# HEALTHcents

November 2006

## President's Message

Courage IN LEADERSHIP

Fall is usually the season for football games, Halloween, back to school activities and preparing for the holidays. This fall we've had the added bonus of rooting for our hometown Detroit Tigers. Although they didn't come out on top in the World Series, they still made an impressive turnaround this season, one we all can be proud of. The Chapter baseball outing on September 15th was a great day for baseball, where we saw one of the many Tiger wins this year (a 17-2 win no less). No doubt due to the 40 HFMA members enthusiastically rooting them on!

We have also had great turn outs for our first two educational events of the year. Our first member meeting of the year on September 21st drew an amazing number of members and guests - 119 total registrants. We heard an excellent presentation by Terry Moore from MidMichigan Health and then enjoyed perspectives from four distinguished healthcare executives well known in our community: Michael Duggan, Lynn Orfgan, Nancy Schlichting and Mike Slubowski. The 53rd annual Fall Conference was held October 12-13 at The Inn at St. John's, a wonderful new location that many described as "serene and peaceful". Our registration of 240 attendees far surpassed attendance in previous years.

I look forward to seeing you at our November 16th meeting where we will hear our HFMA National Chairman, Joe Fifer, speak about Consumerism in Health Care, and The Advisory Board will present "Prospering in the Coming Era of Price Transparency" (details and registration on pages 2 - 4). We also plan to distribute the eagerly-awaited Membership Directory, the first issue published in five years. If you are not able to attend, your directory will be mailed to you or distributed through HFMA members in your organization. The Program Committee has been working with the Managed Care Committee to prepare the January 25th program that will include both an introductory managed care segment and a panel discussion.

The Chapter is also nearing the time of year when we begin the annual nominating process to select new officers and directors of the board. If you know of a colleague that would make a great addition to the Board and would like to make a recommendation to the committee, please contact Marina Houghton, Past President and Chair of the Nominations Committee (see the article on page 6).

Happy Holidays and Best of Health,
Kristi

INCLUDED IN THIS ISSUE:

**Healthcare Financial Management Association-Eastern MI Chapter**

**November Member Meeting**

**Thursday, November 16, 2006**

**8 AM -12 PM**

## "Consumerism in Health Care"

**Presented by: Joseph Fifer**

**2006-07 Chairman of the Board of Directors of the**

**Healthcare Financial Management Association**

This discussion will focus on Innovations and approaches that can help make the advent of consumerism a more positive experience for providers, payers and patients. Strategies will be introduced that will help organizations achieve key consumerism benchmarks, including pricing transparency, simplified charge and payment structures and easy patient access and scheduling.

**And**

## "Prospering in the Coming Era of Price Transparency"

**Presented by: Christopher Kerns, The Advisory Board**

This program will focus on strategies hospitals should employ to confront two simultaneous developments:

- The increased scrutiny surrounding hospitals' pricing practices.
- The emergence of various consumer oriented markets.

**Healthcare Financial Management Association-Eastern MI Chapter**

**November Member Meeting**

**Thursday, November 16, 2006**

**8 AM -12 PM**

## "Consumerism in Health Care"

**Presented by: Joseph Fifer**

**2006-07 Chairman of the Board of Directors of the**

**Healthcare Financial Management Association**

This discussion will focus on Innovations and approaches that can help make the advent of consumerism a more positive experience for providers, payers and patients. Strategies will be introduced that will help organizations achieve key consumerism benchmarks, including pricing transparency, simplified charge and payment structures and easy patient access and scheduling.

**And**

## "Prospering in the Coming Era of Price Transparency"

**Presented by: Christopher Kerns, The Advisory Board**

This program will focus on strategies hospitals should employ to confront two simultaneous developments:

- The increased scrutiny surrounding hospitals' pricing practices.
- The emergence of various consumer oriented markets.

**Healthcare Financial Management Association-Eastern MI Chapter**

**November Member Meeting**

**Thursday, November 16, 2006**

**8 AM -12 PM**

## "Consumerism in Health Care"

**Presented by: Joseph Fifer**

**2006-07 Chairman of the Board of Directors of the**

**Healthcare Financial Management Association**

This discussion will focus on Innovations and approaches that can help make the advent of consumerism a more positive experience for providers, payers and patients. Strategies will be introduced that will help organizations achieve key consumerism benchmarks, including pricing transparency, simplified charge and payment structures and easy patient access and scheduling.

**And**

## "Prospering in the Coming Era of Price Transparency"

**Presented by: Christopher Kerns, The Advisory Board**

This program will focus on strategies hospitals should employ to confront two simultaneous developments:

- The increased scrutiny surrounding hospitals' pricing practices.
- The emergence of various consumer oriented markets.

# ARE YOU READY FOR NPI?

## Megan Menkveld

Effective May 23, 2007, HIPAA is requiring the use of the National Provider Identifier, or NPI, on all electronic transactions. The NPI is a ten digit number generated by the National Plan and Provider Enumeration System, or NPPES, and will replace current provider and physician ID's. Applications can be submitted electronically via the web at the NPPES website listed below, through regular mail using a paper application, or through a bulk electronic file interchange, or EFI. Although there are several issues surrounding the NPI, I will mention just two for this article. Please refer to the online resources for additional information.

