



Annual Institute

June 3-6, 2008 - The Hilton Sandestin Beach & Golf Resort
Ride the Wave...Don't Get Caught in the Undertow!

While the beautiful white sandy beaches of Sandestin may not be at the front of your mind right now, it is time to mark your calendars for our Annual Institute at Sandestin from June 3rd to 6th!! Yes, it is only the beginning of the year, but picture yourself relaxing at the beach under the warm sun. This image will definitely be a step towards curing you of the winter doldrums and get you excited about our Annual Institute!!

The room block is now open. Please call, (800) 367-1271 and make your reservations. Beach view rooms are **\$299 / night** and resort view rooms are **\$249 / night**. Our group code for reservations is **HFM**. As we all know, rooms go fast, so don't wait! The block is open until May 2nd or until our room block is full.

Exhibits will be coordinated again by Jeff Burkhardt - jburkhar@uab.edu (back by special request). Sponsors, make sure you get all the forms to Jeff ASAP. We will have a cut off date and once that passes we will open up booth registration to all (see page 14 for additional details).

The **Golf Tournament** is back!! This year's event will be held at Sandestin Resort and coordinated by Jon Kimsey. We will need to have a minimum of 45 to 50 register for the tournament. Sign up early so we can make sure it is a success.

We are adding a couple of new items this year for fun. **Tennis tournament:** coordinated by Jerry Smith with St Vincent's Health System (more to come).

Kids Night Out: We will provide Kids Night Out for our youngsters during our opening reception. ICE CREAM, fun and games!

Watch for more information and make sure you sign up for Kids Night Out on the registration form. (we will reserve based on numbers of participants) Speakers and agenda will be completed soon so make sure you read all the web blast news as you receive those via e-mail.

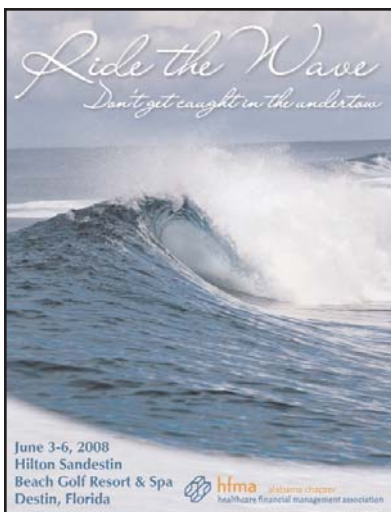
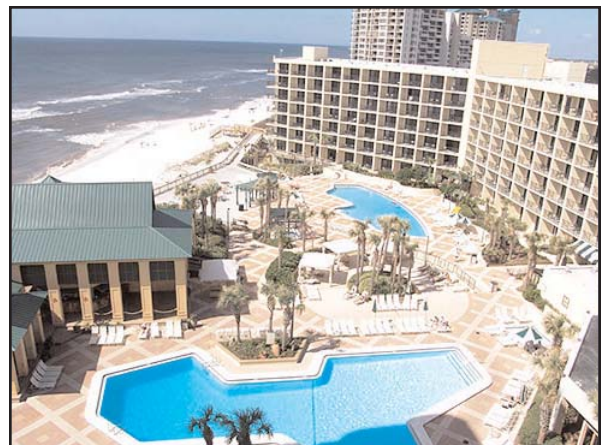


WE ARE excited about the meeting and it is closer than we think! WE want to ensure it is informative, educational and meets your expectations. Make your plans now to attend and bring the family.

Many thanks to everyone that has volunteered to work on this. All of us together can MAKE A DIFFERENCE! Let's all Ride the Wave and not get Caught in the Undertow.

More to come soon.

Linda Maddox



2007-2008 Leadership

Officers:

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Kim P. Shrewsbury, CPA
St. Vincent's Health System

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Vicki H. Parks, FHFMA
St. Vincent's Health System

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Medassist, Inc.

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Richard M. Byerly, Jr. CHFP
East Alabama Medical Center

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Children's Hospital of Alabama

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Stephanie R. Martin
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VP - Annual Institute

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Ashlye Hix
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(251) 338-2123

VP - Membership

Libby D. Bailey, CPA
Callahan Eye Foundation Hospital
(205) 325-8567

Directors:

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Alabama Hospital Association

Libby D. Bailey, CPA
Callahan Eye Foundation Hospital

Annette N. Baker, FHFMA
BC/BS of Alabama

Dawn H. Walton, CPA, FHFMA
Children's Hospital of Alabama

Yolanda D. Rich, FHFMA
St. Vincent's Health System

Jerry C. Smith, Jr.
St. Vincent's Health System

Greg Johnston
Baptist Health System



Happy New Year! I hope that everyone had a wonderful holiday season and that you are planning for a terrific 2008. It is always a cleansing feeling to put the old year behind and make plans and goals for the year ahead.

