



President's Message

Why a Strategic Plan?

Organizational leaders are often so preoccupied with immediate issues that they lose sight of their ultimate objectives. That's why a business review or preparation of a strategic plan is a virtual necessity. This may not necessarily be a recipe for success, but without it an organization is much more likely to fail. **Simply put, strategic planning determines where an organization is going over the next year or more, how it's going to get there and how it will know if it got there or not.**

Strategic planning serves a variety of purposes, including to:

1. Clearly define the purpose of the organization and to establish realistic goals and objectives consistent with it's mission in a defined time frame within the organization's capacity for implementation.
2. Communicate those goals and objectives to the organization's members.
3. Develop a sense of ownership to the plan.
4. Ensure the most effective use is made of the organization's resources by focusing the resources on the key priorities.
5. Provide a base from which progress can be measured and establish a mechanism for informed change when needed.
6. Bringing together of everyone's best and most reasoned efforts has important value in building a consensus about where an organization is going.

Attached as part of the newsletter is the Eastern Michigan Chapter's current five year strategic plan in it's entirety. The Officers and Board of Directors spent a great deal of time and effort in reviewing, revising, and preparing this plan. We began by doing a SWOT analysis of our chapter, taking into account the most recent survey results and comments from our members.

Please take time to read this document. The intent is not to merely put this "on a shelf" now that our National requirements have been met but to utilize this plan throughout the year to ensure that we are hitting our targets and continually headed in the right direction. Any comments or concerns are both encouraged and welcomed.

We are committed to providing high quality educational programs to each and every one of you and I am truly looking forward to an exciting and productive year! Cindi

**EASTERN MICHIGAN CHAPTER
HEALTHCARE FINANCIAL MANAGEMENT ASSOCIATION
Strategic Plan 2004-2008**

**SEE ATTACHED DOUMENT FOR STRATEGIC
PLAN IN ITS ENTIRETY**

MEMBER MEETING ANNOUNCEMENT

**The Perfect Storm: Are we Headed For A
Healthcare Meltdown (A.M. Session)**

And

**The Value of Skepticism: How Dispelling Myths
Can Increase Profitability (P.M. Session)**

Monday, September 20, 2004

MSU Management Education Center

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August Insurance & Reimbursement Committee Meeting Report

Submitted by Ted Rozwadowski

At the 8/19/04 Insurance & Reimbursement Committee, Vickie Seal of the MHA presented highlights of the Medicare FY05 Inpatient PPS Final Rule. This included detailed discussion of the various wage index changes, a modification of the GME non-provider setting rules, as well as the annual rate updates. Vickie also presented highlights of the 2005 Outpatient PPS Proposed Rule and FY05 Skilled Nursing Facility and Inpatient Rehab Facility Final Rules. A discussion of the new Cost Reporting forms effective 2/29/04 followed, the low-light of which was the reinstatement of the infamous worksheet A-7 which met the resounding disapproval of the committee. The next committee meeting is scheduled for 9/16/04. Kay Felt from Dykema Gossett PLLC will be presenting on Cost to Charge Ratios and Collection Practices.

Fiscal Intermediary Clarifies Cardiac rehab requirements

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OIG Audits

Between July 2003 and January 2004 the OIG published reports of its audits of 32 hospital outpatient cardiac rehab programs. The OIG reports found that most of the audited hospitals deficient in (1) satisfying Medicare's "incident to" requirement, (2) providing physician direct supervision of cardiac rehab services, and (3) maintaining documentation of a covered diagnosis.

UGS Clarification

This Spring, United Government Services (UGS), the Medicare fiscal intermediary for Michigan, clarified its position on certain key issues raised in the OIG audits.

Physician Supervision

The *Medicare Coverage Manual* requires that cardiac rehab be furnished "under the direct supervision of a physician" who is "in the program area and immediately available and accessible for an emergency." UGS interprets this standard to mean that a hospital may not rely on a physician resuscitation (or "code") team or on emergency department physicians to supervise cardiac rehab, no matter how physically close they are to the rehab area. (Presumably, ED and code team physicians have too many other responsibilities to qualify as being "immediately available" to the cardiac rehab program.) In contrast, a physician who is conducting office visits in the vicinity of the cardiac rehab area would be deemed to be "immediately available." In addition, UGS states that a specific physician must be identified as supervising each rehab session, and the hospital must produce records of the identity of the supervising physician for each session if requested by UGS. Some hospitals will need to make new arrangements for physician coverage to meet this Medicare requirement.

Healthcents Newsletter :

Maryanne VanHaitisma, Editor:

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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!

"Incident to" Requirements

Cardiac rehab, like most hospital outpatient therapeutic services, is covered by Medicare as a benefit that is "incident to" the services of a physician. UGS has clarified that cardiac rehab may be incidental to the services of either the physician who refers the patient for cardiac rehab or a hospital-based physician. In either case, there should be documentation that the physician performed an initial evaluation of the medical appropriateness of cardiac rehab and that the physician periodically sees the patient and assesses the patient's progress and condition. If cardiac rehab is incidental to the services of the referring physician, the hospital should consider creating a simple form, to be completed periodically by the referring physician and returned to the hospital, which documents the referring physician's ongoing involvement in the patient's cardiac treatment plan.

