

HEALTHCENTS



www.hfmaemc.org

President's Message

By Mary Whitbread

June marks the start of a new year for HFMA and this year's theme is "Make a Difference". The Eastern Michigan Chapter of HFMA will focus on providing Educational events, Networking opportunities and Professional Development to help you "Make a Difference" in healthcare in Southeast Michigan.

We have a great line up of educational topics this year. Please mark your calendars and pass the information onto others in your organization. Our first educational event was June 19th. Susan Penrice and Jill Olson from Deloitte & Touche spoke on the Future State of Revenue Cycle. On August 22nd, several speakers from 3M will present on Severity Adjusted DRG's (details on page 11). Our September 20th member meeting will focus on leadership and include an evening of networking at the MSU Education Center (details on page 11). On the morning of November 13th Fred Lee, the author of "If Disney Ran Your Hospital, 9 ½ Things You Would Do Differently", will present at the Hotel Baronette. This will be a great opportunity to attend a local meeting with a National speaker at a reasonable price.

Our first networking event was last week. The annual golf outing at Tanglewood Golf Course was a huge success with 108 golfers. A big thanks to the social committee for the great job they did planning this event. They are busy planning our next event, which will be a Tiger's



game (details available soon).

HFMA certification is our focus for Professional development. Based on membership surveys, HFMA National has shown a strong relationship between certification and career advancement. Certified member tend to earn a higher salary and are more likely to be hired for upper-level positions in healthcare finance. See the article included for more details on our certification program.

As you can see, our chapter is off to a great start this year. I look forward to seeing you at these events. If you have any ideas for a speaker, topic, event or location, please email your ideas to Susan Stokes at susan-stokes@comcast.net.

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Membership Directory Update

We are preparing the documents for the membership directory for 2007-08. We would like to have this member resource as accurate as possible. Please take a few moments and verifying your member information on HFMA National's Website.

Please click on the following link

<http://www.hfma.org/membership/account/>

Once you log in, follow the link and click on your name/personal profile in the left hand column to review your membership profile. Please edit any information that is not correct.

Please review and edit your information by July 31, 2007. If you are having trouble making the changes please send an email to Susan Stokes at susan-stokes@comcast.net to have your information updated.

Welcome New Members

By Christina Wong

New Members to the Eastern Michigan Chapter are an important part of the chapter's continued success. Please take a moment to contact our new members and share your experiences about our chapter. We value their membership and encourage them to become active on chapter committees.

Sherrie White, Senior Financial Analyst
William Beaumont Hospital
slwhite@beaumont Hospitals.com

Lana Anderson, V.P./Healthcare Banking
Fifth Third Bank
Lana.anderson@53.com

*" We value their membership
and encourage them to become
active on chapter committees"*

Vincent D. Barrett, VP Supplier Diversity
Relational Technology Solutions
vbarrett@rts.com

Jay T. Knutsen, National Account Manager
Relational Technology Solutions
jknutsen@rts.com

Philip R. Carey, Sr., Financial Analyst
William Beaumont Hospital
pcarey@beaumont Hospitals.com



HFMA Certification

By Douglas Banks & Sara McGlynn

ATTENTION...The HFMA certification program is a great way to enhance your healthcare finance knowledge, obtain continuing education (11.5 CPE's) and work towards a noteworthy certification that demonstrates proficiency and drive. Below is a brief outline of the certification requirements.

HFMA Certification Requirements

1. Two years total as a regular HFMA member
2. Two years of professional experience in the healthcare finance industry
3. 60 semester hours of college coursework from an accredited institution or 60 professional development hours
4. Successful completion of the HFMA Core certification exam
5. Successful completion of one HFMA specialty certification exam*
6. References from a current elected chapter officer and your CEO or supervisor
7. Submit conforming application with one-time fee within 24 hours of successfully completing first exam

