



HealthCents

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President's Message

By Steve Collard

Welcome to a new HFMA chapter year! The year started in grand style for our chapter when Bill Lubaway was awarded National HFMA's most prestigious individual award at the Annual National Institute in June. Bill is so deserving of this honor for all of the years of service he has given to Eastern Michigan HFMA. When you understand this award is only awarded to one person each year out of over 35,000 members in 50+ states and U.S. territories – that makes it very special (see related story on page 10).

As I begin my term as President of the chapter, I must first look back at the past year and thank Mary Whitbread for her outstanding contribution to our chapter. We had a successful year of providing educational and networking events. We welcomed new members and improved our services to the current membership, resulting in excellent member satisfaction scores on the bi-annual survey. We are strong financially and positioned to have a great year in 2008-09! It is a tribute to her leadership and we should all commend her for a job well done.

Our theme this year is "Making Connections." We are trying to help members accomplish this in a number of ways:

1. Attend the FREE member meeting "Beyond the Sound Bite" at the Troy Community Center on August 21 at 8:30 a.m. You can register on-line and join us for breakfast followed by excellent presentations on the presidential candidate's health reform ideas along with an update on Michigan Healthcare reform.
2. Attend the Tiger game outing with fellow members on August 25 – a few tickets are still available (details on page 14). Thanks to the Social Activities committee for putting a fun event together – and for a great job on the golf outing this past June.
3. Attend the 55th Annual HFMA Fall Conference in Plymouth on September 25-26 – note the convenient new date!

Please see **President's Message** on page 2

President's Message from page 1

4. Purchase an educational "season pass" for only \$195. You only sign up and pay once, and you are automatically registered for this year's chapter meetings/educational events. This is a valuable and convenient way to stay connected to the chapter throughout the year. It eliminates the hassle factor! This also includes a CFO forum on financial reporting in October and the ever-popular Insurance & Reimbursement Update in March.
5. Get connected with a committee. Meet regularly with your peers to discuss current events, hear speakers on hot topics, and make some friends. Our new Financial Accounting and Reporting Committee may be just the right opportunity for you (see page 13).

I hope to connect with many of you during the coming year. We are planning a number of social events and opportunities for education and professional development. Thanks for your involvement with HFMA!

Steve

Up Front – Editor's Letter

By: Jo Ann Roberts

William Beaumont Hospital

jroberts@beaumont Hospitals.com

Responsibility is an action word that covers all aspects of our lives. We have a responsibility to our family, job, church, community, government...the list goes on. My father passed away a few months ago. As I reflect over the lessons taught to me by my father, I know that "assuming responsibility for my actions" has emerged as the most pertinent and valuable. It is only when we assume responsibility for our commitments that we can drive change and initiate improvements.

As members of HFMA, we share in the responsibility of making this a great and successful organization. One of the ways to activate our responsibility is to participate in the many meetings and events offered through HFMA. As we enter a new chapter year, committee chairs are actively seeking new members to join and participate in one or more of the many committees. This is the time to evaluate our own personal responsibility to the organization.

As co-chair of the newsletter committee, I ask for your assistance in making HealthCents a valuable tool for all members. Please accept the responsibility to read all sections of this newsletter and share your comments with us. The newsletter committee has accepted the responsibility to provide you with an educational and interactive tool. We will continue to strive to meet this responsibility by modifying, adding or deleting feature columns based on member feedback.

As in the words of Winston Churchill, "The price of greatness is responsibility."

Please submit articles to Maryanne VanHaitisma mvanhait@dmc.org or Jo Ann Roberts JRoberts@beaumont Hospitals.com. The submission dates are as follows for the 2008-09 year:

- 10/15/2008
- 1/15/2009
- 3/14/2009
- 5/15/2009
- 6/16/2009

The PRRB Common Issue Related Party Rule Assumes Prominence

By: *Kenneth R. Marcus* ¹

Partner, Honigman Miller Schwartz and Cohn LLP

kmarcus@honigman.com

Since 1983, the Medicare Regulations have provided that “any appeal filed by providers that are under common ownership or control must be brought by the providers as a group appeal.”² This requirement is known as the common issue related party rule (“CIRP Rule”). If published decisions are any indication,³ over the past twenty-five years the Provider Reimbursement Review Board (“PRRB”) does not appear to have devoted significant attention to the CIRP Rule. Of course, PRRB jurisdictional decisions typically are not published, and thus it is difficult to determine whether and to what extent the PRRB has applied the CIRP Rule over the years. As practitioners before the PRRB will verify, however, the PRRB recently has given the CIRP Rule heightened scrutiny. Moreover, a revised final rule governing PRRB procedure published as this article went to press introduces the term “mandatory appeals” in the context of CIRP appeals.⁴ Providers and their representatives, therefore, must be familiar, and comply, with the CIRP Rule.

Legal Bases For The CIRP Rule

The legal bases for the CIRP Rule are the Medicare Statute, the Medicare Regulations and the PRRB Instructions.

