

2007 | 2008

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## HFMA Region 11 Symposium Speakers Confirmed

— Scott Ujita —

HFMA's Region 11 Symposium Committee has confirmed the featured speakers for the upcoming Symposium to be held January 27th – January 30th, 2008 at Caesars Palace Resort in Las Vegas.

This year's opening keynote speaker will be former Secretary of Education under President Reagan and the "drug czar" under President Bush, Dr. William Bennett. Dr. Bennett's presentation will focus on his recently completed two-volume history of the United States, *America: The Last, Best Hope*. Named by leading analysts as the "Best Communicator of 2002," Dr. Bennett has authored 16 books, two of which rank among the most successful of the past decade. Dr. Bennett is sure to be a speaker worth hearing.

The second keynote speaker on Monday morning will be Dr. Ian Morrison. Dr. Morrison is an internationally known author, consultant and futurist specializing in long-term forecasting and planning. He will speak on "The Future of the Healthcare Marketplace," focusing on the political, economic and strategic context of change in healthcare. He has worked with more than 100 *Fortune 500* Companies, including Kaiser Permanente and Pfizer. Dr. Morrison is sure to bring his knowledge and experience to the Symposium.

Former Assistant Secretary of Defense for Health Affairs, Dr. William Winkenwerder, Jr. will speak on "Reforming the American Health Care System." Dr. Winkenwerder's had 13 years of experience in executive leadership positions in the healthcare industry including

Blue Cross Blue Shield of Massachusetts and Prudential Health Care before going to the Pentagon. He also held senior positions at Emory University and Prudential Health Care, and practiced primary care medicine. He will bring a wealth of knowledge and experience to his session.

Connie Podesta will close the Symposium on Wednesday. The topic of her session is titled, "Life Would Be Easy If It Weren't For Other People." Ms. Podesta will highlight serious issues that affect productivity and morale in the workforce and will remind us that the quality of one's personal life and values directly affect professional success. Connie Podesta is internationally known for her high-energy interactive and entertaining sessions.

The Symposium will also present an array of other educational sessions, including a State Association Panel, a presentation of portions of the film "Sicko" by Michael Moore narrated by Richard L. Clarke, and an International Executive Panel regarding the Pros and Cons of Universal Healthcare. The conference also has 12 educational programs on a wide variety of subjects impacting all healthcare executives, including presentations on Medicare FY2008 IPPS DRG Change Impact, RAC Attack, Medicare Specialty Reimbursement Issues, and the CFO Technical update to name just a few.

Be sure to mark your calendar now to attend starting Sunday, January 27th, 2008, or go to [www.HFMARegion11Symposium.org](http://www.HFMARegion11Symposium.org) for more details.

P R E S I D E N T ' S M E S S A G E

Debby Chanen



In a report sent to Congress just after Thanksgiving, **CMS** outlined a proposal for implementing a value-based purchasing (VBP) system under which the agency would withhold between 2% and 5% of hospitals' DRG payments and return those sums based on facilities' performance on care quality measures. While Physicians have already undergone many reimbursement changes tied to Pay for Performance Programs, this "is going to be a challenge for a hospital that's got a very tight margin, and many hospitals do" according to the chairman of **Harvard University's** Department of Health Policy. Can you imagine your salary having deductions to that extent versus having bonuses on top of your salary if you perform well? As the proposal gets debated and shaped by Congress, HFMA will be keeping up with the issue and bringing you updates and education if changes are going to be made in the system. Stay tuned.

Our Board is also trying to bring quality and value to its members – those of the HFMA Southern California chapter. These are some of our recent accomplishments/activities and we have a lot more on our plate for the remaining six months of our terms:

