

February 2005



SOUTH DAKOTA HEALTHCARE FINANCIAL MANAGEMENT ASSOCIATION

# The Quill Exchange

## SDHFMA By-Laws

by Dave Timpe

The Bylaws Committee (Allison Bolger, Jim Tomlinson, Ken Trammell, and Dave Timpe) undertook the task of updating the Chapter's bylaws. We used the template provided from National HFMA but tailored it to the South Dakota Chapter. These were then routed to the Officers and Board members for feedback and input. After this was done, they were routed again to the Officers and Board for approval which was obtained in January 2005. They were then sent to National HFMA for approval which we requested to be returned by the end of February 2005. This may seem like a long, twisting road, however, National HFMA requires that the Chapter Board approve them, then National HFMA approve them and then they be submitted to the Chapter members for approval.

**THIS IS WHERE YOU COME IN.** We hope to have the approved bylaws returned from National in time for the March 2005 Chapter meeting at which time we will be seeking your approval. If you would like to see a copy of the DRAFT, which was sent to National HFMA, please contact Dave Timpe at [dtimpe@eidebailly.com](mailto:dtimpe@eidebailly.com) or 605.977.2705.



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## Please Meet “Senior” Member— Bob Bohm

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Bob Bohm's New Year's resolution was not to make a New Year's resolution. He's been successful in meeting that one for many years he says.

As a boy, Bob wanted to be a professional baseball player - so being a CFO and having worked in health care for more than thirty years is a pretty good match don't you think?! Robert (Bob) Bohm began working at Children's Care Hospital and School about 3 years ago. The best part of his job is the fact that he makes such a significant difference in the lives of the children and the families who receive services from us. Bob has been a member of HFMA since 1973, but has been a member of six different chapters during that time. He finds that the most valuable aspect of HFMA is the opportunity to network and adds that there is always someone with similar issues with whom to discuss alternatives. His favorite

memory of his time with HFMA was when he had the chance to visit New Orleans while attending the Annual National Institute.

Bob believes that the best place to build a home would be on a lake, but he hasn't quite decided just which one. He was born and raised near Grand Forks, North Dakota, and graduated from UND. Since he's been married, he and his family have lived in Nashville, Minneapolis, Indianapolis, Chicago, Valparaiso, Quincy, and Sioux Falls! Bob and his wife, Joani, have been married for just about 30 years. They have one son Justin who is attending Colorado Tech in Sioux Falls.

When asked what super power he would like to have, Bob answered that like most of us who are no longer twenty years old, he'd like to be able to control his weight with a little less attention to the inflow! But since that isn't a reality, he takes part in golf and racquetball. Unfortunately, in this region golf isn't available year round. Even though retirement is still a ways off, Bob would like to continue to golf and play racquetball in the Midwest—he feels that this is where the finest people reside. Thanks for the compliment Bob! We're glad to have you as part of our chapter.

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**Check out SDHFMA's website:  
[www.sdhfma.org](http://www.sdhfma.org)**

## Meet “Senior” Member— Elaine Fuhrman

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When asked about her plans and dreams for retirement, Elaine Fuhrman says she is hoping to do some volunteer work, and do some traveling that doesn't have to be scheduled around month-end, fiscal year-end, audits, budgeting, etc. , etc., etc. Wouldn't that be nice!!

Even with that said, Elaine said that even though she didn't have a strong desire for any particular career as a youngster, she has thoroughly enjoyed her career and if she had it to do over, she

would not change it. Now that's impressive! She has worked at Rapid City Regional Hospital for 31 years and believes that the best parts of her job are the constant changes that keep life interesting. She has also been an HFMA member for nearly 29 years. Elaine values the opportunity for education programs and networking with peers in the state as well as developing common bonds with members within HFMA.

Elaine enjoys life away from work with her husband Jim, their 16-year old daughter Jolyn, their son Lance and his fiancée Amber, and granddaughter Tiffany, who is nearly one year old. Elaine grew up in Belvidere, SD but would now build her dream home in Rapid City, if given the chance. And if Elaine could read your mind now, she would know you are wondering, “Where is Belvidere?” It's about 15 miles east of Kadoka.

In her spare time, Elaine enjoys gardening, biking, crafts, and shopping. She also likes to spend time with her family and babysit her granddaughter. But her favorite winter activity is just to curl up in front of the fireplace, especially on those snowy days. I'll bring the hot cocoa and a book and join you, Elaine!