The Medicare Statute

The Medicare Statute provides as follows:

Any appeal to the Board or action for judicial review by providers which are under common ownership or control or which have obtained a hearing under subsection (b) [group appeals] must be brought by such providers as a group with respect to any matter involving an issue common to such providers.⁵

The Medicare Regulations

The Medicare Regulation in effect as this article went to press provides as follows:

Effective April 20, 1983, any appeal filed by providers that are under common ownership or control must be brought by the providers as a group appeal in accordance with the provisions of paragraph (a) of this section with respect to any matters involving an issue common to the providers and for which the amount in controversy is, in the aggregate, \$50,000 or more (see §405.1841(a)(2)). A single provider involved in a group appeal that also wishes to appeal issues that are not common to the other providers in the group must file a separate hearing request (see §405.1841(a)(1)) and must separately meet the requirements in §405.1811 or §405.1835, as applicable. ⁶

The Health Care Financing Administration, now Centers for Medicare and Medicaid Services, stated as follows regarding the purpose of the CIRP Rule:

PRRB Common Issue from page 3

“[W]e have changed the regulations to state that effective April 20, 1983, an appeal to the Board or an action for judicial review by providers that are under common ownership or control, as that phrase is defined in §405.427 of the regulations, must be brought by the providers as a group with respect to any matter involving an issue common to them. Section 405.427 states that common ownership exists if an individual or individuals possess significant ownership or equity in the provider and in the institution or organization serving the provider. Control exists if an individual or an organization has the power, directly or indirectly, to influence significantly or to direct the actions or policies of an organization or institution whether or not that power is actually exercised.”⁷

The final rule published on May 23, 2008, effective August 21, 2008 and applicable to all appeals pending as of, or filed on or after August 21, 2008, provides as follows:

(1) *Mandatory use of group appeals.*

(b) *Usage and filing of group appeals.* (1) *Mandatory use of group appeals.* (i) Two or more providers under common ownership or control that wish to appeal to the Board a specific matter at issue that involves a question of fact or interpretation of law, regulations, or CMS rulings that is common to the providers, and that arises in cost reporting periods that end in the same calendar year, and for which the amount in controversy is \$50,000 or more in the aggregate, must bring the appeal as a group appeal.

(ii) One or more of the providers under common ownership or control may appeal more than one cost reporting period with respect to the issue that is the subject of the group appeal for purposes of meeting the \$50,000 amount in controversy requirement, and, subject to the Board’s discretion, may appeal more than one cost reporting period with respect to the issue that is the subject of the group appeal for other purposes, such as convenience.

(iii) A group appeal involving two or more providers under common ownership or control must consist entirely of providers under common (to all) ownership or control.⁸

Moreover, the revised regulation requires that a provider appeal request identify whether providers under common ownership and control have appealed the same issue.⁹

The PRRB Instructions

The PRRB *Instructions* provide as follows:

If you and other providers are under common ownership or control and have an issue in common, you must file a group appeal if the amount in controversy is \$50,000 or more. These are known as Common Issue-Related Party or CIRP appeals and are “mandatory” group appeals. If the amount in controversy is less than \$50,000, then you and the other providers may file individual appeals as long as you meet all jurisdictional requirements, including the \$10,000 threshold, for individual appeals before the Board. A CIRP appeal is separate from and is not a part of a non-CIRP appeal.¹⁰

Discussion

Recently, the PRRB has proactively reviewed group appeals to identify providers that are part of systems or chains, and where the PRRB has identified such providers it has issued a directive that the provider submit an affidavit that

PRRB Common Issue from page 4

Identifies all hospitals owned by the corporation in the FYE under appeal;

States that commonly owned providers are not participating in other group appeals or individual appeals of the issue and that the PRRB has not issued a decision on the issue for any other providers in the chain;

States that other members of the chain that are not pursuing the issue waive their right to do so;

Authorizes a representative for the entire corporate organization; and

Identifies commonly owned providers that have not received NPR's.

As referenced above, the information which the PRRB has sought to elicit via such an affidavit is now required to be included in a request for an appeal under the revised rule.¹¹

Thus, as witnessed by the significantly revised PRRB regulations and the recent change in PRRB practice, the CIRP Rule has been elevated to a prominent level.

As with all PRRB rules, formal and informal, providers and their representatives are well advised to comply with the CIRP Rule. A number of unanswered questions remain, however, regarding the CIRP Rule, which pose a challenge to providers. For example, there is a question of timing. PRRB appeals typically consume years. Thus, an important question is *when* the "common ownership and control" is determined. That is, the status of a provider may change during the course of a typically protracted PRRB appeal. Is the status determined as of the day the provider files the appeal? What if the provider is part of a system on the day it files the appeal, but during the course of the appeal ceases to be part of a system? Conversely, what if a provider becomes part of a system after it has filed its appeal?

There is also the question of the substantive question on how "common ownership and control" is to be determined. Although the preamble to the 1983 rule referenced the related organization rule¹², it was not referenced in the 1983 regulation, nor is it referenced in the revised May 23, 2008 regulation. Presumably the related organization regulation governs. Still, and even under that regulation, there is no bright line test. For example, a provider may be partly owned by a system, or it may be a third tier member of a system off on the periphery.

There is also the practical question of whether one or more providers in a particular state appealing an issue that is specific to that state, such as a bad debt issue involving "dual eligible's," must include themselves in a CIRP group with related providers in other states that may or may not have the identical issue.

Of course, the ultimate question is whether the PRRB will apply and enforce the CIRP Rule in a manner that implicates PRRB jurisdiction. That is, if a provider that otherwise satisfies the jurisdictional requirements for an appeal¹³ does not comply with the CIRP Rule, will the PRRB dismiss such an appeal on jurisdictional grounds, and will such a dismissal be affirmed by the CMS Administrator and the federal courts? As the quotation, above, to the 1983 preamble to the CIRP Rule suggests, the narrow purpose of the CIRP Rule was to prevent mischief by chain organizations which would seek to insulate all but one member of a chain by having only one member of the chain appeal an issue. If the appeal failed, the three year reopening period likely would have expired, and thus the other members of the chain would be insulated from liability. To the extent such a concern is realistic or legitimate, the PRRB and CMS clearly have expanded the scope of the CIRP Rule beyond such a concern. Finally, in light of the limited resources of the PRRB and its admitted challenge in managing its caseload, estimated currently at 6500 appeals, one must wonder why devoting time and resources to "policing" the CIRP Rule, some twenty-five years after its adoption, now is seen as a priority.