There has been a lot going on behind the scenes with officers and volunteers for our chapter. I am going to talk about a few of them in this message.

First and foremost, we have two exciting events in February. The first is our chapter volunteer project to work with our local nursing homes and spend some quality time with the elderly in our area. Libby Bailey is heading up this project for us and I am working as her co-chair. Please report to Libby or me in the next few weeks, your plan for helping us be successful in this project. Get a group of family and friends to join in with you. The satisfaction you receive will be irreplaceable.

The second event is the Region 5 Dixie Institute being held in Orlando, Florida the week of February 18th. Review your calendar and make time to attend this important event. You can find information at www.hfmadixie.org. There are some great speakers and exhibitors. I've been told that the Rosen Centre is a great venue for our meeting. Vicki and I hope to see you there!

Vicki is picking up speed on working on the new board for 2008-09. If you are interested in a position or would like to learn more, drop either of us an e-mail and provide information on positions that you would like to fill.



Kim Shrewsbury, CPA
President

Our Chapter Balanced Score Card has been completed for the second quarter and we currently have 75 points out of 100. We have exceeded the 40 point level needed in order to be award eligible. It takes all of us to have success at the end of the year, so let's keep on keepin' on!!

I hope that each of you will do something in your life this year to "Make a Difference." Be it in your professional life or personal life; make 2008 a year to remember, for you and for those that are in your life.

I wish each of you a prosperous new year. I hope to see you in Orlando!

Kim

MEMBER TRIVIA

Fall Edition WINNER -
Kim Bullock, Children's Health System

Winter Edition Question - Who is the only member of the Alabama Chapter to receive the HFMA Life Membership Award?

First correct response to bamachatter@gmail.com gets a \$10 gift card!!!*

* \$10 gift card is to location of your choice. Only one response per member permitted.

Form 990 Redesign for Tax Year 2008

2007-2008 Leadership

DCMS Contact

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(205) 970-4361 x4361

Founders Contact

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University of Alabama at
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PFS

Tavie H. Bender
Trinity Medical Center

CFO

Craig W. Tolbert, CPA
PricewaterhouseCoopers, LLP

Compliance

Maron J. Boohaker
Healthsouth Corp.

The IRS recently released the redesign of Form 990, Return of Organization Exempt from Income Tax, for the 2008 tax year. The return is to be filed for your 2008 tax year which will be the first tax period that begins in 2008. For fiscal year June 30 taxpayers, the first year the new form is applicable is for the June 30, 2009 fiscal year end. The release includes the new form and some explanatory materials only. Draft instructions for the new form are expected to be released in early 2008.

The 2008 Form 990 retains the general content and structure of the June 14, 2007 "discussion draft" in that it has a core form to be completed by all organizations with various schedules to be completed based on the organization's activities. All the original schedules are retained and a new Schedule O, "Supplemental Information to Form 990" has been added to allow organizations to elaborate in more detail about information reported elsewhere in the return.

Highlights of Significant Changes for Hospitals

Core Form - The first page of the core form has been significantly changed. The draft form would have required organizations to express various revenue and expense amounts as percentages and ratios of certain operating results. All percentage and ratio measures were eliminated from the summary page. Instead, the Summary now asks for certain financial, governance, and operating information, including a summary of mission and activities. A two-year comparison of revenue and expenses is reported for the current and prior year in place of the revenue and expense ratio reporting per the original draft.

Part VI - Part VI of the new form is divided into three subparts (Governing Body and Management, Policies, and Disclosure). The organization will be required to report various governance policies and procedures including processes for setting executive compensation and reviewing Form 990.

Schedule H - Part V of the new Schedule H is the only section required to be com-

pleted for the 2008 tax year. Hospitals are asked to provide the name and address of the facility and to check off from a list of facility types those that apply and to check whether they operate a 24-hour emergency room. Part II, "Billing Information," per the original draft, is eliminated and is replaced by a "Community Building" category. Medicare shortfalls and bad debts are to be reported in Part III. Part IV is retained for the reporting of management companies and joint ventures but the ownership threshold has been increased from 5% to 10%.

Schedule J - A new column on Schedule J eliminates duplicate reporting of deferred compensation. In addition, the schedule no longer requires disclosure of nontaxable expense reimbursements and de minimis fringes. Other compensation detail, including companion travel, gross-up payments, club dues, and personal services must be disclosed.

