

September 07



South Dakota Healthcare Financial Management Association

The Quill Exchange



hfma™ south dakota chapter
healthcare financial management association

If Disney Ran Your Hospital

SDAHO - 81st Annual Convention

September 19-21, 2007



FRED LEE has an insider's experience and a keen eye for cultural comparisons. He is author of the runaway bestseller, *If Disney Ran Your Hospital; 9 1/2 Things You Would Do Differently*, which won the American College of Healthcare Executives (ACHE) James A. Hamilton 2005 Book of the Year.

Fred has the unusual distinction of having been both a senior vice president of a major medical center and a cast member at Disney University. Disney recruited him because of his expertise in helping hospitals achieve a culture that inspires patient and employee loyalty. At Disney, he helped develop and facilitate Disney's health care version of its 4-day seminar, Disney's Approach to Quality Service, and a new seminar, Customer Loyalty.

He began his health care career at Shawnee Mission Medical Center in Shawnee Mission, Kansas, a suburb of Kansas City. During his five years there as vice president for marketing and development, he won several national awards for innovative approaches to patient satisfaction and loyalty.

He was then invited to be senior vice president at Florida Hospital (now over 1,500 beds) in Orlando, where he developed a nationally acclaimed guest relations program. As other hospitals sought his help in developing their own strategies, he left Florida Hospital and formed his own consulting business, Fred Lee and Associates, Inc.

This separate program begins at 8:30 a.m. sharp and will conclude around noon on Wednesday, September 19, 2007. The registration desk will open at 8:00 a.m. The program is co-sponsored by the South Dakota Healthcare Executives Group and is a Category II educational program.

(To see the rest of the agenda for the HFMA track see page 9)

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President's Message by Tom Loff



PRESIDENT'S MESSAGE – SEPTEMBER, 2007

If you are like me, you get the monthly HFM magazine and briefly peruse the articles before you put in the pile of “future reading” on the back corner of the desk. However, I think the August, 2007 edition bears closer attention for several reasons:

- Etcetera (page 21) has a great write-up about Ken Trammell's class on Financial Peace 101
- Report on ANI in San Diego (where Bryce Pattison took home a lot of hardware on behalf of SDHFMA)
- Revisiting Sarbanes-Oxley's impact on healthcare finance
- The annual CFO compensation survey – always entertaining reading

The 2007-08 Leadership Directory, which features SDHFMA's own Tim Renelt as Region 8 Executive (page 101) and some balding guy on pg 106 (darn cropped pictures!)

But I found the cover story, “Jim Collins – Taking Healthcare from Good to Great”, to be particularly compelling. Mr. Collins is the author of “Good to Great – Why Some Companies Make the Leap... and

Others Don't”, which should be required reading for business executives everywhere.

Mr. Collins challenges CFOs to reject the idea that the primary path for a healthcare facility to achieve greatness is to become “more like a business”. He believes there are significant differences between the “social sector” (in which he includes healthcare) and the business sector. For example, money is both an input and an output (measure of greatness) for business, while it is merely an input for healthcare. Providers need to define their own measures of success according to Mr. Collins.

This concept brings healthcare finance full-circle for me. I was working at my first healthcare job in a Catholic-sponsored hospital in Oakes, ND when Medicare moved from cost reimbursement to DRG prospective payment in the early 1980s. DRGs really rocked our world. Most consultants during that time strongly advocated hospitals adopt a “business philosophy” in their operations. This was a challenging concept for many not-for-profit organizations (particularly religious and community-sponsored ones) because it seemed to conflict with their mission statements. But over the past couple of decades, we all learned to look at our industry differently. Service segmentation and niche providers, sophisticated payment methods, patient market demographics, targeted media advertising, strategic alliances, technology competition, cost shifting and package pricing, the list could go on all day.

