

HEALTHcents



Eastern Michigan Chapter

April 2003

Volume 1, Issue 12

President's Message

Welcome to Spring! It's certainly about time. We're heading into the end of our Chapter year and it's getting very busy around here.

First, I want to let you know who your new Officers and Board are for the 2003-2004 Chapter year. They are as follows: President – Jeffrey Ewald; President-Elect – Sara McGlynn; Secretary/Treasurer – Cindi Long; Board Members – Cheryl Comeau, Dave Kulek, Ken Lipan, Debbie Matson, and Kristi Nagengast. Congratulations to all of you! Peter Bauer, Tammy Chinavare, and Linda Height will remain on for the second year of their terms. What a great group you have working for you! Thanks so much to our outgoing Board members Jim Birchler, Darlene Mitchell, and Mary Whitbread. They have been invaluable to the operation of the Board.

There were a couple of members who were concerned about how the election was handled. The bulk of Eastern Michigan's membership is now on e-mail. So, although the bylaws specifically mention voting via mail, e-mail was used for those members who have it, fax for those who do not have an e-mail address, and mail to the remainder who have neither. This assured the Officers and Board that all members would have the chance to vote. In the end, the voter turnout was the same as it was last year, approximately 33% of all members voted. There are other items in the bylaws that are not being heeded any longer due to changes in circumstances in prior and current years. One of the projects for the incoming Board is to update the bylaws for current operating conditions.

Remember months ago when I told you to hold Thursday, May 22 open on your calendar? Well, if you didn't, you can still redeem yourself. Mark your calendar now! This is our "déjà vu" member meeting at the Fairlane Club in Dearborn. The hospitality hour, sponsored by Fifth Third Bank, begins at 5:00 pm. This will be followed by dinner, awards, and the induction of new officers (I promise I'll be quick with the business!). I am very pleased to tell you that we are having a CFO panel composed of Jim Connelly of Henry Ford Health System, Dennis Herrick of William Beaumont Health System, and Nick Vitale of the Detroit Medical Center with us that evening. It promises to be a great evening of education and camaraderie! Please make plans to join us.

Have a great month! Diane

ACCESS THE MEMBERSHIP DIRECTORY ON-LINE

www.hfma-emc.org



UPCOMING MEMBER MEETING – May 22, 2003

See Details on Page 2

We Would Like to See You There!

Member Meeting Announcement
Eastern Michigan Chapter
Thursday May 22, 2003
Fairlane Club in Dearborn
CFO Panel Discussion

5-6 PM Hospitality

6 PM Dinner

7 PM Awards, Installation of Officers, and Member Meeting

CFO Panel:

James M. Connelly, CPA – Sr. Vice President & CFO Henry Ford Health System

Dennis R. Herrick, CPA – Sr. Vice President & CFO William Beaumont Hospital

Nickolas A. Vitale, FHFMA – Sr. Vice President & CFO Detroit Medical Center

Moderator: Lisa P. Wille, CPA Deloitte & Touche LLP

Editor Corner

**Western Michigan Chapter –
HFMA
Spring Conference
May 21-23, 2003
Soaring Eagle Resort and Casino
Mount Pleasant, Michigan**

It has been quite some time since I have included my comments in the newsletter, but I feel that it is important to thank those of you who continue to contribute information for inclusion in the newsletter. Without your support, our publication would not be an effective communication tool to our members. I welcome any comments/criticism/or input. Please feel free to send any of the above to me at mvanhait@dmc.org or please feel free to call me at (248) 549-2703.

