

healthcare
financial
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southern
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chapter

2006 | 2007

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NEWSBRIEF

NEWSLETTER OF THE SOUTHERN CALIFORNIA CHAPTER OF H.F.M.A.

VOLUME 13 / NUMBER 6

WWW.HFMA-SOCAL.ORG

DECEMBER 2006

Become a Member in December

— Greg Labow, FHFMA and Scott Ujita —

Do you know someone who has been thinking about becoming a member of HFMA Southern California but has not gotten around to it? Currently, there is a fantastic added bonus by joining in December. The registration cost for joining this month is only \$161.

By now, you should have received our chapter's communication indicating that the Southern California chapter will cover \$300 toward each member's registration to the Region 11 Symposium January 28-31 at Caesar's in Las Vegas. So, if the new member spends \$161 to save \$300, he or she is way ahead, in addition to attending a great educational event.

Those of you who are working toward winning the Puerto Vallarta trip as part of the Membership Contest can use this added bonus for getting additional members signed up with you as a sponsor. Ask your new member to go to the HFMA website to join at www.hfma.org/site/ejoin/join.asp and let them know to put your name and HFMA member number as a sponsor. Once HFMA receives the information on the newly sponsored member, you'll receive a \$5 Target® GiftCard as your bonus reward. This Target® GiftCard is in addition to the other great prizes and rewards you can earn by recruiting members, including HFMA apparel items, gift certificates, cash and the ULTIMATE REWARD of a \$5,000 travel gift certificate from Tower Travel!

So please don't delay.

Share this information with your colleagues who are not members – get them signed up today!

“Integrated Financial Settlement” What it Means in Consumer Driven Healthcare

— Jim Moynihan, FHFMA —

Most industry pundits were projecting a substantial increase in the number of employees choosing high deductible health plans as their coverage option for 2007. Providers should be aware that health plans may have a way to lessen the pain of collecting from consumers with related Health Savings Accounts. It is known as “integrated financial settlement” and its adoption by payers may lower collections costs and improve cash flow. It may also have an impact on the rates providers accept from Health Plans.

Open enrollment in most organizations is coming to a close now at year end 2006 and early reports are that the volume of consumers opting for High Deductible Health Plans is

increasing. Most consumers opting for a High Deductible Health Plan have a Health Retirement Account or a Health Savings Account from which funds can be drawn to pay for deductible, co-insurance and co-payment amounts. This combination is generally referred to as Consumer Driven Healthcare although that concept is broader than just using these payment mechanisms. Despite many attractive features in the Consumer Driven Healthcare Model providers are less than enthusiastic participants to date. Providers are generally skeptical about the willingness of some customers to part with this tax sheltered money and expect a difficult battle to collect increasing patient liability debts. Health

Continued on page five

FROM THE PRESIDENT'S DESK

Greg Labow



Dear Members,

I hope that as you receive this issue of NewsBrief, it finds you in the middle of a very joyous Holiday Season with family and friends. Our chapter has been very busy since the last issue.

In October, we had very successful events with both the Geographic Program in San Bernardino and the CFO Roundtable in Manhattan Beach. Both programs are part of our efforts to provide greater opportunities to attend fine educational programs in locations that are more convenient to some who often have to drive long distances to other programs and also to provide programs geared toward distinct segments of our membership.

Also in October, three of us had the opportunity to attend an intensive Program Chair Workshop lead by key members in the National Office and CAT teams members. This program extended over two days and provided us with great ideas to further enhance our educational programs and provide greater value to the membership.

Approximately 70 members enjoyed the performance of Sister Act at the Pasadena Playhouse in November. Everyone had a great time. Later in November we held Educational Program II in Universal City and we had a great turnout for an excellent program. Chapter leadership attended our mini-LTC in Arcadia December 1st and 2nd, led by CAT Team member, Neil Koonce who flew in from the Tennessee Chapter. Our latest event on December 7th was our Holiday Party held jointly with AAHAM at Gazzella in Long Beach. If you weren't able to attend you missed out.

Be certain to register early for the Region 11 Symposium (January 28-31) before 12/27 to take advantage of the Early Bird Registration and the \$300 subsidy for Southern California members. This year's event promises to be an excellent event and should not be missed.

In another area a number of big changes will be hitting our industry early next year. The implementation of AB774 providing for mandatory charity and discounts for the uninsured has many unanswered questions. CHA continues to lead efforts to get substantive answers and clarification. The announced plans of DHS to mandate use of National Drug Codes for "physician-administered" drugs have hospitals, along with CHA, negotiating for a better solution. The implementation of the UB04 and NPI is coming up fast and providers need to ensure that they have everything in place for this. Our chapter both at the Region 11 Symposium and at future educational programs is committed to providing the education and information necessary for the membership to move forward effectively.