With all the demands of our industry these days, I sometimes find that I lose perspective on some of the more important things. However, reality has a way of smacking me upside the head once in awhile. A couple of months ago, I learned that Doug Steinfeldt, Sanford Health's director of materials management, was diagnosed with terminal cancer. Doug was an outstanding colleague, mentor, and friend to me, and I was impressed with his continual efforts to support the rural facilities in our organization. His passing in early August was as difficult as it was sudden, and it served as a reminder of other people I have had the pleasure to know in my career who are no longer with us. Diane Krueger, Jeanne Broesder, Georgia Quill, Ron Trautman, again the list could go on and I know everyone reading this has a list of their own.

This brings me back to Jim Collins. I think his advice for us to define our own measures for success is not an abandonment of our efforts for healthcare finance. Rather it is to put them in proper perspective related to the organization's mission. We ultimately are about people. The only reality “head-smack” I need to remind me of this is to look into the smiling face of my 9 month old grandson.

Of course, by saying this, I have undermined all the arguments I had with my “former nursing director” wife about the value of finance vs nursing. Please don't tell her....

Financing Options for Nonprofit Rural and Community Hospitals

Thomas R. Green, CEO, Lancaster Pollard

Strong finances and up-to-date facilities and equipment mean better physician attraction and retention, improved community perception and assurance that a hospital will serve its region for the long term. Many smaller hospitals, however, often cannot access the capital to make the investments critical to their survival. Although profitable, many do not meet the high benchmarks required to earn investment-grade ratings and cannot raise the funds on their own.

With the right guidance, however, most rural and community hospitals can efficiently access capital. Many can fund their growth and renovations with conventional revenue bonds, either credit-enhanced or unenhanced. In addition, the federal government recognizes small hospitals' financial challenges and has established programs to enhance community and rural hospital credit so they can borrow at lower interest rates.

This article is abridged from "Financing Options for Nonprofit Rural and Community Hospitals." The full paper and its appendices are available for free download at www.lancasterpollard.com/assets_LPC/WP/HC-I-Financing-Options-CRH.pdf

PART I

Integrating Strategic Plans and Capital Financing

Whether a hospital chooses to build new, renovate or refinance, its plans and its credit strength will determine eligibility for funding options. Hospitals must evaluate their strategic plans and their funding needs in tandem to determine their best financial options. The first steps toward acquiring funding are performing a needs assessment and evaluating credit strength.

Strategic plans outlining long-term missions and anticipated changes to infrastructure and services should be reviewed and updated regularly. A well-crafted financial plan matches a hospital's financial resources to the strategic plan, quantifying and allocating available capital. The capital allocation plan should be integrated into a strategy to manage assets and liabilities so the hospital not only accomplishes its strategic objectives, but improves its capital structure — and hence its credit strength.

When borrowing, hospitals and their advisers must consider their needs and objectives in the context of creating a capital structure that improves or maintains the credit profile. The ultimate goal is a finance strategy that maximizes access to the capital markets and minimizes the cost of capital, without damaging liquidity by contributing too much cash to a project and, conversely, without relying extensively on debt.

Recognizing Strengths and Weaknesses: The Credit Profile

A hospital's credit strength or financial health is the most important factor in determining its cost of capital. Organizations with strong financial health have more ability to repay debt and tend to be more appealing to investors and lenders, who balance their risk with interest rates. The better the credit profile, the lower the interest rate on the financing, and the less capital costs over time. Investors and credit enhancement providers will review both quantitative and qualitative factors to measure an organization's credit strength.

Ratios that demonstrate financial performance are used in quantitative analyses. These ratios can be generally grouped into three categories: capital structure; cash flow; and liquidity, profitability and operations. The following ratios are relied upon most frequently when assessing creditworthiness:

- ◆ Debt Service Coverage
- ◆ Days Cash on Hand
- ◆ Operating Margin
- ◆ Debt to Capitalization

Qualitative factors such as management, demographic changes, technological capabilities and medical staff characteristics affect hospital credit profiles. Ignoring these factors can give a hospital and the credit markets an incomplete picture of the hospital's credit profile and its financial options. For example, a hospital with strong financial ratios located far from a major bank may find accessing capital more difficult than its ratios suggest. Conversely, a well-articulated qualitative analysis of a hospital's long-term viability could help it secure bond insurance even if its credit profile is slightly below the usual credit profile required for such enhancement.