- 1) The Chapter now has online registration for our events. The first event to use this new software was our November 14th educational program at the Universal City Hilton. We also recently sent an online invitation/registration for our annual holiday party at Maggiano's at the Grove on December 13th.
- 2) New Southern California Membership Directories are now available. A few weeks ago, an e-mail was sent out to all members to let them know we have CD ROMs available with the 2007-08 Membership Directory that includes the most recent membership information at HFMA National.
- 3) We held our first Geographic committee educational event of the year in San Bernardino. Two additional educational events are planned in our outlying areas: most likely Bakersfield and Orange County.
- 4) Student Scholarship information and applications were sent out to hundreds of students at seven local universities on October 1st. They are due back on March 31st. The Board voted this year to increase the amounts and the numbers of scholarships offered.
- 5) We made a \$500 donation on behalf of the chapter to the Hospital Workers' Fire Relief Fund for families that were affected by the recent Southern California wildfires. The California Hospital Association (CHA) established the Hospital Workers' Fire Relief Fund, a 501(c)(3) charitable organization, which is administered by the California Health Foundation & Trust (CHFT). All donations are disbursed in the form of grants to hospitals in affected areas that request funding assistance for their employees. The hospitals then distribute the grant money to staff who have been seriously impacted by the disaster. This allows each hospital to best identify how to assist their employees.
- 6) We recently sent out an e-mail to all members (and have another announcement in this [Newsbrief](#)) about a \$300 rebate for the Region 11 Symposium. If you register in time for the early bird rate, your cost for this incredible three day conference will only be \$295.

I would like to wish you all very happy holidays and a New Year filled with Peace and Prosperity.

Sincerely,

*Debby Chanen*

Debby Chanen, FHFMA  
President, Southern California Chapter HFMA



As you contemplate the New Year and set personal or professional goals, consider volunteering in HFMA. Every effort, no matter how great or small, is meaningful and enhances the value of our membership. And, most of all, the personal rewards are immeasurable!

2007 | 2008

COMMITTEES

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CFO Round Table

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Chapter Leadership Training

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NOVEMBER • 7 • 2007

# CHA Joint Committee on Payer Relations

————— Greg Labow, FHFMA —————

The CHA Joint Committee on Payer Relations met in Sacramento on November 7th. The following is a summary of this meeting.

## Health Care Reform – Anne McLeod

Anne presented an update on health care reform beginning with an overview of today's health care market. She then went over key components to the Governor's reform proposal. This included:

- Increase Medi-Cal rates to federal maximum allowable
- Increase managed care Medi-Cal payments to at least equal to the increase in FFS payments
- Insure 4.8 million Californians
  - Expanded Medi-Cal and Healthy Families
  - State purchasing Pool
  - Employer mandate
  - Individual mandate
- Funded by 4% "Coverage Dividend Fee"
- Two tier approach
  - Per diem fee on FFS days and Managed Care days
  - Medicare and Long Term Care days excluded
- The model predicts (excluding designated publics)
  - \$1.7 billion in fees raised
  - \$1.5 billion in Medi-Cal managed care increases
  - \$800 million in payments for previously uninsured who move to:
    - Medi-Cal, Healthy Families, Purchasing Pool
    - Employer and individual mandated coverage
- CHA Board supports reform with protections
  - Long term predictability and stability for hospital payments
  - Fees placed in separate trust account, separate and apart from General Fund
  - State MOE must continue
  - Five year sunset
  - Payments to hospitals at the highest allowable under federal law
  - Program/fee terminate if federal funding or approvals do not materialize
- Shifting strategies by other stakeholders
  - Labor and major consumer groups are now overtly opposing the Governor's plan
  - Governor's plan was relying on democratic votes to pass through both houses
  - The new opposition is a significant barrier
  - These groups want more of the burden placed on employers

- Labor and consumer groups want more tax breaks for individuals-up to 450% of FPL
- Puts more strain on already compromised financing plan-tax credits mean less state funds available to pay for new coverage
- Other Concerns
  - Hospital permanent protections may place state GF at risk
  - Legislature needs to protect the GF
  - MOE provisions to bring hospital payments to maximum UPL pose "unlimited" risk to GF, according to legislative staff.

## Managed Care Update – David van der Griff

David reviewed key legislation passed, defeated and continued this year. AB 1324 clarifies that an HMO or health insurer that authorizes specific treatment by a provider, shall not rescind or modify the authorization after a provider renders treatment in good faith. There has been a cease and desist order blocking the Blue Cross confidentiality agreement that they have been pushing. This does not nullify existing agreements. DMHC is adding Medicare and contract rates to factors when determining reasonable and customary for non-contracting payments.