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# 10 Strategic Planning Resolutions You Can't Afford to Break

By Aaron DeBoer and Joel Ristuccia

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The New Year may have come and gone, but it's not too late to make a few more resolutions. Here are 10 resolutions that your management team can make to ensure a smooth, successful, strategic planning process.

## 1) Establish a strong analytical foundation for your strategic plan

A strategic plan is only as good as the foundation upon which it was built. A good strategic plan can propel your organization forward once your leadership team has a common understanding of your current position, future trends, and key uncertainties. On the other hand, a strategic plan based on an insufficient understanding of the internal and external environment can, at minimum, lead to poor acceptance of the plan and, at worse, subpar decisions.

## 2) Focus the environmental assessment

When developing an environmental assessment as part of your analytical foundation, it is important to select only those elements that will address the organization's future challenges and resulting array of strategic opportunities. An efficient way to focus your environmental assessment is to develop and test a set of planning hypotheses centered on major market forces. With hypotheses formed, the organization can focus on its analysis efforts on building a *common* understanding of the environment.

However, performing a focused environmental assessment is not an end in itself. If the data does not convey a message and support the decision making process, it is simply data, not "information."

To mitigate this risk:

- ξ Identify what information is most important to make decisions.
- ξ Effectively transform the data into actionable information.
- ξ Understand that there will never be perfect information.

## 3) Explicitly consider key uncertainties

Addressing key uncertainties can help build a sense of charting your own course, albeit in turbulent waters. Tools like scenario planning, game theory, and decision tree analysis can all aid in understanding the risks associated with pursuing a particular approach/direction. Strategies that reduce the identified risks can then be incorporated into the strategic plan.

## 4) Keep your strategic plan focused on strategy, not operations

All organizations have extensive opportunities to improve their efficiency and effectiveness in the areas of customer service, cost, and quality. An internally-focused strategic plan often seems successful because of the substantial operational improvements that can be made. However, it does not take long for organizations that are too operationally focused to grow out of touch with their markets. True strategic initiatives on the other hand, frequently have higher risk, are more disruptive to the organization, and may have longer implementation times and payoff returns. While operational initiatives are necessary to keep you in the game, strategic initiatives address competitive advantage. Too many operational initiatives in your strategic plan will weaken it and detract from its value, so keep your strategic plan strategic.

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# Health Care Collections..... continued

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## 5) Avoid the use of “me too” strategies

Many organizations take comfort in adopting the strategies that other organizations have deployed. Once a strategy has been proven successful by one organization, it is often ubiquitously adopted by competitors, diluting the impact of the strategy. Strategic success begins with articulating what *differentiates* the organization from its key competitors. That is, how will we choose to compete (e.g. on price, quality, service)? In what ways will we create value for consumers? How will we respond to other organizations' strategies.

## 6) Minimize least common denominator strategies

Decision making in health care organizations is often compromised when leaders wait for unanimous stakeholder agreement. Not only will this stall the process, but it will weaken the boldness of the strategy. After all, you will only be able to progress as fast and as far as the least ready person will allow. Remember, broad based *input* is desired, but effective leadership is ultimately about making tough decisions.

## 7) Align strategies with financial capabilities

Even the most brilliant strategy is reduced to mere speculation if the health care organization does not have the financial means to implement it. Every organization must ensure that their strategic plan is congruent with their financial capability.

A strategic-financial plan should:

- ξ Include a full financial capability assessment
- ξ Address the allocation of scarce resources
- ξ Maximize the financial viability of the organization

## 8) Communicate early, often, and clearly when bringing your strategic plan to life

A plan must be well known by key physicians and employees to be successful. The strategic intent for the organization should be communicated frequently, clearly, and concisely to ensure that the momentum created during the planning process is carried forward in the implementation. Make a resolution to communicate the strategic plan consistently throughout the year.

## 9) Add metrics to your strategic plan

In stable environments, one has the luxury of making a few mistakes and course corrections. In an unstable environment, those course corrections must come sooner. Metrics are one tool that can be used to monitor the organization's progress towards achievement of goals, strategies, and/or tactics. Metrics are the combination of a measure and a target. Measures are what we want to achieve, while the target is the quantified value of the measure. Figure 1 outlines some of the different metrics an organization can adopt.

The value of this resolution can be summed up by the old adage “what you measure is what you get.” If you want results, identify what you want to achieve, assign responsibility, and create appropriate timetables.