After completing the credit profile, a hospital can work with its financial professional to determine the best way to leverage its strengths and/or use strategic enhancements to achieve lower interest rates and less expensive capital.

Part II

Financing Options for Rural and Community Hospitals

More detailed information on financing options is available in the unabridged “Financing Options for Nonprofit Rural and Community Hospitals.”

Long-term debt, usually tax-exempt bonds or taxable notes, is a popular choice for hospitals needing capital. Bonds and notes represent a borrower’s obligation to pay interest to the investor in return for the lending of money over a given period of time.

Bonds can be rated or unrated. The ratings range from AAA down to C or D, with AAA to BBB considered “investment-grade.” Unrated or low-rated bonds are often referred to as “speculative-grade,” “junk ” or “high-yield.” The higher the rating, the lower the interest rate the borrower pays to offset investor risk.

Bonds generally can be sold either (1) without additional enhancement and marketed based on the borrowing hospital’s strength or (2) credit-enhanced using vehicles such as bond insurance, mortgage insurance and letters of credit. Credit enhancements make mortgage notes and bonds less risky to the investor and more affordable to the hospital. They can be provided either by commercial institutions, such as banks and bond insurers, or a public entity such as the federal government.

A) Unenhanced Bonds

Hospitals with excellent credit strength may choose to issue bonds without additional credit enhancement. These rated or unrated revenue bonds will tend to trade at a broader range of interest rates depending on the market’s perception of risk at the time of the sale. Borrowers who issue bonds and notes on their own merit do not have to pay fees for credit enhancement, but they may find capital more expensive over time or be subject to longer lock-out periods, more restrictive covenants or other investor requirements.

B) Bank Loans and Private Placements

Another source of borrowed funds is traditional commercial bank loans in the form of real estate or equipment term loans. In small communities with smaller local banks, the loan size often is restricted by the bank’s lending limits and the types of credit risk a bank is willing to accept.

Tax-exempt bonds also can be privately placed, often with the local bank. This structure can allow a local bank to stay involved with the hospital, and those bonds that cannot be placed locally can be sold outside the community.

C) Commercial Enhancements

Hospitals also have the option of using commercial enhancements to obtain better interest rates on their bonds. These include letters of credit and bond insurance.

A letter of credit issued by a commercial bank is an irrevocable obligation to make bond payments if a borrower cannot. Borrowers pay banks for this option. A hospital with a letter of credit can issue tax-exempt bonds that carry the same rating as the letter of credit provider. The primary benefits are lower costs of issuance and somewhat lower annual debt service when compared to some structures. The process for obtaining a letter of credit generally is shorter than that of other enhancement options, and up-front closing costs are relatively low. Hospitals also may have the opportunity to leverage existing local bank relationships and can issue supplemental or additional debt.

Letter of credit structures can provide more flexibility than other options, but banks can be hesitant to extend credit. The project and the obligor’s credit profile must fit into the conservative underwriting requirements of a commercial bank.

Bond insurance, like a letter of credit, guarantees that investors will be paid even if the hospital cannot make its scheduled payments. It generally is available to hospitals that independently can achieve a rating of BBB or better. Generally bond insurance is less expensive annually than the letter of credit option. The cost, however, must be paid up front, and bond insurance may not be the most cost-effective option for hospitals expecting to pre-pay their bonds or restructure the debt before the final scheduled maturity. Bond insurers tend to be more receptive to longer amortizations (20 to 30 years) than banks providing letters of credit.

D) Government Enhancements

The Federal Housing Administration (FHA) and the U.S. Department of Agriculture (USDA) have special enhancement programs that feature longer amortizations and lower interest rates. Government enhancements put the full support of federal organizations behind these hospital loans and bonds, making them much more attractive (less risky) to potential investors.

