

President's Message

Presidents Message:

February is the month that members fulfill their annual responsibility in electing the officers and open director positions for FY2003. Once again, a talented and energetic group of professionals have been assembled for members to decide upon. Please take a few moments to review the candidate's biographies that have been posted on the chapter web site at www.hfma-emc.org and mail your ballot by March 8.

An equally important responsibility for members is to respond to the annual survey by February 28. What things do we do well? How can we improve? What suggestions do you have? This information will be used to plan the FY 2003 year so now is your opportunity to voice your opinion. Most importantly, it is an opportunity for members to express interest in committees and leadership positions that they would like to be involved in next year. Take the plunge and volunteer, it will be worth it.

Special thanks to Sara McGlynn, Brenda Perry and the rest of the Benchmarking and Decision Support Committee for presenting a successful member meeting on January 18th. Professors Smith and Wheeler from U of M shared the results of a study that they conducted on the financial decision-making processes at Michigan and national health systems. Their presentation was interesting, insightful and very entertaining. EMC was able to present this high quality session at minimal member cost thanks to a financial sponsorship from Beaumont Hospitals and the free use of the Providence Hospitals and Medical Centers auditorium.

Mike Tomkovich

Certification News and Other Stuff...

Congratulations are in order for two of our members who attained certification status in 2001. They are Brenda Perry and Sara McGlynn. Brenda passed the Certified Healthcare Financial Professional (CHFP) Accounting and Finance Specialty exam in March 2001 and Sara passed it in November 2001. Brenda and Sara join 61 previously certified members in our Eastern Michigan Chapter.

In addition to the Accounting and Finance specialty mentioned above, there are three other certification specialties. Those specialties include Patient Financial Management, Managed Care and Financial Management Physician Services. There is also a senior level of certification, that of Fellow in the Healthcare Financial Management Association (FHFMA).

Our Chapter wishes to support our membership in seeking certification. The Chapter plans to offer certification exams as needed at least once each quarter during 2002. In addition we are planning to develop a library of study materials and offer coaching sessions as certification candidates express an interest. If you would like more information regarding certification, please contact Susan Stokes, Administrative Assistant or Frank Gless, Certification Chairman at (586) 786-9532 or (313) 396-5947.

Watch for more on certification in future newsletters. We will discuss the advantages and the process by which an HFMA member may become certified and publish (anonymously) questions and answers that may be of interest to our members.

PLACEMENT COMMITTEE

After a flurry of activity last summer, there has been a lull of several months where very little in the way of new job postings appeared. Suddenly, in the last weeks of January, two very interesting job posting popped up.

Both employers prefer to be contacted directly so please use the contact information shown.

Position: Contract Manager.

The position is responsible for coordinating and negotiating new contracts and renewals with managed care plans, in addition to evaluating the financial performance of managed care plans, and renegotiating contracts accordingly.

Please see the St. John Health System website at www.stjohn.org <<http://www.stjohn.org/>> to apply online. Click on the Careers tab. The job can be identified using job search number 0100054. If you have difficulty applying online, contact Shirley McLaughlin in the Human Resources Department at 586-753-1039.

Position: Accounting Director

Director – General Accounting opportunity at St. John Hospital and Medical Center. See attached notice if you are interested in the position. Interested and qualified candidates are asked to forward their C.V. in confidence to: Carol Duffy, Business Development Specialist
St. John Health System
28000 Dequindre
Warren, Michigan 48092-2468
phone number: (810) 753-1016 fax number: (810) 753-1020
email: Carol.Duffy@stjohn.org

PLACEMENT COMMITTEE---SUPPLEMENTAL

****NEW POSTING ***

Please contact this employer directly.

Financial Planning Coordinator

The Financial Planning Coordinator is a senior financial analyst working in, Department of Management Support and Contracts, Botsford Health Care Continuum. The Coordinator assists in preparing long-range financial forecasts, develops annual operating, capital and cash flow budgets, maintains the decision support system, benchmarks departmental performance, evaluates new programs and services, and analyzes managed care contracts, including full-risk capitation arrangements.

This position requires a bachelors degree in business, finance, accounting or a related field, three years experience in health care finance or managed care, and proficiency with M/S Office products. Experience with Access is highly desirable.