There are two types of NPI's: Type I for individuals and Type II for entities. One of the major issues surrounding the NPI is how to enumerate entities. Many providers have subparts, or components, that operate separately from the parent company. Those subparts may have their own Medicare ID, for example a Rehab Unit, and some may not. Providers may apply for unique NPI's for their subparts. There is a substantial amount of literature available to help providers determine how to enumerate subparts, but there is still confusion nationwide. The general rule is to replace each legacy ID (current, proprietary ID) with a NPI, but that is still a decision left to each provider depending on the unique business needs of each hospital or system. If it is determined that the initial enumeration strategy is not working, NPI's can be deactivated, and new ones can be added at any time.

Another big concern is how NPI's will be disseminated to insurance plans, clearing houses, hospitals, etc. This is important not only for billing and payments, but also for referring physician information. At this time there is no official decision. In the meantime, providers and individuals are responsible for submitting their NPI's to all interested parties which creates concerns about errors, privacy, completeness, redundancy, etc. These issues are being addressed as CMS develops its dissemination policies.

Most providers are in the midst of applying for NPI's and creating crosswalks. Medicare, Medicaid and Blue Cross are all accepting dual identifiers on their electronic claims (Medicaid can only process professional and dental, institutional NPI's cannot be processed yet). Hospitals should begin using dual identifiers, NPI's and legacy ID's, as soon as possible to identify and address problems before the May 23, 2007 transition date.

Deciding how to enumerate and what information to include on the applications is important. Obviously it is preferable for everyone if the initial submissions never require change, but it is also important to note that, if necessary, information can and should be changed even after an NPI is assigned. Also, as mentioned earlier, NPI's can be deactivated and new ones applied for at any time.

Here are some online resources you may find helpful:

1. CMS http://www.cms.hhs.gov/NationalProvIdentStand -and-
   http://www.cms.hhs.gov/NationalProvIdentStand/Downloads/NPI_Training_Package.pdf
1. Medicaid http://www.michigan.gov/mdch/0,1607,7-132-2945-139313--,00.html or go to the MDCH website, click on the Providers button to the left, and then the NPI link at the top of the next page.
3. BCBSM http://www.bcbsm.com/providers/hipaa/index.shtml
4. NPPES https://nppes.cms.hhs.gov/NPPES/Welcome.do
5. Michigan NPI workgroup – this is an informal way to hear what other providers in Michigan are doing to get ready for NPI implementation and to receive information about educational events and other materials. To join the group, send an email to MichiganNPI-subscribe@yahoogroups.com and type your name in the body of the email.

## HFMA Fall Conference Celebrates Its 53rd Year

By Bob Dery

The statewide Fall Conference celebrated its 53rd annual two-day meeting on October 12 and 13 with over 240 members, guests, and speakers in attendance.

The Conference moved to its new location, The Inn at St. John in Plymouth, Michigan, to take advantage of the new boutique hotel and Grand Ballroom which opened in 2006. On the site of a former seminary and current host to numerous conferences, retreats, and meetings, the participants enjoyed the surroundings, gardens, and waterfall settings, although the chilly temperatures and snow flurries prevented the hardy golfers in the group to take advantage of the 18 hole golf course also located on the grounds.

The Conference was highlighted by the keynote address of Dan Loepp, CEO of Blue Cross Blue Shield of Michigan. After attendees had the opportunity to attend two sessions of breakouts covering a multitude of topics, the conference reconvened in the Grand Ballroom where participants heard the economic outlook and impact on healthcare from Jim Glassman, Chief Economist from JP Morgan Chase Bank out of New York City. Dr. Joe Fortuna, Medical Director, Delphi Corporation and Co-Chair of Health Focus Group of the Automotive Industry Action Group presented "*I Have a Dream*," a scenario describing collaborative efforts and the barriers to breaking down the silos that impact the delivery of quality care.

Following the day of educational sessions, participants had the opportunity to network with the 15 vendors present and other participants before the banquet. This year, we were fortunate to attract Ms. Kim Adams, morning news anchor, WDIV TV-4 in Detroit. Kim recently returned to Detroit after relocating to New Orleans to be with her husband who is in the Armed Forces. This all changed with Hurricane Katrina which totally destroyed their newly built home which was 200 yards from the gulf shore. Kim described the days before and after the storm hit, lessons learned, and the impact on her family. Following the banquet, for those staying at the facility, the three HFMA chapters organized a networking session in the local grille.