Sincerely,



Greg Labow, FHFMA
President, Southern California Chapter HFMA

2006 | 2007

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Chapter Leadership Training

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Davis Chapter Management

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Managed Care Conference

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Susan Labow, CHAIR

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Payer Relation | Compliance

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Region 11 Symposium

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Student Recruitment, Mentoring & Scholarship

Kymblyn Brown, CHAIR

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NOVEMBER 15, 2006

HFMA Educational Seminar #2 General Session Review

—James Cummings—

Once again the Southern California Chapter of the Healthcare Financial Management Association (HFMA) has put on a truly informative half-day education session. The seminar started with a general session that featured a distinguished panel of presenters whose knowledge base and real life experiences left the audience enlightened and pleased that they attended this special session.

The first speaker, Katherine Lauer, an attorney with the firm of Latham and Watkins, captured and held the audience's attention from the very beginning of her presentation to the closing remarks. Ms. Lauer began her presentation with a brief summary of some of the most recent OIG prosecutions and convictions. Per her presentation, providers should be very leery of relationships that have the appearance of being a reward for referrals. These relationships possibly run afoul of the Anti-Kickback Statutes, and as such they are still vigorously prosecuted by the OIG.

She then went into the OIG's work plan for FFYE 2007. The complete list of items being scrutinized for possible enforceable actions included but was not limited to the following: 1) double billing by multiple branches of the same facility, 2) improper drug distribution by physicians, 3) the Medicare Dependent Hospital program, 4) rebates to hospitals, and 5) capital payments. For a copy of her presentation (Trends in Enforcement), please go to the chapter website at www.hfma-socal.org, and look for the educational materials link on the home page.

Another interesting issue brought up by Ms. Lauer, was the deferred prosecution agreement. The deferred prosecution is an arrangement where the provider's guilt was acknowledged and the penalty was determined. However, the implementation of the penalty is delayed for several years while the Provider complies with a Corporate Integrity Agreement (CIA) over several years. If the hospital complies with the CIA then the penalty will not be enforced, however, if the Provider fails to live up to the CIA, then the penalty will be enforced.

Next on the Agenda was Barry Weinbaum, a hospital administrator who was tried for the alleged illegal recruitment of physicians. The trial resulted in a hung jury; the government frustrated with that decision, tried him again and got the same result. Mr. Weinbaum's presentation gave an insightful view of how it felt to be on the defendant side of an OIG investigation. Those in the audience got some great tips on how to document and memorialize their activities, so in the event they are ever a defendant in a similar situation, they will be prepared.

The final presenter on this panel was John Valenta, a Manager at the Accounting firm of Deloitte and Touche. Mr. Valenta's presentation dealt with Provider pricing from a regulatory perspective and included issues such as price setting and transparency. Other issues discussed were charity care and billing & collection practices. Mr. Valenta pointed out that there are several issues regarding pricing that have regulatory implications that could result in an OIG investigation. For a copy of his power point presentation, please refer to the chapter website previously referenced. All in all the audience was treated to an outstanding presentation on Compliance and the evaluations reflected a high level of satisfaction.



Lori Kuwahara, Our new administrative assistant, is assisted at the registration desk by Lisa Wada.

Katherine Lauer, Barry Weinbaum and John Valenta on the Compliance Panel Discussion.

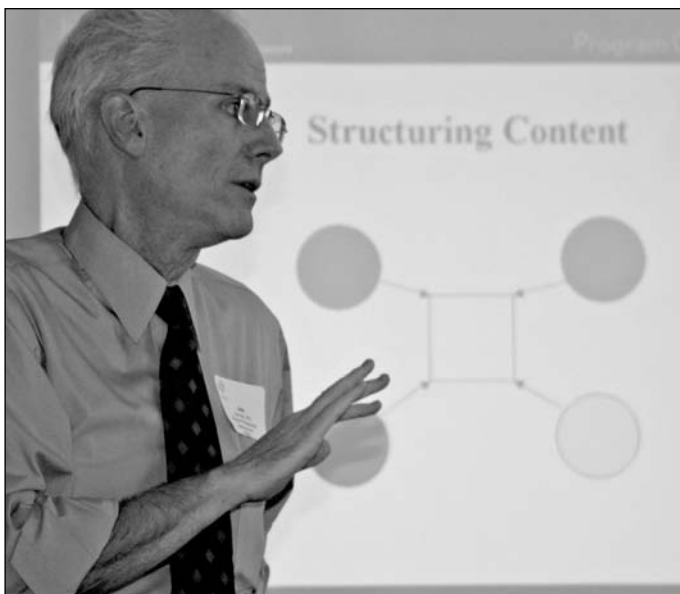


NOVEMBER 15, 2006

Chapter Educational Seminar II Government Programs Track

Scott Ujita

The speaker for the Government Programs session was Robert Roth from Crowell & Moring LLP. He came all the way from Washington D.C. to speak on the Medicare Disproportionate Share Hospital Adjustment – Issues and Opportunities. Robert gave an overview of the DSH (Disproportionate Share Hospitals) calculation. Eligible hospitals receive additional funding from the Government to treat low-income Medi-Cal beneficiaries. These hospitals typically have a higher overhead to accommodate the patients. Robert covered the various methods of calculating DSH and explained what information was needed in the numerator and the denominator of each calculation. The session grew more interesting when he spoke about the recent Court Decisions including Monmouth Medical Center and Baystate Health System, both of these cases are significant for DSH hospitals. The Monmouth case, which Robert argued for the client, won the right for the provider to make it mandatory for the Intermediary to reopen the cost report. The Baystate case won the right for the provider to have the Intermediary reopen the cost report even if the provider did not specifically request the DSH issue. Robert gave a great presentation and having briefly looked at the evaluations for this session, I believe everyone that attended this session enjoyed it.