## Legislation Update – Barb Glaser

SB 275 which was onerous legislation regarding transporting patients to locations other than the patient's residence or another health facility was vetoed by the Governor. Barb expects this to come up again in the next legislative year. AB 381 clarifies that hospitals and other specified providers can continue to obtain Medi-Cal eligibility using the patient's Social Security Number until such time that DHCS establishes an automated HIPAA-compliant system. SB350 was passed as clean-up legislation for AB 774. The clean-up does not address all of the deficiencies in the previous bill but is an incremental step.

## OSHPD – Kenny Kwong

Kenny reviewed the new AB 774 charity reporting requirements that are effective 1/1/08 and described key components of the SyFPHR Reporting System. Some key points covered were that policies and procedures must be submitted as one electronic file in Word format and the application file must also be submitted as one electronic file. A revised electronic file is required whenever a significant change is made. An interesting piece of information that came out was that Worker's Compensation rates are included in other governmental rates. Kenny confirmed that Health Access said that Worker's Compensation rates are OK.

*Continued on page four*

# Payer Relations

Continued from page three

## **RAC Audits – Pat Blaisdell**

Pat reported that of 45 appeals at the ALJ level 100% have been overturned. This was based on the determination that PRG did not demonstrate good cause for re-opening the claims. Also CMS has implemented a “pause” in the California program targeting rehab facilities. This pause is only for Rehab claims. Another contractor will be performing a validation review on these claims.

## **CMS – Neal Logue**

Neal presented the Medicare Policy update. The IPPS Final rule was issued August 1, 2007 and became effective October 1st. Congress enacted legislation in September which changed the IPPS MS-DRG documentation & coding adjustment from -1.2% to -0.6% for FY 2008. Hospitals will be getting higher payments in FY 2008. Some of the key policies in the FY 2008 IPPS Final Rule include Medicare Severity DRGs (MS-DRGs), continued transition to cost-based weights, hospital acquired conditions policy, capital payment changes, reduced payments for credit devices and wage index. He touched on components of value-based purchasing including hospital acquired conditions & present on admission indicators, the Hospital Quality Initiative, the Physician Quality Reporting Initiative and Home Health Care Pay for Reporting. Present on Admission data collection began 10/1. As of 4/1/08 claims will be returned if POA is not provided. Beginning October 1, 2008 certain conditions will not be assigned to higher paying DRGs unless present on admission. The rule also includes provision to ensure that Medicare no longer pays for the additional costs of certain preventable conditions acquired by the patient while in the hospital.

## **Blue Cross Commercial – Debbie LaMantain**

Debbie reported that Blue Cross will begin moving to the Anthem name. The Senior VP Josh Valdez has left and Julie Vietch is new. They are currently ready for MS-DRGs.

Those on the committee raised the issue of long wait times on the phones. Debbie acknowledged the issue and indicated that there is an enterprise-wide committee that has been formed to address this.

## **TRICARE**

TRICARE currently has a problem accepting MS-DRGs but there was no current status on the issue available.

## **Blue Shield – Cathy Blackstone**

Cathy reported that Blue Shield is ready for MS-DRGs on the senior side. On the commercial side it is manually processed. She asked that hospitals let her know if there are problems

with processing. She also announced that they have rolled out a new revised web site. The last hard copy provider manual will be released in January.

She was asked about the status of the issue regarding the requirement of lab results being provided on the claim. Cathy had thought that it had been implemented but will double-check. Everyone expressed strong opinions regarding the difficulty of implementing this requirement.

## **Aetna – Liz Smalley**

The issue was raised regarding a recent decision by Aetna to not pay clinic charges. Liz indicated that the change was in the manual and should be a negotiated item.

## **United Healthcare/Pacificare – Josh Martin**

They are ready for MS-DRGs on the senior side. On the commercial side a proprietary cross-walk is used. The company is transitioning their name but Secure Horizons and Pacificare will stay on as named products.