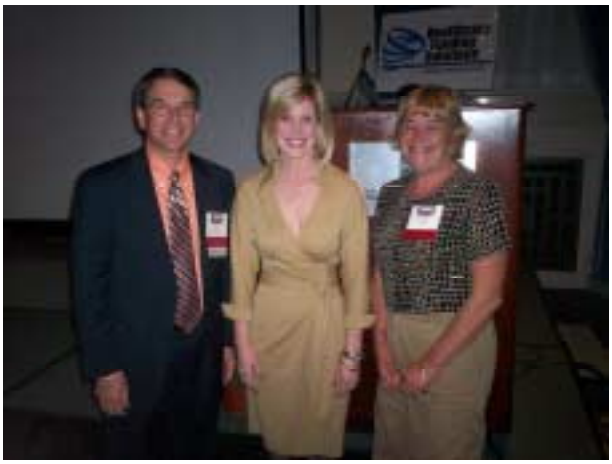
For the eighth consecutive year, Jeanne Scott led off the day on Friday with her view of The Perfect Storm, American Healthcare Needs a Functioning FEMA, an irreverent look at the political environment on a national perspective. The conference concluded with another double session of breakouts, luncheon, and vendor giveaways.

Sponsors continue to play a vital part of the financial support for the conference. This year's overall conference sponsor was Healthcare Funding Solutions: A Collect America Company. Major sponsors of speakers included Blue Cross Blue Shield, Plante & Moran, Image Soft, and Citizens Banks. Key supporters of our breaks included Munson Healthcare and Dykema Gossett.

General sponsors supporting the conference included Advomas, Accenture, Allcroft Group, Lubaway, Masten and Company, Macomb Oakland Regional Center, Mid Michigan Health, and The Rybar Group.

Plans are already underway for the 2007 Conference which will return to the Inn at St. John.

Late news: For those attending, many noticed conference registrar Kelli Oliver was in a "motherly way." On October 27, Kelli delivered Ainsley Paige at 8 lbs, 9 oz. Ainsley is child number six for Fred and Kelli, whose children range from a college freshman to Ainsley! Wow!



Bob Dery, Kim Adams (WDIV-Channel 4), Shelly Lake

# CALLING ON MEMBERS TO SERVE IN HFMA LEADERSHIP POSITIONS

Now is the time for our HFMA members to give serious thought to seeking a leadership position at the Chapter level. As a Chapter, we have made significant progress in supporting education, professional development and certification to advance healthcare professions. I encourage members to consider the rewards and satisfaction to be received in helping to chart the course for future years. Serving in a leadership position at the Chapter level will provide you the opportunity to meet and learn from members from different healthcare organizations. I hope that each of you will give thought and take action to be a leader. We need your participation and contribution.

**Elections for 2007**

The Annual Meeting of the HFMA Eastern Michigan Chapter Nominating Committee will be held at 7:00 a.m. on Thursday, November 16, 2006 for the purpose of discussing the 2007 elections of five (5) Directors and one (1) Treasurer.

The terms of five Directors will expire on May 31, 2007. These positions will be filled by five new Directors to be elected to two (2)-year terms. Therefore, the Nominating Committee will attempt to place in nomination the names of at least 7 candidates, to a maximum of ten names, at the November meeting.

We cordially request each member to consider "stepping up" and serving YOUR chapter as a leader in an Elected Office. If you are interested, please contact Marina Houghton, Nominating Committee Chair, at marinahoughton@wolinski.com or Susan Stokes at susanstokes@comcast.net.

Serving in a leadership position is an excellent opportunity for HFMA members to contribute their experiences and knowledge to the entire membership.

We look forward to another great year!

Sincerely,

Marina A. Houghton, CPA, FHFMA

Chairperson, Nominating Committee

WE NEED YOU!

**United States District Court for District of Columbia Upholds "Written Agreement" Requirement For Rotations To Nonprovider Setting**

**Kenneth R. Marcus (kmarcus@honigman.com)**

On August 15, 2006, the United States District Court for the District of Columbia issued a decision upholding the "written agreement" requirement for claiming residents rotating to the nonprovider setting. *Chestnut Hill Hospital v Thompson* (Case No. 04- 1128).

Although it is subject to appeal and reversal, *Chestnut Hill Hospital* underscores the critical importance of assuring that an appropriate written agreement is established with all nonprovider settings for which a Hospital seeks to claim Medicare GME and IME payment, and for compensating the nonprovider setting for teaching activity. While little can be done regarding closed cost reporting periods, teaching hospitals are well advised to make every effort to assure compliance with this requirement on a prospective basis.

The Provider in *Chestnut Hill Hospital* challenged the validity of the written agreement requirement set forth in the Medicare direct graduate medical education ("GME") and indirect medical education ("IME") regulations. The Court found that the Secretary of DHHS had the authority to establish by regulation the written agreement requirements for receiving payment relating to rotations to the nonprovider setting.

In *Chestnut Hill Hospital*, the Provider did not have in place a written agreement with the nonprovider settings to which its residents rotated, although the Provider's Bylaws and written employment contracts with residents provided some written indicia regarding the training arrangements with nonprovider settings. The Court found that these documents did not satisfy the written agreement requirement, which requires a written agreement between the Provider and the nonprovider setting. Moreover, the Court stated that these documents did "not indicate the compensation the non-hospital site would receive for supervisory teaching activities."

Whether the Provider will seek appeal and, if so, whether the Court of Appeals will reverse the decision, is not known at present. It is clear, however, that unless and until this decision is reversed, it will support the position of the Intermediary. Moreover, this decision is somewhat consistent with the decisions issued to date by the Provider Reimbursement Review Board.