For consideration, fax a resume and cover letter (including salary requirements) to Cathy Seccia, Human Resources Coordinator, at (248) 471-8454.

2002 SPRING REIMBURSEMENT SEMINAR AND COST REPORT WORKSHOP DATES ANNOUNCED

The Eastern Michigan Chapter announces its annual spring hospital reimbursement seminar and Medicare hospital cost report workshop. Both sessions will be held at Providence Hospital and Medical Centers in Southfield. *Both sessions will highlight the latest changes resulting from the 1997 Balanced Budget Act and the Benefits Improvement and Protection Act (BIPA) of 2000.* The cost report workshop will incorporate the latest revised worksheets, including those for the outpatient prospective payment system (OPPS).

Tuesday June 4, 2002: Principles of Hospital Reimbursement. The theory and practice of hospital reimbursement and payments for the major health insurance programs with special emphasis on Medicare. Includes BBA, BIPA and compliance updates. Ideal for people new to reimbursement or those who wish to update their knowledge.

Wednesday June 5, 2002: Medicare Hospital Cost Report Workshop. Working through the latest revision of the Medicare Cost Report, CMS 2552, for both a PPS and PPS-exempt hospital. These revisions show how the Outpatient Prospective Payment System (OPPS) is integrated into the cost report. We will also discuss the inter-relationship between the cost report and compliance activities.

The discussion leaders for both sessions will be Mary Ann Beyer and Ron Horwitz. No prior experience is required for either session, although individuals new to the reimbursement area are strongly encouraged to attend the Principles seminar first.

Information and registration material for both sessions will be sent to HFMA members in late April. For more information, call Ron Horwitz at 248-370-2432 or send Email to: horwitz@oakland.edu.

PHYSICIAN'S ABILITY TO BILL MEDICARE FOR "INCIDENT TO" SERVICES HAS EXPANDED MARIA ABRAHAMSEN

For many years Medicare has permitted a physician to bill under his or her name and provider number (and receive full payment under the physician fee schedule) for services actually performed by the physician's office staff, provided certain requirements are met. Among the key requirements were:

The services must be "incident to" professional services personally performed by the physician or another physician in the same practice (i.e. the physician must initiate the course of treatment and remain actively involved in the patient's care).

The physician (or a physician member of the same group practice) must be in the office suite while the "incident to" services are performed, and be immediately available to assist.

The services must be performed by a W-2 employee or leased employee of the billing physician or of the billing physician's employer.

The "incident to" services may not be performed in a hospital.

CMS has published final regulations which, effective January 1, 2002, will make it easier for a physician to qualify for Medicare payment for "incident to" services. The *Medicare Carrier's Manual* and the physician claim form will eventually be revised to reflect the changes made by this regulation. Following are the key liberalizations:

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Eastern Michigan Chapter – Current Year Events

MEMBER MEETING

Financial Management in Difficult Times

On January 18, the HFMA Benchmarking and Decision Support Committee sponsored a Member Meeting with guest speakers Dean Smith, PhD and Jack Wheeler, PhD from the University of Michigan. Smith and Wheeler recently completed a study on the financial decision-making processes at 30 large non-profit health care systems, including several based in Michigan. They held wide ranging discussions with CFO's on core finance goals and processes, and their views on future challenges. Detailed findings from the study were published in the Journal of Health Finance during 2000 and 2001.

A summary of key findings from the study:

Planning horizons centered around 3-5 years, with one organization at 15 minutes and another at 30 years. The balance sheet was always centrally planned; income statements were developed regionally or locally with targets. The planning horizon is shrinking due to the rapid rate of environmental change. All systems see access to debt financing through maintenance of a strong credit rating as central to future organizational vitality; target credit ratings ranged from A- to AA.

Most systems maintain large stocks of cash, with the average at about 80 days. One CFO commented, "Cash is like oxygen. When you don't have it, it is all you can think about. When you have it, you can focus on what's important." Most CFO's view donations as declining in importance, although some organizations plan to increase efforts in this area.