Certified Healthcare Financial Professional (CHFP) requirements

Once the 7 requirements above are met

1. Bachelor degree or 120 semester hours from an accredited college or university
2. Reference from an HFMA Fellow or current elected chapter officer
3. Volunteer activity in healthcare finance within three years prior to applying for HFMA, including one of the following:
 - Earn the Follmer Bronze Award
 - Volunteer in the chapter and earn two Founders points (under the current system) for two

consecutive years

- Volunteer service for two years in a healthcare industry organization within the past three years

4. Submit conforming application with one-time Fee.

Certification Program Contact Information:

Please call one of the Certification Committee Co-Chairs Doug Banks at (248) 489-6082 (banksd@trinity-health.org) or Sara McGlynn (saramcglynn@comcast.net) to answer any of your questions. Or go to the National Website at www.hfma.org/certification for detailed information.

The chapter has study guides for members to use free of charge. If you would like to borrow one contact

Susan Stokes

susan-stokes@comcast.net

You may use the study guides for a 2 week period or longer if no one requests to use them when your 2 week period is completed.

Core Exam study session will be offered September 27 and exam given September 28. Contact Susan to register for course and/or exam.

susan-stokes@comcast.net

CFO Profile



Ken Lipan

Organization: **Henry Ford Health System for almost 24 years. Starting in July I will join the Detroit Medical Center as VP/CFO of Sinai Grace Hospital.**
 Title: **VP/CFO Henry Ford Bi-County Hospital**

HFMA Member Since: **1984**

Years in current position: **4**

Joined HFMA because: **I joined HFMA probably like many people, at the "suggestion" of my boss at the time.**

Biggest issue facing health care financial managers today:

The biggest issue is the fact there is not a single issue. With concerns about reimbursement, uninsured patients, new regulations, new technology, patient satisfaction, physician relations, quality of care and employee retention, the biggest issue is effectively juggling all the issues.

"Get to Know You" questions:

1. Favorite soft drink? **Diet Pepsi**
2. If I had time, I would like to learn to: **Fly Fishing**
3. If I had time, I would like to travel to: **Every significant historical site in the United States**
4. Favorite midnight snack: **Anything sweet**

5. Greatest career achievement: **Seeing past and current employees excel in their careers**
6. Favorite Breakfast: **Cereal while reading the newspaper**
7. Restaurant we might bump into you: **Archies Family Restaurant in Livonia**
8. Favorite saying: **I have an opportunity for you!**
9. Dream automobile: **2007 Mazda RX8, 1965 Ford Mustang, 1958 Chevy Impala, 1970 Chevelle SS.....you get the idea.**
10. Someday I hope to: **Retire early...then teach finance at the college level.**

Member Profile



Dale Morrison

Organization: **Health Alliance Plan (HAP) for 6 years.**

Title: **Senior Administrator, Provider Development**

HFMA Member Since: **2003**

Years in current position: **1**

Joined HFMA because: **My boss at the time suggested that I join HFMA, and Bea Skinner at St. John Health invited me to join the Managed Care committee. It has been an excellent way to meet others in health care, and I have learned a lot.**

Please see **Member Profile** on page 5

Member Profile from page 4

What does your committee do and how has it benefited you? **The Managed Care committee meets every other month (usually the first Wednesday of the month at the St. John Health corporate offices in Warren) to discuss a wide variety of topics that are relevant to both managed care payers and providers. We often have guest speakers, and recent topics have included implementing Revenue Management systems, and the Medicare Advantage and Medicare "Part D" prescription drug programs. Being a part of the Managed Care committee has been a great way to learn about issues affecting managed care from both a provider and payer perspective.**

"Get to Know You" questions:

1. Favorite soft drink? **Coke**
2. Top 3 songs on your iPod? **I have a mixture of everything on my ipod ranging from classical music to current artists. Some of my current favorites include the new CD by Lucinda Williams, and the Grey's Anatomy soundtracks.**
3. If I had time, I would like to learn: **To golf. I just started taking lessons.**
4. If I had time, I would like to travel to: **New Zealand and Australia**
5. Favorite midnight snack: **Chocolate**
6. Three things you'll always find in my fridge: **Ice Cream, hummus, and a lot of fresh fruit and veggies. My daughter is a senior at MSU majoring in Dietetics, and she is trying to get us to eat healthier. She isn't always successful.**
7. Greatest career achievement: **The**

recently completed contract negotiations with St. John HealthPartners. These were complex negotiations with skilled, experienced negotiators.