Covered Diagnoses

Stable angina is one of the 3 diagnoses for which Medicare covers cardiac rehab. UGS reaffirmed the OIG's position that if a patient who previously had stable angina undergoes a cardiac procedure (such as angioplasty or stenting), the patient must be reevaluated after the procedure and determined by the treating physician to still suffer from stable angina in order to be eligible for cardiac rehab. UGS' comments suggest that a hospital is at risk for denial of Medicare payment if it does not maintain documentation that a treating physician has specifically diagnosed the patient as having post-procedure stable angina (or another covered diagnosis).

ACCESS THE MEMBERSHIP DIRECTORY ON-LINE

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WELCOME NEW MEMBERS

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 Michael Liu
 Cheryl A Nelson
 Andrea L Thibodeau
 Thomas M .Igel
 Madonna J. Lumsden
 Rich Stone
 William Maxbauer
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 Financial Analyst
 EVP BPO Services
 Director Revenue Cycle
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 Insurance Specialist
 Executive Secretary
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 Attorney
 Financial Underwriter
 Financial Analyst
 Education & Marketing Coord.

Sr Analyst

 Corp. Revenue Cycle Mgr
 Senior Banker
 Director Finance
 Director of Finance
 Director
 Chief Financial Officer
 Controller
 VP Controller

 Sr. Financial Analyst - Supply Chain
 Mgmt
 Vice President, Finance
 Healthcare Product Manager
 Sr Contract Analyst
 Reimbursement manager

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 Blue Care Network
 Macomb-Oakland Regional Center, Inc.
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 Sparrow Hospital
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 semi-retired
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 Tectura Corporation
 University Physician Services
 Oakwood Healthcare Inc

MEMBERSHIP UPDATE



Please help us welcome our long list of new members who have joined our chapter since last spring - more than 40 new members! If you know someone who would be interested in joining HFMA, now would be a great opportunity! The discounted membership rate continues through 9/30/04 - only \$115 for the first fiscal year (compared to full year undiscounted membership dues of \$225).

(CONTINUED ON NEXT PAGE)

Member-Get-A-Member Program Update

Another reason to recruit your coworkers and colleagues to join HFMA is the "Strength in Numbers, Health in Numbers" recruitment program with great incentives!

- Recruit 1 or 2 new members and you'll receive an 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.
- Recruit 5 or more new members to earn a \$150 gift certificate and be entered into a drawing to receive a \$2,500 cash prize.
- In addition to these incentives, for every member you recruit between 6/1/04 and 4/30/05, you'll receive one entry for a drawing to win a \$5,000 travel gift certificate. The more members you sponsor, the greater your chance to win!

This year the Eastern Michigan Chapter is again offering a popular incentive to sweeten the pot of prizes offered: a free spring golf outing registration to the member who recruits the most new members for our chapter!

Tell your friends and colleagues to visit HFMA's website at www.hfma.org/join or call 800-252-hfma, ext. 2 to join today. If you have any questions or need a membership application, contact Kristi Nagengast at 248-489-6514 or Susan Stokes at 586-786-9532.

Thanks to Last Year's Sponsors

Last fiscal year the following members recruited at least one new member to join HFMA:

Kim Burnard
Michele Ciokajlo
Michael Flasch
Tony Gaglio
David Grunsted
Fred Korte
Cindi Long
Jim Maciag
Kristi Nagengast
Sandra Pelfrey
Sandra Roth
Avinash Sidhar
Leonard Zeck

Congratulations to Fred Korte who won the golf outing registration.



beyond
the numbers

51st Annual Michigan HFMA
Fall Conference

keynote Speaker

Gail L. Warden

President Emeritus, Henry Ford Health System

Banquet Guest

Neal Rubin

Detroit News Columnist

General Session Presentations

Jeanne Scott

Health-Politics.com

October 14th & 15th, 2004
Ypsilanti Marriott

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Provider Reimbursement Review Board Has Jurisdiction Over DSH Appeal Where Provider Did Not Originally File DSH Claim Because State Agency Delayed In Releasing Data

Kenneth R. Marcus, Esq.

During the past year the Provider Reimbursement Review Board ("PRRB"), in a departure from prior policy, has begun to publish significant jurisdictional decisions. This welcome development affords a degree of insight into jurisdictional issues adjudicated by the PRRB. On March 5, 2004, the PRRB issued an interesting jurisdictional decision in favor of a provider which appealed its disproportionate share adjustment ("DSH Adjustment") but failed to claim entitlement to the DSH Adjustment in its cost report.

The Provider filed its cost report subsequent to the issuance of Health Care Financing Administration Ruling 97-2 ("HCFAR 97-2"), which required that the intermediary include all Medicaid eligible days for purposes of the DSH Adjustment for all cost reports settled on or after February 27, 1997.