Capital investment decisions are made centrally or regionally based mainly discounted cash flow, with some consideration toward social value. The amount of funds available for capital expenditures was based on a combination of operating and non-operating income, depreciation expense, and maintenance of bond ratings. Most systems also reported close ties between long-range strategic plans and capital expenditures. Some CFO comments:

- "Out of 40 projects, only 1 or 2 can be completely mission-driven."
- "Our policy is to permit a 33% dividend payout from net income (for charity care and money losing projects) and a 66% retention for capital replacement and keeping the place open."
- "Our process is art within a scientific structure."
- "We plan to a fault."

There is an increased focus on operational budgeting and on returning to core competencies; more recent CFO's are coming from operations. "We do everything basic. We have no flash...if we do our basics well, we end up doing well." Many systems have recently divested physician practices, sponsored health plans, and long-term care operations.

Major near term threats reported in order were:

- Medicare outpatient reimbursement
- Reductions in inpatient reimbursement
- Increased regulatory oversight
- Nursing shortages

MEMBER MEETING

Insurance & Reimbursement Committee

The 2002 Insurance & Reimbursement Update

The next member meeting is at the DoubleTree Hotel in Novi on Wednesday, March 20, 2002. The Insurance & Reimbursement Committee of HFMA presents, "The 2002 Insurance & Reimbursement Update" and Linda S. Ross Partner in the Health Care Department at Honigman Miller Swartz and Cohn LLP will present "HIPAA: It's Not Going Away." A Continental Breakfast will be served. Please feel free to bring a colleague and introduce them to HFMA.

You may register TODAY on the chapter web site at www.hfma-emc.org. The cost is \$50 for members and \$60 for guests if you sign up on or before March 13, 2002.

Agenda:

7:30 - 8:30 AM HFMA Board Meeting
8:00 - 8:30 Registration/Continental Breakfast
8:30 - 9:00 Member Meeting-Awards/2002 Election Results
9:00 - 10:30 HIPAA: It's Not Going Away!
10:30 - 10:45 Break
10:45 - 12:30 Insurance & Reimbursement Annual Update
12:30 PM Adjournment



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The person who performs the “incident to” services may be an independent contractor to the supervising physician; neither W-2 employment nor leased employment will be required as of 2002 as a condition to billing “incident to” services.

The physician who supervises the “incident to” services may be an independent contractor. For example, a clinic may retain an independent contractor physician to supervise “incident to” services performed at the clinic’s facilities. Under the Medicare reassignment rules, the independent contractor physician could reassign to the clinic the right to receive direct payment from Medicare for all services billed in the independent physician’s name, including “incident to” services.

The new regulations expressly state that services furnished in a hospital or SNF may *not* be billed on an “incident to” basis. For example, if a physician’s assistant or a nurse practitioner performs hospital rounds on patients, the PA’s or NP’s services may only be billed to Medicare under the PA’s or NP’s independent provider number, and will be paid at the applicable percentage of the physician fee schedule.

CMS’ comments to the new regulations clarify that if Physician A is the patient’s treating physician, but Physician B supervises an RN’s provision of “incident to” services to that patient, the “incident to” services should be billed in Physician B’s name, not in Physician A’s name. In other words, the supervising/billing physician needn’t be the treating physician.

Remember that “incident to” is exclusively a Medicare reimbursement concept, which cannot be relied on when billing other payers.

Ms. Abrahamsen heads the Health Care Practice Group of Dykema Gossett PLLC. She is a former member of the Board of Directors of the Eastern Michigan Chapter of HFMA and past chair of its Health Care Committee. She served on the Council of the Health Care Law Section of the State Bar of Michigan (1994-2000) and as its Chair (1998-99). Ms. Abrahamsen may be contacted at 39577 Woodward Avenue, Suite 300, Bloomfield Hills, (248) 203-0818, or mabrahamsen@dykema.com.

COURT OF APPEALS UPHOLDS PATIENT DISCOUNTS GIVEN BY CHIROPRACTOR AGAINST CHALLENGE BY NO-FAULT INSURER MILES HUGHES

The Michigan Court of Appeals recently considered whether discounts given by a chiropractor to automobile accident victims reduce the amount of payment for the chiropractor’s services under a no-fault personal protection insurance statute. *Williams v. Farm Bureau Insurance Co., Mich. App., 2001 W.L. 985821 (Aug. 28, 2001)*. In the case, a married couple received treatment at a chiropractic clinic following a serious automobile accident. The clinic charged a discounted rate for the treatment after the patients signed an affidavit of indigency stating that they had limited funds to pay for the services and no insurance. The couple subsequently received a letter from the no-fault insurance company stating that it would not reimburse them for their medical expenses because the clinic charged insured patients more than uninsured patients in violation of Section 3157 of the Michigan Insurance Code. The couple successfully sued the insurance company in the trial court and the insurer appealed.