PRRB Common Issue from page 5

1 Partner, Honigman Miller Schwartz and Cohn LLP, Detroit Michigan. Mr. Marcus is the current Vice Chair-Publications of the Regulation, Accreditation and Payment Practice Group of AHLA. This article is not intended to furnish legal advice. Readers wishing to discuss the subject of this article may contact Mr. Marcus at kmarcus@honigman.com.

2 42 C.F.R. § 405.1837.

3 An electronic search of the term "CIRP" in published PRRB decisions reveals five decisions.

4 42 C.F.R. § 405.1837(b)(1). 30251 73 *Fed. Reg.* 30189, 30251.

5 42 U.S.C. 1395oo(f)(1)

6 42 C.F.R. § 405.1837

7 48 Fed. Reg. 39752 (9/3/1983)

8 42 C.F.R. § 405.1837(b)(1).

9 42 C.F.R. 405.1835(b)(4).

10 The Board *Instructions* can be found on the world wide web.
http://www.cms.hhs.gov/PRRBReview/Downloads/PRRB_Instructions_March_03.pdf

11 42 C.F.R. 405.1835(b)(4).

12 42 C.F.R. § 413.17.

13 42 U.S.C. § 1395oo

(See page 21 for recent updates)

Announcement of Recovery Audit Contractor

Excerpt from the MHA Monday News from July 28, 2008.

Last week, the Centers for Medicare & Medicaid Services (CMS) indicated that the announcement of the Recovery Audit Contractor (RAC) for Michigan was delayed from the end of July until approximately Sept. 30. The MHA requests hospitals identify individuals to act as their primary contacts for communication about Medicare RAC issues. This will allow direct communication of emerging issues to the individuals responsible for RAC activities at each hospital. Notification of the RAC contacts should arrive at the MHA by July 31. For further information on RAC activities, contact Marilyn Litka-Klein at the MHA mklein@mha.org

Membership Committee News

By Christina Wong and Michael Berryman

New Members of 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.

Shane Ramsey, Client Executive
McKesson Provider Technologies
shane.ramsey@mckesson.com

Diane Hemgesberg
Blue Cross Blue Shield of MI
dhemgesberg@bcbsm.com

Mark E. Williams, National Account Manager
Ikaria
mark.williams@ikaria.com

Lisa M. Peterson, CPA, Associate
Plante & Moran, PLLC
lisa.peterson@plantemorán.com

Rob Cutler, National Accounts – MI
Commerce Bank
rob.cutler@commercebank.com

David Kunkk, Financial Specialist
Detroit Medical Center
dkunk6@dmc.org

Diane Turnbull, Reimbursement Consultant
St. Mary's of Michigan
dturnbull@stmarysofmichigan.org

Dorethia Conner, Sr. Reimbursement Analyst
William Beaumont Hospitals
dconner@beaumont-hospitals.com

Jody Meehan, Marketing Manager
CareTech Solutions
jmeehan@cts-mail.com

Janis Mills, Reimbursement Analyst
St. John Health System
Jan.mills@stjohn.org

Laura Reimbold, Financial Services Consultant
Henry Ford Macomb Hospitals – Clinton
Lreimbo1@hfhs.org

Special Contest for the Month of August!

Chance to Win the New iPhone 3G

The hottest new item this summer is Apple's iPhone 3G, and one could be yours just by sponsoring a new HFMA member. As a current member you are in the best possible position to share your experience as a member and help impact HFMA's future; no one knows the value of membership better than our members!

Starting August 1, HFMA is launching a month-long, pre-Member-Get-A-Member (MGAM) campaign* to boost new member recruitment. During the month of August (from August 1 to August 31, 2008), for every new member you recruit, you'll receive the same number of entries in a sweepstakes for a new Apple iPhone 3G.

In addition, all new members you recruit during the month of August will also be included in your overall MGAM program total, which ends May 31, 2009.

To help your recruitment efforts, we have applications available or encourage prospective recruits to visit hfma.org/join or hfma.org/applications. Make sure your name appears in the "sponsor" area of their application in order to receive proper credit.

For more information, contact our Member Services Center at (800) 252-4362, extension 2, or by email at memberservices@hfma.org.



Apple iPhone 3G

See additional Membership Committee News on Page 22.

Making the Right Long-Term Prescription for Medical Equipment Financing

By: *George P. Conbeer*

Senior Vice President Healthcare, Relational Technology Solutions

gconbeer@rts.com

Hospital financial executives charged with assessing, buying and financing new technologies face daunting challenges. Not only must they find reliable information regarding both existing and emerging technologies, they must *also* identify the right financing vehicles for acquiring these resources.

CFOs must ensure that their hospital can meet physicians' expectations. The reality is that those professionals neither work for nor report to the CFO. Thus, the CFO can't be assured of the physicians' full cooperation.

Meanwhile, equipment vendors understand that technology purchase decisions ultimately rest with physicians. As they structure product information to appeal to physicians, oftentimes the CFO is left standing on the sidelines. Some hospitals work with group purchasing organizations or consultants like ECRI for more information. Others look to independent leasing companies to provide unbiased perspectives. These firms possess similar interests as hospitals, as they invest in, finance and lease medical equipment and perhaps most importantly, know how to effectively dispose of and remarket it.

