

Winter 2006-07



Alabama Chatter

The Newsletter of the Alabama Chapter Healthcare Financial Management Association

OIG Workplan for 2007

*Leigh Aufdemorte, MS, RHIA
Director HIM/Compliance Officer
Callahan Eye Foundation Hospital*

It's that time of year again and the Office of Inspector General (OIG) of the Department of Health and Human Services (HSS) has released its Work Plan for 2007.

The work plan details project areas targeted by the OIG for audit, evaluation, and investigation during the year. The work plan is a great way for your employees and physicians to make sure they are aware of the issues that are on the OIG's radar for 2007. The items in the work plan might help you to identify and focus your efforts on areas of potential concerns to your individual organization. For 2007, be sure to include in your audit program initiatives highlighted in the work plan. Also, it may be time to revisit the particular compliance plan in your organization to see if any policies or procedures need to be changed or updated in order to strengthen your plan to be in line with the OIGs targets.

The complete plan can be accessed on the OIG's website. <http://oig.hhs.gov/publications/docs/workplan/2007/Work%20Plan%202007.pdf>

It is important to note that the 2007 work plan is a 93 page document – the list below only highlights some of the major issues. The 2007 OIG work plan includes information for Hospitals, Nursing Homes, Home Health, Hospice, and Physicians.

Highlight of Focus Area for Medicare Hospitals

Capital Payments – OIG will examine Medicare inpatient capital payments. Capital payments are hospital expenditures for assets such as equip-

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2006-2007

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Courage

IN LEADERSHIP



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Please consult with the editor for the best way to send your ad electronically. Deadline for publication is shown below. *Bama Chatter* is published quarterly and is posted on the Chapter website at alabamahfma.org for approximately 650 members.

Publication Schedule

ISSUE	DEADLINE	ISSUE	DEADLINE
June (Summer)	May 20th	December (Winter)	November 20th
September (Fall)	August 20th	March (Spring)	February 20th

The statements and opinions appearing in articles are those of the authors and are not necessarily those of HFMA, the Alabama Chapter, or the editor. The editor strongly encourages submission of material for publication. Articles should be submitted to the editor by the 20th of the month preceding the month of publication. The editor reserves the right to edit materials and accept or reject contributions whether solicited or not. Readers are invited to comment on any of the published material. Letters to the editor must be signed and are subject to condensation and editing. All rights reserved.

President's Message

Founder's Points & Award Series

How many Founder's points do you have?

*Do you know what Founder's points are?
Why do you need Founder's points?*

These are some of the questions I have been asked lately and it got me wondering how many folks in our chapter have the same questions.

HFMA recognized long ago that the success and strength of the chapter lies in the volunteer efforts of its members. The Founder's points and awards series was developed to recognize and reward the volunteer efforts in each HFMA chapter. Through the years, the points system changed and varied, but in April of 2004, National returned the Founder's points system to its roots, or core purpose, of "Recognizing the Volunteer in You!"

"So how do I earn the points?"

Members can earn Founder's points by:

- being on a committee (there are lots of volunteer opportunities here),
- helping to plan an educational event such as an institute or a forum meeting,
- presenting at an educational event or forum meeting,
- writing an article for *Bama Chatter* or HFMA magazine, or
- serving as an officer or board member, at either the chapter or national level.

National decides how many points to award for each activity and your points accumulate over your membership life.

"I've seen Founder's Points given out at our Institute . . . how do I get one?"

HFMA encourages continuous active participation; therefore the points system and

award levels have been established to promote such. A series of awards have been created crediting members with points for their volunteer activity. The Follmer Bronze is awarded when an individual accumulates 25 points, the Reeves Silver is awarded upon 50 points, and the Muncie Gold is awarded for 75 total points. These awards are named for founding members of hfma who knew the meaning of volunteerism!

Each year the chapter tracks member activity and enters it into the national database which tracks the cumulative number of founder's point for every HFMA member. The points are totaled in August for the prior HFMA year. The chapter is notified each fall about members attaining award status for the previous year and recognition is given by the chapter at an Institute. This year we have decided to wait and give the awards at June's Annual meeting.