The USDA offers three funding options under its Community Facilities program: guaranteed loans, direct loans and grants. All three are designated for nonprofit rural organizations that serve communities of less than 20,000. The funds can be used to build, enlarge or improve essential facilities including hospitals and clinics and to buy new equipment. Applicants must be unable to obtain funds from commercial sources at reasonable rates and terms.

The guaranteed loan program has several advantages not shared by either traditional bond issuances or other federal programs: The loan can be for up to 100 percent of the cost of the project, and 90 percent of that loan is guaranteed. While the loan is designed for building new and improving existing facilities, it can be used toward refinances under certain conditions.

Federal loans come with federal oversight. Borrowers generally are required to contribute to an escrow account for real estate taxes (if applicable), insurance and replacement reserves. The USDA also requires annual audited financial statements.

The Federal Housing Administration's Sec. 242 program generally is available to fund new facilities, acquisitions or the substantial renovation and modernization of existing projects. Hospitals may refinance debt through the 242 program with certain caveats. The program offers borrowers the opportunity to issue bonds at an "AAA"-equivalent rating. Interest rates are fixed, and no financial guarantees are required by parent or affiliated entities. Subject to certain debt-service coverage and liquidity levels, hospitals utilizing the program may transfer excess cash flow to parent organizations.

Issuing debt through the FHA Sec. 242 program can save hospitals money, but initial costs and the time necessary to apply for the program should be taken into consideration. Hospitals must pay a one-time fee of .8% of the loan amount in addition to an annual premium and must make monthly payments to a mortgage reserve fund.

The government streamlines the FHA Sec. 242 application process for Critical Access Hospitals, offering slightly different underwriting criteria to speed up consideration and make it easier for these small hospitals to qualify. Critical Access Hospitals still, however, must meet operating margin and debt-service coverage ratio requirements. This is where the special provisions make a significant difference: Hospitals that only recently received their Critical Access Hospital designations and cost-based Medicare reimbursement are allowed under the program to calculate their historical pro forma debt service coverage ratio as if they had been receiving the full cost-based reimbursement for the last three years. Not every Critical Access Hospital will qualify; even with the special provisions, careful evaluation of finances is essential when applying.

Conclusion

The financing options for nonprofit rural and community hospitals can be complex and confusing. Each financing structure has a unique set of characteristics that will likely be perceived to have both desirable and undesirable qualities. Each option must be evaluated with input from a knowledgeable investment banker/financial adviser and in concert with the unique credit profile of the hospital and its long-term strategic plans.

Thomas R. Green is the CEO of Lancaster Pollard. The investment banking and mortgage banking firm provides financial advice and a full range of financing options so healthcare providers can expand and improve services. Contact them at (614) 224-8800 or find the nearest office at www.lancasterpollard.com.



Summer Meeting

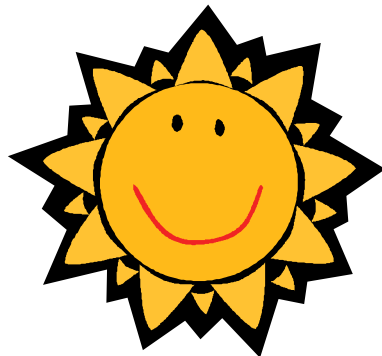
Chamberlain, SD By Tina Horner

On Thursday, July 19, 2007, the membership of SD HFMA celebrated 45 years of education and networking opportunities provided by the chapter. Twenty-two party guests were treated to a summer supper of barbeque sandwiches, salads and birthday cake. After the meal, the group launched two pontoons and floated on the Missouri River. We were blessed with a perfect SD evening and the scenery was picturesque. Thanks to Pete Stach for leading the group in voting on the Miller Lite Man Rules. Some agreed with the rules, others didn't but everyone was laughing. As the sun began to set, we docked the pontoons and headed to the Waterfront Pub to enjoy the good company and the perfect evening. Phil Husher, CFO at Winner, came to our summer education session as a prospective member. After sharing our company for 1 ½ days, Phil had these comments about HFMA, "as a prospective member of HFMA, I felt welcomed by the association at the recent summer meeting. The boat ride on the Missouri River and the discussion time that was held during ride made me feel like a part of the group. Thanks HFMA." Phil is now one of our new HFMA members. Welcome Phil.