Schedule K - Only Part I of Schedule K, which lists outstanding tax-exempt bond issues will be required for the 2008 tax year. The entire form is required for the 2009 tax year. Reporting of third-party compensation is eliminated. Other revisions were made in the reporting of the use of proceeds and private use but do not appear major.

Summary

We recommend each hospital review the revised form 990 with particular emphasis on Schedules H, J, and K and determine what information will be required and what systems are in place or will be required to capture that information. One thing is clear, the time commitment necessary to file a complete and accurate form 990 has grown substantially.

**-J.C. Rouse, CPA
Warren, Averett, Kimbrough &
Marino, LLC**



J.C. Rouse, CPA

MAKE A
DIFFERENCE

HFMA Fall Institute - Recap 2007

The Fall Institute was held on November 7th - 9th at the Wynfrey Hotel in Birmingham with 188 members in attendance at the three day event. I appreciate all of those making presentations and attending the meeting. Our goal was to provide diverse topics and motivational speakers with increased educational opportunities, and at the same time offer networking among our peers. I hope the topics were useful for all of the attendees and that everyone was able to implement what they learned at their individual facilities.



The Institute began November 7th with our second Certification Study Session. Joseph Wewers with Mid South Credit Bureau presented an overall review of chapter's that emphasized the most percentages of questions on the test. We had 10 attendees interested in obtaining certification for various personal reasons.

The day began Thursday morning with our first New Member Welcome



Breakfast and a Meet and Greet Breakfast with Coach Gene Stallings and Coach Pat Dye for our CFO/VP of Finance members and Diamond sponsor's.

The general session kicked off with a continental breakfast and opening remarks by yours truly. Kim Shrewsbury, our Alabama Chapter President, then took to the stage and presented multiple awards to our members for their commitment to HFMA. Founder's Gold, Silver, and Bronze awards were presented at this time. Congratulations to the following award winners: **Muncie Gold:** Dawn Walton and Linda Maddox; **Reeves Silver:** Vicki Parks, Jeffrey Burkhardt and Stephanie Martin; **Follmer Bronze:** Bruce Turner, Elaine Averett, Dyanne Rhegan, Brian Romine, and Jennifer Kingry.

Our first speaker was James Christie with Bradley Arant Rose & White LLP who presented E-Discovery, which described how to use the new E-discovery rules to our advantage in litigation.

Our keynote speakers were Coach Pat Dye and Coach Gene Stallings both are legends in their own rights to the avid Auburn/Alabama fan and to those that enjoy the game. As the Coaches took us on a stroll down memory lane sharing their football experiences, of how they overcame obstacles and shifting perspectives to succeed in life. At times, they spoke of their strategies as if they were preparing for battle to win a war. A key message they left us is to have a positive attitude never compromise what you believe, strive for excellence in our professional and personal lives. Coach Dye and Coach Stallings graciously provided autographs to all of our members. The traditional, history of Auburn/Alabama rivalry, were expressed



among our members but we all remained professional exhibiting our team spirit.

For lunch, some enjoyed one of the many Galleria restaurants and returned to begin our PFS, CFO and Compliance tracks for the afternoon sessions. The remaining dedicated to learning stayed to enjoy a great lunch and learn PFS/CFO breakout sessions both were very successful. The featured speaker for the CFO lunch was John Gladney, Vice President of Commercial Card Services at Commerce Bank, sharing ideas how we can benefit using bank technolo-

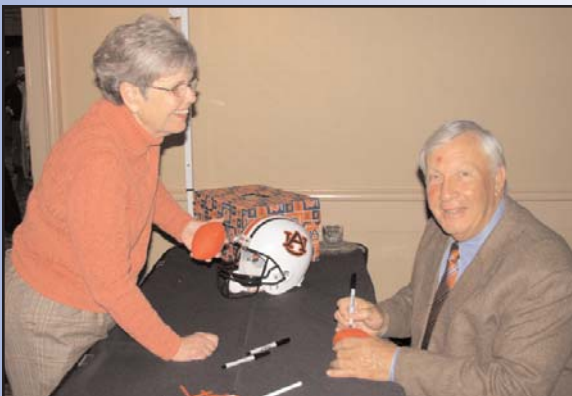


gies that improve cash management, reduce cost and generate revenue in accounts payable and PFS lunch was Brian Romine, Partner with Warren, Averett, Kimbrough & Marino, provided a summary of Inpatient Prospective Payment System and its impact on hospital reimbursement.



Afternoon sessions offered everyone great educational opportunities. CFO track speaker Dr. John Stephen Grice, UAB presented materials related to the latest guidance issued by the FASB, ASB, ARSC and recent ethic developments.