"How do I know how many points I have and can my points get overlooked?"

We try hard to keep up with all that is going on, but it is possible that we missed something. It is ultimately each member's responsibility to report points and double check that the information submitted is correct. Checking your founder's points is very easy. Go online to www.hfma.org under *Manage my Account*. You can view your founder's points in your personal profile through the membership directory area at www.hfma.org/access-eseries.cfm. If you have trouble – just call national HFMA and they can help. Any discrepancies between points awarded and points earned should be reported to our chapter secretary for correction.

"Why do I need points?"

Founder's points won't get you free flights, free meals or



*Dawn H. Walton, CPA,
President
Alabama Chapter HFMA*

President's Message continued

even free membership, but that doesn't mean they are not important. As a chapter we need volunteers and we want to recognize the contributions of our members. The Founder's points system helps us do that in a consistent way.

However, if you are interested in becoming a Fellow or certified members of HFMA, you must attain the Bronze level and accumulate 25 points.

"I need to volunteer & earn more points. How do I get started?"

The best way is to make it known you want to volunteer. Ask a forum leader how you can help, call the newsletter chair and see what she needs, contact the president-elect and say "sign me up!"

In the past we have asked for volunteers interested in serving to indicate so on their annual ballot. This is not the best way, as we are looking for the ballots for officer elections and often overlook interested folks. We are working on new ways to let people know what chapter jobs are available and how to get everyone involved. We will introduce that at the Annual Institute in June.

However, you don't have to wait. Pull out the officer page of this issue, call someone and ask for something to do. Believe me, there is plenty of work for anyone who desires to help! The more volunteers we have, the stronger our chapter will be. We need your ideas, suggestions and your time and energy. The board is not an exclusive club. We are an equal opportunity group of hard working people who could use your help!!



Dawn Walton

OIG Workplan for 2007

(continued from page 1)

ment and facilities. They will determine whether hospitals have used capital rates for their intended purpose.

Inpatient Only – Services on the “inpatient only” list are denied if performed in the outpatient setting. The OIG will determine if these denials are occurring and if beneficiaries are being charged by providers for the denied claims.

Inpatient Payments for New Technology- review the payments made to hospitals for new services and technologies.

Graduate Medical Education Payments-determine whether audit adjustments for direct and indirect graduate medical education were appropriate.

Organ Procurement – examine payments made to organ procurement organizations.

Rebates Paid to Hospitals- determine whether hospitals are properly identifying purchased credits rebates on Medicare cost reports. Large vendors will be approached by the OIG in order to trace the rebates paid by the vendors to specific hospitals.

Observation vs. Inpatient Dialysis Services – ensure that dialysis services are coded at the appro-

priate status of either observation or inpatient. The physician order must clearly document the medical necessity for the inpatient dialysis service.

DRGs- analyze inpatient hospital claims to identify high or unusual patterns for selected DRGs. The review will include looking at the medical necessity and the appropriate level of coding.

Outpatient PPS - A Number of Topics Are Related to This Issue

Outpatient Department Payments- focus on requirements of the outpatient PPS with attention to payments made for multiple procedures, repeat procedures and global surgeries.

Unbundling of Outpatient Services- determine the extent to which hospitals have been submitting claims for services that should be bundled into the outpatient services.

Inappropriate Payments for Diagnostic X-Rays in Hospital Emergency Departments- review situations in which the emergency room physician is billing for interpretations of diagnostic x-rays and not bundling them with emergency room service.



Region V Dixie Highlights

*The Georgia Chapter of HFMA Presents:
The Region V "Dixie Idol"*



Date: Thursday, February 22, 2006
Where: The Region V Dixie Institute at The
Ritz-Carlton Lodge, Reynolds Plantation
8:00pm—12:00am

The GA Chapter of HFMA presents the "Dixie Idol" at the Region V Dixie Institute. We are looking for two participants from each state's chapter. We'll have two groups of participants: the "keep your day job" and the "talented and exciting."