There was significant discussion about the inpatient notification change and the payment reduction if notification is not made. Notification is to be within 24 hours of admission, 7 days a week. Josh indicated that if you sign up for electronic notification, the “penalty is off the table”. Providers raised the issue of late identification of patient coverage and the impact on notification. He implied that hospitals would not be penalized. *(Note: as of press time, United has moved back implementation to March and made some minor changes. CHA is actively pursuing this issue).*

## **EDS – Cindy Garrett**

The revised web site has been rolled out with a much better search engine. The new ICD9 implementation was delayed to 01/01/08 retro to 10/01/07. The 2007 codes are OK until 01/31/08. The adjustment for the Orthopedic Law Suit is coming and will be reflected with RAD Code 898. Letters have been sent to affected hospitals. Beginning last September, all real time eligibility processes began returning BIC numbers when SSNs are used. In January, there will be a one month window for batch processing that allows for SSN submissions and results in BIC numbers returned. Registrations for NPI is still very low with 50% overall and 60% for hospitals. Outreach notices have gone out regarding the issues with registering NPIs. EDS is seeing significant UB04 errors where the Provider ID is being placed on the wrong line (too low). Please review your claims. The NDC implementation for drugs is not happening 01/01/08... stay tuned.

UNIVERSITY CORNER

Student Recruitment, Scholarship and Mentoring Committee

— Anthony Lewis —

The Student Mentoring, Recruitment and Scholarship Committee had its regular meeting on November 1, 2007. Annalisa Sullivan chaired the meeting as Kymblyn Brown is currently transitioning into her new role at LogistiCare. Congratulations once again to Kymblyn in her new job. She will rejoin the committee at our next meeting. The committee is very active at this time of the year and we received status reports of what is underway at UCLA, CSUN, and Cal State Long Beach. Plans for introducing students to HFMA are well underway and moving quickly.

At the meeting, the following issues were discussed:

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Several of the members reported on what is currently happening at each of the universities targeted for student recruitment. There are many plans in the works for several of the universities and everything is on target. Word is out regarding the benefits of joining HFMA as a student member and the student application process for scholarships.

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Cal State Long Beach – It was announced that there are two new professors at this University that could potentially serve as resources for assisting in the recruitment process. Charles del Campo and Natalie Vu both announced that applications have been handed out to the students. They discussed collaborating their efforts in recruitment since they are both at the same university.

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Speaker List – Several members discussed the importance of the speaker list. Professor Sal Esparza (CSUN) will be utilizing the speaker list for his classes. Other faculty could use it as well to invite HFMA members to speak in classes at the universities to help recruit student members into HFMA.

UCLA Professional Health Services Organization Panel

— Debby Chanen, FHFMA —

On an annual basis, the graduate students in the UCLA School of Public Health invite various professional healthcare related organizations to speak to the students on healthcare careers and how the organizations can help them in their careers. This year, from 5:30 -7:00 pm on November 28th at UCLA, the students heard from myself and John Faubion representing ACHE (and HCE ).

After telling the group how I became involved in HFMA in 1995 (through the Managed Care Conference), and what I have done in the organization since, I introduced the approximately 25 first and second year graduate students to HFMA National, its website, HFM magazine, educational programs, the certification program and other benefits of being a member. I then discussed the Southern California Chapter, its mission, website, educational and other events and newsletter.

Our Chapter’s scholarship information and applications were distributed to the students and I explained that they need to participate in our chapter in order to be eligible for a scholar-

ship. I described the various committees of our chapter to give them ideas of where to start their involvement. Students then asked questions such as whether they could get discounts to educational events (they get free registration to their first HFMA SoCal educational event), whether there were many students attending our events so they wouldn’t feel overwhelmed with only meeting higher level executives (yes, we do have student members attending events) and more details on the study material and methods for certification (I explained how our chapter purchases and shares text books for certification to eliminate the need for them to purchase their own).

The students seemed sincerely grateful for all of the information and answers to their questions and hopefully we will soon see some of them showing up at events and turning in their scholarship applications. Please give a warm welcome to all of our student members if you meet them at one of our events or on your committees and help them to navigate our complex healthcare industry.