Under no-fault, personal protection insurance (“PPI”), an automobile insurer is liable to pay benefits for accidental bodily injury arising out of the ownership, operation or use of a motor vehicle. PPI benefits pay for expenses that are both reasonable and necessary. Under Section 3157, a no-fault insurer is not liable for the amount of a charge that exceeds the health care provider’s customary charge for like services in cases not involving insurance. Thus, whether there has been an unlawful overcharge in a case involving insurance is determined by reviewing the provider’s customary charges in cases not involving insurance.

The Michigan Court of Appeals affirmed the trial court’s award of medical expenses to the plaintiffs. The Court found that, although the clinic may have charged patients without insurance less than it charged insured patients, there was no evidence that it charged uninsured patients less *because* they were uninsured. Rather, the clinic charged less to uninsured patients only when they signed an affidavit of indigency stating that they could not afford the standard charge. Therefore, because the clinic’s basis for the discounted charge was the plaintiffs’ inability to pay the customary charge, rather than their lack of insurance, there was no violation of Section 3157.

Mr. Hughes practices health care law in Dykema Gossett’s Detroit office. Before joining the Dykema firm he practiced health law in Tallahassee, Florida and prior to that was a staff attorney for the Senior Justice of the Florida Supreme Court.

HFMA Eastern Michigan Chapter Committees

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Newsletter Submission Dates :

Maryanne VanHaitsma, Editor:
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April 2002 Newsletter – Friday March 22, 2002
 May 2002 Newsletter – Friday April 12, 2002

Calendar of Events – HFMA

2002 HFMA Insurance and Reimbursement Committee Meeting Schedule is as follows:

February 28, 2002, April 25, 2002, May 23, 2002 , and June 27, 2002

The Annual Reimbursement Update will be held in March 20, 2002 at the DoubleTree in Novi.

Monthly meetings are held from 08:30 am until 10:30 am

at
the Riverside Building
25925 Telegraph Road
Suite 210

Southfield, Michigan 48034

The conference room is located in the BCN building on Telegraph Road between 10 Mile and 11 Mile Roads.

MARCH

- 3/20 Member Meeting - Insurance and Reimbursement Annual Update (DoubleTree Novi; 8:30AM)
- 3-22-02 HealthCents material submission deadline
- 3-22-02 Benchmarking/Decision Support Committee Meeting (Riverside Building; 9AM)
- 3-28-02 Physician Practice Committee Meeting (St. John, 28000 Dequindre; 9AM)

APRIL

- 4-12-02 HealthCents material submission deadline
- 4-19-02 Benchmarking/Decision Support Committee Meeting (Riverside Building; 9AM)
- 4-25-02 Physician Practice Committee Meeting (St. John, 28000 Dequindre; 9AM)
- 4-25-02 Insurance & Reimb. Committee Meeting (Riverside Building; 8:30AM)
- 4-30-02 Managed Care Committee Meeting (Riverside Building; 8:30AM)

MAY

- 5-23-02 Physician Practice Committee Meeting (St. John, 28000 Dequindre; 9AM)
- 5-23-02 Insurance & Reimb. Committee Meeting (Riverside Building; 8:30AM)
- 5-24-02 Benchmarking/Decision Support Committee Meeting (Riverside Building; 9AM)

JUNE

- 6-13-02 Annual Golf Outing (Shenandoah County Club in West Bloomfield)
- 6-21-02 Benchmarking/Decision Support Committee Meeting (Riverside Building; 9AM)
- 6-25-02 Managed Care Committee Meeting (Riverside Building; 8:30AM)
- 6-27-02 Physician Practice Committee Meeting (St. John, 28000 Dequindre; 9AM)
- 6-27-02 Insurance & Reimb. Committee Meeting (Riverside Building; 8:30AM)

Dates subject to change if necessary. Compliance Committee and Patient Accounting Committee dates will be forthcoming.