Thank You

Maryanne VanHaitsma



WELCOME NEW MEMBERS

Kathy Cramer
Professional Practice Resources
21700 Northwestern Hwy Ste 435
Southfield, MI 48075
Work Phone: (248) 569-5960
Fax: (248) 569-3520
Email: ppr@pprbilling.com

Norma J. Miller
Manager: S Lake & Associates
1312 N Campbell Rd
Royal Oak, MI 48336
Work Phone: (248) 544-2300
Fax: (248) 544-2301
Email: slakeassoc@voyager.net

Mark Yagerlener
Vice President : Farbman Real Estate Group
1391 Esch Court
Ann Arbor, MI 48104
Work Phone: (313) 271-0580
Fax: (313) 271-0915
Email: yagerlen@farbman.com

Jennifer Kelley
Managed Care Consultant
Bottom Line System
178 Ann Marie
Monroe, MI 48162
Work Phone: (734) 242-0296
Email: jenhasleykelley@hotmail.com

Dean B. Girbach
Manager, Financial Services
UMichigan School of Denistry
4251 Plymouth Road ,
Room 2400 Arbor Lakes Building III
Ann Arbor, MI 48105-2785
Work Phone: (734) 647-8099
Fax: (734) 647-8090
Email: deang@umich.edu

HFMA
ANI
2003
BALTIMORE

Elevate your perspective.
Reconnect with your peers.
Discover new ideas.



Elevate. Reconnect. Discover. ANI 2003

From June 22-26 in Baltimore, Maryland, you'll have the opportunity to hear about current and emerging issues and trends, as well as new techniques, strategies and best practices that you can put to use immediately.

For full program information about HFMA's Annual National Institute 2003 and to register, visit www.hfma.org/ani or call 800-252-4362, extension 2.

Register Today.

RISK BASED CAPITAL

Bea Skinner, Co-Chair Managed Care Committee

The January Meeting of the Managed Care Committee featured a presentation on Risk Based Capital. Ron Szumski, President, Botsford Health Plan, discussed the method initially developed by the NAIC (National Association of Insurance Commissioners) to measure the minimum amount of capital an insurance company needs to support its operations. A separate RBC (Risk Based Capital) formula was developed for MCOs (Managed Care Organization) that accept risk. The MCO's actual capital and surplus are compared to the calculated RBC requirements.

There are five major categories of risk that must be measured: Asset Risk, Underwriting Risk, Credit Risk, Business Risk and Affiliated Investment Risk. Asset Risk is defined as the measure of an asset's default of principal or interest. There is additional risk in the case of a high concentration of a certain type of asset with a single issuer. Underwriting Risk is the risk that the fees intended to cover medical expenses will be sufficient to pay all claims. The calculation of this risk takes into consideration the market and patient mix. Credit Risk is a measure of the risk associated with amounts due from creditors and re-insurers. Business Risk is Administrative Expense Risk related to excessive growth. The "Safe Harbor" level of growth is set at premiums plus 10%. Affiliated Investment Risk is the risk of off-balance sheet items and ownership in Affiliated Stock. This includes factors for Non-Controlled Assets, and investments in subsidiaries.

The Authorized Control Level RBC is a function of the RBC formula and is compared to the MCO's Total Adjusted Capital (TAC) or Total Adjusted Net Worth. A company with TAC of greater than 200% is a no action level company. There are 4 action levels possible. 150%-200% institutes a Company Action Level whereby the company must compose a work plan and submit it to NAIC. 100%-150% triggers a Regulatory Action Level whereby the company files a work plan and the state insurance commission is required to examine the company's business. 70%-100% triggers an Authorized Control Level, which authorizes the regulator to take control of the company. Less than 70% triggers a Mandatory Control Level that requires the regulator to place the company under control.

RBC is used to help regulators identify solvency issues with the intent that early intervention and a corrective action plan developed by the MCO will protect the Plan's enrollees. In Michigan, MCOs began reporting RBC calculations to NAIC and OFIS (Office of Financial and Insurance Services) with the 2000 Annual Reports. OFIS has set no regulatory limits on RBC requirements but is watching and reviewing the calculations. Currently in Michigan about two-thirds of the health plans are above 200%. The other third of the health plans are in the action levels. The Total Adjusted Capital and minimum risk-based capital are stated in the five year historical data section of the financial statements found on the OFIS website.