We will have five contestants in the "keep your day job" group. And we will have five contestants in the "talented and exciting" group. In the "KYDJ" group, you will pick one song to karaoke to. In the "T&E" group, you will choose one song to sing to as well; be it a karaoke or a solo!

The judges will choose a winner from each category and each winner will receive a prize!

Let's see your spirit! Come show us your talent! Are you the next "DIXIE IDOL?"



Please Contact: Krystal Nimsger
Phone: (239) 337-3565
Email: krystal.nimsger@allianceoneinc.com

For those interested in representing the Alabama Chapter, please email dawn.walton@chsys.org as soon as possible. You must register for and attend the Dixie Institute to participate.

Alabama Chapter Annual Institute

Preview

The Alabama Chapter Annual "Beach" Institute will be held June 5-8, 2007 at the Sandestin Hilton Beach Golf Resort & Spa. Please reserve your room by May 5, 2007 by calling 1-800-367-1271. We have some great featured speakers planned. Here is a preview.

Brenda Ladun

Brenda Ladun anchors the Six O-Clock News and the Ten O-Clock News on ABC 33/40 and brings her special "Fighting For You" reports. She graduated from the University of South Florida in Tampa with a degree in Mass Communications, then worked for several stations before coming to Birmingham.

She's worked in Birmingham television for fourteen years, and she's a five time winner of the Alabama Associated Press Awards for Best Investigative Reporter and Best Specialized reporter. Most recently, Brenda won the Associated Press Award for best anchor. Brenda has also won several community awards for her work with the underprivileged. She works with the Grace House Christian Home for Girls, The Susan G. Komen Breast Cancer Foundation, as well as other community organizations.

In February of 2001, Brenda began the fight of her life. She was diagnosed with breast cancer and underwent surgery. She has successfully completed chemotherapy. She has made it a priority to make sure the public has access to cancer information through the Cancer Resource Center on ABC 33/40's website. Brenda is committed to keeping ABC 33/40 viewers aware of developments in the search for a cure with nightly "Cancer Facts."

Please join us on Wednesday June 6th as Brenda shares with us an outsider's view of the healthcare system. She will also discuss the difference a personal fitness program can make in your life.

Fred Lee

Fred Lee has the enviable distinction of having been both a senior vice president of a major medical center and a cast member at Disney University.

Disney recruited him because of his expertise in helping hospitals achieve a culture that inspires patient and employee loyalty. At Disney, he helped adapt and facilitate Disney's Approach to Quality Service, and develop its newest seminar on Customer Loyalty.

Fred Lee is a nationally recognized expert and consultant in patient relations and service excellence. His seminars are dynamic, inspiring, and immensely practical. He motivates healthcare managers and front line staff by talking their language. He can also lead an organization through a comprehensive cultural change based on the Baldrige Award criteria that builds patient loyalty through dedication to exceptional service, continuous improvement, and effective feedback.

Lee began his healthcare career at Shawnee Mission Medical Center in a suburb of Kansas City. During his five years there as vice president for marketing and development, he won several national awards for innovative approaches to patient satisfaction and loyalty. He was then recruited to be senior vice president at Florida Hospital (now over 1500 beds) where he developed a nationally acclaimed guest relations program for hospitals.

Join us as Fred shares his insights in the healthcare industry and learn 9 things you would do differently if Disney ran your hospital.

Patty Gentile

Patty Gentile, CEO, HCA, has more than 20 years of leadership experience managing people and process in the ever-changing world of healthcare finance. An accomplished Chief Executive Officer, her vision and expertise in Revenue Cycle Management performance has driven notable accomplishments at the Service Center she oversees. Patty has a long list of achievements that range from #1 ranking for exceeding HCA Healthcare goals and expectations to receiving the HCA CEO of the year award in 2005. She received the prestigious Frist Humanitarian Award in 1993, for demonstrating extraordinary concern for the welfare and happiness of patients and their community.