**Kenneth R. Marcus**
Honigman Miller Schwartz and Cohn LLP
660 Woodward Avenue
2290 First National Building
Detroit, MI 48226-3506

**All Star Cast Doesn't Disappoint**

Mark McIntosh

The September 21st member meeting was a huge success. Attended by over 120 people, the evening program at the MSU Education Center assembled a distinguished panel of some of the top healthcare leaders in the area and the "all star" cast did not disappoint.

Following the chapter awards ceremony, we had the pleasure if hearing Terence Moore, CEO of MidMichigan Health, present "Leaders & Leadership". Mr. Moore's presentation focused on what he felt were key characteristics of an effective leader, what people want from leaders, as well as how leadership affects an organization's culture. Although he referred to himself as the "warm up act" for the CEO panel that followed, the reviews of Mr. Moore's presentation were excellent. Comments such as "interesting presentation", "very motivated speaker", and "wish he could have spoken longer" were among the comments heard.

The next session of the evening program was the CEO panel. Moderated by Mel Armbruster, partner with Accenture, our panel of area CEO's included Michael Duggan, President & CEO of The Detroit Medical Center, Lynn Orfgen, President & CEO of Crittenton Hospital, Nancy Schlichting, President & CEO of Henry Ford Health System, and Mike Slubowski, President of Trinity Health, Hospital & Health Networks. Mr. Ambruster led the panel in an enlightening discussion of industry priorities, as well as issues impacting the Michigan healthcare market and the challenges each of the organizations face. The panelists also discussed the challenge to improve quality care while trying to control the escalating cost of care, and each of the panelists gave their unique perspectives on effective leadership.

Here are some photo's of the evening's events:

CEO Panel pictured from left to right.
Lynn Orfgen, President & CEO of Crittenton Hospital and Medical Center, Michael Duggan, President & CEO of The Detroit Medical Center, Nancy Schlichting, President & CEO of Henry Ford Health System, and Mike Slubowski, President of Trinity Health, Hospital & Health Networks.


The moderator was Mel Armbruster, partner with Accenture

## Healthcare Providers Can Proactively Address Charity Care Issue

An Op-Ed prepared for local and regional newspapers and business publications

By Marty Callahan, Vice President, TransUnion Healthcare Information Services

State lawmakers have recently proposed legislation that would establish stricter standards for tax-exempt health care organizations that are required to provide discounts and charity care to uninsured and underinsured patients. The thrust for these laws is the cry of many consumer advocacy groups that claim the health care industry is using overly aggressive tactics to collect from conscientious patients who are legitimately unable to partially or fully repay their medical debt. They believe the problem stems from public hospitals not providing an adequate amount of charity care to these deserving individuals.

But for many health care providers, it's not as much a matter of wanting to give discounts and charity care as it is having policies and processes in place to assess a patient's financial resources and determine their need for assistance. To address this need, savvy organizations are employing new strategies and technologies with the hope that they will send a message to lawmakers that they are proactively addressing the issue.

One way this is being accomplished is by using automated technology to check a patient's credit profile to determine financial resources, match their need with available Medicaid, SCHIP (State Children's Health Insurance Program) and other public financial assistance, and also evaluate them for hospital discounts and charity care. If a patient qualifies for a program, an automated system can complete the necessary paperwork and submit either the discount request or charity care application. It's then a matter of letting the system work.

These kinds of new processes and technologies help fulfill an important social cause. But there's more than meets the eye. By addressing the issue at the beginning of the registration process, the likelihood of a patient going into collections is greatly reduced, resulting in fewer surprises for the patient and a healthier revenue cycle for the healthcare organization. In addition, the automation allows registrars to spend more time counseling patients and addressing their financial needs.

The technology also helps in battling another important industry issue: identity fraud. By checking to ensure that all of the patient's identifying information goes together (e.g. SSN matches name which matches street address), healthcare organizations can uncover identity fraud prior to discharge. This not only helps in reducing fraud losses, but also protects patients from the many headaches that result from becoming a victim of the crime.

In summary, it boils down to some simple best practices that healthcare organizations can employ to address the charity care issue and improve their operations:

Identity Management – reduce fraud and better predict financial performance by verifying Social Security Numbers, addresses, phone and other contact numbers from the beginning (i.e. at the point of registration).

Appropriate Payment Options – develop an automated process and leverage new technologies to assess your patient's financial situation to determine the best payment options.

Objective Charity Program – maintain a healthy revenue cycle and ensure objective, consistent and current results by conducting an ongoing assessment of your organization's charity program.

Collection Prioritization – prioritize your collections efforts by incorporating data, evaluation models, decision systems, advanced analytics and expert consultation into your decision-making process.

System Automation – automate key steps in your revenue cycle to make informed decisions more quickly.

For an e-mail, flash demo version copy of our platform (also found in HFM Magazine's June edition) or more information on any of the strategies and technologies mentioned in this article, feel free to contact me at dearnold@tusales.com.

TransUnion Bylined Article

555 West Adams Street

Chicago, IL 60661

www.transunion.com

# This Spot Could Be Yours!

Here's your chance to reach nearly 700 healthcare financial management professionals in Southeastern Michigan. Preview our website www.hfmaemc.org for more sponsorship and advertising opportunities.