8. Restaurant we might bump into you: **Maria's Front Room in Ferndale is a family favorite.**
9. Person I would like to meet: **Doris Kearns Goodwin**
10. Last book read: **The Naming of the Dead, by Ian Rankin. I usually read mysteries.**
11. Someday I hope to: **Travel**

Health Alliance Plan – The Medicare Advantage Program

Speaker: Michael J. Jakubic, Director of Medicare Operations at HAP

A brief history lesson of the Medicare program was given. He discussed how the program began, who is covered by this program, and what benefits are available within the insurance program. He continued by highlighting the Medicare Modernization Act of 2003. Mike also discussed the challenging environment in Michigan, with the budget crisis of various townships, school funding issues/closings, reduced state assistance to local municipalities, along with DCX and other automotive company changes. These activities make it challenging but also present opportunity. The "Medicare eligible" population will be increasing within in the next 10 to 20 years. Mike stated that this population increase is projected to double during this time period.

Mike then went on to demonstrate the Medicare Advantage programs available from HAP. He discussed HAP's market share, drug program offerings, and estimated savings provided by HAP's Medicare Advantage program.

Michigan Court Finds Clinic Exempt From Real Estate Taxes

By Jane Forbes, Dykema Gossett PLLC
jforbes@dykema.com

On May 3, the Michigan Court of Appeals released an opinion holding that the part of a building owned by McLaren Regional Medical Center (“McLaren”) that was being used by a nonprofit subsidiary to provide physician services qualifies for exemption from real estate taxes as property owned and occupied by a “charitable institution.” While the Court did not find that predetermined levels of free care were needed in order to be eligible for exemption, it relied on the existence of “open access” policies that may be more generous than those used by many other Michigan health care providers. Therefore, while the decision is favorable, it is possible that local tax assessors will seek to impose similar standards on organizations seeking to qualify under other available exemptions.

Background

The decision involved a medical facility in Owosso owned by McLaren. One part of the building was used directly by McLaren as a laboratory draw station and in a weight loss program, and another had been used by McLaren to provide physical therapy (but had ceased to be exempt). The east portion of the structure was occupied by a nonprofit subsidiary called McLaren Medical Management, Inc. (the “Clinic”) that used the space to provide family practice medical care. The decision found that McLaren and the Clinic were each nonprofit entities and that, under their respective articles and bylaws, both were organized primarily for charitable purposes.

Real Estate Tax Exemptions

The *McLaren* decision involves only one of

multiple exemptions that may be available to nonprofit providers of health care services under the Michigan General Property Tax Act. Those include:

- An exemption for real estate owned and occupied “for hospital or public health purposes.”
- A separate, more general exemption for property owned by a “nonprofit charitable institution.”
- Language providing continuing exemption for property (i) that is owned by a tax-exempt skilled nursing facility, home for the aged or adult day care facility; (ii) that was not subject to tax in 2004; and (iii) that has not subsequently been transferred.

The “charitable institution” exemption was at issue in the *McLaren* case because the statute allows property owned by one “charitable institution” and leased to another to be exempt, as long as it is being used in an activity that would qualify for exemption if it were being carried out by the owner. No similar rule regarding leased property exists under the “hospital or public health” exemption.

Standards for Qualification

Levels of Charity Care. In deciding that the part of the McLaren building occupied by the Clinic qualifies for exemption, the Court of Appeals closely followed charity care standards adopted by the Michigan Supreme Court last year in its decision in *Wexford Medical Group v. City of Cadillac*. The Clinic involved in the *McLaren* decision apparently provided sample

Please see **Exemption** on page 7

Exemption from page 6

medications and furnished some other services without charge to patients unable to pay. As in the *Wexford* case, however, the *McLaren* decision was not based primarily on the volume of free services or on the Clinic's billing and collection practices. Instead, the decision focused on nondiscrimination and "open access" policies providing that the Clinic would not deny care based on inability to pay or on source of payment. Under those policies, the Clinic furnished unlimited services to Medicare and Medicaid patients, even though the payments received under those programs were substantially lower than its charges for the services.