Congratulations to Eastern Michigan Chapter Founder Award Recipients for 2003!

Muncie Gold: (300 Founders Merit Award Points)

Kathleen Galuszka
Jonathan Haber
Frank Kania
Helen Keller
Kenneth Marcus

Reeves Silver: (200 Founders Merit Award Points)

John Essellink
Catherine Sinning
Ronald Szumski
Michael Tomkovich
Mary Whitbread

Follmer Bronze: (100 Founders Merit Award Points)

Gregory Drutchas
Jeffrey Ewald
Julie Freers
Paula Greeno
Margaret Korczyk
Jeffrey Lutz
James McKinney
Lawrence Misicko
Linda Rogers
Connie Rose
Chris Rossman
John Scully
Maria Szymanski

Calendar of Events– HFMA

MAY 2003

- 5-2 Healthcents Newsletter Submission
- 5-15 Insurance & Reimb. Committee Meeting (BCN Building; 8:30AM)
- 5-15 Managed Care Committee Meeting (CSB, Warren Rm S-101; 8:30AM)
- 5-22 Financial Analysis/Decision Support (BCN Building; 8:30AM)
- 5-22 Membership Committee Meeting (prior to Member Meeting at Fairlane Club)
- 5-22 Member Meeting - (The Fairlane Club, Dearborn; 5PM)
- 5-27 Physician Practice Meeting (CSB, Warren Rm S-101; 9AM)

JUNE 2003

- 6-12 Annual Golf Outing – Shenandoah Country Club
- 6-19 Insurance & Reimb. Committee Meeting (BCN Building; 8:30AM)
- 6-24 Physician Practice Committee Meeting (CSB, Warren Rm S-101; 9AM)
- 6-26 Financial Analysis/Decision Support Committee (BCN Building; 8:30AM)

Dates subject to change if necessary.

HFMA Annual Golf Outing

**Thursday June 12, 2003
Shenandoah Country Club
5600 Walnut Lake Road
West Bloomfield, MI 48323**



**9:30 AM Shotgun Start
9-10 AM Continental Breakfast
10AM -7PM Open Bar**

The golf outing flyer was e-mailed with additional details. If you did not receive one, contact Susan Stokes at susan-stokes@hfma-emc.org and she will mail you a copy of the flyer.

NEWSLETTER SUBMISSION DEADLINES

May 2, 2003

Please note that the Newsletter will be published monthly with your cooperation. Any information for inclusion should be sent to Maryanne VanHaitisma (248)549-2703 mvanhait@dmc.org



HFMA Eastern Michigan Chapter Committees FY 2002-2003

2002-2003 Officers

Diane S. Justewicz, FHFMA	President	(810) 753-0307
Jeff B. Ewald, CPA	President-Elect	(810) 753-0323
Sara J. McGlynn, CPA, CHFP	Secretary/Treasurer	(248) 551-9376
Michael A. Tomkovich, CPA	Past President	(248) 489-6058

Board of Directors

Peter S. Bauer (2003)		(248) 568-3950
James J. Birchler, CPA (2003)		(734) 827-2538
Tammy M. Chinavare, (2004)		(248) 305-7857
Frank Gless (2004)		(313) 396-5874
Linda Height (2004)		(810) 498-4958
David L. Kulek, FHFMA (2003)		(313) 253-9606
Kenneth B. Lipan, FHFMA (2003)		(586) 759-7983
Cynthia L. Long, FHFMA (2003)		(248) 652-5634
Darlene M. Mitchell, CPA (2003)		(313) 874-9526
Mary A. Whitbread, CPA (2003)		(313) 874-9533

