



## HFMA Fall Conference October 16th & 17th

Please plan to attend the award winning 50<sup>th</sup> Annual HFMA Fall Conference October 16<sup>th</sup> & 17<sup>th</sup> at the Ypsilanti Marriott. During this two-day educational conference you will have the opportunity to attend a variety of technical sessions, visit an array of vendors, and network with your colleagues. Relax and wind down at the Banquet as we welcome Ernie Harwell back as our special guest. Mark your calendars now and plan on attending this special 50<sup>th</sup> Anniversary event! You may sign up on the chapter web site at [hfma-emc.org](http://hfma-emc.org). Click on Fall Conference. If you have questions, please contact Kelli Oliver at 313-937-3764 or email her at [fallconference@aol.com](mailto:fallconference@aol.com).

### New Member Discount Rate Expires 9/30/03

If you know someone who would be interested in joining HFMA--NOW would be a GREAT opportunity. The discounted membership rate continues through 9/30/03. For any new member joining by the end of September, they will pay only \$115 for their first year.

### Introduction to the PHYSICIAN'S CORNER

By  
Marianne Speicher

The Physician Practice Management Committee of Eastern Michigan Chapter is sponsoring this new column "*The Physician Corner*" and asked us to contribute ideas and helpful tips that might apply to physician claims processing. While the focus of the column will be directed to physician group practice issues many of the ideas, comments and issues may have relevance regardless of the type of provider services being rendered.

First let us introduce ourselves. Dave and I are the principals in Speicher Associates and have been consulting with physician practices (most all specialties), hospitals, medical equipment suppliers, and third-party billing agencies for over twenty-five years. (Yes, we are a husband and wife team, but that topic is for discussion in a "Dear Abby" column). We

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## Introduction to the PHYSICIAN'S CORNER

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have also served as interim practice managers and established MSOs for large multi specialty group practices in several states. In addition, we have conducted seminars on behalf of the American Medical Association and presented programs to several state medical societies as well as regional and national professional organizations. The topics covered issues on coding & documentation, claims development, A/R management and the “nuts and bolts” of compliance programs. We both hold degrees in accounting and Dave, a CPA and CMA, has also taught graduate and undergraduate courses in accounting and finance at several universities. Understandably then, our approach to problem solving is clearly quantitative.

Approximately two years ago, I read an article in United Communications (Part B News) reporting a culmination of responses received from its readership about how their practice improved billing. What amazed me was the response from an office manager who was quite proud of the fact that someone within her organization was assigned to manually review every claim before it went “out the door” and a billing supervisor suggesting that every claim needed to be reviewed by “two sets of eyes”! More than likely any improvement in cash flow would be absorbed by this lack of efficiency. We responded and suggested, if the claims development and A/R management process required that kind of manual review, consideration should be given to “chucking” their practice management system and return to “pegboards and typewriters”. Of course, the comment was made to draw attention to the fact that with proper set-up, staff training and effective monitoring controls, manual intervention should be minimal and the results would likely be an increase in cash receipts and a potential decrease in staffing.

The editors of Part B News requested that we develop a half-day seminar on **Claims Development and Accounts Receivable Management** and contribute ideas and tips to one of its annual publications. That program was well attended and I had the strong sense based on the evaluations and subsequent comments from some of the attendees that our message concerning the evaluation of the practice management systems, making necessary changes to improve the “clean” claim rate, establishment of targets and effective monitoring tools, emphasis on staff education and training was heard and understood. Hurrah for our side!

**BUT--** Over the past year, I have encounter similar articles that continue to promote the same concepts -- “two sets of eyes” manually reviewing claims. Believe it or not, yet another billing supervisor whose approach to solving errors in data entry was to review each encounter form entered by her staff. Too often the solution is to throw more staff at the problem rather than analyzing the source of errors, taking corrective action, implementing training and remediation programs all which have the potential to improve cash flow without additional staff

Just when I felt that all was lost, we received a phone call from one of our clients who just could not wait to tell me that the rejection rate for Medicare claims for the past two months was zero! We believe the success in this office was directly attributed to the training we implemented. The two half day sessions were focused on claim issues that had occurred in the past and the development of solutions. The goal was to discuss the most likely types of problems that might occur in order to avoid those errors in the future. We were pleased to learn the problems of the past remained in the past.

In the current environment of decreasing reimbursement, it is critical to improve the submission of “clean” claims. Over the years we have learned that there is no short cut to achieving targeted days in A/R. It takes an examination, without blinders, of the existing process, determining if there is a better way, assessing the willingness to change, implementing effective policies and procedures, monitoring performance, assigning responsibility, establishing targets, and perhaps the most important -- continuous training.