Dr. Joe Abel from our National Office conducts an intensive Program Planning Workshop attended by Greg Labow, Debby Chanen and James Cummings.

UNIVERSITY CORNER

Student Recruitment, Scholarship and Mentoring Committee

HFMA Members Participate in University Events

Our chapter members and representatives have participated in the following events under the Student Recruitment, Scholarship and Mentoring Committee:

CSUN | October 24

Student Speed Mentoring Program by Nancy Sussin

CSUN | December 6

Healthcare Administration Seminar by Greg Labow

CSUN | February

Healthcare Administration Student Assoc. by Debby Chanen

UCLA | November 9

The SoCal Chapter of HFMA was represented by Jim Mopsifoff as part of a Professional Association Panel for the Healthcare Student Association.

A special thank you to each of our chapter volunteers.

Call For Speaker Volunteers

HFMA and its committee has provided some outstanding opportunities and scholarships to upcoming healthcare professionals at UCLA, UCS, CSUN and CSULB. Because our goal is to recruit and mentor upcoming healthcare leaders and be a part of what HFMA has to offer, we need volunteers who would be interested in becoming a classroom speaker. You will be asked to discuss your job, the benefits of a career in healthcare, and how HFMA has played a role in your career, from educational events to networking. Interested members please contact: Annalisa Abbs / aabbs@cbbinc.com / 626-303-1515.

Our Committee Needs School Liaisons

As a Liaison, you will meet with the faculty and student organizations to introduce the benefits of HFMA student membership. You will also distribute information on classroom speaker programs, conferences and scholarships. If you are interested in becoming a Liaison at USC, please contact: Kymblyn Brown / kbrown@mail.cvhp.org / 626-813-7805

Course Credit offered for HFMA Membership at Cal State University Long Beach

We would like to recognize Charles DelCampo, Professor at Cal State Long Beach and a member of our committee.

Due to his efforts, the faculty plans to endorse HFMA membership by giving extra credit for membership.

Student Scholarship Applications

Applications for the student scholarship program have been distributed at UCLA, UCS, CSUN and CSULB. After the holidays, our University Liaison's will again distribute applications for students who have not received one and are interested in this scholarship opportunity.

Deadline for returning scholarship applications is 2/23/07.

Integrated Financial Settlement

Continued from page one

Plans certainly encounter provider discontent with CDHC at rate negotiation time because many providers rightly ask why they should give an insurance company the same contractual rate as other plans for a CDHC plan when operational costs to collect will be higher and bad debts may increase.

In order to address the concerns voiced by providers, Health Plans are seeking to implement CDHC in such a way as to speed payments and lower operational costs to providers. Their solution is generally known as "integrated financial settlement". In simple terms, health plans set up contractual and operational procedures that allow them to automate provider payments and eliminate the task of collecting from the consumer. Here's how it might work. A patient is discharged and the claim is sent by the hospital to the carrier. The carrier adjudicates the claim and determines the patient liability amount. Based on a standing authorization from the member/subscriber/consumer, the plan determines that the balance in the Health Savings Account is sufficient to cover the patient responsibility amount for the claim. The carrier then pays the hospital with an electronic payment (835 and Electronic funds transfer) indicating that the patient responsibility amount is zero. The carrier reimburses itself for the patient portion by debiting the Health Savings Account. Provider collection efforts are eliminated, as is bad debt risk in this scenario.

Will this become the standard way Health Savings Accounts are administered? Sadly, there is no "standard way" yet and there may be many flavors of integrated financial settlement. Some companies other than the Health Plan will be appointed independent administrators of Health Savings Accounts by employers and they may issue provider payments drawn directly from consumer Health Savings Accounts. These could be done electronically but how many providers are ready to handle ERA receipts from hundreds of different patient Health Savings Accounts?

Finally, some members/employees/subscribers may do everything manually leaving providers with all the collection hassles and possible bad debt providers' fear may be their fate in a world of consumer driven healthcare. Providers can take some steps now to prepare for and influence the future of consumer driven healthcare. First negotiations with plans must put the issue on the table. Consumer Driven Healthcare translates into provider losses without "integrated financial settlement" and plans cannot command historical contractual rates without this approach to reduce provider collection costs and losses. Secondly providers should incorporate solutions with their banks to allow for a sharp increase in EDI payment volume. This should be consistent with a game plan to obtain ERA and EFT from the largest number of plans. The key is to insure that automated 835 posting procedures accommodate consumer payments when they do arrive. If you are not

EMPLOYMENT OPPORTUNITIES

REIMBURSEMENT COORDINATOR

Community Hospital of the Monterey Peninsula is currently seeking a detail-oriented team player to be responsible for our third-party reimbursement functions, including collections, verification, and reporting of data. You will also be expected to analyze financial records and ensure proper financial statement presentation, determine the financial effect of changing reimbursement regulations, and serve in a project leader capacity in guiding the organization through any major reimbursement changes. You will also play a key role on the revenue cycle management team.