## Rebate Offer for HFMA Region 11 Symposium



The HFMA Region 11 Healthcare Symposium, January 27-30, 2008, is fast approaching. The Southern California Chapter is the co-lead chapter this year and we want to make sure that everyone has the opportunity to attend. To that end, the Board has approved a \$300 rebate toward the registration fees for Southern California members. That means that your cost for the early bird registration fee is only \$295 for the entire program after the rebate! But hurry and take advantage of this unique offer, because the early bird deadline is December 28, 2007 (the same day that Caesar's Palace special room rate offer for the Symposium attendees expires).

In order to take advantage of this special rebate, connect to the symposium website registration page utilizing the following link: <https://www.hfma-region11-symposium.org>. You will pay the registration fee initially and then by no later than February 28, 2008, members of the HFMA Southern California chapter on the registration list who attended, will be sent a \$300 rebate check. Non-members may qualify for the rebate by becoming an HFMA member of the Southern California chapter.

Even if you are not currently a member of the Southern California chapter (or if you know someone that is not, pass this on) you have time to sign up for HFMA membership at [www.HFMA.org/membership/application](http://www.HFMA.org/membership/application) prior to registering for the Symposium so that you will get the member discount. The \$300 rebate will more than pay for your membership dues which, as of December, are only \$133.

*This represents another effort by your Board to give back to the membership. We hope you and your colleagues will be able to take advantage of it.*

## Geographic Meeting Held in San Bernardino

— Christopher Kinsey —

*We thank the HFMA members who braved the unfortunate smoke and ashes in San Bernardino to attend the Geographic meeting at St. Bernardine Medical Center on October 25. In a continuing effort to bring our Chapter Seminars to the outlying areas of Los Angeles, we presented a half-day educational seminar in San Bernardino.*

The program led off with Chapter announcements and a Legislative update. The first session was entitled: "Ensuring Your Medi-Cal Reimbursement" by Greg Labow, President of Health Care Legal Services and Bennie-Lynne Flores, Government Programs Manager, also with Health Care Legal Services.

The presentation focused on the nuances of Medi-cal eligibility and how to ensure reimbursement once eligibility is confirmed. As our uninsured population grows so does the need to effectively identify all potential eligible patients. Guidelines and time frames were presented for the eligibility process. TAR and billing process and steps to avoid delays were given.

The second session was entitled: "Understanding the UB04 Clean Claim Process", by Carol Eaton, Charge Master/Reimbursement/Compliance Manager, at Citrus Valley Health Partners.

Ms. Eaton conducted a workshop that reviewed the current status of the UB04 and the continued challenges that have been presented with the transition to the UB04 since inception. A detailed process and workflow review that included various aspects of Revenue Cycle was presented. The workflow from Registration, Patient Intake, and Business Office Operations was discussed with detail to the vital areas that will produce a clean UB04.

We hope to continue our presentations in outlying areas of our Chapter for those who cannot get to the Greater LA area on a regular basis. Thanks again to those attending a very worthwhile presentation and a special note of thanks to St. Bernardine's and to Eric Saliba for providing the meeting space and refreshments.

NOVEMBER 14, 2007 • EDUCATION SESSION II

## Government Programs Track

Scott Ujita



Lloyd Bookman on Government Programs Forum

The most recent Southern California HFMA seminar was well attended. The Universal Hilton was the perfect location to talk about Government Programs related issues. We had two great speakers, Lloyd Bookman and Kelly Styles.

First up was Lloyd Bookman from Hooper, Lundy Bookman, Inc. Lloyd spoke about multiple topics that affect the reimbursement world. Lloyd opened with healthcare reform and compared the competing proposals currently going

through the State legislative system. He touched on a possible hospital tax that would be federally matched and would benefit Medi-Cal payments, managed care rates and expanding coverage for the uninsured among other things.