Patty's successes are not only driven by her business expertise but by an inherent talent to motivate people. She leads with a compassionate and caring style that transcends into her passion for charitable work. She has spent countless hours working for the American Cancer Society (ACS) and has been the Relay for Life Event Chair in both 2005 and 2006. Her work with ACS led to HCA becoming the only healthcare provider to be considered a Corporate Sponsor in 2006.

Patty will discuss how to motivate your staff resulting in Improved Revenue Cycle and address ways to encourage employee participation in health and fitness activities in and out of the office environment.

Recap Alabama Chapter Fall Institute

by Stephanie Martin
Vice President, Fall Institute

The Fall Institute, once again held at the Wynfrey Hotel in Birmingham and had 150 members in attendance. Our goal was to provide diverse topics and motivational speakers, increase educational opportunities, and at the same time offer networking among our peers. I hope you found the presentations interesting and that you have been able to implement what you learned at your individual facilities.

The Institute began a day early with Alabama's first Certification Core Study Session. Joseph Wewers with Mid South Credit Bureau presented a review of each chapter with emphasis on chapters providing the most percentages of questions. We had 18 attendees interested in obtaining certification for various personal reasons.

The meeting began Thursday morning with a continental breakfast and opening remarks. Chapter President Dawn Walton presented an award to Maron Boohaker for his commitment to HFMA.

Our first speaker was Debra Richardson with AQAF who presented CMS Pay for Performance Initiative. She described how this plan could affect reimbursement and what hospitals need to do now to prepare for possible implementation in 2009. The Auburn/Alabama rivalry is a big topic among our membership, therefore our keynote speakers,

former quarterbacks Jay Barker and Stan White, were very well received. Jay and

Stan shared their experiences in football and how it has impacted their personal lives.

Stan White expressed a genuine desire to make a difference in the lives of others. He spoke about leadership, team building, overcoming obstacles and shifting perspectives to succeed in life.

Jay Barker delivered a spiritual message that was high energy, funny and enthusiastic. He spoke about striving for excellence,

promoted humility and having a positive attitude, and advised never compromising what you believe.

Jay and Stan graciously



Our Keynote Speakers

provided autographs to Auburn and Alabama fans. Even one or two Tennessee fans were spotted in line for the opportunity to meet Jay and Stan.

We had our first PFS/CFO lunch and learn session and it was very successful. The featured speakers were Brian Romine (Warren, Averett, Kimbrough & Marino) and Perry White (Pershing, Yoakley & Associates).

Afternoon sessions offered great educational opportunities. CFO track speakers Nick Walker & Jeff Fields (Price-waterhouse Coopers) provided CPAs some A & A hours.

Our PFS track featured speakers Vince Bonetti (Huntsville Hospital), Janice Osborne Ridling (Baptist Health System, Inc.) and



Battle of the Colors: Should we mention the final score?????



Recipient of Robert M Coats Award: Maron Boohaker

session on Friday was Sarbanes Oxley: Considerations for Healthcare Institutions with Stephen Burns (Parente Randolph) followed by an overview of the Pension Protection Act of 2006 by Kevin Henderson (Bradley Arant Rose & White). The meeting concluded with the session featuring Professor Bill Felkey of Auburn University .

The meeting provided attendees an opportunity to meet new members and gain knowledge on topics useful to their organizations. Many thanks to Mitzi Winters and Sherri Harper at MedAssist for handling the registration process and keeping our website up-to-the-minute. Thanks also to Linda Maddox, Craig Tolbert, Maron Boohaker and Shelia Hamby for all their assistance with topics and speakers.

And last but certainly not least, many thanks to our exhibitors and sponsors! Without your support, we would not be able to experience these great speakers. Your support provides opportunities for professional growth, continuing education, and networking with our peers.



Paula Cox & JE Avrard (BCBS of Alabama).

The Compliance track enjoyed speakers Randy Comer (Athens Limestone Hospital), Thomas Mathews (Trans Union) Justine Mathews (ADS Response Corp), Tracey Frederick (Southern Regional Medical Center), and John Moody (Healthcare Revenue Integrity Consulting, LLC).