To qualify, you must have a four-year college degree in Accounting, Finance or equivalent (M.H.A. or M.B.A. a plus), and 3+ years of reimbursement experience in hospital financial accounting, forecasting, reimbursement, and rate setting in an automated environment (may substitute government or intermediary experience). Knowledge of government program reimbursements and cost report preparation is essential, along with the ability to communicate complex and detailed information effectively with hospital staff and outside parties.

Located in Monterey, California, our 173-bed not-for-profit facility is close to Carmel, Big Sur, and Santa Cruz – all areas known the world over for their stunning natural attractions and countless recreational amenities. As a leader in health-care career opportunities on the Central Coast of California, we offer an excellent compensation and benefits package, **including a relocation allowance**. For immediate consideration, please apply online at www.chomp.org, or contact Enza Sanchez, employment specialist, at 831-622-2809, fax 831-622-2806, or e-mail enza.sanchez@chomp.org. Equal opportunity employer.



Debby Chanen attends dinner at Harry Carey's Restaurant while attending the Program Planning Workshop in Chicago.

talking to your bank about how to plan for these issues in 2007 now is the time to begin that conversation.

James J. Moynihan Copyright MMIIec 2006

NOVEMBER 15, 2006

HFMA Southern California Gives Back to the Membership

————— Greg Labow, HFMA —————

People may not realize it but in the not too distant past, our chapter was very shaky financially. In fact, more than one president used personal funds and credit cards to help ends meet. However, all of that has turned around in a big way.

We are blessed that we served as either the lead chapter or co-lead chapter for the Region 11 Symposium since its inception in 1999. While all of the Region 11 chapters have benefited financially, our role as co-lead and our high number of attendees from our chapter has proportionately benefited us greatly. This positive financial position has allowed our chapter to set aside reserves for potential lean years. It also provided the opportunity to “give back to our membership” whenever possible. I would not be surprised if most members of our chapter are unaware of the many ways that we accomplish this, and I decided to take this opportunity to make sure everyone knows what we are doing.

We have kept registration fees for educational programs very low in relation to other programs of similar caliber. Certified members attend at half the normal rate and student members attend for free. If members attend two consecutive local programs the third program is free of charge. We have offered rebates/discounts in the past for members attending the Region 11 Symposium and the Statewide Managed Care Conference (the Fall Conference next year).

This year I am pleased to announce that your Board has approved a \$300 registration subsidy for Southern California members to attend the Region 11 Symposium this January. This reduces the Early Bird registration fee from \$580 to \$280

and hopefully will allow more members the ability to attend. A separate communication will be coming out detailing how you can take advantage of this fantastic opportunity.

All of our social/networking events are heavily subsidized and costs to the membership have been kept to a minimum. The recent “Sister Act” tickets cost members only \$40 and new members were actually admitted for free. Our Holiday Party, the New Member Mixer, the social event on the Queen Mary and other events have also cost token amounts. Furthermore, your Chapter heavily subsidizes the Annual Banquet every May.

We have a well-defined program to recruit and develop student membership. Four different universities participate in our scholarship program. Every May, these scholarships are awarded at our Annual Banquet.

The Chapter has made a concerted effort to send more of our extended chapter leadership to events such as the Leadership Training Conference (LTC) and ANI. In the past only the President and President-Elect were sent to some of these events. Now the list extends to Directors and even committee chairs. The Chapter benefits for the increased exposure and training our leaders receive earlier in the HFMA experience.

As you can see, the Southern California Chapter identifies many ways to “give back to the membership.” I do not know if there is another chapter that accomplishes this at the elevated level that we do. We will continue to identify other creative opportunities to continue this process.



Inland Empire members heard two great programs in October. The first was an update on the UB04 and CMS1500 – “Is Your Facility Ready?” and the second was “Self Pay Collections: Strategies for Success”.

Revenue Cycle Corner

— Rick M. Lash, Treasurer / Southern California Chapter, HFMA —

This issue of Revenue Cycle Corner focuses on the multi-facility organization of Integrated Healthcare Holdings, Inc. Their Corporate CFO, Steve Blake, CPA, is both an active member and leader in our Southern California Chapter of HFMA. With all of his other duties and commitments, we thank Steve for making time to be interviewed.

LASH: Steve, what is your definition of revenue cycle management?