IRS rules governing tax-exempt status under Section 501(c)(3) of the Internal Revenue Code ordinarily require qualifying health care facilities to furnish unlimited care to Medicare patients. Many tax-exempt providers do, however, restrict the amount of nonemergency care they offer to indigents and to Medicaid beneficiaries. The *Wexford* and *McLaren* decisions do not say explicitly that organizations imposing such limits can never qualify for property tax exemption as "charitable institutions," but they certainly raise questions about their ability to do so, especially when the restrictions are substantial.

Charges for Services. Another standard discussed in the *Wexford* and *McLaren* decisions allows a qualifying "charitable institution" to charge for its services, but only to the extent the charges do not exceed amounts necessary for the "successful maintenance" of its charitable activities. The Clinic received ongoing subsidies from McLaren, so its collections were less than the cost of furnishing care. Physician practice organizations like the Clinic typically operate at

cost or require subsidies, so the rule limiting charges to those necessary for "successful maintenance" is unlikely to prevent them from qualifying as "charitable institutions." That rule might, however, prevent some organizations furnishing other kinds of health care services from meeting the requirements.

Applicability to Other Exemptions. The *Wexford* and *McLaren* decisions involved health care organizations seeking to bring leased property under the "charitable institution" exemption. Neither of those cases discussed the separate exemption available for property used by its owner for "hospital and public health purposes." There is a risk, however, that assessors will assume that the requirements discussed above apply to organizations seeking to use other exemptions, or that local taxing authorities will initiate litigation seeking to impose similar requirements.

Chapter Calendar

Most all dates have been decided for the coming 2007-2008 year. Below is the link to the chapter calendar.

www.hfmaemc.org/ChapterCalendar.htm

Copy the dates now into your calendar so you are able to attend our chapter events. The chapter leaders have planned a wonderful year of programs. See page 11 for details on the August and September Member Meeting registration materials will be coming soon.

Take Your Membership to the Next Level

By Amy Vandecar, Director Managed Care
Contracting and Finance, HFHS
avandec1@hfhs.org

Your membership offers you valuable educational and networking opportunities and being a member of a committee further enhances the experience. Taking on the role of Committee Chair brings your membership to the next level. When I first joined HFMA and the Managed Care Committee, I attended educational sessions, learned from my peers, but I found myself being more of an observer. After volunteering to become the chair of the Managed Care Committee, I really began to get to know people and make a difference.

As a chair person I was put in situations that enable me to:

1. Network one-on-one with members from other healthcare systems and companies that are on the committee, speakers, with distinguished leaders from around the country.
2. Build stronger relationships with peers by working on projects together and leading meetings.
3. Develop leadership skills. The members come to me with ideas, issues and concerns, and I am in a position to act on them.

The role of committee chair does take time, commitment and let's face it, "work". The responsibilities of a committee chair include:

1. Developing and accomplishing goals for the committee and reporting results to chapter administration,
2. Coordinating education sessions and committee meetings,
3. Selecting topics and attaining speakers,

4. Publishing articles for the chapter newsletter

I have really enjoyed getting more involved in HFMA. I asked other committee chairs how they felt about their experience. Here is some of what they said:

"I have been a member of HFMA for somewhere around 12 years; however, I just moved to MI and joined this chapter a little less than 2 years ago. This committee was perfect for me to network with peers. In my first year of being the co-chair, I have gotten to know as many of my peers as I had in all my years working in Indianapolis. The networking opportunities have been priceless. In short, this chapter is top notch and just what the doctor ordered for me."

Michael Klett, Insurance and Reimbursement Committee

"The personal rewards gained through networking opportunities and growing outside personal contacts are immeasurable in this industry. All one has to do is step up to the challenge and make a positive difference."