Our PFS track featured Kim Davis, Director of Medical Services with Alabama Medicaid updated us on the transformation grant activities and how it affects hospitals and the new implementation of claims processing system, J.E. Avrad, Senior Provider Services Representative with BCBS of Alabama, provided updates to our attendees on various BCBS issues including Tricare, Blue Advantage, PEEHIP NP Network and Provider Education on the Web. Tony Grove, Director of Patient Financial Services and Managed Care at Physicians Medical Center Carraway shared his proven solutions for tracking denials, preventing denials, contract management and the art of rebilling.



Our Compliance track session began with James Pool, Attorney, presented his exploration on legal issues involv-

ing, current pay for performance initiatives, including Phase III of Stark II. Ryan Schultz, Manager in Healthcare Industries Advisory practice and Dana Altiere, Senior Manager with PricewaterhouseCoopers, LLP, focused on the development of Corporate Integrity Agreement and the role of Independent Review Organizations in fulfilling compliance requirements by Office of Inspector General. Leigh Aufdemorte, Director of Compliance with Callahan Eye Foundation Hospital, delivered highlights on the 2008 OIG Workplan.

After a full day of education it was time to express our team spirit with a **"Tail Gate Reception"** while networking among our sponsor's and exhibitors we shared a few spirits enjoyed the food and created new bonds and friendships.



Our first speaker during the Friday general sessions was Karen Northcutt, Executive Vice President of Medical Management Plus she addressed Medicare's IPPS 2008 changes that included MSDRG, present on admission, quality outcomes and an overview of Medicare's OPSS changes while focusing on the financial implications to our facilities.

The meeting concluded with Dr. Joe Zebrowitz, Executive Vice President of Executive Health Resources, he provided attendees ten survival techniques to address challenges hospitals face protecting themselves, from False Claims Act with focus on best practice processes and procedures to ensure CMS compliance and achieve revenue integrity.

The meeting provided attendees an opportunity to meet new members and gain knowledge on topics that would be useful to their organizations. I

would like to say a special thank you to the following: Mitzi Winters, Sherri Harper at MedAssist and Donna Ezzell, at Athens Limestone Hospital for handling the registration process and keeping our website. Thanks Cindi Barksdale, Craig Tolbert, Maron Boohaker, Tavie Bender and Linda Maddox for their assistance with exhibitors, topics and speakers; Franklin Collection Service for their sponsorship with Meet and Greet Breakfast and Tail Gate Reception. It is a group effort to make these meetings a success!

In addition, many thanks to our exhibitors and sponsors! Without your support, it would be impossible for the Alabama HFMA Chapter to experience these great speakers and opportunities for professional growth, continuing education, and networking among our peers.

**-Stephanie Martin
VP Fall Institute**



February, A Time of Love

When Love is in the air, there are always smiles on faces. As we did last February, our board has elected to declare this February as "Volunteer at a Nursing Home" month. We need **YOU** and **YOUR** friends, **YOUR** relatives, **YOUR** Church, **YOUR** children, **YOUR** other civic organizations to let the folks at nursing homes know they are not forgotten.

There was some discussion at the board meeting about our chapter sponsoring an event that would do more to get people excited - but PLEASE think about it - we will all be old"er" one day. It could be us lying in those beds feeling lonely and depressed with only the small hope

that someone would come and visit us. Many of those folks may have been or will be our patients one day. They've given of themselves all of their lives, it is time for us to give back.

Last year we had 12 members donate time and were able to get 136 others and 3 dogs to help them. With planning time, travel time, cooking, etc. there were 443 hours logged! We have almost 500 members in our organization - SURELY we can get 10% of the membership to do something. PLEASE commit today, Kim and I will work with you, to help you find something to do. It doesn't take much to put a smile on the faces of these people, and

believe me - you will leave with one on your face too.

E-mail me: ebailey@uabmc.edu or Kim Shrewsbury: kim.shrewsbury@stvhs.com and tell us we can count on you.

Make A Difference!

-Libby Bailey



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OIG Work Plan for 2008

It seems like just yesterday that I was writing the Bama Chatter article on the 2007 OIG Work Plan. On October 1, the OIG released the 2008 Work Plan. The work plan is a "snapshot" of the OIG's activities targeted by the OIG for audit, evaluation and investigation during the year. Some of the OIG initiatives are from prior years and many are new. During the year, the OIG may decide to add new activities or delay activities based on new issues or shifts from Congress. In the past several years, 80 % of the OIG reviews have been focused on the Center for Medicare and Medicaid services (CMS). The remaining 20 % of the resources have been allocated to the 300 Public Health and Human Services Programs.

The OIG work plan is a great way to educate your employees so they are aware of the issues that are on the OIG's radar for 2008. Now is the time to reassess the priorities in your compliance program using the Work Plan as a reference tool. Also, the review process could provide opportunities to update your policy and procedures.