BLAKE: Very generally, it is the process of assuring the financial capital and operating resources are available to provide quality patient care. It involves monitoring and coordinating a number of both financial and clinical processes to avoid waste and secure appropriate reimbursement to achieve that goal.

LASH: Does your corporate organization have one individual charged with the responsibility of managing revenue cycle? If so, who is that individual and what are their responsibilities? If not, how is the function divided among other individuals?

BLAKE: Yes we do. This is one of the key responsibilities of each facility CFO. It is an integral part of budgeting, identification of financial requirements, rate setting, contracting admitting, coding, HIM and CDM oversight.

LASH: Are the other Senior Leaders of your organization's Executive Team committed to revenue cycle management?

BLAKE: Absolutely! They recognize this as fundamental to our success and literally demonstrate this in virtually everything they do.

LASH: You obviously have some best practices in your organization related to revenue cycle? Which ones are they? Are you implementing these practices in all of your facilities?

BLAKE: We are effective at minimizing tracking and resolving denials. Let's face it, the payers have designed complex procedures to safeguard their interest and will generally deny claims when they can find a basis for doubt. We strive to avoid that doubt proactively and defend our claim vigorously when necessary.

LASH: Part of the revenue cycle relates to charge capture. What checks and balances has your organization adopted and implemented to insure that you capture all patient revenue?

BLAKE: We have fairly effective order entry systems and, where charges do get batched, monitor late charges daily. This is subsequently tested by chart auditors who present their findings during case review and chart audit committee meetings.

LASH: Another aspect of revenue cycle is the Charge Description Master. Who in your organization is responsible for CDM maintenance? Is the responsibility centralized or is each facility responsible for maintaining their respective CDM? How is pricing transparency integrated into CDM maintenance?

BLAKE: The CDM is standard as to numbers and CPT coding among our facilities. Maintenance is a centralized corporate function so that we have some focus on billing compliance requirements. The charges vary among the facilities and are subject to an overhaul in connection with the current budget cycle. This is a topic that we are hoping to develop further by the March 2007 HFMA Educational Session.

LASH: Do you actively involve your physicians in the revenue cycle process? If so, how and when? To what extent?

BLAKE: This is most effectively done through Case Management and the monitoring for appropriateness of care. We believe that the most effective forum for physician involvement is in assuring that the right services are performed in connection with clinical case reviews. Additionally, we put substantial resources into assuring that documentation is complete and accurate.

LASH: How strong are your Case Management Departments? Are they tied into the management of the revenue cycle? How do they monitor performance? How are they organized? Are they cross-trained? Can they work at more than one facility? And, finally, what electronic systems do they use to help manage the process?

BLAKE: One of the most valuable things we do at the facilities is the weekly Complex Case Review Meeting attended by all Case Managers, Clinical RN, CBO Denial Manager, Admitting, the Medical Eligibility Staff (MEP), CFO, CNO, Social Services and at Western Medical Center of Santa Ana the UR Physician. We discuss all cases greater than 5 days ALOS from a medical management and eligibility status. Their primary focus is to assure appropriateness of care is monitored and documented on a concurrent basis. Their notes and evaluations become an integral part of the denials management system and are key to the adjudication and appeals process. They report to nursing for clinical oversight and evaluation and participate proactively with finance in case review.

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Revenue Cycle Corner

Continued from page seven

The approach and systems are consistent among our facilities. Case managers have floated when necessary but are most effective when they have the facility relationships with the physicians, nursing staff and with the secondary care entities (SNFs, Home Health Agencies, etc.). They currently use Interqual and the CMS System for their tracking. They would benefit further from the automation of our health information system.

LASH: Continuing with other revenue cycle areas, how strong are your Health Information Management Departments? Are they, too, tied into the management of the revenue cycle? How are they organized? How do they monitor performance? Are they cross-trained? What electronic systems are in use for the abstracting and coding processes? Do any of your facilities have an electronic medical record?

BLAKE: Our HIM departments function very well with the tools they have been provided. The HIM Directors report to the CFO and could function well in any of our facilities. They use SMART for abstracting.

The medical records are still manual, and it is our goal to identify and implement an automated solution next year. The payback from this improvement can be substantial for case review, medical management, billing and collection and appeals, just to name a few. You may recall we made a presentation on this topic at the March 2006 HFMA Educational Seminar. I have seen this work before, and I am excited about the opportunity to replicate that experience.

LASH: As the Corporate CFO of Integrated Healthcare Holdings, who are your direct reports?

BLAKE: As the Corporate CFO, I actually have relatively few direct reports. The facility CFOs report directly to the facility CEOs. The CFO of our largest facility provides very capable direction to our CBO and Corporate IS departments. The Corporate functions of Tax, SEC Reporting, Third Party Reimbursement and Corporate Acquisitions are currently staffed by contract services, which I supervise. The VP Finance, Controller is a direct report and provides consolidated reporting, treasury and budgeting support. Internal Audit reports directly to the Audit Committee.

LASH: How is/are your Patient Financial Services area(s) organized? Centralized vs. decentralized? Are you happy with the A/R mainframe system? The ADT system? Medical Records coding and abstracting systems? Order entry systems?