Lloyd then spoke about Recovery Audit Contractors, or RAC. This has been a thorn in the sides of many hospitals with Inpatient Rehab facilities. The RAC has been taking back millions of dollars from hospitals around California. Lloyd touched on the appeal process and current strategies. Next up was an update on the Medicare Administrative Contractors or MACs. It was revealed that Palmetto was awarded the MAC contract for Jurisdiction 1. This covers American Samoa, California, Guam, Hawaii, Nevada and the Northern Mariana Islands. Palmetto has subcontracted parts of its responsibilities to other companies. In California, we will probably be working with First Coast Service Options. They are currently the Intermediary in Florida.

The second speaker was Kelly Styles from Ernst and Young's Health Sciences Advisory Services, Operations Efficiency department. Kelly spoke on pay for performance. He covered the history of pay for performance, what drives this and also the detriments. Kelly went on to discuss how hospitals can get started as well as issues and lessons learned from the past. This was a very interesting session that covered a lot of ground. Kelly's presentation has been posted on our website [www.hfma-socal.org](http://www.hfma-socal.org) under event listings and educational materials. I recommend that you check it out.

## CFO Track

Steve Blake, Chair CFO Round Table



Attendees at the HFMA Southern California chapter Educational Program II were treated to an exciting array of speakers covering the spectrum of acquisition activity to business relations with physicians and related compliance considerations:

**Eric Tuckman** – Principal, Advisory Health Management Group  
**Mergers and Acquisitions**

Eric Tuckman shared first hand experiences with the group covering large acquisitions and divestitures of hospital systems in and outside of California.

**Eric Themm** – Senior VP, MDS Consulting  
**Physician-Hospital: Collaboration & Competition**

Eric Themm covered the development of physician ventures and outpatient centers that compete with hospitals. He covered the changes in physician demographics and drivers behind medical economics.

**Allen Dye, MHA** – Vice President, Merritt Hawkins & Assoc.  
**Physicians & Hospitals: The Quest for Common Ground**

Allen continued on this theme with the changing landscape for physicians and trends in specialization. Changing lifestyles and integrated delivery systems are reducing the supply of independent physicians.

**Cheryl Wagonhurst** – CCEP, Partner, Foley & Lardner  
**Compliance Risks & Safeguards Regarding Joint Ventures & Contracting with Physicians**

Cheryl rounded off the series with a candid and sobering overview of the regulatory compliance and enforcement activities that govern the relationships between institutions and physicians, pointing to new guidance on OIG review of physician / hospital joint ventures and closer scrutiny for individual and small group practices.

The presentations have been posted to the Chapter's website for those that were unable to attend. We look forward to the next CFO Track presentations on March 18, 2008.

Hope to see you there!

## MEMBERSHIP

## 2007-08 Southern California Chapter Membership Directory Now Available

The Southern California Chapter website ([www.hfma-socal.org](http://www.hfma-socal.org)) provides a link for our members to the National website membership directory. Not only can you search for members of our chapter, but you can also search for all your HFMA colleagues by name, company, and location – regardless of chapter! Using an on-line directory ensures that you'll always have the most up-to-date contact information. Please also remember to update your information on the National website as needed so you continue to receive HFMA information from both National and the chapter.

However, for those of you who would like a list of our chapter members all together in one place, we now have a CD available with all our chapter members' most recent information that was retrieved from the National website. If you would like to receive a CD of the 2007-2008 Southern California Membership Directory, please send an e-mail request to Lori Kuwahara at [lori.kuwahara@gmail.com](mailto:lori.kuwahara@gmail.com) or call her at 323-266-4362 and one will be mailed to you.

## CONGRATULATIONS TO

### Our Newest "Certified Members"

David R. Allen, FHFMA, CPA  
Jason C. Johnson, CHFP

## Welcome New HFMA Members

Ed Dare	St. Francis Medical Center
Edward Kim	Molina Medical Group
Karine Hovsepyan	Glendale Memorial Hospital
Juan Medina-Vargas	Progressive Management Systems
David M. Reyburne	Relational Technology Solutions
Guss A. Rodriguez	MD Biz Strategies LLC
Ryan L. Rundles	US Bank Technology Finance
Smitha Shaker	Navigant Consulting Inc
Adriana E. Van Der Graaf, MBA, RHIA	Community Memorial Health System
Robert Wallace	Relational Technologies Solutions
Michael S. Winsten	Winsten Law Group
John Wolterbeek	PacifiCare Health Systems