This Work Plan contains over 300 projects in the 111 page document- the list below only highlights some of the major issues for Hospitals and Physicians. The 2008 work plan includes information for Medicare and Medicaid Hospitals, Physicians, Home Health, Skilled Nursing Homes, Hospice, Medicare Part D Administration, and Federal Drug Administration. The complete work plan can be accessed on the OIG website. http://oig.hhs.gov/publications/docs/workplan/2008/Work_Plan_FY_2008.pdf. Please encourage your employees to review the entire 2008 Work Plan on the website.

Highlights of Focus for Hospitals

Provider Bad Debts - OIG will verify that bad debts were claimed appropriately by providers such as Hospitals, Long Term Care Hospitals, inpatient rehab facilities, inpatient psych and Skilled Nursing Home Facilities. Also, the OIG will determine if prior year write-off recoveries were credited appropriately.

Medicare's Transfer Policy - OIG will determine if transfers were coded correctly.

Hospital Capital Payments -OIG will verify that capital payments to hospitals are accurate. Capital payments rates are based on equipment and facility expenditures.

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

Payment for Diagnostic X-Ray in Hospital Emergency Rooms - OIG will review Part B Claims and medical records to verify that payment was correct.

Inpatient Hospital Payments for New Technology - OIG will determine whether hospitals have submitted claims appropriately for new services and technologies.

Billing for Medicaid Nursing Homes Patients Transferred to Hospitals - OIG will determine if duplicate payments were made to nursing homes on patients that were transferred to hospitals.

Medicare Secondary Payer - OIG will review appropriate payment for beneficiaries with other insurance.

Physicians and Other Health Care Professionals

Physician Reassignment of Benefits - OIG review will look at physician reassignment of benefits to other entities.

Place of Service - OIG will verify that the place of service was properly code by ASCs and hospital outpatient departments.

Medicare Payments for Psychiatric Services - OIG will review if psychiatric services provided were medically necessary and properly billed.

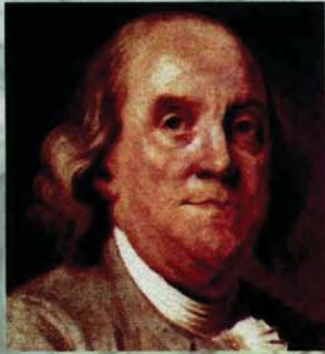
High Utilization of Ultrasound Services - OIG will review geographic areas that have high utilization of ultrasound services for medical necessity and billing patterns.

Medicare Payments for Interventional Pain Management Procedures - OIG will determine if interventional pain management procedures were medically necessary and were billed correctly.

Medicare Payments for Power Wheelchairs - OIG is looking for the documentation that showed that the patient received the required face-to-face examination and were billed appropriately.

-Leigh Aufdemorte

Director HIM/Compliance Officer
Callahan Eye Foundation Hospital



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July 22, 2007

To Whom It May Concern:

Here is one for the record books. I wanted to thank you for your honest and sincerity in the manner you used in collecting my past due account. A collection agency that was not only kind but honest as well. Dealing with people such as myself want to do the best the other side of the spectrum such as yourselves makes people on they can do in repaying their past due debts. You will never know how much you keeping your word meant to me and especially my future. This past due debt was not one that I just didn't want to pay, it was due to losing disability benefits and then fighting for a year to regain them. This is exactly what I did. Now thanks to your understanding and honesty I am now able to get my life back on track and buy that first home I have always wanted. If you ever need a recommendation feel free to use me.

Sincerely,

Mark A. Sosebee

Mark A. Sosebee
Dalton, GA

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MAD Membership Chatter



Membership Committee

Libby Bailey, Callahan Eye Foundation Hospital
Denise Hamilton, UAB
Carol Slivka, Huntsville Hospital
Phyllis Boone, UAB Health System
Raymond Butler, Callahan Eye Foundation Hospital
Al Kohler, Baptist Health System

Get Mad and Get Glad -

Okay - the holidays are over, the credit card bills are coming in - and boy oh boy could you use some extra cash. Recruit a member and enter a drawing for a shot at \$50, and even more "cash" prizes at the National level. The quarterly winner for the 2nd quarter is **Donna Urquhart** from UAB. Donna recruited 3 members and it paid off for her - she is now \$50 richer: and could win bigger \$\$\$\$\$ at the annual meeting. **Stephanie Martin** won \$50 for the first quarter - so join these winners and recruit!