BLAKE: As mentioned, we have a CBO and have standardized all of our AR on Perot's PBAR system. We are experienced and comfortable with the suite of systems that accompany this except for the automation of HIM. This will be our focus this year.

LASH: Steve, again I want to thank you for sharing what you and IHHI are doing and have accomplished in regard to Revenue Cycle. It sounds like you are on top of things. We look forward to hearing about your future successes.

It is our goal to have another **Revenue Cycle Corner** article in the next edition of *Newsbrief*. If any of our readers would like to have specific questions asked of our revenue cycle experts, please e-mail them to me at rmlash@gmail.com.

HFMA SO. CALENDAR

2007 EVENTS

- Jan. 28-31** NINTH ANNUAL REGION 11 SYMPOSIUM Caesars Palace, Las Vegas
- March 15** CHAPTER EDUCATIONAL SEMINAR #3 Center for Healthy Communities, Los Angeles
- April 19** CFO ROUND TABLE Deloitte and Touche, 1500 Rosecrans Blvd., Manhattan Beach / 11:30-1:30
- April 22-24** LEADERSHIP TRAINING CONFERENCE Manchester Hyatt, San Diego
HFMA National's training conference for chapter leaders. Attendance is by invitation only.
- June 23-27** ANNUAL NATIONAL INSTITUTE San Diego
- Sept. 9-11** FALL CONFERENCE Harrah's Lake Tahoe

Details on all events can be found on the chapter's web site www.hfma-socal.org/

CERTIFICATION EXAMS are scheduled for 8:00 am on the third Friday of each month at Cedar Sinai Financial Services, 6500 Wilshire Blvd 8th floor Training Room (Corner of Wilshire and San Vicente)

CHA Joint Committee on Payer Relations

— Greg Labow, FHFMA —

The California Hospital Association Joint Committee on Payer Relations met on October 26, 2006, in Sacramento. This committee is made up of providers, payers, CHA staff, State and Federal agencies and meets four times a year. The following is a summary of topics covered during the meeting.

Medicare Mutual of Omaha | Kelly Collins

Kelly reported that he has assumed additional duties from the Texas office and will be doing less work in California. Judy Lee will absorb most of these duties. Teleconference presentations will be held December 7th and 14 regarding SNF documentation.

He indicated that the CERT program continues to experience problems with the timely return of requested documents by providers. Mutual is doing some telephone outreach to providers. The contractor is also making calls to the provider telephone number on file. Multiple letters are also being generated so the provider will have ample opportunity to respond before the matter is referred to the OIG.

A new MSP contract has been awarded to Chickasaw. Their number is 866-677-7720 and will be available 8am to 8pm Eastern Time. There will be various addresses for written correspondence.

The UB04 will be required as of May 23, 2007 (same date for NPI implementation). After that date all claims, even resubmissions, will need to be on the UB04 and not the UB92. The unique covered and non-covered form locators on the UB92 will be replaced by expanded value codes on the UB04. Kelly stressed, along with a number of other payers throughout the meeting, that hospitals need to obtain physicians' individual NPI. Be certain that you do not use medical groups' NPI.

CMS | Frank Comozzi

Frank announced that he will be retiring in January. Mary Ann Grandlich is replacing him and already is functioning in the position. There is a regulation proposal to replace E&M codes with G-Codes, and we are currently within the comment period.

Blue Cross State-Sponsored Programs

Marisa Feler

Marisa, Regional Director, Field Operations, reported that she will be replacing Colleen Zickgraff on the committee. In prior meetings problems with CMSP, claims requiring CIN numbers and not allowing use of the SSN was raised. It was reported that a manual method has been developed where providers can fax requests to Customer Service when they only have the SSN. Huong Ly is the Manager for Claims and Customer Service. In the meantime the CMSP Board will further look into the issue.

Providers asked about the lack of the ability to receive electronic funds transfer for CMSP. Apparently, this issue began with the transition to Blue Cross administering the program. Marisa will look into this and get back to the CHA with her findings.

Blue Cross Commercial | Debbie LaMantain

Debbie announced that they will have Talk Tables in Costa Mesa with subject matter experts for all provider types. Webinars will be coming in 2007, along with computer-based training. There had been problems with Freedom Blue claims being paid, but this has been addressed and should no longer be an issue. Debbie is researching the timing of the communication regarding Blue Cross' plan for how Revenue Code 510 will be handled.

Providers asked for an update regarding progress on the work groups to address TPA problems. She responded that they have been working with the TPAs and heard that the problem is improving but will look further into the issue. Providers questioned that there has been improvement. There are four or five TPAs that continue to be problematic. This issue will be discussed further at the next meeting and providers are encouraged to forward specifics regarding their problem TPAs to Sherreta in advance.