Ultimately, the leasing company's goal is to ensure that equipment within its portfolio retains the highest possible value for subsequent remarketing. On average, these organizations need to lease equipment as many as three times in order to realize a continuing profit.

In financing medical equipment, several options are available to healthcare organizations:

- * Bank debt
- * Standard leasing
- * Equipment rental terms

Bank debt. Here, the entire value of the asset paid for is financed over the term of the agreement. Say there's a need for a 16-slice CT scanner from now until 2012. CFOs visit a bank, obtain a loan running five years and pay 100 percent of the cost of the device over the next five years. Yet they must ask: *Once I own the device, how will I replace it to keep pace with the steady march of technology, competitive market pressures and physician demands?*

Most often, they trade in the used device after term. Many hospitals, however, grapple with inflexibility when attempting to shed equipment years after financing it using bank debt. The original equipment manufacturer (OEM), much like the response from a new car dealer, will give the hospital a vastly lower amount than the original price from that trade-in.

Standard leasing. Using a true lease, a hospital pays only for the depleted value during the term. If a leasing company believes a \$1 million CT scanner will be worth just \$200,000 by 2012, then the hospital can pay \$800,000 (plus interest) over the term. Disposition of used equipment is easy. However, the question is: *Is a predicted future value at five years of \$200,000 fair to both the hospital and lessor?*

As a rule, leasing is most cost-effective when the asset likely will be replaced at the end of the term, during the lease term (if new technology is available earlier than predicted), or when competitive pressures dictate a faster change.

Equipment rental terms. Another alternative is to simply rent for short-term use. Renting is an excellent choice if a hospital believes it will need -- and actively use -- a device for 90 days, six months or a year. Beyond that time frame, hospitals need to ask: *Are we going to keep this?* Penalties accrue when achieving up-front flexibility from renting. What if the actual use of the device is minimal and, little return comes from rent payments?

Long-Term Prescription from page 8

EQUIPMENT LEASING SOURCES

In *OEM captive-based leasing*, OEMs often will offer the lowest monthly lease rate factor. Here, one must first determine the exact price of the equipment -- in writing -- before starting discussions. The disadvantage -- What would happen if, two years into a five-year OEM lease agreement, a competitor introduces an obviously superior device? Choosing an OEM captive lessor hinders the flexibility to upgrade to newer, improved technology as both the hospital's needs and the competitive medical environment can change during the term of the lease.

In agreements with a *bank leasing company*, the ideal term to seek is five to seven (or more) years; the decision comes down to interest rates, residual value assumptions and covenants. Banks want hospitals to lease equipment because they desire a predictable result—the hospital's purchase of the equipment upon the conclusion of the lease term. In general, bank leasing companies don't want to remarket equipment that comes off lease. Therefore, lease rate factors on short term leases, especially those for high-technology equipment, tend to be lower than those of either captive or independent lessors.

Contrast this with *independent leasing companies*. These firms typically seek equipment to lease that will retain its value over the course of the initial lease and beyond. Why? Independent lessors want to lease equipment that's ideal for current customers *and* can be remarketed later.

Independent lessors want to lease the equipment that best suits their customer's current needs *and* can be remarketed at the end of the lease. Independent lessors recognize that a customer's needs may change over time, and it is in their best interest to facilitate and support that change. Getting equipment *returned* earlier -- when it can be remarketed at a higher value -- and leasing its replacement to a happy customer is a much better option than getting equipment later when it will have less value. Leasing companies sometimes charge slightly higher rates in exchange for offering the greatest flexibility and lowest level of technology risk to the hospital. Overall, financing via an independent lessor provides a hospital with the benefit of the usage of the equipment and removing any residual risk around what the equipment may be worth in the future.

The need to improve cash flow, acquire resources faster, and dispose of still-valuable assets more quickly is encouraging today's leading hospital financial professionals to assess technology risk more accurately. By better understanding the pros and cons of buying versus leasing, hospital financial executives can fortify their assets against poor choices, thereby ensuring a healthy bottom line for years to come.



William J. Lubaway Named National HFMA Morgan Award Recipient – Below is Bill’s Acceptance Speech

Late in May I was driving through a beautiful spring shower on my way to Michigan’s HFMA Spring Conference. I couldn’t ask for-a-better-day.

Then Mary Beth Briscoe calls from an airport, no less. I’m impressed.

“You have been named to receive the Morgan award.”

Suddenly my day got a whole lot better.

Forty years ago this month I saw my first Medicare cost report and realized that I understood it . . . understood it but I was often confused by the rules. I breathed a sigh of relief when I found that Medicare also was confused by their own rules. Then, two years later, Larry Redoutey, an audit client, introduced me to HFMA and became my HFMA mentor.

I was hooked. HFMA speaks my language -- the language of health care finance. Its professionals are eager to learn. They take their newfound ideas to work and improve health care’s bottom line. Most importantly HFMA is not an academic debating society weighing the pros and cons of abstract ideas.

Here’s how HFMA provided one opportunity to lead positive change. In 1977, Michigan Hospital Association vice president Ken Raske took me up on my suggestion to bring financial managers to the table in Blue Cross negotiations. We called together eleven financial managers, including half-a-dozen Michigan HFMA members. Five hundred hours and five hundred cups of coffee later manuals and user-tested forms were ready to go.

The Michigan Blue Cross Prospective Reimbursement System was easily ratified by hospitals. We -- HFMA, that is -- helped design a 3-year fix that lasted a decade. More importantly, finance managers have been actively involved in the MHA and Blue Cross relationship since then.

National HFMA recognized the value of our hard work by awarding the Michigan chapters of HFMA a multi-chapter project award.