## OCTOBER 18, 2007

## CFO/CIO Round Table Luncheon

Steve Blake, Chair / CFO Round Table

Jack Flaherty provided an educational session on "IT Issues Facing Healthcare Providers" and provided strategies for improvement. CFOs were joined by their CIOs for this outstanding presentation on issues to consider in the risk assessment for their IT environment. Jack covered a number of key areas including:



Steve Blake, CPA  
CFO Round Table Chair

- Segregation of Duties
- Privacy Controls
- Physician Connectivity
- Systems Implementation and Change Management
- Configurable Controls

The presentation has been posted on the Chapter's website for those that were unable to attend. Thank you Jack!

We would also like to thank the Manhattan Beach office of Deloitte & Touche LLP for providing their educational facility for this event.

Our next lunch is scheduled for April 17 at the Los Angeles office of Latham and Watkins, LLP. More details will be posted under the "Events Listings" at the Chapter's website: <http://www.hfma-socal.org/> when available.

## MEMBER-GET-A-MEMBER CONTEST

## HFMA MEMBERS CAN WIN A FREE TRIP TO LAS VEGAS OR PUERTA VALLARTA

Being a member of HFMA has many benefits. It is an excellent way to learn the latest regulatory changes, it also provides ample opportunities to network with your fellow healthcare finance professionals.

The Healthcare Financial Management Association ('HFMA') is the number one educational resource to Healthcare finance professionals. Membership in HFMA makes one a member in the largest network of healthcare finance professionals. *HFM*, the monthly magazine published by HFMA, keeps members abreast of the latest industry news, along with legislative and regulatory updates. It is filled with articles that go into in depth analysis of current industry issues. There are always insightful stories on how someone has improved an industry process or procedure.

The Southern California chapter of HFMA provides educational sessions either on a half day or full day basis several times a year. In addition to the formal education sessions, our chapter has various committees that you can join that align more specifically with your interest. For instance, if you work in the managed care industry, there is a Managed Care committee that meets on a monthly basis that you can join. During these meetings you can discuss industry trends or listen to an invited guest speak on a successful project that they implemented.

For more information on joining a committee that is more aligned with your specific interest, please visit the chapter website [www.hfma-socal.org/chapter](http://www.hfma-socal.org/chapter) to obtain committee chair contact information.



### MEMBER-GET-A-MEMBER CONTEST DETAILS

The Southern California Chapter of HFMA is currently sponsoring a membership drive. All members are encouraged to recruit new chapter members. The member who recruits the most new members can win their choice of two fantastic trips. The first trip is to Puerto Vallarta for a week. If that does not appeal to you, then you can choose a trip to HFMA's ANI in Las Vegas, Nevada.

For any questions on the Membership recruitment contest, please refer to the information posted on the Chapter web site at [www.hfma-socal.org/membership\\_drive08.html](http://www.hfma-socal.org/membership_drive08.html). If you still have questions, contact our membership chairperson Valeria Ruggeri at [valeria@asap-staff.com](mailto:valeria@asap-staff.com).

### PRIZES\*

- 1. Trip to Puerto Vallarta, Mexico\*** with all expenses paid. Included are 7 days and 6 nights in a beach front Condo in Puerto Vallarta and \$1,000 for airfare and spending cash.
- 2. Trip to 2008 ANI in Las Vegas\*** The Healthcare Finance Conference - June 23-26, 2008 at the Mandalay Bay Resort and Convention Center. Included are event registration plus \$500 towards hotel.
- 3. Free Southern California Chapter Educational Seminar**

*\*First place winner can choose prize #1 or #2*

### CONTEST DRAWING ENTRY POINTS

- **2 Entry Points** – When you bring a potential member to the Membership table at a SoCal Chapter event.
- **5 Entry Points** – For each new member who actually joins our organization. If someone signs up at an actual educational session or during one of our chapter social events, you will receive 5 entry points, plus 2 points for the on the spot sign up, giving you a total of 7 entry points.