Aetna | Pippa Young

Pippa announced a number of web site enhancements. Most notably is that providers will be able to access remaining amounts toward deductibles and stop loss as well as remaining benefits. She indicated that this information will be available electronically. They will, in the near future, roll out "e-cob" capabilities and are working with a few clearinghouses. EMDEON was mentioned as one of them. Documentation regarding this capability is available at www.aetna.com. Also available on this web site are pre-certification requirements and tips, along with common codes having these requirements. NPI intake/registration is available as of mid-November.

There was a great deal of discussion within the committee regarding the multiple processes for responding to health plan requests regarding NPI. A number of suggestions were raised: 1) CMS should centralize the process; and 2) collaboration with other associations, e.g. Health Plans, to facilitate the process.

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Joint Committee on Payer Relations

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PacifiCare | Terry Mannisto

Terry reported that United Health Care and PacifiCare are going through the merger process. The leadership is identifying best practices. While they are transitioning, they still function as two separate companies. Providers need to register for secure e-mail through the United web site. This will go into effect in November, and providers ability to pass data will be limited if they do not register.

DHS | Debra Ferreria

Providers asked about the status of secondary TARs. Debra will check on the status and get back to Sherreta. She had thought that it was currently with EDS. This issue relates to claims being denied for TARs after the primary payer has paid.

DHS | Phil Fedler

The issue that Medi-Cal plans to not provide eligibility based solely on the SSN was raised. This was discussed in conjunction with the earlier discussion regarding CMSP. Sherreta and the providers made the point that this is a huge issue since many times ID cards are not available and the only identifier is the SSN. Phil indicated there will be meetings and forums to discuss this issue and obtain input. Providers should pay very close attention to this issue since there are numerous circumstances when only the SSN will be available and if this is not a means to determine eligibility providers will be negatively impacted.

EDS | Cynthia Garrett

EDS is in the process of finalizing training plans for 2007 with the first sessions to be in the third week of February. They are planning for another "Medi-Cal Now" later in the year. At the end of this year, they will be sunsetting the proprietary 837 format (OP). She directed everyone to access the web site for updates regarding NPI. EDS has secured contracts with imaging vendors to link attachments electronically to the 837. Identification of the vendors who have been approved so far will be published shortly. There will be three methods to link the attachment to the claim; mail, fax and imaging. Cynthia pointed out that it is important for claims to accurately reflect the mode for the attachment or the two will not match up.

EDS has begun querying providers on the impact of the anticipated requirement to provide the NDC numbers for certain categories of drugs provided to outpatients. Meetings have been held on 10/06 and 10/25 as well as site visits to providers in the Sacramento area. DHS and EDS have heard the concerns expressed and have a better understanding regarding the complexities of the issue. All of the concerns will be taken back and a FAQ will be published. Providers questioned EDS'/DHS' interpretation that the NDC is a requirement for all outpatient claims.

Cynthia pointed out that ECOB is available for Medi-Medi claims but not other payers at this time.

Providers raised a couple of problems that they were experiencing. First was that entire claims were being denied when the issue only related to a line item attachment. The second issue was that claims were being denied for eligibility when a valid eligibility response exists. Examples were requested so that this can be researched.

State Issues

It was described that the administrative day rate changed in August 2005 but is still being paid at the old rate. EDS will follow-up with Provider Enrollment.

- Medi-Cal license fees went up as part of the budget and will change each year in the future.
- SB1312 was passed and created the ability to fine hospitals effective January 1, 2007. This issue was discussed in relation to AB 774.
- A Sheriff's Workgroup was created to address problems with the implementation of SB159. There are different interpretations of terminology (e.g. pre-booking) and until there is a common understanding little will be resolved. The work group will attempt to address this. The next meeting is scheduled for February.

Federal Issues

At the last meeting significant problems with cross-over claims were discussed. This was commercial crossovers as well as Medi-Medi claims. Since that meeting CMS has sent correspondence indicating that all of the problems have been addressed. However, problems do still exist although they are not consistent. There has been an FSS issue and claims were being rejected for invalid NPI as of October. While the problem has been identified the resolution date was not determined at the time of the meeting. Problems that existed with crossover claims from 9/22 to 10/1 have been addressed and will be automatically resubmitted.

Ruby Galanto from UGS was on a conference call regarding Medicare crossover issues. Issues included: 1) Not all crossover claims were sent from 8/22 through 9/30; 2) there were 100% rejections at the COBC as of 10/20/06 due to FISS generating invalid NPI numbers; 3) providers are not receiving the COBC Detailed Error report; and 4) inconsistent reporting of status codes on the 835s.

- On the first issue, UGS was in the process of recreating the files from 08/22 thru 09/30 and will be sending the files to the COBC. The file re-create has been completed and UGS has requested its Data Center to send the files to the COBC by 11/03/06.

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Joint Committee on Payer Relations

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- On the second issue, the fix to FISS was implemented 11/06 and crossovers should have been passing since that time. As of that date there was no estimate of when the re-create files were going to be produced and processed.
- On the third issue, hardcopy reports are getting mailed to the "correspondence address" from Section 2 of the 855 enrollment application. The report will only show claims that were 'crossed over' per the eligibility file at CWF but were errored out by the COBC. Claims that were 'crossed over' should have a status code of 19, 20 or 21 on the remittance advice.
- On the fourth issue, additional information was requested, and there has not been additional feedback at this time.