A secondary benefit of the Blue Cross project was that, when it came time to publicize the new Blue Cross system, we put on a road show for all five of Michigan’s HFMA chapters . . . a practice that continues today.

I’ve accumulated several awards since then but this project was the one that showed me the

Bill's Acceptance Speech from page 8

power of working through HFMA.

We don't always get a chance to sit at the table. So, Plan B may call for loyal opposition. When the Blues and Medicaid unilaterally tweaked their systems to pick hospital pockets, we ran statewide surveys. Then we shined a spotlight on the negative results.

There is power in numbers. HFMA can bring parties together to engage in meaningful dialogue.

Now some shop talk. I chaired Michigan's HFMA Fall Conference for a decade. When I come to the ANI, I feel like a kid in a candy shop. I am in awe of the professionalism with which this conference is put together. I hope our Fall Conference co-chairs, Debby Sieradzki and Shelley Lake, are taking notes.

As a chapter past-president, I know how hectic things are in January and February when your chapter year is in high gear. Mary Whitbread -- thank you for taking the time to nominate me for this award. Thanks Eastern Michigan Chapter.

National HFMA, I am honored that you chose me for this year's Morgan Individual Achievement Award. More than that . . .

I am absolutely blown away by this award.!

Thank you, HFMA!

The Enterprise Approach Physician/Hospital Collaboration

By: *Mary Whitbread*
Henry Ford Health System
mwhitbr1@hfhs.org

On Thursday, June 12th we had our member meeting at the conference center of Henry Ford Macomb - Warren Hospital. Richard LaVanture (Sr. VP of Strategic Planning and Business Development at Holy Spirit Hospital, Ron Schmidt (Principal, DMI Transitions) and George Milligan (President of The Graham Group, Inc.) described the enterprise model as an alignment arrangement in which an ambulatory site is built in partnership with physicians. This model provides an opportunity for primary care physicians, specialists, and the hospital to share in the investment. The benefits of this model are:

- Counters competitor hospital, for-profit venture firms and physician owned outpatient facilities
- Creates efficient outpatient services in optimal locations
- Increases revenues through improved patient access and outpatient services

The process of establishing this model was discussed by reviewing the Cleveland Clinic Health System. The benefits experienced by Cleveland Clinic also included improved communications through medical records and an enterprise-wide scheduling system. The biggest challenges were providing the desired level of service to physicians and patients, battling the resistance to change, and controlling the desire for a quick return on investment.

The speakers also reviewed the Holy Spirit Health System's strategy when moving to the enterprise model, which included off balance sheet financing using third party developers. This model helped to lower the hospital's capital requirements and was used as a tool to recruit specialists. The drawback of this model includes some loss of control over the process and a risk of alienating physicians if financial projections are not met.

In today's market conditions, hospitals need to be proactive in developing relationships with their physicians. This model is one way to accomplish this.

Chapter Calendar

Click link for entire 2008-09 Calendar

www.hfmaemc.org/ChapterCalendar.htm

Chapter Calendar Highlights for August and September

[August 20, 2008 - Insurance & Reimbursement Committee Meeting](#). Location: Beaumont Business Center, 500 Stepehnson Hwy., Troy, 1st Floor. Park @ 530 Bldg. Time: 8:30 – 10:30 AM.

[August 21, 2008 - Member Meeting](#),
Topic: Beyond the Sound Bite: Healthcare Policy Outlook,

This session will review the Presidential Candidates Proposal for Health Reform and also provide an update on future Michigan Health Care Policy. Location: Troy Community Center, Time:8:30AM – Noon. For details and to register today at <http://www.hfmaemc.org/MemberMeeting.htm>

[August 22, 2008 - Financial Accounting and Reporting Committee Meeting](#),
Topic: FAS:157 Value Measurement, Speaker Christine L. Baker, The Rehman Group.

Location: Beaumont Business Center, 500 Stepehnson Hwy., Troy, 1st Floor. Park @ 530 Bldg. Time: 8:30 – 10:30AM. Please RSVP to Michelle Giurlanda by August 20, 2008 at mgiurlanda@beaumont hospitals.com if you plan to attend the meeting.

[August 25, 2008 – Social Committee Event](#),
Detroit Tiger's Baseball Game vs. Cleveland Indians Game Time: 7:05PM.

Social Networking prior to game 5PM at Nemo's then a shuttle to the game. See page 14 for details.

[September 9, 2008 - Great Lakes Chapter Cost Report Academy Webinar Series – Cost Report: Worksheet As.](#)

Please click on the link below to access the program brochure and registration form.

<http://www.hfmaemc.org/GreatLakesChapter.htm>

[September 24 \(Golf Outing Day\), 25, 26 – HFMA Fall Conference, St. John Inn Livonia.](#)

Register today at <http://www.hfmaemc.org/Pages/RegisterConference.htm>
(See page 18 for conference details)

Social Activities Committee

By: Pete Stewart

HAP

pstewart@hap.org

The Annual HFMA golf outing was held June 19, 2008 at the Tanglewood Golf Club in South Lyon, Michigan. It was a typical Michigan summer day starting a bit chilly in the morning but warming up nicely by the afternoon. Blue HFMA logo pullover jackets were given out to all attendees and were welcomed wardrobe additions in the morning.

The dinner this year was a combination of steak and chicken and was followed by the award ceremony and prize raffle. Over 25 great prizes were won by various members of the 90 participants.

Once again many folks stuck around after dinner to listen to a blues band that they had playing on the patio. It was an enjoyable outing and thanks go out once again to all the sponsors that helped support HFMA and this annual outing.