Networking with our exhibitors and attendees followed and we enjoyed great food, Iron Bowl trivia and drew for some great door prizes.

The first



Registration desk - Busy, Busy.....

A Gift At No Cost — *The Gift of Kindness*

by Libby Bailey

Have you thought about your New Years' resolution(s)? *Well if you haven't, HFMA has one for you. . .*

Share yourself, your family, your coworkers, and your church with those who are lonely, ill, lonely, bed ridden, lonely, forgotten, lonely. . . and have I mentioned lonely?

February is Nursing Home Volunteer Month

During the month of February we are asking all the chapters in Region V to spend a few hours to visit or volunteer services at local Nursing homes. I KNOW, no one loves the idea of visiting a nursing home – but ask yourself how the people living there feel. YOU can get up and leave if it gets uncomfortable, YOU can eat whatever you want from your kitchen, or if your kitchen doesn't have it – you just go visit the nearest grocery store or restaurant. YOU can get in the car and drive to the nearest mall, or your friend's house, or even to work. YOU can walk across the street to visit with the neighbor, or to the mail box to get your junk mail. YOU can walk out in the back yard and play catch with your son, or play in the dollhouse with your daughter, or even feed the dogs. You have *sooo* much to be thankful for. At the start of this new year, I challenge each of you to enjoy yourselves, and your families, and leave one more gift on your list – to help the Alabama Chapter during the month of February with nursing home visitations.

But you say – “what can I do”? Can you play the piano, can you sing, can you play any musical instrument? Okay, maybe not – but I KNOW you can read, I KNOW you can talk, and I KNOW many of you can give good hugs! So that is what you can do. We will be getting a list of nursing homes throughout Alabama, and all who are willing to help us with this initiative can call me or Carol Giardin and we'll give you the names of homes in your area along with their director/administrator. You can contact them and request information about what the folks in their home would like, or if there is an activity you can help with. Some things to think about . . .

- Help with an activity such as bingo, a Sweetheart banquet, etc.
- Make goodie bags and take to the residents
- Have your children and the children in your church make Valentines and deliver them
- Maybe the home needs help feeding the residents, or delivering mail to them
- Read to the group
- Get a group together – you and your coworkers, you and your family, you and the children or youth from your church and just go say, “hi, we're thinking of you.”

I know it will be easy to forget about this during the next few weeks, so go ahead, make a commitment to help. We'll give you details later. To sum it up – we need as many HFMA members as possible during the month of February to go visit the residents in nursing homes around the state. If non-HFMA people go, that is fine too – we'll count them as well. Spread the love I have felt through HFMA these past 15 or so years. This was a hard step for me – both my parents died in nursing homes; but that is the reason I want this to be successful – for them; to let them know I realize there are others “left behind” that need to see smiling faces, and to feel the warmth of – yes even accountants!

Email me and Carol to commit – we'll get you the details later. We'll do as much of the leg work as we can, so all you have to do is show up. Don't let us down on this – show your LOVE, after all it is the month of Valentines and Heart Health.

Right now – email your commitment to cgiardin@uab.edu and ebailey@uabmc.edu. Just say – yes, of course, I'll participate somehow.



Winds of Change

In Reimbursement (Installment 1 of 2)

by Joy King, RHIA, CCS

Medical Management Plus, Inc.

www.access.gpo.gov/su_docs/fedreg/frcont06.html

Not since 1983, when DRG reimbursement was implemented, have such momentous changes faced the healthcare industry. The Final Rule for IPPS for Fiscal Year 2007 was published in the Federal Register on 8/18/06. It included provisions that, along with the Budget Deficit Reduction Act of 2005, will have as drastic an impact on future Medicare reimbursement as DRG implementation.

CMS plans to align hospital payments with the cost of providing care and, eventually, to reflect the cost of care based on the severity of the patient's condition. All of this is done in the context of budget neutrality. Therefore, CMS must continue to re-distribute the money into different buckets to ensure that the dollars pay for the highest quality of care for the greatest number of beneficiaries for the longest time possible.