**Advertising Rates:**

| | Per Issue | All Five Issues |
|---|---|---|
| Half page | $150 | $450 |
| 1/4 Page | $75 | $225 |
| 1/8 Page | $50 | $150 |

Submissions for the next newsletter must be provided to Maryanne VanHaitsma at: mvanhait@dmc.org no later than 12/15/06

Mark Your Calendars!!

## Unlocking the Creative Brilliance of Doctors, Nurses and Hospitals to Improve Michigan's Economy

Can you imagine buying a car that was designed by lawyers, lobbyists and government workers? Do we want a future healthcare system designed by the same?

In recent years Michigan's economy has frequently been stated as the worst of the 50 States. With Delphi's declaring bankruptcy and challenges facing Visteon, Ford and General Motors—leading to massive layoffs of both salaried and hourly employees—it is difficult to imagine Michigan's economy rebounding anytime soon.

Michigan is experiencing the impact of globalization which has increasingly led more and more manufacturing oversees. Manufacturing is only the leading edge of off-shoring. Services and even research and development follow. Globalization is rapidly remaking our world, and within the USA the greatest impact is right here in Michigan. How should we be responding?

The Impact of Our Healthcare Costs: Thomas Friedman states in The World is Flat: "Virtually every entrepreneur I talked to for this book cited soaring and uncontrolled healthcare costs in America as a reason to move factories abroad to countries where benefits were more limited, or nonexistent, or where there was national health insurance." For over 30 years the government and business have been trying to reign in uncontrolled healthcare costs. Not only have the efforts failed, but also now that failure is driving jobs, plants and the lifeblood out of Michigan, and out of the USA.

It's not that we in healthcare have failed to respond. Or that healthcare has not suffered from repeated efforts to force levels of efficiency that often compromised quality care. But obviously what has occurred thus far is quite insufficient to keep jobs in Michigan and the USA. A whole different approach is needed, one that engages the brilliant minds throughout healthcare.

Michigan's response: States can put themselves in a position to benefit from globalization (and the tremendous growth it encourages) or in a position where they are at risk to lose jobs to globalization. Since the business climate in each State differs markedly, States actually are like countries that either benefit from or are hurt by globalization. Thus we find that while the US economy is growing Michigan's economy remains in the doldrums. Michigan's need to change the business climate provides a tremendous incentive to change our healthcare system in Michigan so that it is supportive of our role in globalization. We need to be as creative and as hard driving in changing healthcare in Michigan as Ford, GM, Delphi, Visteon and Northwest Airlines are in restructuring for survival. Delphi is asking for a 50-60% pay cut to Union workers. Northwest Airlines has cut the pay of pilots by 39%. But healthcare is one of their greatest costs—what can we do to help make these companies, our companies be more competitive in the world market?

After 30+ years of cost containment strategies is there that much opportunity to reduce healthcare costs? This is really an issue where we have to get a lot smarter. The cost containment approaches we have been using have not worked. It is not a road to continue down. We know the major components of excessive costs in healthcare, but we continuously fail to address them! There are enormous opportunities to reduce costs—but we must focus our solutions on methods that are targeted to the excesses.

It is said that 25% of all healthcare costs are consumed by administration, most of this in figuring out who will pay the bill. And yet we implement Market Driven healthcare and Medicare Part D which will create even more administrative costs. We need to dramatically simplify administratively. This requires a State-wide solution involving governments, insurers and providers.

It is believed that 25-50% of healthcare services may be unnecessary. We have found very limited success in reducing these services through utilization review and HMOs. But capitation reduced the excesses quickly. The Fee for Service world of continuously reduced payments and increased volumes is a hamster wheel speeding out of control. We need to align incentives to achieve appropriate utilization and fair reimbursement.

Under-utilization of healthcare to the uninsured and the marginally insured increases health care costs later and drives up charges now. There is more than enough money in the current system to meet these needs and keep our population healthy. Delayed care is often much more expensive—an expense that we all pay for. We need affordable timely care that covers everyone.

Our current system encourages unwarranted litigation and malpractice costs. The unwarranted litigation is in turn a catalyst for defensive medical practices. This is a senseless waste of money that we, not as providers—but as a nation, can no longer afford. We need to fix all of the cost drivers.

There are excessive costs at the end of life. We are constantly creating means of extending life, both high tech and low tech. But at the same time we need a counter-balancing force that allows enough to be enough. Hospice is a good step in this direction. We need to go further. People need the right to die. Getting old is not pleasant—how can we pass on more gracefully?

*Continued*

There are excessive costs involved with pharmaceuticals and medical devices. Money sloshes over into advertising, detailing, market oriented research, excessive salaries, etc. And at the same time America is the only nation carrying the burden of these excessive costs. If the world is going to be flat—then we cannot continue to compete by carrying all the excess costs of new drugs and medical devices.