The establishment of the “The Physician Corner” is one way that shared ideas and tips can be passed on to the membership. Some of the topics that will be addressed over the coming months are:

-  Charge Capture – Data gathering, prevention of lost charges, importance of insurance profiles and verification, critical policies and procedures that should be developed, etc.
-  Claims Filing – Improving quality of data, implementing edits, establishing monitoring performance, development of training and education programs
-  Accounts Receivable Management – Establishing schedules, developing work plans for AR reduction, appeal process, and establishing targets
-  Adjudication – How to respond when a claim is either rejected or denied
-  Risk Identification – Issues that may lead to audits

We encourage your comments regarding the pressing issues you face in your management of the revenue stream generated by your practice/division. Questions, comments, personal success, experiences, essays, points of view and case studies will be most welcomed. We look forward, with your help and input, to creating a useful addition to the upcoming monthly issues of Healthcents.

**HFMA – Eastern Chapter  
MEMBERSHIP COMMITTEE  
September 2003**

The Membership Committee has held it's first meeting for the current year and has developed and an exciting Action Plan to increase membership for 2003. Specifically, we will coordinate with leaders in all the major health systems and have them act as a HFMA captain within their organization. We will work with these individuals to share the value of he HFMA membership and help recruit members. We will also contact non-renewing members to encourage them to rejoin the HFMA.

Additionally, there is good news to report. We have had **22 new members join** in the first four months of fiscal year 2003!

Please be sure to reserve the morning of **November 13** on your calendar for our next Member meeting. See the Calendar of Events for the meeting dates for the remainder of the fiscal year. We hope you will plan to attend as many membership meetings as your schedule permits.

Thank you so much for your support. We look forward to seeing you at an upcoming meeting!

**REMINDERS:**

If you wish to be involved with the Membership Committee, please forward your name, address, phone number and email address to Kristi Nagengast at [nagengak@trinity-health.org](mailto:nagengak@trinity-health.org).

**New Member Discount Rate Expires 9/30/03**

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**Member-get-a-member Recruiting Incentives**

Recruit your coworkers and colleagues to join HFMA and take advantage of the "Strength in numbers, health in numbers" recruitment program with great incentives!

- Recruit 1 or 2 new members and you'll receive the HFMA apparel item of your choice.
- Recruit 3 or 4 new members to receive a \$100 gift certificate AND be entered into a drawing to receive a \$1,000 cash prize.
- If you recruit 5 or more new members you will receive a \$150 gift certificate AND be entered in a drawing for a chance to receive \$2,500 in cash!!
- This year the Eastern Michigan Chapter has reinstated a popular incentive to "sweeten the pot" of prizes offered by National: a *free golf outing* registration to the member who recruits the most new members for our Chapter!
- New members must join by 4/30/04.

Visit National HFMA's website at [www.hfma.org/join](http://www.hfma.org/join) or call 800-252-hfma, ext. 2 to join today!



## CMS Goes Fully Electronic And Launches An On Line Manual System

Kenneth R. Marcus, Esq.

The Centers for Medicare and Medicaid Services (“CMS”) has announced that, beginning October 1, 2003, CMS will transition from a paper-based manual system for its manual instructions to a Web-based system. The process includes the streamlining, updating, and consolidating of CMS’ various program instructions into an electronic Web-based manual system for all users. The new system is called the online CMS Manual System and is located at <http://www.cms.hhs.gov/manuals>.

Thus, as of October 1, 2003 CMS will not longer publish program memoranda. Instead, CMS will issue what it refers to as “vehicles/templates” that will communicate (1) manual revisions, (2) one-time notification, (3) business requirement, or (4) confidential requirement templates. CMS further advises that the Office of Strategic Operations and Regulatory Affairs (OSORA), Division of Issuances, will continue its

current policy of communicating advanced program instructions to the regions and contractor community every Friday. A transmittal sheet will accompany all program instructions communicated by OSORA. In addition, the transmittal sheet will identify changes pertaining to a specific manual, requirement, or notification.

For a complete description of this on line publication process, go to the CMS web site as follows:  
[http://cms.gov/manuals/pm\\_trans/R2OTN.pdf](http://cms.gov/manuals/pm_trans/R2OTN.pdf)

This development could prove to be beneficial for providers and their representatives, who all too often do not receive information and documentation, if at all, on a timely basis. Moreover, because information and documentation is available at no charge providers and their representatives will not necessarily be required to subscribe to costly publications in order to obtain these materials.

Thus, those interested in staying current are encouraged to visit this new web site periodically.

### WELCOME NEW MEMBERS

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Please send all comments/questions/articles to me at the above e-mail address. See calendar for submission deadlines. Thank you for your continued support!

ACCESS THE MEMBERSHIP DIRECTORY ON-LINE  
[www.hfma-emc.org](http://www.hfma-emc.org)



## NO-FAULT INSURERS WIN LATEST ROUND IN BATTLE WITH PROVIDERS

Submitted by Maria Abrahamsen,

For more than 20 years, health care providers and no-fault insurers have been battling in the courts regarding the amount of payment due for medical care covered by the Michigan No-Fault Insurance Act. The no-fault insurers won the most recent skirmish in that battle – a decision issued this summer by the Michigan Court of Appeals (Advocacy Organization for Patients & Providers v. Auto Club Insurance). The Court of Appeals held:

- The No-Fault Act expressly states that a provider must “charge a reasonable amount” for services rendered, and the charges may not exceed the provider’s customary charge for like services in cases not involving insurance.
- The Act requires no-fault insurers to pay “reasonable charges incurred for reasonably necessary... services.”
- A provider’s *customary* charge to patients not covered by insurance are not necessarily *reasonable* charges.
- A no-fault insurer may (in fact, must) review the medical costs billed to it to determine if the charges are reasonable.