# Health Care Collections..... continued

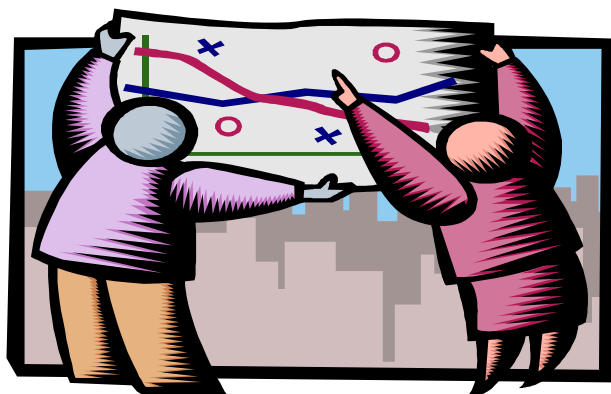
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## 10) Have fun and inspire your team!

Figure 1: Strategic Planning Metrics

	Strategic Metrics		Management Metrics
	Vision Level	Goal Level	Strategy/Tactic Level
<i>Definition</i>	Metrics that indicate broad success, usually across multiple goals.	Metrics that indicate progress along a specific goal.	Metrics that indicate progress along a strategy or action
<i>Characteristics</i>			
ξ Number	3±	15±	100±
ξ Accountability	Board/Senior Leadership	Senior Leadership	Middle Management
ξ Review Cycle	Annually	Semi-Annually/Annually	Weekly/Monthly/Quarterly
ξ Organized Around	Vision/Desired Future State	Core Goals	Strategy/Tactic
ξ Applicability	Entity	Entity	Entity/Programs/Units
<i>Example (Financial)</i>	<ul style="list-style-type: none"> <li>⌚Desired bond rating</li> </ul>	<ul style="list-style-type: none"> <li>⌚Operating margin</li> <li>⌚Days cash on hand</li> <li>⌚Cash-to-debt</li> </ul>	<ul style="list-style-type: none"> <li>⌚Personnel costs as a percent of net patient service revenue</li> <li>⌚Supply cost per adjusted discharge</li> </ul>

All questions and comments on this article can be directed to: Aaron DeBoer, Consultant; Mitretek Healthcare—Jennings Ryan & Kolb; 312.751.4171; Aaron.deboer@mitretek.org



# LTC Meeting on Feb. 15, 2005

By Bryce Pattison, Program Chair

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Our chapter recently hosted another great conference on Long Term Care. The event took place on February 15, 2005 at Cedar Chore Resort in Chamberlain. Over 70 people from throughout the state took time to attend and listen to Linda Wright (Cahaba GBA) and Diane Atchinson (DPA Associates, Inc.).

Linda was well received and provided some helpful and timely detail on consolidated billing. Diane impressed conference attendees with her broad base of both finance and clinical knowledge. She covered areas ranging from billing to pressure ulcers to culture change and trends in long term care. Both speakers received an overall evaluation score of 4.6 out of 5.

Additionally, educational credit hours were offered for Nursing Home Administrators and Social Service Workers. The program committee recognized the success of last years LTC meeting and felt strongly about offering a similar program this year. Thanks to the program committee for a great conference! I'm sure we can expect a similar program in 2006!

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## Upcoming SDHFMA Meeting: Spring Symposium, March 30, 31 and April 1

Brochures for the 2005 Spring Symposium being held March 20, 31 and April 1 at the Radisson Encore Hotel in Sioux Falls were mailed last week. If you did not receive a brochure or you need additional information on the Symposium call or e-mail Bryce Pattison at 605-978-9666 or bpatt@aaa-coll.com. The agenda for this year is:

### Wed, March 30

12:00-5:00pm Golf at Prairie Green Golf Course

5:30-6:00pm Social at Old Chicago

6:00-7:00pm SDHFMA Business Meeting and Election of Officers and Board Members

7:00-9:00pm Dinner at Old Chicago

### Thur, March 31

8:15-8:45 Opening Remarks and National HFMA Comments

8:45-12:00pm Valuing the Differences in People

12:45-1:30pm Installation of Officers and Board Members

1:30-3:00pm Concurrent Sessions: How to Recover More APC Dollars or Capital Allocation

### Thur, March 31 continued...

3:15-4:45pm Concurrent Sessions: Top 10 Questions CEO and CFO need to Ask the Business Manager or Games Payors Play

6:00-8:00pm Sponsor Display, Food, Beverages, Networking and "400 Club" Inductee Glenn Jakober will be honored

### Fri, April 1

8:00-9:00am Legislative Update

9:00-9:45am HSA's 101

10:00-11:30am The Growing Self Pay Population

11:30-11:45am Evaluations and Closing Comments

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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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