Bob Alpiner, Dan Mayer, Art Christensen, Sheila Yono and Mini Rob at the registration desk.

HFMA Night at Comerica Park

**The Detroit Tigers vs.
Cleveland Indians**

DATE: Monday, August 25, 2008

TIME: 7:05 pm game start

**Only 11 tickets left! Sold on a
first come-first serve basis
Networking session at Nemos in
the back room starting at 5:00
\$30.00 per ticket (includes a
shuttle ride and ticket to the ball
park from Nemos)
Seats are upper level section 322**

**Please E-mail Curtis Duffina if
you would like tickets at:
duffinac@trinity-health.org
Phone: 248-489-6654**



Dan Arnold and Art Christensen yukking it up during the raffle.

Additional Golf Outing Pictures from page 14



Don Kiefuk, Rob Carlesimo and MC Pete Stewart during the prize raffle.



Tom Collard, HFMA President, Steve Collard, Kevin Collard and Phil Carey.

Committee Chair Profile – Kim Hauschild, Placement Committee



Organization: **Beaumont Hospitals for 6 years**

Title: **Business Manager Alternate Sites of Care**

HFMA Member Since: **2006**

Years in current position: **6 months**

Joined HFMA because: **To network with peers and get involved and try to make a difference.**

What does your committee do and how has it benefited you? **The Placement Committee is a one-person committee as of today. I post job opportunities that are sent to me from various healthcare organizations and recruiters.**

throughout HFMA's Eastern MI Chapter and from other states too. I have met a lot of great people and enjoy the networking.

"Get to Know You" questions:

1. Favorite soft drink? **Diet Coke.**
2. If I had time, I would like to travel to: **Caribbean Islands.**
3. You would be surprised to know: **I Spend as much time as I can trail riding ATV's with my family.**
4. Favorite Saying: **Take one day at a time.**
5. Person I would like to meet: **Steve Yzerman**
6. Last book read: **The Glass Castle: A Memoir by Jeannette Walls.**
7. Someday I hope to: **Go white water rafting.**

Committee Chair Profile – Christina Wong, Membership Committee



Organization: **Saint Joseph Mercy Health System, Saint Joseph Mercy Livingston Hospital**

Title: **Service Delivery Leader, Finance**

HFMA Member Since: **2000**

Years in current position: **3.5 years**

Joined HFMA because: **of the continuing education and networking opportunities. I began my healthcare career after the Balanced Budget Act. Change is such a constant in the healthcare industry. HFMA provides a great forum to bring together healthcare staff from various area organizations for the latest overviews in the local and national markets.**

“Get to Know You” questions:

1. Top 3 songs on your iPod? **This changes a lot, as my husband and I have a large range of music in our collection, but lately it’s been (1) My Baby Just Cares for Me (Nina Simone), (2) Bach’s Cello Suite #1 in G – BWV 1007 Praeludium (performed by Jacqueline du Pre), and (3) Who Knows (Jimi Hendrix)**
2. Greatest indulgence? **Getting lost for a day in an inspiring museum. Some of my favorites, large and small, include: the Frederik Meijer Gardens and Sculpture Park in Grand Rapids; the Detroit Institute of Arts; the Art Institute of Chicago; the Museum of Modern Art in New York; the Salvador Dali Museum in St. Petersburg, Florida; the Swiss Museum of Transport in Lucerne, Switzerland; and the National Palace Museum in Taiwan.**
3. If I had time, I would like to travel to: **All the Frank Lloyd Wright designed buildings.**
4. What is in your briefcase? **Files and mobile office supplies – I travel a lot for my job.**
5. You would be surprised to know: **One branch of my family has been in the United States since the mid-1800s.**
6. Greatest career achievement: **Working with the SJMLH staff to facilitate capital improvements these past three years.**
7. Favorite saying: **“Never, never, never give up.” (Winston Churchill)**
8. Last book read: **Currently reading “Hospital: Man, Woman, Birth, Death, Infinity, Plus Red Tape, Bad Behavior, Money, God, and Diversity on Steroids” by Julie Salamon. I used to work at Maimonides Medical Center, where this book is based.**



Eastern MI Chapter

“Season Pass” for Member Meetings.

Advantages to “Season Pass”

1. Save at least \$60 off Full Pay or about 25%
2. Low Cost only about \$12 per CPE

Member Meeting Topics:

October 30, 2008 – CFO Forum - St. Joseph Mercy - Oakland, Pontiac, 8AM-12:30PM (4 CPE's) Price: \$40

November 20, 2008 – Revenue Cycle: The Future of Front End, Embassy Suites, 19525 Victor Parkway, Livonia, 1-4PM (3CPE's) Price: \$40

January 17, 2009 – Compliance Update, Tom McGraw, Dykema Gossett – Location: Andiamo's, West Bloomfield, 8AM- Noon (3 CPE's) Price: \$50

February ?, 2009 – Presenting Like a Pro, Henry Ford Macomb – Warren 8AM – Noon (3 CPE's) Price: \$50

March 19, 2009 - Annual Insurance & Reimbursement Update – DoubleTree Hotel, Novi, 8AM-1PM (4 CPE's) Price: \$75

Register today for the Member meeting season pass option for the 2008 - 2009 year. **Cost = \$195**

The “Season Pass” option includes the October, November, January, March (I & R Update) and June meetings for **only \$195**.

Name _____

Company _____

E-mail or Phone# _____

Please complete form or register on web site. Click on “Season Pass”. Send \$195 check payable to HFMA-EMC. Mail to Susan Stokes, HFMA-EMC Registration, 13064 Burningwood Drive, Washington, MI 48094.