Each new member will be required to provide your name and HFMA member number at the time of joining our chapter. We encourage you to have them join via the National HFMA website at [www.hfma.org/membership](http://www.hfma.org/membership). The contest begins on May 1, 2007 and ends on April 30, 2008 when we will total the entry points. We will announce the winner of the trip give away at the chapter's Annual Awards dinner. In the event of a tie, we will place the names of these individuals in a drawing.

Please take advantage of this trip give away. You'll be introducing your friend or colleague to the finest healthcare financial management organizations in the country while helping our local Chapter to grow – a win-win situation for all involved.

# CHA Board Position on the Governor's Health Reform Proposal

— Laura Zehm, MBA, FHFMA, Vice President & CEO, Community Hospital of the Monterey Peninsula —

UPDATE – We, the hospital industry, have the Governor's attention. Governor Schwarzenegger needs the hospital industry's support to pass his health care reform package. He has been meeting with the Executive Committee of CHA in order to arrive at a compromise that we can live with. You will recall that up until recently the CHA position on the Governor's proposal was "no way". Because we now have his full attention, it is our best opportunity to shape the legislation in a way that provides the most protection to our bottom lines. The CHA Executive Committee worked with Governor Schwarzenegger to arrive at the plan I will summarize below. The CHA membership voted to support this plan as it is summarized here.

## Health Care Reform Package

**Capping of hospital fee** – The fee on hospitals is a per diem set at approximately \$141 for each day of care provided to managed care patients, not including Medicare managed care, plus a fee of approximately \$405 for all other patient days not including Medicare. This fee is to be capped at the percentage figure initially enacted (your hospital should have received an estimate of the financial impact of the fee compared to the increase in Medi-Cal).

**Separate fund** – This fee will go into a fund separate and apart from the General Fund and is to be spent first to raise Medi-Cal inpatient and outpatient payments to hospitals to the maximum amount allowed by federal law.

**Annual Medi-Cal rate increases** – Medi-Cal payment increases to hospitals that equal the greater of the increases in the cost of providing hospital services or average increases in payments from payers. First, there will be a large increase to get us to the maximum allowed by Federal law (approximately 31%).

**Net Return Guarantee** – Poison pill language that repeals the fee on hospitals if the aggregate net return to hospitals in any subsequent year falls below the net return to hospitals in the first year.

**Five-Year Sunset** – Can only be extended through re-enactment by the Legislature and Governor.

**Elimination of Loss Ratio** – Elimination of the 85 percent "minimum medical loss ratio" for hospitals because it doesn't apply.

**Adoption of Hazards United States (HAZUS)** by the Administration through an emergency regulation that is promulgated and put in force prior to December 31, 2007. Enactment of relief for hospitals from the 2008/2013 deadline requirements of seismic safety standards pursuant to SB 1953 in 2007.

**Balance Billing** – The ban on balance billing limited to emergency room services where the hospital does not have a contract with the payer.

Your hospital should have received the model completed by Health Management Associates dated August 24, 2007. Please note that minor data deficiencies in the model have been identified and corrected. The model has not been re-distributed to members because a remaining factor in calculating new managed care Medi-Cal payments must be resolved. The potential federal limit on Medi-Cal managed care payment increases must be determined before the model can be adjusted and final estimates calculated. CHA is working with the administration to ascertain the federal limit.

These are exciting times.

Please call me if you have any questions.

*About the author: Laura Zehm is the Vice President & CFO of Community Hospital of the Monterey Peninsula (CHOMP) and HFMA Representative on the CHA Board. She can be reached at 831-625-4915 or at [laura.zehm@chomp.org](mailto:laura.zehm@chomp.org).*

## HFMA SO. CALENDAR

### 2008 EVENTS

- Jan. 27-30** REGION 11 HEALTHCARE SYMPOSIUM Caesars Palace, Las Vegas
- March 18** EDUCATIONAL SESSION III The Center for Healthy Communities / 7:30 am-4:30 pm
- April 17** CFO ROUNDTABLE Save the date!

Details on all events can be found on the chapter's web site [www.hfma-socal.org/](http://www.hfma-socal.org/) > click on Events Listings