The Final Rule for FY 2007 included a two-part reform. Part 1 is a 3-year transition from charge-based to cost-based DRG relative weights beginning with 10/1/06. Part 2 is implementation of a severity-adjusted DRG system on 10/1/07. The move from a charge-based to a cost-based system is primarily aimed at eliminating the bias due to markups for ancillary services. CMS has developed 13 Cost Centers, including 8 Ancillary centers, 1 Routine Day Cost Center, 1 ICU Cost Center, 1 Anesthesia Cost Center, 1 Labor & Delivery Cost Center, and 1 Inhalation Therapy Cost Center. They plan to standardize charges for each Cost Center using a national cost-to-charge ratio to convert charges into cost. This

would be done prior to setting the relative weights for the respective DRGs. An independent contractor has been hired to evaluate charge compression w/ the HSRVcc methodology that was proposed in April. (Charge compression means that high-cost items receive a lower markup than low-cost items, which particularly impacts high-cost devices in the Cardiac DRGs). The 3-year implementation phase is as follows: 1st year 33% cost-based/67% charge-based; 2nd year 67% cost-based/33% charge-based; 3rd year 100% cost-based.

The major impact will be a redistribution of relative weights (reimbursement) from Surgical to Medical DRGs, primarily because the ancillary markup for Surgical DRGs is about 80% as compared with a markup of 64% for Medical DRGs, per the Proposed Rule. The average increase in Medical relative weights will be 0.9% with an average decrease in Surgical relative weights of 1.2%. The biggest winners in Medical DRGs could be

Pneumonia, Sepsis, COPD, and CHF. Cardiology and Cardiovascular Surgery, Orthopedic joint replacements, and Neurosurgery will be most negatively impacted. The top 19 DRG losers would fall into MDC 5, in particular coronary stents, ICD implants, and pacemaker implants. On average, payments to all hospitals will increase about 3.5%. However, hospitals reporting on the 21 Quality Measures now being required will see an overall increase in operating expenses of 3.4%. Rural hospitals will see about 3.7% increase in payments, urban hospitals will see a decrease of about 3.4%. Cardiac hospitals will get a decrease of greater than 5%. Hospitals will need to analyze their Case Mix Index, especially the percentage of Surgical to Medical DRGs. Determine what percentage of patients fall into the losers vs. winners, and look at specific DRGs within service lines that might be

most affected. Look also at physician performance within service lines (such as current vs. expected revenue for their patients in particular DRGs, as well as looking at physicians' current vs. expected revenue for all their patients. Compare revenue from the previous year to projected income under the new cost-based system. For example, 3M did some data analysis on a hospital, predicting a net overall decrease in reimbursement from charge-based to cost-based DRGs for FY 06 to FY 07 of >\$400,000. The net variance for Medical DRGs was +\$1,091,000, while the net variance for Surgical DRGs was - \$1,526,000.00.

For the past couple of years, CMS has required hospitals to report on 10 Quality Measures for Acute Myocardial Infarction, Pneumonia, and Congestive Heart Failure, in order to receive their full market-basket share of reimbursement. The Final Rule for FY 2007 increased the number to 21, including additional measures on AMI, Pneumonia, and CHF, plus the Surgical Infection Prevention measures. Hospitals receive a 2% reduction in payment for not reporting. In addition, data validation of 80% reliability is required on the 1st three quarters of 2005 to receive the full market-basket share. Eventually, CMS also plans to include patient satisfaction survey data. The Hospital Consumer Assessment of Health Providers & Systems (HCAHPS) Patient Survey was to be implemented 10/1/06, but participation will not impact this year's payment.

PL 109-17 included two important provisions that will greatly impact hospital reimbursement. CMS must develop a Value-Based Purchasing Program, effective 10/1/08. By 6/1/07, MedPAC must submit recommendations to Congress defining the Structure of Payment Adjustments, including: a) defining thresholds in quality improvement that would

justify payment adjustments; b) defining the size of payment adjustments; 3) identifying sources of funding for the value-based adjustments.