Michigan HFMA 55th Annual Fall Conference
September 25-26, 2008
The Inn at St. John's, Plymouth MI

Wednesday, September 24, 2008

Golf outing at Northville Hills Golf Club

Reception in honor of William Lubaway,
 Frederick C. Morgan Award recipient

Thursday, September 25, 2008

Keynote Address

"If healthcare is about well being then why am I (or my employees) so stressed out?"

Jerry Bridge, Keynote Speaker & Motivational Trainer for Healthcare

Concurrent Breakout Sessions I

Managing Medical Equipment Risk for Optimal TCO
 Michael Myers & George Conbeer, Relational Technology Solutions

Surviving Medicare RAC Audits
 Bill Lubaway and Barbra Kootsillas, Lubaway, Masten, & Co.

Improving Payor-Provider Relationships
 Don Kiefiuk, Health Alliance Plan

Healthcare 101
 Chad Schafer & Lisa Peterson, Plante & Moran, PLLC

Concurrent Breakout Sessions II

Impact of Current Financial Market Distress on Healthcare
 Michael W. Scalise, Robert W. Baird & Co., &
 Anne Marie Warren, Key Capital Finance

Blue Cross and Medicare Advantage: Developments
 and Strategic Considerations
 Joseph Aoun, Nuyen, Tomtishen and Aoun, P.C.

Transforming the Patient Access Staff
 Luke Meert, Botsford Hospital

"Mission, Service & Well Being"
 Jerry Bridge, Keynote Speaker

General Sessions

If You Build It, Will They Come?
 Rob Casalou, President, Providence Park Hospital,
 Michael James, President/CEO, Genesys PHO, and
 Larry Horvath, Manager, Certificate of Need Program,
 Michigan Department of Community Health

Through the Looking Glass: A Different Path to Improve
 Financial Success

Marilyn Litka-Klein, Michigan Health & Hospital Association

Hospitality Hour
 Dinner

Friday, September 26, 2008

General Sessions

HFMA 101 – MI HFMA Chapter Presidents

Election 2008: Will U.S. Healthcare as We Have Come to
 Know and Love It, Survive?

Jeanne Scott, www.health-politics.com

Concurrent Breakout Sessions III

The Final Revised PRRB Regulation
 Ken Marcus, Honigman Miller Schwartz and Cohn LLP

Perfecting Customer Service
 Kevin Simowski, Detroit Medical Center

MS-DRG's, CDE, POA and HAC – Has Your Facility Figured
 It All Out Yet?

Kevin O'Neill and Vickie Monteith, Deloitte & Touche, LLP

Concurrent Breakout Sessions IV

2008 Federal Regulatory Hot Topics
 Maria Abrahamson, Dykema Gossett PLLC

Medicare Reimbursement and Its Effect on Medicaid
 Reimbursement

Larry Bara and David Ferguson, Health Management
 Associates

Interventional Radiology
 Wendy Domke, The Rybar Group

Register today at

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

New HFMA Committee – Financial Accounting & Reporting Committee

We are excited to add the Financial Accounting & Reporting Committee to the Eastern Michigan Chapter of HFMA to offer education specific to accounting healthcare professionals. Member surveys have shown great interest in additional accounting topics. With the increased scrutiny and complexity in the accounting area, it is more crucial than ever to educate and provide timely updates. New guidance and pronouncements are continually changing the reporting requirements. This committee will provide accounting education and networking opportunities for our chapter.

The committee will be co-chaired by Stephanie Bono and Amy Dodd from Beaumont Hospitals. A planning committee has also been formed to help generate ideas for the direction of the committee, identify areas of interest, obtain a variety of speakers and assist in the succession planning of the co-chairs.

There are six scheduled meetings for the 2008-2009 HFMA year. The tentative schedule is as follows:

<u>Date</u>	<u>Speaker</u>	<u>Topic</u>
August 22, 2008	Christine L. Baker The Rehmann Group	FAS 157: Fair Value Measurements
October 17, 2008	John L. Daly Executive Education, Inc.	The Quick G/L Close
November 21, 2008	Plante & Moran	TBD
January 23, 2009	Melissa Jagst/Avec O'Brien Deloitte	TBD
March 20, 2009	Dan Frein Larson Allen LLP	TBD
May 22, 2009	Brad Mutnick Deloitte	TBD

The meetings will be held at William Beaumont Hospital – Beaumont Business Center – 500 Stephenson Hwy, Troy, MI 48083. They will be held from 8:30 – 10:30 am. Please RSVP to Michelle Giurlanda at mgiurlanda@beaumont hospitals.com to confirm attendance for monthly meetings.

The format will be similar to the Reimbursement Committee with a speaker at each meeting and opportunity for open discussion of current issues and concerns. One Accounting & Auditing CPE hour will be available for each meeting. Anyone interested in participating in the planning committee or presenting at a meeting, please contact Stephanie Bono @ sbono@beaumont hospitals.com or Amy Dodd @ adodd@beaumont hospitals.com. All interest is appreciated!

Health Bytes

Scott Flowerday promoted from controller to vice president of finance at William Beaumont Hospitals.

Martin Skrzynski from corporate director of management support and contracts, Botsford Hospital, Farmington Hills to vice president of administration, Community Emergency Medical Services, Inc.

Steven Campbell has been named COO of Dykema Gossett P.L.L.C. in Detroit. Before joining Dykema, Campbell was manager of strategic solutions group for Thompson Elite in St. Paul, Minn.

Crain's Detroit Business has selected six winners among 12 finalists for its second annual CFO of the Year awards. Dennis Herrick from William Beaumont Royal Oak was selected as one of the six winners. Click link below to read detailed article about Mr. Herrick.