How did we get here? The simple truth is "We could afford it." We may have grumbled and created many bureaucratic "solutions", but the costs were always passed on. The difference today is that we are being told that we can no longer afford these excesses and remain competitive in the world. If we fail to be competitive we will also fail to be able to support even a modest health care benefit for the retired population. We are now in the position where we need to tackle all of these problems: administrative costs, over-utilization, under-utilization leading to greater illness, excessive malpractice claims, awards and defensive medicine, end of life costs and the special interest money endemic to pharmaceuticals and medical devices. We shouldn't look for partial solutions like focusing just on reducing costs or on malpractice reform. We need to aggressively pursue all measures of healthcare reform. The future of our great State and Nation is at hand.

Providers must be part of the solution. Healthcare is an underlying and excessive cost for all that is produced in America. It is 1/7th of our economy and projected to grow to 1/5th of our cost of doing business. This is much more than any other nation. If we as a Nation are going to remain competitive it is imperative that we create a more rationale healthcare system.

But in creating this solution it is essential that healthcare providers be part of the solution. It is only from within that the solutions can be guided to an optimal benefit of clinical efficiency and effectiveness—in both the short and long run. As we have learned with HMO's the external decision-making regarding care is unacceptable to the patient and to the providers. To be successful the incentives need to be greatly altered and realigned between the insurer, the medical community and the healthcare systems. The incentives must reward clinical efficiency and quality of care. They must reward improving the quality of health in the community. And they must reward consumers who pursue good health.

The purpose of this article is to sound an alarm and to suggest that health care providers in Michigan (where the pain is the greatest) should begin to ardently explore how we can dramatically reduce the cost of healthcare, increase the availability, and, at the same time, protect the quality of healthcare. Healthcare providers cannot by themselves create a solution. Healthcare is part of larger complex matrix. The State and Federal government, employers and insurers all need to be part of creating the solution. But healthcare providers alone are in the unique place of understanding the excesses of the current system and identifying potential solutions.

Why has healthcare been so unfixable? We are all familiar with John Nash, the lead character in A Beautiful Mind. But we are less familiar with the theory that won him the Nobel Prize. Essentially that theory says that complex social systems reach a point of equilibrium that are very difficult to break out of. The system tends to always return to equilibrium until there is a significant change in the resources or some new disruptive technology occurs.

With Delphi and Northwest asking for large cuts in wages from their Unions—could we see something similar with healthcare? Maybe, but that is not the most important question to be asked right now. The important question to ask is: "What should healthcare be doing to help retain jobs and companies here in Michigan and the United States?"

An entirely new approach is needed. We are at the end of an era. The current paradigm has run its course. Incremental fixes like Medicare D and HSAs are only making matters worse: administratively, total cost and expanding the underinsured. The new paradigm is yet to be identified. No one has expressed a compelling vision for this new era. We need a statement that embraces all of the concerns of the patients, employers, doctors, hospital and plans – what do we want the healthcare experience to be like at the end of the decade? We need to "unlock" the creative spirit of all. All involved need to be at the "design table". No one should be excluded. We need all of our creative minds working for innovations and solutions. We especially need a system where the creative brilliance of healthcare providers: doctors, nurses and administrators are primed and rewarded for creating a better future for us all. We need to become proactive designers and no longer mainly reactive providers.

Are we in healthcare, one of industries' biggest costs, going to help put Michigan in a competitive position for globalization or will we continue to be an anchor hindering the revitalization of Michigan?

By: David Raymond, MPH

President

Clinical Financial Management Associates, LLC

20932 East Farm Lane

Northville, MI 48167

And

Fred E. Patterson, M.D., F. A. C. R.

3931 Penberton Drive

Ann Arbor, MI 48105

# Thank you to our Chapter Sponsors!

## Healthcare Financial Management Association-Eastern Michigan Chapter Annual Sponsors for 2006-07

### Gold Sponsors

Advomas
Beaumont Hospitals
Blue Cross Blue Shield of Michigan
Detroit Medical Center
Ernst & Young LLP
Fifth Third Bank
Health Alliance Plan
Henry Ford Health System
Key Bank
Perot Systems
St. John Health
Whittaker Group Search Consultants
Wolinski & Company, C.P.A., P.C.

### Silver Sponsors

Bottom Line Systems, Inc.
Charter One Bank
United Collections Bureau, Inc.

### Bronze Sponsors

Allcroft Group, LLC
Foley & Lardner LLP
Just Us
L & S Associates, Inc.
Lubaway, Masten & Company LTD
Molina Healthcare of Michigan