Are you looking to become involved with SD HFMA? You are welcome to join us at the SDAHO Convention in September or come to the beautiful Black Hills in Deadwood, SD in October. SD HFMA hosts a networking event with each education session, so you get a chance to do more than just sit through speakers on uncomfortable chairs. We love new faces, so joins us this fall!



Tom & Rhonda



Bev, Anne, Tom, & Sharon



Geoff & Bryce



Pete



81st Annual Convention - SDAHO

September 19-21, 2007

Sioux Falls Convention Center

SDHFMA Agenda

Wednesday, September 19

10:00 a.m. - Noon. **CONVENTION REGISTRATION.** Sioux Falls Convention Center Main Concourse.

Noon - 1:45 p.m. **KEYNOTE LUNCHEON. Rekindling the Fire When You are Down to a Pilot Light. Jack McCall. *Grand Ballroom, Convention Center.*** Sometimes the pressures of modern living can take the wind right out of your sails and often times we feel the fires of our enthusiasm burning low. The demands of a faster-paced life style, work environments marked by accelerating changes, and the constant challenge to accomplish more with less have a way of wearing us down. Sprinkled with heart-warming stories to spark your audience's imagination, in this presentation, Jack will teach us how to rediscover our truest sources of motivation, reassess current positions, and recharge our batteries. Along the way, he will also show us how to recapture the magic of laughter.

2:00 - 3:30 p.m. **ACHE Category I Panel Discussion: Medical Staff Relations. *Exhibit Hall 1, Convention Center.*** The relationship between the medical staff and administration is critical to the success of health care organizations. To be successful, executives must identify strategies for involving the medical staff in decision making and planning, as well as determining how to align the medical staff with organizational strategies. Given the current reimbursement environment in addition to the multitude of changes impacting health care, executives must proactively work with their medical staffs. Panelists for this discussion are Robert Allen, Jr., MD, VP Medical Affairs, Rapid City Regional Hospital; Kenneth Aspaas, Jr., MD, Chief Medical Officer, Sanford Health; and David Erickson, MD, Senior Vice President - Chief Medical Officer, Avera Health.

4:00 - 6:30 p.m. **EXHIBIT SHOW AND SOCIAL. *Exhibit Hall 2, Convention Center.***

Thursday, September 20

8:30 - 9:30 a.m. **Leading Change: Implementing an Automated Medical Record System. Mary Ellen Wells, President & CEO, Hutchinson Area Health Care. *Exhibit Hall 2, Convention Center.*** Implementing an Automated Medical Record System is one of the most significant changes an organization will experience. While selection of the right tools (software, pc's, laptops) is critical, just as important is the recognition and planning necessary to prepare staff for all of the changes that will occur. Ms. Wells will describe techniques used by several organizations--some successful, some less so--to ensure a successful transition. She will provide a greater understanding of the change process, a leader's role in ensuring a successful change, and some specific examples of how to address some of the tough issues that arise during an AMR conversion.

9:45 - 10:45 a.m. **Brave New World: Recruiting Physicians in the 21st Century. David Cornett, Regional Vice President, Client Services, Cejka Search. *Exhibit Hall 2, Convention Center.*** Mr. Cornett will provide an overview of physician recruitment including workforce characteristics, generational make-up, and gender shift. He will discuss what physicians want in a practice today, how physicians find practice opportunities, and how they make practice decisions. He will also make recommendations on marketing practice opportunities to physicians and presenting your "best side" with a focus on overcoming the challenges of rural recruiting.