The Intermediary challenged the jurisdiction of the PRRB on the basis that, pursuant to HCFAR 97-2, the Provider was required to include all Medicaid eligible days. In this instance, the Provider did not even file a claim for the DSH Adjustment.

The Provider contended that "it effectively self-disallowed the Medicaid eligible component of the DSH issue by not including DSH reimbursement in its as filed cost report since the proper state data required to file the cost report with a DSH percentage that would have generated a Medicare payment for DSH pursuant to HCFAR 97-2 was not available to the provider at the time the cost report was filed."

The PRRB ruled in favor of the Provider on the basis that "the Provider could not determine the state eligibility informa-

tion until January 4, 2000 when the [state] provided that data."

Interestingly, the PRRB did not characterize the Provider's action as "self disallowance." Indeed, the PRRB *Instructions* provide that self disallowance is appropriate only where a statute, regulation or ruling prohibits a claim for payment, and where the provider files its cost report under protest but consistent with the applicable law. On the contrary, as argued by the Intermediary in this case HCFAR 97-2 specifically authorized the relief to which the Provider was entitled. The PRRB apparently was persuaded that the Provider did not forfeit its appeal right where it could no know whether it qualified for the DSH Adjustment.

This case has potentially widespread ramifications. Many hospitals nationwide have DSH Adjustment appeals pending, either before the PRRB or before the District Court for the District of Columbia in *In Re Medicare*. At issue in those cases is whether the intermediary is required to conduct a reopening to assure, in light of HCFAR 97-2, that all Medicaid eligible days are included in the DSH Adjustment computation. In the event a provider succeeds in obtaining a remand for a reopening, the second hurdle is retrieving the Medicaid eligibility data. Thus, a critical issue is the availability of the underlying Medicaid eligibility data, which is controlled by the Medicaid agencies of the several states. Obtaining the data with which to support a DSH Adjustment claim is no mean feat. As part of the settlement process in *In Re Medicare* the Centers for Medicare and Medicaid Services has issued a letter to the Regional Offices asking them in turn to ask the various Medicaid programs to retain the eligibility data on file.

In light of this case, a provider with a properly pending appeal before the PRRB might consider adding appeal of the DSH Adjustment if, as in this case, the provider could not know when it filed the cost report if it qualified for the DSH Adjustment. Indeed, perhaps the moral of the story is that while ignorance of the law is no excuse, ignorance of the facts is!

CONGRATULATIONS EASTERN MICHIGAN CHAPTER

HFMA's Eastern Michigan Chapter RECEIVES NATIONAL AWARDS



CHICAGO—The Healthcare Financial Management Association's (HFMA's) Charles F. Mehler Gold Award of Excellence for Education, was presented to the Eastern Michigan Chapter in June 2004 during the 51st Annual Chapter Presidents Dinner and Meeting at HFMA's Annual National Institute in Nashville, Tennessee.

The Excellence for Education Award recognizes chapters that achieve outstanding performance in educational programming. The award was one of many honors that HFMA's voluntary leaders accepted on behalf of their chapters.

HFMA President and CEO, Richard L. Clarke, says, "The Eastern Michigan Chapter provides a great example for HFMA's 2004-05 Chairman's theme —Beyond the Numbers. So many of their members are actively involved...contributing, sharing, and making a difference. Everyone applauds their family spirit, which shines through their many accomplishments."

In addition to the Excellence for Education Award, the Eastern Michigan Chapter also received the Bronze Award of Excellence for Membership Growth and Retention and two Helen M. Yerger Special Recognition Awards which recognize chapters for outstanding performance achieved by excellent efforts in programs, services, and administration.

Eastern Michigan Chapter 2004-2005 Calendar

September 1, 2004	Managed Care Committee
September 16, 2004	Insurance & Reimbursement Committee
September 20, 2004	Member Meeting – MSU
October 13, 2004	Internal Audit Committee
October 14-15, 2004	Fall Conference
November 1, 2004	Healthcents Deadline
November 3, 2004	Managed Care Committee
November 17, 2004	Member Meeting – Ukrainian Cultural Center
November 18, 2004	Insurance & Reimbursement Committee
January 2, 2005	Healthcents Deadline
January 20, 2005	Insurance & Reimbursement Committee
January 25, 2005	Member Meeting – Providence Hospital
February 2, 2005	Managed Care Committee
February 17, 2005	Insurance & Reimbursement Committee
March 1, 2005	Healthcents Deadline
March 24, 2005	Member Meeting - Ins & Reimbursement Update
April 6, 2005	Managed Care Committee
April 21, 2005	Insurance & Reimbursement Committee
May 1, 2005	Healthcents Deadline
May 18, 2005	Member Meeting –Greektown Casino
May 19, 2005	Insurance & Reimbursement Committee
June 2005	Annual Golf Outing



MARK YOUR CALENDARS!



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2004-2005**

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Awards/Founders Merit
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Fall Conference
Financial Analysis
Historian/Retired Members
Davis Mgmt System
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Insurance & Reimbursement
MACPA/HFMA
Managed Care
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Membership
Membership Service Plan
Membership Survey
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Revenue Cycle
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