# Eastern Michigan Chapter 2006 - 2007

| Date | Committee / Topic | Time | Location |
|---|---|---|---|
| **November** | | | |
| 11/10/2006 | MAHAP General Education Meeting | | Holiday Inn - Mt. Pleasant |
| 11/10/2006 | Revenue Cycle | 2PM | Beaumont Business Center, 500 Stephenson Hwy., Troy |
| 11/22/2006 | Financial Analysis Decision Support | 8:30 – 10:30 a.m. | St John Corp Offices -27800 Dequindre Rd |
| 11/16/2006 | Member Meeting | 8 - Noon | Andiamo's -6676 Telegraph Rd. |
| 11/16/2006 | Board Meeting | Following meeting | Andiamo's<br>6676 Telegraph Rd. |
| **December** | | | |
| 12/07/2006 | Advisory Committee Meeting - Nominations | 8:30AM | Wolinski & Company, 300 River Place, Suite 1400 Detroit, MI 48207 |
| 12/07/2006 | I & R Committee Meeting | 9 - 10:30AM | 500 Stepehnson Hwy., Troy, 1st Floor. Park @ 530 Bldg. |
| 12/15/2006 | Nomination Committee—Election Slate Determined | | |
| 12/15/2006 | Newsletter | | Submission Deadline for HealthCents |
| **January** | | | |
| 01/12/2007 | Revenue Cycle | 2PM | Beaumont Business Center, 500 Stephenson Hwy., Troy |
| 01/18/2007 | I & R Committee Meeting | 8:30 - 10:30AM | 500 Stepehnson Hwy., Troy, 1st Floor. Park @ 530 Bldg. |
| 01/23/2007 | Financial Analysis Decision Support | 8:30 – 10:30 a.m. | St John Corp Offices -27800 Dequindre Rd |
| 01/25/2007 | Member Meeting | 8 AM - Noon | St. Joseph Mercy - Oakland - Franco Center Auditorium |
| 01/25/2007 | Board Meeting | Following meeting | TBD |

# Eastern Michigan Chapter 2006 - 2007 (Con't)

| Date | Committee / Topic | Time | Location |
|---|---|---|---|
| **February** | | | |
| 02/01/2007 | Ballots to be sent out | | |
| 02/15/2007 | Ballots are due and election ends | | |
| 02/15/2007 | I & R Committee Meeting | 8:30 - 10:30AM | 500 Stepehnson Hwy., Troy, 1st Floor. Park @ 530 Bldg. |
| 02/16/2007 | Newsletter | | Submission Deadline for HealthCents |
| 02/21/2007 | Financial Analysis Decision Support | 8:30 – 10:30 a.m. | St John Corp Offices -27800 Dequindre Rd Roon S-102 |
| 02/22/2007 | Officers' Phone Conference | 7:30 - 9AM | |
| 02/22/2007 | Certification of Ballots | | |
| **March** | | | |
| 03/07/2007 | Managed Care Committee Meeting | | St John Corp Offices -27800 Dequindre Rd Room TBD |
| 03/09/2007 | Revenue Cycle | 2PM | Beaumont Business Center, 500 Stephenson Hwy., Troy |
| 03/16/2007 | Volunteer Appreciation | 12 - 3PM | Palazzo di Bocce |
| 03/21/2007 | Financial Analysis Decision Support | 8:30 – 10:30 a.m. | St John Corp Offices -27800 Dequindre Rd Roon S-102 |
| 03/22/2007 | I & R Committee Annual Update/Member Meeting | 8:30 - 12:30AM | Holiday Inn - Livonia |
| **April** | | | |
| 04/19/2007 | I & R Committee Meeting | 8:30 - 10:30AM | 500 Stepehnson Hwy., Troy, 1st Floor. Park @ 530 Bldg. |
| 04/20/2007 | Newsletter | | Submission Deadline for HealthCents |
| 4/22-4/24/2007 | HFMA Leadership Training Conference | | San Diego, CA |
| 04/24/2007 | Financial Analysis Decision Support | 8:30 – 10:30 a.m. | St John Corp Offices -27800 Dequindre Rd Roon S-102 |
| 04/26/2007 | HFMA/MACPA Conference | | Livonia |
| 04/26/2007 | Board Meeting and Installation of officers | Following meeting HFMA/MACPA Conference | Livonia |
| **May** | | | |
| 05/02/2007 | Managed Care Committee Meeting | | St John Corp Offices -27800 Dequindre Rd Room TBD |
| 05/11/2007 | Revenue Cycle | 2PM | Beaumont Business Center, 500 Stephenson Hwy., Troy |
| 05/11/2007 | MAHAP General Education Meeting | | Holiday Inn - Mt. Pleasant |
| 05/16/2007 | Mini Leadership Training Conference | | TBD |
| 05/17/2007 | I & R Committee Meeting | 8:30 - 10:30AM | 500 Stepehnson Hwy., Troy, 1st Floor. Park @ 530 Bldg. |
| 05/22/2007 | Financial Analysis Decision Support | 8:30 – 10:30 a.m. | St John Corp Offices -27800 Dequindre Rd Roon S-102 |
| **June** | | | |
| 06/15/2007 | Newsletter | | Submission Deadline for HealthCents |
| 06/19/2007 | Member Meeting | | Providence Hospital -Fisher Auditorium Southfield |
| 06/19/2007 | Board Meeting | Following meeting | Providence Hospital -Fisher Auditorium Southfield |
| 06/14/07 | Annual Golf Outing | | Tanglewood Golf Course—South Lyon |
| 6/24 - 6/27/07 | HFMA Annual National Institute | | San Diego, CA |