8:30 - 9:30 a.m. **STATE ISSUES FORUM. *Exhibit Hall 2, Convention Center.***

Thursday, September 20 - Continued

9:45 - 10:45 a.m. Brave New World: Recruiting Physicians in the 21st Century. David Cornett, Regional Vice President, Client Services, Cejka Search. *Exhibit Hall 2, Convention Center.* Mr. Cornett will provide an overview of physician recruitment including workforce characteristics, generational make-up, and gender shift. He will discuss what physicians want in a practice today, how physicians find practice opportunities, and how they make practice decisions. He will also make recommendations on marketing practice opportunities to physicians and presenting your “best side” with a focus on overcoming the challenges of rural recruiting.

11:00 a.m. - Noon. Noridian - Provider Audit and Reimbursement Update. Jim Olson, Manager, Noridian Administrative Services, LLC, Medicare Administrative Contractor - Jurisdiction 3. *Meeting Room 11, Convention Center.* Noridian Administrative Services, LLC, is a long-term, dedicated partner of CMS in the administration of various Medicare Programs in the western United States. On March 1, 2007, Noridian became the Medicare Administrative Contractor (MAC) for South Dakota. Jim Olson will introduce providers to Noridian’s Provider Audit and Reimbursement Department. Specific topics to be covered are: credit balance reports, time studies with emphasis on physician and mid-levels, tentative settlement process, rate setting time schedule, audit process (on-site and desk review), updates on legislative changes impacting provider audit and reimbursement plus the opportunity to get your questions answered.

Noon - 1:30 p.m. JOINT AWARDS LUNCHEON. *Grand Ballroom, Convention Center.*

1:45 - 2:45 p.m. GENERAL EDUCATION SESSION. Surviving the Storms of Change: Leadership Lessons from Hurricane Katrina. Bruce Wilkinson. *Exhibit Hall 2, Convention Center.* Staff shortages, customer expectations, technology challenges, regulatory compliance, and multi-generational employee conflicts can take a toll on any workforce. How are employees expected to stay focused, effective, and keep their minds on serving each other and the customer? In this informative and fun-filled presentation, New Orleans native Bruce S. Wilkinson, will demonstrate how the leadership lessons from Katrina can help your leadership team and employees both survive and thrive in the Storms of Change.

3:00 - 4:00 p.m. Physician Relationships - What Have We Learned. Chris W. Champ, Principal, Eide Bailly LLP. *Meeting Room 11, Convention Center.* Over the last 15 years, hospitals and physicians have entered into many types of relationships. Chris Champ will discuss the various types of relationships and talk about what has worked well and what hasn’t worked so well. He will present various compensation models, and there will be a discussion of the pros and cons of each. In addition, Chris will give some predictions on what the future may hold for hospitals and physicians with some ideas of what you could be doing to be better prepared for the next 15 years.

4:15 - 5:15 p.m. SDHFMA Business Meeting. *Meeting Room 11, Convention Center.*

6:00 - 7:00 p.m. SDAHO SOCIAL. *Downtown Holiday Inn, Starlight Room, 100 West 8th Street, Sioux Falls.*

7:00 - 8:30 p.m. SDAHO ANNUAL BANQUET. *Downtown Holiday Inn, Starlight Room, 100 West 8th Street, Sioux Falls.*

Friday, September 21

8:30 - 9:30 a.m. STATE ISSUES FORUM. *Exhibit Hall 2, Convention Center.*

9:45 - 10:45 a.m. HCAHPS: Getting Ahead in a World of Publicly Reported Patient Data. Martin D. Wright, Solutions Consultant, Press Ganey. *Exhibit Hall 2, Convention Center.* Mr. Wright will provide an overview of HCAHPS—what it is, where it came from, and a current timeline of upcoming activities. He will then explore the implications of HCAHPS on hospitals—looking at everything from logistics of administering the survey, how the public reporting of results can change a hospital’s priorities, and the community image and financial returns of positive results. He will discuss top priorities for improvement in relation to HCAHPS—those items that most affect a hospital’s performance on the reported measures—and specific best practices to achieve results in time for public reporting.

11:00 a.m. - Noon. CLOSING PROGRAM. Making a Living, Not a Difference! Frank King, White Collar Comedy. *Exhibit Hall 2, Convention Center.*

Noon. ADJOURNMENT.