- A provider that disagrees with an insurer’s determination has the burden of proving that its bill is reasonable and the services were necessary. An insurer may make its determination of reasonableness by comparing the billing provider’s *customary charge* with the amounts *charged* by other providers for the same service. (The insurer in this case set “reasonable charges” at the 80<sup>th</sup> percentile of average charges.)

In the mid-1990’s, this same court held that no-fault insurers could not base their payments to providers on the workers’ compensation fee schedule, Medicaid rates, or the average payment accepted by a provider from government health programs and under participation agreements with payors such as HMOs and Blue Cross. However, this most recent court decision clearly states that (1) no-fault insurers are not required to pay a provider’s full charges to the extent those charges exceed reasonable industry charges, and (2) a provider may be required to prove that its customary charge is reasonable in order to secure payment in full under the No-Fault Act.

(248) 203-0818 or [mabrahamsen@dykema.com](mailto:mabrahamsen@dykema.com).

### Robert M. Shelton, Past President of HFMA, Passes Away

Bob Shelton, FHFMA, CAE, passed away September 22, 2003 at the age of 85. It's difficult to put into words how much Bob has meant to our association - as a past voluntary staff leader and founding member - he has influenced all of us in countless ways. Many of you knew Bob personally, as he has stayed active with HFMA and attended ANI for many, many years, presenting the prestigious chapter award that was named for him which our chapter won in June. Bob will be sorely missed.



# Eastern Michigan Chapter 2003-2004 Calendar of Events

## OCTOBER

- 10-16 & 17-03 50<sup>th</sup> Annual HFMA Fall Conference (Ypsilanti Marriott)
- 10-20-03 HealthCents material submission deadline
- 10-22-03 FADS Committee Meeting (St. John, 28000 Dequindre; 8:30AM)
- 10-29-03 Principles of Hospital Reimbursement Workshop ( Holiday Inn - South, Lansing; 8-4PM)
- 10-30-03 Medicare Cost Report Workshop (Holiday Inn - South, Lansing; 8-4PM)  
Call 1.888.877.4273 to register for the 10-29 or 10-30 Workshops

## NOVEMBER

- 11-13-03 Member Meeting (Providence Hospital; 9AM)
- 11-13-03 Membership Committee Meeting (Providence Hospital following Mbr. Mtg.)
- 11-17-03 HealthCents material submission deadline
- 11-20-03 Physician Practice Committee Meeting (St. John, 28000 Dequindre; 9AM)
- 11-20-03 I & R Committee Meeting (Robbins Executive Park West, Troy; 8:30AM)

## DECEMBER

- 12-12-03 HealthCents material submission deadline

## JANUARY

- 1-15-2004 I & R Committee Meeting (Robbins Executive Park West, Troy; 8:30AM)
- 1-19-04 HealthCents material submission deadline
- 1-22-04 Member Meeting (Providence Hospital; 9AM)
- 1-22-04 Membership Committee Meeting (Providence Hospital following Mbr. Mtg.)
- 1-27-04 Physician Practice Committee Meeting (St. John, 28000 Dequindre; 9AM)
- 1-28-04 FADS Committee Meeting (St. John, 28000 Dequindre; 8:30AM)

## FEBRUARY

- 2-19-04 I & R Committee Meeting (Robbins Executive Park West, Troy; 8:30AM)
- 2-23-04 HealthCents material submission deadline
- 2-25-04 FADS Committee Meeting (St. John, 28000 Dequindre; 8:30AM)

## MARCH

- 3-18-04 Member Meeting - Insurance and Reimbursement Annual Update (Holiday Inn Livonia West; 9AM)
- 3-18-04 Membership Committee Meeting (Holiday Inn following Mbr. Mtg.)
- 3-22-04 HealthCents material submission deadline
- 3-23-04 Physician Practice Committee Meeting (St. John, 28000 Dequindre; 9AM)
- 3-24-04 FADS Committee Meeting (St. John, 28000 Dequindre; 8:30AM)

## APRIL

- 4-15-04 I & R Committee Meeting (Robbins Executive Park West, Troy; 8:30AM)
- 4-19-04 HealthCents material submission deadline
- 4-21-04 FADS Committee Meeting (St. John, 28000 Dequindre; 8:30AM)

## MAY

- 5-20-04 Member Meeting (Location TBD)
- 5-20-04 Membership Committee Meeting (Location TBD)
- 5-20-04 I & R Committee Meeting (Robbins Executive Park West, Troy; 8:30AM)
- 5-24-04 HealthCents material submission deadline
- 5-25-04 Physician Practice Committee Meeting (St. John, 28000 Dequindre; 9AM)

## JUNE

- 6-12-04 Annual Golf Outing



**HFMA EMC Committee Officers & Board  
2003-2004**

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