By 8/1/07, the Secretary of HHS must submit a plan to Congress for the Value-Based Purchasing Program, to include: a) an ongoing process for evaluating/developing quality measures; b) reporting of quality data by providers; c) the structure of the payment adjustments based on the recommendations by MedPAC; d) and provision for disclosure of information on hospital performance. Hospitals must be allowed to review their data before it is made public.

The Value-Based Purchasing Program means paying more for higher quality care and less for poorer quality care, as reflected by the Quality Measure reporting, as well as a new provision defined in PL 109-171. That law requires the Secretary of HHS to identify at least 2 high-cost or high-volume (or both) diagnosis codes that cause a case to group to a higher-weighted DRG when present as a secondary diagnosis and that reasonably could be prevented with evidence-based guide-

lines. The assignment of the lower-paid DRG would apply to discharges where the beneficiary did not have one of the identified diagnosis codes, e.g. an infection, on admission and it was therefore hospital-acquired. This particular payment adjustment is not budget neutral, meaning that the total amount a hospital receives for discharges in a fiscal year could be changed as a result of such payment adjustment. The list of identified diagnoses can be revised periodically, as long as there are at least two conditions selected during any fiscal year. The Secretary of HHS is also required to consult with the CDC and other appropriate clinical parties when selecting and revising the diagnosis codes.

In preparation for that, PL 109-171 has a provision requiring hospitals to report diagnoses that were Present on Admission (POA), effective 10/1/07. This POA provision is also part of implementation of the UB-04 for paper claims, which must be fully implemented by May 2007. The current version of the electronic claim format does not allow for reporting the POA infor-

mation. The newer electronic version is not expected to be implemented prior to 10/1/07. Therefore, work-arounds are being considered to provide for POA reporting. Coders must document POA information for all diagnoses reported on the claim. (NOTE: Guidelines on POA reporting will be published in Coding Clinic, but are currently posted at: www.cdc.gov/nchs/data/icd9/POAguideSep06.pdf. They include some diagnoses that will be exempt from POA reporting.)

Beginning 10/1/08, CMS is scheduled to begin assigning higher-weighted or lower-weighted DRG payments based on the presence of those identified preventable conditions, when they are not identified as being present on admission.

Joy is a Consultant with 13 years of coding experience. She can be reached at Medical Management Plus, Inc. via telephone, 1-800-592-9639, or electronically, jking@mmplusinc.com.

TIMELINE

- | | |
|-------------|--|
| 2006 | <ul style="list-style-type: none"> • 2/06: Budget Deficit Reduction Act of 2005 (PL 109-171) Section 5001 Hospital Quality Improvements • 10/1/06: 1st Year Transition from Charge-Based to Cost-Based DRG payments |
| 2007 | <ul style="list-style-type: none"> • 5/23/07: UB-04 implemented for providers submitting paper claims • 6/1/07: MedPAC must submit recommendations for value-based payments • 8/1/07: Secretary of HHS must submit plan to Congress for Value-based Purchasing Program for IPPS payments to acute care hospitals • 10/1/07: <ol style="list-style-type: none"> 1) 2nd Year Transition to Cost-Based DRG payments 2) Implementation of Severity-Adjusted DRGs 3) Secondary Diagnoses Present on Admission (POA) required by hospitals per Section 5001 PL 109-171 4) Secretary of HHS must identify 2 high-cost/high-volume diagnosis codes for Value-Based Purchasing Program |
| 2008 | <ul style="list-style-type: none"> • 10/1/08: <ol style="list-style-type: none"> 1) 3rd Year Transition - Completely Cost-Based DRG payments 2) CMS assigns DRG payments based on presence of preventable conditions not designated as POA |
| 2010 | <ul style="list-style-type: none"> • 2010: Earliest possible implementation of ICD-10 and ICD-10-PCS |

SOURCES

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