FINAL REGISTRATION DEADLINE - Monday, September 10, 2007 - 605-361-2281 or sdaho.org



Fall Meeting - October 25 - 26, 2007 - Deadwood



First Gold Hotel and Gaming

AGENDA

General Accounting and Auditing Updates: Michelle Strobel – Virchow, Krause & Company

990 and Tax Updates: Larry Mohr, CPA, MBT, Partner – Virchow, Krause & Company

Developing a Monitoring System for Private Business Use Compliance for Tax Exempt Bonds: Margaret Purcell, -- Ernst & Young LLP

No Free Lunch: A Practical Evaluation of Risk and Return in the Financial Markets: Paul Livermore -- First National Bank

Medicare Advantage: Scott Jamison -- Dakotacare

Leadership – Building People: Robert A. Prentice -- Professional Development Systems

For Events Registration, go to



www.sdhfma.org/program.htm

Membership Update

Starting Count (May 31, 2007):	146
New Member:	3
Reinstated Members:	0
Transfer-Out:	28
Ending Count (July 31, 2007)	121

A Warm Welcome to our Newest Members:

- ◆ Wade Erickson, CFO - Horizon Health Care, Inc., Howard, SD
- ◆ Phillip Husher, CFO - Winner Regional Healthcare Center
- ◆ Derek Kruempel, Assistant Revenue Manager, Sanford Health

Platinum Sponsor Spotlight



Eide Bailly LLP is a regional certified public accounting and business advisory firm which has been working within the health care industry for more than 40 years. Health care is the firm's leading industry focus and has provided services to more than 20% of the Critical Access Hospitals nation wide. Eide Bailly's health care team includes more than 150 professionals, many of whom have "on the job" work experience in the industry as nurses, CFOs, CEOs, business office managers, coders and reimbursement specialists.

The firm proudly serves 1300-plus health care clients across the nation. Health care clients include, integrated health systems, hospitals, nursing homes, clinics, home health agencies, hospices, physician practices, senior housing alternatives, skilled nursing facilities as well as other health care entities in 21 states.

CPAs & BUSINESS ADVISORS

Eide Bailly's business advisors have developed trusting and lasting relationships-and experienced a 98% retention rate of its health care clients. They take a proactive stance on keeping clients informed on issues that may affect their operations through direct communication as well as the firm's health care publications and special mailings.

Eide Bailly is the firm of choice to nearly 28,000 clients throughout the nation. Clients are served from 13 service centers in eight states, including Sioux Falls, and Aberdeen, SD; Fargo and Bismarck, ND; Minneapolis, Mankato and Madelia, Minn.; Billings, Mont; Phoenix, Ariz.; Boise, Idaho; Dubuque, Iowa; Oklahoma City and Tulsa, Okla..

As stated in the August 2006 issue of Public Accounting Report, Eide Bailly is ranked as one of the top 25 CPA firms in the nation.

Founded in 1917, Eide Bailly clients benefit from local, personal service and, at the same time, enjoy access to almost 1,000 experienced professionals who are committed helping them reach their goals.

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Avera McKennan Hospital

Deloitte & Touche

Howalt McDowell Insurance, Inc.

Member Spotlights

By Barb Morgan



*Dave
Goehring*

*Senior
Member*

HFMA's Senior Member Profile for this newsletter features Dave Goehring. Joining Rapid City Regional Hospital in November of 1987, Dave's current duties are as the Controller/Treasurer. Before assuming these duties, Dave also worked as the Director of Budget and Reimbursement and acted as interim VP of Finance for Regional Health. Before moving to Regional Health, Dave worked for St. Joseph's Hospital and Medical Center in Phoenix, Arizona in addition to Blue Cross Blue Shield of Arizona.

Dave was led into the healthcare industry through his "desire to help with delivery of services which helped people.." combined with a career that offered a "high level of satisfaction." Dave's current position offers him just that, allowing him the opportunity to work on a variety of projects involving many different topics plus working with a variety of people.