E-Mail Addresses

Diane.Justewicz@stjohn.org
 jeffrey.ewald@stjohn.org
 smcglynn@beaumont.edu
 tomkovim@trinity-health.org

baden@voyager.net

jbirchler@rc.com
 chinavat@trinity-health.org
 fgless@deloitte.com
 linda.height@bshsi.com
 kulekd@oakwood.org
 Klipan1@hfhs.org
 cllong@crittenton.com
 dmitch1@hfhs.org
 mwhitbr1@hfhs.org

Committee

Committee	Chairperson (s)	Phone#
Awards/Founders Merit	Bill Lubaway	(248) 347-1416
Awards/Founders Merit	Barbara Kootsillas	(248) 489-6706
Certification/Financial Mgt. Course	Ken Lipan	(586) 759-7983
Compliance/HealthLaw	Ken Marcus	(248) 865-9955
Chapter Audit	Tina Wheeler, D&T	(248) 348-4428
Education Council	Susan Stokes	(586) 786-9532
Elections	Michael Tomkovich	(248) 489-6058
Fall Conference	Robert Dery	(248) 223-3223
Financial Analysis/Decision Support	Tina Wood	(313) 887-5357
Financial Analysis/Decision Support	Mark Leonard	(248) 964-0311
Historian/Retired members		
Davis Mgt. System/Information Systems	Susan Stokes	(586) 786-9532
Insurance & Reimbursement	Stephanie Bono	(248) 964-0361
Insurance & Reimbursement	Debbie Matson	(248) 858-6542
Internal Audit	Doug Banks	(248) 489-6082
MACPA/HFMA Liason	Jeff Ewald	(810) 753-0323
Managed Care	Cindi Long	(248) 652-5634
Managed Care	Bea Skinner	(586) 753-0960
Member Meetings	Marge Korczyk	(616) 336-7831
Membership/Member Involvement	Kristi Nagengast	(248) 489-6514
Membership/Member Involvement	Darlene Mitchell	(313) 874-9526
Membership Service Plan	Linda Height	(313) 640-2408
Membership Survey	Jeffrey Ewald	(586) 753-0323
Newsletter	Maryanne Van Haitisma	(248) 549-2703
Nominations	Michael Tomkovich	(248) 489-6058
Patient Accounting	Mike Marulli	(810) 762-4065
Patient Accounting	Dave Cavell	(248) 338-5683
Physician Practice	Jeffrey Ewald	(810) 753-0323
Placement/Professional Development	Bob Lauer	(248) 858-6156
ProAction	Mary Ann Bayer	(248) 661-2460
Social Activities	Tammy Chinavare	(248) 305-7857
Social Activities	James J. Kopp	(248) 641-1440
Sponsorship	Jim Birchler	(734) 769-7139
Sponsorship	Cindi Long	(248) 652-5634

E-Mail Addresses

bill_lubaway@voyager.net
 KootsilB@trinity-health.org
 Klipan1@hfhs.org
 krmarcus@krmarcuslaw.com
 twheeler@deloitte.com
 susan-stokes@hfma-emc.org
 tomkovim@trinity-health.org
 Bob.Dery@plantemoran.com
 twood@dmc.org
 mleonard@beaumont.edu
 susan-stokes@hfma-emc.org
 sbono@beaumont.edu
 matsond@trinity-health.org
 banksd@trinity-health.org
 jeffrey.ewald@stjohn.org
 cllong@crittenton.com
 bea.skinner@st.john.org
 mkorczyk@deloitte.com
 nagengak@trinity-health.org
 dmitch1@hfhs.org
 linda_height@bshsi.com
 jeffrey.ewald@stjohn.org
 mvanhait@dmc.org
 tomkovim@trinity-health.org
 mmarulli@genesys.org
 dcavell@tc3net.com
 jeffrey.ewald@stjohn.org
 lauerr@trinity-health.org
 mgb@twmi.rr.com
 chinavat@trinity-health.org
 ocs4pymt@aol.com
 jbirchler@rc.com
 cllong@crittenton.com