Managed Care and Legislative Issues *Dietmar Grellmann*

AB774 was passed and will go into effect 01/01/07. Although this was killed last year, a deal was struck with the swing vote to allow greater flexibility for rural hospitals and went through this year. The Governor also declined to veto it. This bill calls for charity to be provided at 350% of the federal poverty guidelines. Patients without insurance can be charged no more than a "government payer". What a government payer is has not been defined. CHA will push for worker's compensation rates which would be greater than Medicare or Medi-Cal. Providers also have to extend payment plans without interest, and consumer debt reporting is limited. There was extensive discussion regarding how providers

need to craft their charity policies and a variety of opinions were shared. Subsequent to the meeting a sub-group was formed to help provide guidance.

Blue Cross previously had notified physicians that endoscopy procedures performed in a hospital setting would receive reduced reimbursement of 20% to the physician and those outside of a hospital setting would be increased by 5%. The CHA initiated a law suit to fight this. The DMHC submitted a brief indicating that the change in policy did not go through the appropriate process. Recently, Blue Cross agreed to rescind this policy change effective 10/04 and will be submitting to DMHC for a change in policy.

The "Hospital Value Initiative" is being put forth by CALPERS and PBGH as an "efficiency measurement" that unfortunately is based on faulty information, but is moving forward quickly. Numerous objections have been raised, but those objections have not been addressed in a meaningful way. CHA has conveyed that providers want to work on transparency and benefits derived from measuring quality. However this needs to be done in a proper way and not to unnecessarily rush the process as what seems to be happening now.

There were recent forums to hear testimony on balance billing issues, held in Los Angeles, San Diego and Sacramento. A large portion of the testimony came from the physician community. At the time of the meeting there were not any definitive outcomes regarding the impact from the testimony.

Have You Visited our Website Lately?

Donna Anglin, FHFMA

If so, you may have noticed some changes. For your information, the chapter has engaged a new website designer to help us improve the look and mechanics of our website. If you haven't visited lately, check it out at www.hfma-socal.org.

The home page now displays the next three upcoming events, along with links to the HFMA National membership directory and our local educational materials. Some pages are still under construction so not all of the links are working properly. We appreciate your patience during this transition period. We hope everything will be updated and working correctly soon. If you have specific comments or questions, please contact Donna Anglin, the chapter Website Contact, at 562-933-1915 or danglin@memorialcare.org.

Sunday Afternoon at the Theater

Wayne Knecht

Southern California Chapter members enjoyed an afternoon at the theater Sunday November 5th. Around 70 members, family and friends gathered at the Pasadena Playhouse to take in the popular play "Sister Act". The Chapter promoted this social gathering and networking opportunity by making tickets available at \$40 per ticket, a \$35 savings.

We enjoyed a pleasant afternoon of entertainment and time to re-connect with each other. Those of you who were not able to be there missed a terrific performance of the popular Broadway musical. We look forward to seeing you at future chapter sponsored social/networking events.

HFMA/AAHAM HOLIDAY PARTY DECEMBER 7TH



TOP LEFT: George Coleman, Debby Chanen, Lorna Lash and Rick Lash enjoy their time at the party. TOP RIGHT: Kristina Cabral and Gordon Johnson are clearly into the Holiday spirit. MIDDLE: A great time was had by all. BOTTOM: The response for the children's gifts that was given to the shelter was overwhelming.

On Thursday, December 7th, the Southern California Chapters of both HFMA and AAHAM held the annual Holiday Party at Gazzella Restaurant in Long Beach. It was a beautiful setting, and over 125 people registered. It was a great time reconnecting with veteran colleagues and networking with new ones.

The food was great with something for everyone. Selections included mushrooms stuffed with roasted vegetable and béarnaise sauce, rosemary chicken meatballs with sun dried tomato aioli, stuffed pasta shells with ricotta in a béchamel tomato sauce, spinach, leek and walnut quiche, lamb sausage sandwich with a Dijon mayonnaise, mortadella sandwich with provolone, polenta with shallots in a marinara sauce, semolina gnocchi with pesto sauce, bruschetta with fresh basil, garlic and white beans and a wonderful dessert.

Entertainment was provided by jazz vocalist Renee Cardone and her quartet. The music was a nice mix of jazz, swing and Holiday Music. This group was well-received last year and came back this year for an encore performance.

The invitations had asked for voluntary unwrapped children's gifts, and the response was overwhelming. All of the gifts barely fit into the SUV borrowed to transport them to the Sheepfold, a shelter for homeless women and children affected by domestic violence. There will certainly be a large number of twinkling eyes this year when the children receive their gifts. On behalf of HFMA and AAHAM we would like to extend a special "thank you" to those who were able to contribute and bring happiness into the children's lives.