<http://www.craindetroit.com/section/CFO2008>

If you have any information you would like to share with your fellow members, please send your Health Bytes to Jo Ann Roberts JRoberts@beaumont Hospitals.com or Maryanne VanHaitisma MVanhait@dmc.org our newsletter editors. The next HealthCents deadline is October 15, 2008.

Tell Us What You Think?

Who is someone living or passed on that you would like to have dinner with?

NO doubt in my mind, I would love to have dinner with Albert Einstein. His wit and knowledge were remarkable. He was a very human person as well as an astounding genius.

Melissa Kurtz

Manager, Provider Network Development
mkurtz@hap.org

The person I would like to have lunch/dinner with is Alexander III The Great, King of Macedonia (not Colin Farrell who played him in the movie Alexander The Great).

Rodica Gabor

Financial Assistant, Beaumont Hospital
rgabor@beaumont Hospitals.com

The Questions for "Tell Us What You Think?" for the next newsletter is, "[What is one memorable thing that you did this summer?](#)" Submit your response to Jo Ann Roberts JRoberts@beaumont Hospitals.com or Maryanne VanHaitisma MVanhait@dmc.org our newsletter editors. Next HealthCents deadline is October 15, 2008.

Provider Reimbursement Review Board Issues Revised Instructions

By: *Kenneth R. Marcus*

Partner, Honigman Miller Schwartz and Cohn LLP

kmarcus@honigman.com

The Provider Reimbursement Review Board ("PRRB") has issued revised *Instructions* that become effective August 21, 2008. The revised *Instructions* reflect the revised regulations, which were the subject of our prior recent Alert.

The revised Instructions are posted on the internet:

<http://www.cms.hhs.gov/PRRBReview/Downloads/PRRBRules2008.pdf>

In recognition that pending cases are impacted by the revised *Instructions*, the PRRB has issued the following alert which impacts position papers with due dates on or after September 1, 2008:

"ALERT: Automatic Extension of Position Paper Due Dates

If you received an acknowledgement letter prior to August 21, 2008 which set preliminary or final position paper due dates that fall due on or after September 1, 2008, the Provider's preliminary position paper deadlines (or proposed JSO) is extended by four months from the original due date. If a jointly executed proposed JSO is not filed by this 4 month extension, the Intermediary's preliminary position paper due date will be extended by six months from the original due date as noted in the acknowledgement letter.

The parties may disregard any final position paper due dates set in acknowledgment letters issued before August 21, 2008. Final position paper due dates will be reset in the Board's Notice of Hearing. Example: An acknowledgement letter issued August 5 would set the Provider's and Intermediary's preliminary due dates as December 1 and February 1 respectively. Both parties' final position papers would have been due on April 1. Under this scenario, the parties would have to submit either a jointly signed proposed JSO or a provider preliminary position paper by April 1 and if a proposed JSO was not submitted, the intermediary preliminary position paper would be due 6 months from the original due date or on August 1. In either case, the original final position paper due dates would be suspended and new dates will be set in the Board's Notice of Hearing."

Additionally, the revised *Instructions* establish significant changes in the requirements to virtually the entire appeals process, from filing the appeal through the hearing. The appeal request must state the issues and the basis for the PRRB's jurisdiction in much greater detail than was previously required. Moreover, the parties may now agree upon the schedule of events through a Joint Scheduling Order, which then becomes the official set of deadlines for the filing of position papers and other required documents. Further, the Preliminary Position Paper now assumes a much greater prominence, and is required to be a much more polished and elaborate document than has previously been accepted by the PRRB. These are merely a few examples of the numerous other provisions impacting PRRB appeal procedure.

Revised Issue from page 21

The PRRB has the authority to dismiss an appeal that does not comply with the *Instructions*. Those familiar with practice before the PRRB would agree that the PRRB has never been reluctant to dismiss an appeal where a provider misses a deadline or fails to comply with a procedural requirement, and that the PRRB historically is unforgiving and rarely grants reinstatement.

Thus, to assure that appeal rights in existing and new appeals are asserted and maintained, providers and their representatives must quickly familiarize themselves, and assure that all appeals comply, with these new provisions.

Membership Committee News

By Christina Wong and Michael Berryman

HFMA Newsletter: Back by Popular Demand – Speed Networking

In response to the positive response to our initial Speed Networking event earlier this year, the Membership Committee will be hosting another event as part of our October 30 meeting.

For those of you that missed the March event, the idea is to spend a couple of minutes “one-on-one” with other Chapter members to meet and exchange basic contact information. As many participants in our first event will attest, this is a fun way to expand your professional network beyond existing colleagues and friends within a comfortable/relaxed environment. You may even walk away with a prize. More information will be available in the coming weeks. We will ask that you bring business cards to the event in October.

HFMA Newsletter: Making Connections – Online?

Many professional associations are now using web based resources as a means of staying connected with other professionals in their field. Some of you may already be using services such as LinkedIn, Facebook, or others.

With this in mind, we would appreciate any feedback from our Chapter members letting us know what you consider to be the most valuable features and challenging limitations that you have experienced while using these services. Based on your feedback we will determine which of these services (if any) can best compliment our existing HFMA Communication, Education, Networking, and Career Development resources. Please contact Mike Berryman at mberryman@rts.com or 248-258-2747 ext. 8

2008-2009 Board of Directors, Officers and Committee Chairs

Chapter website www.hfmaemc.org

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Yerger	Kristi Nagengast	nagengak@trinity-health.org

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

www.hfmaemc.org/BoardCommitteeList2008_2009.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.