Dave and his wife, Marcia, have been married since 1983. Marcia is employed at BH Corporation in the Finance Department, and they have one daughter, Katie, who is just beginning her senior year at USD. Although Dave grew up in South Dakota, his time in the military allowed him the opportunity to live in Texas, Illinois, and England with his career also taking him to Montana and Arizona.

Dave loves South Dakota because it still has "friendly and honest people, changing seasons, and no traffic to speak of." His dream house would be located in Vermont or New Hampshire because of the beautiful fall colors these areas possess. It is not surprising; therefore, that one of Dave's favorite fall activities is viewing the fall colors, enjoying the cool crisp weather, and of course...the start of professional football. I would whole heartily agree on all--but the last one! He also enjoys golfing, traveling, and hiking.

Dave joined HFMA because of the variety of learning opportunities offered, and because HFMA offers a great opportunity to meet people who have "similar work challenges and interests." His most valuable benefit from being a member of HFMA would be the relationships and friends he has made giving him "many contacts to bounce ideas off of..." contributing towards the ability to solve a variety of problems.

Thank you Dave for your dedication and involvement in HFMA. HFMA is honored to count you as one of its senior members!

Please meet Patty Gardner, HFMA's New Member feature for this newsletter.

Patty currently works as the Operations Director for the United Clinic in Aberdeen. She has been with the clinic for the past eleven years starting in 1996 doing collections. Within a year, Patty assumed the role of Business Office Supervisor, and in 2002, was promoted to Operations Director. Before joining the United Clinic, she worked at another medical clinic in Aberdeen.

Patty enjoys going to work everyday because, "I not only enjoy my job, but I love the people I work with, and I know they appreciate what I do." Additionally, Patty states that her job offers her "a wide variety of job duties that keep my job challenging." Patty says that she has always been interested in healthcare, even as a young child. Growing up, Patty wanted to be a nurse or a doctor, never expecting to be in healthcare management instead.

Patty is a South Dakota native growing up on a dairy farm by Bowdle, SD. Patty states that the best part of living in South Dakota is the people. "South Dakotans are friendly, hardworking, and trusting people." Happily married to her husband Brad, Patty has one 15-year-old daughter plus a stepson, 14, and a stepdaughter who is 7.

Patty already has her dream house. Built approximately 4 years ago by her husband and father-in-law, she never dreamt that she would live in a brand new home. Patty states that she did most of the inside finish work herself. She is available to teach the proper techniques for staining and wood finishing should anyone need help!!!

Patty enjoys spending time with her family, going to sporting events, playing volleyball and also bowls on a league. In her spare time, she can "be found doing Sukoku puzzles, especially the hard or challenging puzzles." In the summer, Patty loves to garden, go for walks, and bicycle. Fall finds Patty enjoying both football and volleyball games. It is obvious that she enjoys sports!

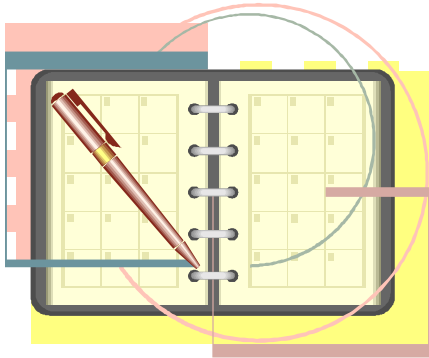
Patty joined HFMA at the suggestion of her administrator. She states that since joining, she has enjoyed all the informative magazines and newsletters HFMA offers. Welcome to HFMA, Patty. We are privileged to have you as a member of our organization!



*Patty
Gardner*

*New
Member*

Mark your Calendars: Upcoming Educational Meeting



September 19-21, 2007

SDAHO, Sioux Falls

October 25-26, 2007

Fall Meeting, Deadwood

January 31, 2008

Winter Meeting, Chamberlain

Chapter business meeting minutes and other relevant chapter information is available
at www.sdhfma.org/chapter_business.htm.

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. For more information, visit HFMA's Web site at www.hfma.org.

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