Seriously, our HFMA year end is fast approaching and we all have some work to do to get our new membership, Sr. Financial Executive membership, and renewed membership numbers up! We are accounting-minded folks - and we ALL understand numbers and what it takes to be successful. Think of it as our annual budget - here is the budget and where we are thus far:

	Goal	Currently	Variance
Membership Growth	>585	507	-78
Membership Retention	87.00%	87.70%	0.7
Sr. Financial Exec Recruitment	90	85	-5

What a deal "new members" can get right now. If they join in January, their dues are only \$115: We all know the benefits of being a member and the endless access we have to information, net working, fun, etc.; so share the wealth with prospective members. They can register on-line, or I can send them an application - either way, we want them to be a part of our great organization.

Fall Institute Update

During the Fall Institute there was a breakfast held for all new members and their sponsors. It was well attended, about 20 new members and probably about 12 sponsors/board members. Everyone received a hearty breakfast, valuable information about their HFMA membership, they got to know each other with a little "ice breaker" game, they received a goody bag, and as they left, they all had smiles on their faces. Five members were given a \$20 bill and were instructed to give it to a member who made a point to come up, introduce themselves, and make the new guys feel "welcomed". I don't know who won those twenties, but the new members did tell me they gave their money away and were happy to be a part of our group.

Thanks to all of you who came to meet our members, and thanks to Denise Hamilton for getting all the details worked out for us:

Also at the Fall Institute, membership had a booth. WOW that's a lot of work. The membership committee got a lot of good feedback, so hopefully this will be something we can continue at each meeting. The purpose of the membership booth (other than seeing your AWESOME membership committee) is to be your resource for questions about HFMA, about your particular membership, about earning Founders Points, about becoming certified, about participating on committees, offer you assistance at the meetings by finding people, vendors, sessions, etc., hearing your suggestions for things you would like to see or to have done, and, of course, to participate in the prize drawings to "entice" you to come by.

That's enough from the "MAD" Membership Chatter for this edition- stay tuned - and in the meantime, Be a "MAD" HFMA member! See page 14 for a listing of our new MAD Members!

-Libby Bailey, CPA
 VP Membership
 ebailey@uabmc.edu

Seeking CFO for Lanier Health Services

Skills: Knowledge of accounting principles, health insurance, cost report preparation, Joint Commission guidelines, and general hospital operations are required. A Bachelor in Accounting or related field or five years experience in a hospital financial management position is desired.

Job Description: Lanier Health Services opened in 1950 and is licensed for 115 acute care beds and has an adjacent 103-bed nursing home. The facility is an Alabama nonprofit corporation, fully accredited by Joint Commission, and is located in Valley, Alabama. The hospital is within six miles of the KIA plant in West Point, Georgia which is under construction. The CFO will report to the CEO.

Company: Chattahoochee Valley Hospital Society d/b/a Lanier Health Services

URL: www.lanierhospital.com

Location: Valley, Alabama

Contact Email: dsims@lanierhospital.com

HFMA CALENDAR OF EVENTS

February 19 - 22, 2008 - Region V Dixie Institute - The Rosen Centre Hotel, Orlando, FL

March 7, 2008 - HFMA Certification Exam - Warren, Averett, Kimbrough & Marino LLC in Birmingham, AL @ 1pm - Contact Brian Romine @ (205) 769-3328 for more details

June 3 - 6, 2008 - Alabama Annual Institute, Hilton Sandestin Beach & Golf Resort, Destin, FL

June 23 - 26, 2008 - HFMA ANI - Las Vegas, NV - Mandalay Bay Resort & Casino

November 5 - 7, 2008 - Fall Institute - Birmingham, AL - Wynfrey Hotel

February 17 - 20, 2009 - HFMA Dixie - Mobile, AL



For information on registration for these events, please visit our website - www.alabamahfma.org.

Members on the Move

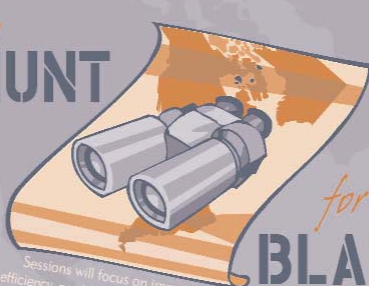
Martin Franklin
Vice President, Finance
Med-South, Inc. - Birmingham, AL

Carol Slivka
Director of Finance
Huntsville Hospital - Huntsville, AL

Katrina Belt
Corporate Treasurer
UAB Health System - Birmingham, AL



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FLORIDA HFMA

MAKE A
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Congratulations to Kimberly Stephens from Holloway

Credit Solutions, pictured above with Jeff Holloway. Kimberly received the CPAR Top Score from the Spring 2007 test.

The CPAR test is administered in the Spring and Fall of each year and this award is given for each examination.