***Dates and locations are subject to change when necessary.

## HFMA Eastern MI Chapter

## Officers, Board and Committee Members

## 2006-2007

| Officers | | Phone | | Email Address |
|---|---|---|---|---|
| Kristi Nagengast, FHFMA, CPA, CIA President-Elect | | (248) 489-6514 | | nagengak@trinity-health.org |
| Mary Whitbread, CPA, President -Elect | | (313) 874-9533 | | mwhitbr1@hfhs.org |
| Stephen Collard, Secretary | | (248) 457-7630 | | scollard@beaumonthospitals.com |
| Stephen W. Loree, FHFMA, CPS, Treasurer | | (313) 966-2333 | | sloree@dmc.org |
| Marina Houghton, CHFP,CPA, Immediate Past-President | | (313) 566-9000 | | marinahoughton@wolinski.com |
| **Board of Directors** | | | | |
| **2005-2007** | | | | |
| Nancy L. Allcroft, CPA | | (800)859-2780 | | allcroft@allcroftgroup.com |
| Brian Brady | | (248) 740-7176 | | brian.d.brady@smithbarney.com |
| Cheryl L. Comeau | | (248) 489-6042 | | comeauc@trinity-health.org |
| Robert Lauer, CMA | | (248) 858-6156 | | lauerr@trinity-health.org |
| William Maxbauer | | (734) 955-8168 | | william.maxbauer@chase.com |
| Peter A. Stewart, FHFMA, CPA | | (248) 443-2065 | | pstewart@hap.org |
| **Board of Directors** | | | | |
| **2006-2008** | | | | |
| Elyse Berry, FHFMA | | (810) 230-2001 | | eberry@healthplus.com |
| Suzanne Dimic | | (586) 753-1470 | | sue.dimic@st.john.org |
| Kenneth B. Lipan, FHFMA | | (586) 759-7930 | | klipan1@hfhs.org |
| Kenneth R. Marcus, Esq. | | (313) 465-7470 | | kmarcus@honigman.com |
| Joseph T. Scallen, Jr., FHFMA | | (313)745-5389 | | Jscallen@dmc.org |

**See Next Page for Committee Chairs**

## HFMA Eastern MI Chapter

## Officers, Board and Committee Members

## 2006-2007

| Committee Chairs | | | | | | |
|---|---|---|---|---|---|---|
| **Committee** | | **Chairperson(s)** | | **Telephone** | | **E-mail address** |
| Awards/Recognition | | Ken Lipan | | (586) 759-7930 | | klipan1@hfhs.org |
| Awards/Recognition | | William Maxbauer | | (734) 955-8168 | | william.maxbauer@chase.com |
| Awards/Founder's Merit | | Susan Stokes | | (586) 786-9532 | | susan-stokes@hfma-emc.org |
| Certification | | Cindi Long | | (248) 652-5634 | | cllong@crittenton.com |
| Certification | | Sara McGlynn | | | | saramcglynn@comcast.net |
| CFO Liason | | Joseph Scallen | | (313)745-5389 | | Jscallen@dmc.org |
| Chapter Audit | | n/a | | | | |
| Fall Conference | | Bob Dery | | (248) 223-3223 | | bob.dery@plantemoran.com |
| Financial Analysis | | Tim Meier | | (586) 759-7428 | | tmeier1@hfhs.org |
| Financial Analysis | | Kristine Nelson | | (248) 964-0362 | | kristine.nelson@beaumonthospitals.com |
| Insurance & Reimburse-ment | | Megan Menkveld | | (313) 874-4803 | | mmenkve1@hfhs.org |
| Insurance & Reimburse-ment | | Michael Klett | | (248) 423-4392 | | mklett@beaumonthospitals.com |
| Internal Audit | | Robert Kinsman Jr. | | (248) 423-3752 | | rkinsman@beaumonthospitals.com |
| MACPA/HFMA | | David Nathan | | (313) 596-7100 | | david.nathan@ey.com |
| Managed Care | | Dale Morrison | | (313) 664-8534 | | dmorriso@hap.org |
| Managed Care | | Amy Vandecar | | (313) 874-4256 | | avandec1@hfhs.org |
| Member Meeting Pro-grams | | Steve Fehlinger | | (248) 390-3085 | | abacus01@comcast.net |
| Member Meeting Pro-grams | | Mark McIntosh | | (313) 874-9525 | | mmcinto1@hfhs.org |
| Membership & Retention | | Tina Wood | | (586) 741-4465 | | twood@mcgh.org |
| Membership & Retention | | Christina Wong | | (517) 545-6501 | | wongcm@trinity-health.org |
| Newsletter | | Maryanne VanHaitsma | | (248) 549-2703 | | mvanhait@dmc.org |
| Nominations | | Marina Houghton | | (313) 566-9000 | | marinahoughton@wolinski.com |
| Placement | | Bob Lauer | | (248) 858-6156 | | lauerr@trinity-health.org |
| Revenue Cycle | | Norma Miller | | (248) 544-2300 | | nmiller-slake@sbcglobal.net |
| Revenue Cycle | | Shelley Lake | | (248) 544-2300 x115 | | slake@artusmrm.com |
| Social Activities | | Peter Stewart | | (248) 443-2065 | | pstewart@hap.org |
| Social Activities | | Robert Carlisemo | | (313) 874-4927 | | rcarles1@hfhs.org |
| Sponsorship | | Marina Houghton | | (313) 566-9000 | | marinahoughton@wolinski.com |