivable	585	
TOTAL ASSETS	<u>58,426</u>	
Liabilities and Net Assets		
Accounts Payable	<u>340</u>	
Total Liabilities	340	
Net Assets	<u>58,086</u>	
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 58,426</u>	

## Statement of Revenue and Expenses Period Ended November 30, 2006

	Actual	Budget
REVENUES		
Meeting Income	\$ 9,720	\$ 8,500
Interest Income	672	300
Other Income	<u>0</u>	<u>24</u>
Total Revenues	<u>10,392</u>	<u>8,824</u>
EXPENSES		
Meetings	3,601	7,500
Officer Training and Travel	4,318	3,500
Social Events	831	720
Directory	0	1,800
Member Recognition	0	546
Dues Relief	0	750
Website	810	696
Postage	<u>0</u>	<u>96</u>
Total Expenses	<u>9,560</u>	<u>15,608</u>
EXPENSES IN EXCESS OF REVENUES	<u>\$ 832</u>	<u>\$ ( 6,784)</u>

# Highlights of the Office of Inspector General Work Plan Fiscal Year 2007

by Joan McCarthy

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Each year, health care providers are given the opportunity to look at the Department of Health and Human Services (HHS), Office of Inspector General's (OIG) Work Plan. A review of the Work Plan is an indispensable component of compliance planning for all health care providers. The OIG Work Plan for 2007 continues to focus on issues that reflect compliance with the Centers for Medicare and Medicaid Services (CMS) regulations and include the Deficit Reduction Act of 2005 (DRA) and the state false claims acts. The OIG has targeted certain areas that are reflected throughout the health care continuum. These include the proper provision and billing of drugs through Part B and Part D and Medicaid prescription drug issues. Additionally, the OIG is looking at duplicate payment issues for all providers.

## **Inpatient Rehabilitation Facilities (IRFs)**

The DRA modified the compliance threshold criteria that must be met for IRFs to be classified as rehabilitation hospitals. Facilities will be reviewed to ensure compliance with these criteria. Ongoing review of the prospective payment system (PPS) will continue with an emphasis on discharge and outlier claims to ensure appropriate payment and to ensure that payments for late assessments are appropriately reduced by the fiscal intermediaries.

## **Dialysis Services**

There is an ongoing review of patient status as either "observation" or "admission" for the provision of dialysis services. Level of care requirements as outlined in the CMS Intermediary Manual state that physician orders must specify whether the patient requires admission to inpatient or observation status. Independent Dialysis Facilities will be reviewed to determine whether they are billing appropriately for the separately reimbursed Epogen, the drug used to treat anemia associated with chronic renal failure.

## **Long-Term Care Hospitals (LTCH)**

The OIG will continue to review LTCH PPS reimbursement and will initiate reviews of those LTCHs that admit patients from a single acute-care hospital to ensure that the LTCH is not operating as a unit of the acute-care hospital. Additionally, the OIG will review compliance with length of stay criteria for LTCHs.

## **Critical Access Hospitals (CAH)**

The review of CAH cost reports continues and targets the administrative and other costs incurred by CAHs for inpatient and outpatient services before and after their conversion to CAH status. In conjunction with these studies, the OIG will determine the extent to which the Rural Hospital Flexibility Program (RHFP) serves beneficiaries from rural areas. A rural health network in the Medicare RHFP must be initiated through a state plan and must consist of at least one CAH and at least one full service hospital.

The document can be viewed at:

<http://www.oig.hhs.gov/publications.html>

## **2007 Coinsurance and Deductibles**

- The hospital deductible for calendar year 2007 is \$992.
- Coinsurance for days 61-90 in a benefit period is \$248 per day.
- Coinsurance for lifetime reserve days is \$496 per day.
- The Skilled Nursing Facility coinsurance for days 21 through 100 is \$124 per day.
- The annual Part B premiums for calendar year 2006 and prior were based on a single rate. The annual Part B premium amounts for 2007 will be based on beneficiary income parameters and range from \$93.50 to \$161.40 per month.
- The annual Part B deductible for 2007 is \$131.
- Coinsurance for Part B remains at 20% of the established fee schedule.

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# About HFMA

HFMA is the nation's leading personal membership organization for more than 33,000 financial management professionals employed by hospitals, integrated delivery systems, long-term and ambulatory care facilities, managed care organizations, medical group practices, public accounting and consulting firms, insurance companies, government agencies, and other healthcare organizations.

Members' positions include chief executive officer, chief financial officer, controller, patient accounts manager, accountant, information management specialist, consultant, and other professionals who seek excellence in the financial management of integrated health systems and other healthcare organizations.

HFMA, through its chapters, regions, and National office, helps members meet challenges by providing professional development opportunities, networking and communicating information and technical data with the ultimate goal being to create a more supportive environment in which members do their business.

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## The Quill Exchange

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