Developing A Strategic Plan

Developing A Strategic Plan for Reimbursement Changes

Not since 1983, when DRG reimbursement was implemented, have such momentous changes faced the healthcare industry. Hospitals must cope with the potential loss of reimbursement from the charge-to-cost-based reimbursement transition, potential loss of reimbursement from implementation of severity-adjusted DRGs, and potential loss of reimbursement for hospital-acquired conditions once the Value-Based Purchasing Program is implemented in FY 2009. Along with those initiatives are the time and cost involved in reporting Quality Measures to obtain full Medicare reimbursement and the potential risks from public reporting of hospital performance on those measures. Effective 1/1/08, CMS plans to implement Quality Measure reporting on the Outpatient side, as well. The proposed OPSS rule also outlined major changes with payment for Observation services. If approved, this will have a major impact on hospitals, as the number of Observation cases has increased due to difficulty meeting InterQual criteria for admission to the hospital.

Coping effectively with all of these changes will require evaluating many processes within hospitals and developing a facility-wide team approach. No longer can hospitals afford the luxury of turf wars, poor communication and/or cooperation between departments, and poor communication with the medical staff. Buy-in of Administration and the Medical Staff will be absolutely critical to the success of any facility in coping with all the change.

The first thing that should be done is to develop a Multi-disciplinary team to oversee any initiatives implemented to cope with the changes. That team may be one that is already established and just needs to change/broaden its focus and/or add additional members. In the past that team has often been led by the CFO or another member of Finance; however, some hospitals are finding it even more effective to have a Clinical Chair, since many of the processes being affected will be clinical in nature. Either way, there definitely needs to be participation by Administration, Case Management, IT, Business Office, the Compliance Officer, HIM, Nursing, Physician Advisor(s), and other Medical Staff leadership.

One of the first things that must be provided is Education on the new severity-adjusted MS DRGs, Present on Admission (POA) reporting, and the importance of a physician query process to deal with both severity and POA documentation. In addition, the coding staff will need to receive additional clinical training on the diseases/procedures that are being coded so they will be better prepared to query for severity and POA information.

Education probably should be conducted in increasing phases. Phase I should probably be an overview addressed to Facility leadership, Department Directors, Nursing and HIM Staff. Phase II should be addressed to Medical Staff, Case Managers, Physician Advisors, Multi-disciplinary Committee. Phase III should be more in-depth training for coding staff and supervisors. Medical staff education is one of the most challenging areas to address. It will likely require a series of sessions,

both to the whole medical staff and presentations at departmental meetings to get them on board with the changes and documentation requirements. Identifying physician champions, in addition to the Physician Advisor(s) will be a key component to helping educate the rest of the medical staff on these issues. Hospitals might want to start with the physicians that are assigned to the Quality Measure topics, to see if those can be educated about the changes that are coming and assist with communication to the rest of the staff.

It is very important to determine where to focus your efforts. Taking on too much at one time will greatly diminish the probability of success. A documentation audit to identify documentation gaps in the most common DRGs can be very helpful in determining where to target documentation education, as well as identifying which physicians present the greatest challenges in providing the appropriate documentation. In addition, reviewing the PEPPER reports from the QIO, MedPAR data, Quality Measures that need the greatest improvement, CC capture rates for Medical and Surgical services (especially Surgical cases) can help to determine where initial efforts should be focused to get the biggest bang for the buck. Narrowing the focus will allow hospitals to fine tune their processes for obtaining better clinical documentation and work out all the bugs to obtain some success. Whatever is targeted, it should be measurable so that improvement and success can be tracked. Once that is done and some success is obtained, the process can be expanded outward to take on additional focus areas.

In addition to improving clinical documentation, improving clinical processes within the facility, such as reducing infection rates, will be key to reducing costs spent on medical supplies, medications, nursing time, etc. This will also become increasingly important as we move toward the Value

Developing A Strategic Plan for Reimbursement Changes

Based Purchasing Program, where CMS plans to reduce hospital reimbursement for hospital-acquired conditions. Infections play a major role in impacting hospital reimbursement under that program. Documentation will be critical to identifying which conditions were present on admission and which developed after hospitalization. Involving the Infection Control personnel in providing guidance to the coding staff and in identifying infections that were present on admission could be extremely valuable.