Steve Fehlinger, Program Committee

"The best reward is getting to know other people in healthcare

Please see **Membership** on page 9

Membership from page 8

finance. They are good resources for technical information and for comparing what and how we do things in different organizations. We come together because we care about healthcare finance and HFMA and it's nice to be among those types of people, and they are nice people besides."

Megan Menkveld, Insurance and Reimbursement Committee

"I've made many friends over the year both on the committee and through the many social events that we plan. Planning the golf outing each year, while time consuming, is very rewarding once you get to the day of the outing, get to greet all the golfers and see what a good time everyone is having."

Pete Stewart, Social Activities Committee

"Getting to play bocce ball!"

Mark McIntosh, Program Committee

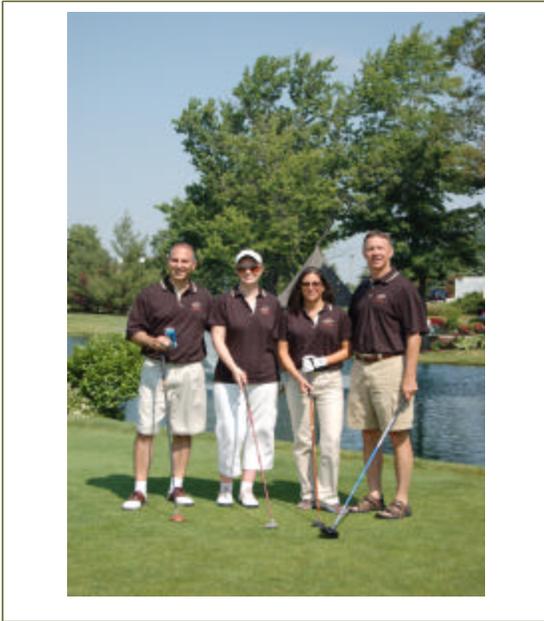
You can greatly enhance the value of your HFMA membership by becoming more involved, and being a committee chair is a great way to do it! If you are interested in taking your membership to the next level by becoming a chair of a committee, contact your current chairperson or Susan Stokes susan-stokes@comcast.net. Chair positions open up every year, and our chapter always welcomes fresh ideas and welcomes your involvement. We are currently see chair people for the Revenue Cycle Committee and Placement Committee.

Coming Attractions...

This fall, the newsletter committee is excited to launch a new feature column where Members may voice their opinion on current healthcare topics. The August newsletter will introduce to the readers a relevant healthcare issue to which our members may email their comments relating to this topic back to the newsletter committee. These comments will be reviewed and selected for publication in the following newsletter. We welcome any suggestions for healthcare topics. Please forward your comments and/or suggestions to: Jo Ann Roberts (jroberts@beaumont-hospitals.com) or Maryanne Vanhaisma (Mvanhait@dmc.org)



Golf Outing



Pictured left to right, Rob Carlesimo, Jeana Hobart, Sheila Yono and Pete Stewart – some of the social committee members.

The Annual HFMA golf outing was held June 14, 2007 at the Tanglewood Golf Club in South Lyon, Michigan. It was a beautiful sunny day with temperatures in the low 80's. Everyone had a great time sharing some golf and laughs with their peers. Blue HFMA logo shirts were given out to all attendees and prizes galore won in the raffle after dinner. Many folks stuck around after dinner to listen to a band that they had playing on the patio. New hole sponsor logo signs were debuted at the outing. It was an enjoyable outing and thanks go out once again to all the sponsors that help support HFMA and this annual outing.

"Would you like to be a chapter sponsor?"

Click link for sponsorship package.

<http://www.hfmaemc.org/Sponsorship2007-2008.htm>

Placement Committee News –

Click the link below for **NEW and Current open positions.**

<http://www.hfmaemc.org/Pages/JobBank.htm>

For your job openings for financial professionals, we encourage you to use this service to notify our members of the opportunities in your organization. For more information, contact Placement Committee chairperson: Robert E. Lauer CMA, 248-858-6156, lauerr@trinity-health.org

August & September Member Meetings

August Member Meeting –

Topic: Financial Analysis
Decision Support

Date: August 22, 2007

Location: Henry Ford Bi-
County Hospital, Warren, MI
Lower Level Conference
Center

Time: 8 - 12PM

Speakers:

Karen Ruehl, 3M – Overview of
Severity Adjustment and
Current Regulatory Update

Cheryl Wadyka, 3M –
Improving Your Hospital's
Public Profile

Julie Homan, 3M – Engaging
Your Medical Staff

September Member Meeting –

Topic: Leadership

Date: September 20, 2007

Location: MSU Management
Center – Troy, MI

Time: 3 – 8:30PM

Speakers:

**Terry Moore, MidMichigan
Healthcare** – Topic:
Administrative Warfare

Walt Stasinski – Great Leaders
Inspire

Past-Presidents of HFMA
Welcome – **Roman Kulich** and
Ben Carter discuss leadership

2007-2008 Board of Directors, Officers and Committee Chairs

2007-2008 OFFICERS	Committee	Chairperson(s)	E-mail address
<i>President</i>	Awards/Recognition	Ken Lipan	klipan1@hfhs.org
Mary A. Whitbread, CPA mwhitbr1@hfhs.org	Awards/Founder's Merit	Susan Stokes	susan-stokes@hfmaemc.org
<i>President-Elect</i>	Certification	Sara McGlynn	saramcglynn@comcast.net
Stephen R. Collard, CMA scollard@beaumont-hospitals.com	Certification	Doug Banks	banksd@trinity-health.org
<i>Secretary</i>	CFO Liaison	Joe Scallen	jscallen@dmc.org
Elyse A. Berry, FHFMA eberry@healthplus.com	CFO Liaison	Jeff Ewald	jeffrey.ewald@stjohn.org
<i>Treasurer</i>	Fall Conference	Bob Dery	bob.dery@plantemor.com
Marie B. Abrahamsen, JD mabrahamsen@dykema.com	Financial Analysis	Tim Meier	tmeier1@hfhs.org
<i>Assistant Treasurer</i>	Financial Analysis	Kristine Nelson	kristine.nelson@beaumont-hospitals.com
Cheryl L. Comeau comeauc@trinity-health.org	Insurance & Reimbursement	Michael Klett	mklett@beaumont-hospitals.com
<i>Immediate Past President</i>	Insurance & Reimbursement	Lisa Hutchings	lisa.hutchings@stjohn.org
Kristi K. Nagengast, FHFMA, CPA, CIA nagengak@trinity-health.org	Internal Audit	Robert Kinsman Jr.	rkinsman@beaumont-hospitals.com
	MACPA/HFMA	Mel Armbruster	melvin.e.armbruster@accenture.com
	Managed Care	Amy Vandecar	avandec1@hfhs.org
	Managed Care	Megan McInnis	mmcinnis@hap.org
	Member Meeting Programs	Steve Fehlinger	abacus01@comcast.net
	Member Meeting Programs	Mark McIntosh	mmcinto1@hfhs.org
	Membership & Retention	Christina Wong	wongcm@trinity-health.org
	Membership & Retention	Jeana Hobart	jeana.hobart@officeteam.com
	Newsletter	Maryanne VanHaitisma	mvanhait@dmc.org
	Newsletter	JoAnn Roberts	jroberts@beaumont-hospitals.com
	Nominations	Kristi K. Nagengast	nagengak@trinity-health.org
	Placement	Bob Lauer	lauer@trinity-health.org
	Revenue Cycle	John Napiewocki	jnapiewo@dmc.org
	Revenue Cycle	Open	Open
	Social Activities	Peter Stewart	pstewart@hap.org
	Social Activities	Robert Carlisemo	rcarles1@hfhs.org
	Sponsorship	Maria Abrahamsen	mabrahamsen@dykema.com

Click below for printable listing of officers, Board and Committee Chairs which includes phone numbers.

www.hfmaemc.org/BoardCommitteeList.htm

If you are interested in any of the committees listed above and would like to attend one of their meetings or volunteer to help feel free to contact a committee chair. All committee meeting dates are listed on the calendar and are open to everyone.