Most hospitals are in the process of developing a Concurrent Clinical Documentation Improvement Program. This program should probably be expanded to not only address documentation for coding and reimbursement, but also to address issues with documentation to meet InterQual criteria for admission and/or continued stay, as well as documentation for meeting Quality Measures appropriately. All of those are clinical processes and improving documentation for one will likely have a positive benefit on the others. If possible, there should be personnel who are assigned as dedicated positions to improving the clinical documentation, rather than adding that task onto someone who already has several other functions to carry out in the organization. There is much debate about whether RNs or coders are best to place in the Documentation Specialist positions. There are pros and cons to both. RNs are a little more available than coders and have more clinical knowledge than coders typically. However, they are more expensive and sometimes read too much into the clinical picture rather than relying on what is documented in the record. They also do not know the coding system like the coders. Coders are in short supply and have to be taught some of the clinical aspects that they may not know. The

decision as to which type to place in the Documentation Specialist positions should really be dependent on the environment and personnel skill levels available to the facility. Probably the greatest skill that should be looked for is the ability to communicate effectively with physicians, nurses and other clinical personnel involved in caring for the patients. That skill is critical to the success of a Clinical Documentation Improvement Program.

Hospitals need to be prepared for the impact of these changes on productivity. It will absolutely take more time to code records as coders try to become familiar with a completely new system and a new set of Major CCs, CCs and non-CCs. In addition to that, they must cope with looking for documentation to determine if each diagnosis submitted on the claim was present on admission or not. Studies estimate a slowdown in coding productivity of 20-40%. Not only will it take more time to review the records and assign codes, but it will require many more physician queries to be generated than in the past. The response time of the physicians to the queries will be critical to making sure the information is obtained within the 3-5 day post-discharge window that most hospitals maintain before dropping the bill. Since medical staff bylaws usually allow physicians 30 days to complete their records, the generation of queries and response to those queries will have to be conducted while the patient is still in the hospital to meet that bill drop time frame.

Overall financial impact, in addition to less reimbursement from the charge-to-cost based transition and from severity adjusted DRGs, could include the need to hire additional personnel such as Documentation Specialists and/or coders, increased software and service costs from ven-

dors, training costs, and a negative impact on AR day and Days Not Final Billed (DNFB), which will impact cash flow for the facility. Hospitals may also have to cope with two or more different payment systems if some other payers do not move to the MS-DRG system. IT and Finance will also need to evaluate what internal applications use DRGs that will need to be revised and/or crosswalked, including an assessment of what interfaces will be impacted. An assessment of the types of internal uses/decisions that have been based on DRGs must be made, as well.

This is a time of great change facing the healthcare industry. Each facility must work diligently to educate everyone, including the Medical Staff, and develop a team mentality and processes that will foster that team effort in order to effectively survive under the new direction that CMS and others are moving toward, where Pay for Performance is the hallmark. It will be important to make sure the message that is given to the physicians has a focus on quality of care for their patients. That is something that physicians care about and will help to obtain their buy-in for new strategies that are developed. Each employee in the facility should be reminded, as well, that as consumers of healthcare services they would certainly want the best quality care provided to themselves or their family members. It is important to be able to see from that perspective in terms of carrying out their daily jobs to the best of their ability and understanding how their particular job fits into the whole process of providing good quality care for all patients treated in the facility.

- Joy King, RHIA, CCS

Joy King is a Consultant with more than 15 years of inpatient coding & speaking experience. She can be reached at (205) 612-4471 or electronically, jkinginc@charter.net.

FYI...Alabama Chapter Profile*

GENDER

	Frequency	Percent
Female	258	43.6%
Male	299	50.5%

DATES

Average Years in HFMA	10
Average Years in Healthcare	20
Average Age	45

DESIGNATION

Designation	Frequency	Percent
CHFP	13	2.2%
FHFMA	35	5.9%
CPA	85	14.4%

ORGANIZATION TYPE

Organization	Frequency	Percent
- Hospital	262	44.3%
- Home Health Agency	1	0.2%
- Other Provider or Clinical Service	11	1.9%
- Skilled Nursing, Rehab, Other Subacute	2	0.3%
- Medical Group or Specialty Practice	19	3.2%
- Health System Headquarters/Corporate	62	10.5%
- HMO Health Plan, Insurance Company	37	6.3%
- Accounting Firm	25	4.2%
- Collection and A/R Recovery Service	29	4.9%
- Consulting Firm	27	4.6%
- Law Firm	6	1.0%
- Third Party Administration	7	1.2%
- Professional/Trade Assoc. or Publisher	7	1.2%
- Educational Institution or Library	3	0.5%
- Advertiser - use for Journal only	1	0.2%
- Other/Non Provider	93	15.7%

**As of June 1, 2007

Save The Date

Region V Dixie

February 17 - 20, 2009

Riverview Plaza Hotel
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Jammin' at the Dixie



Welcome!! NEW "MAD" Members
October - December 2007
(and a few I left out in previous months)

- Chrystal St. John, Asst. Controller
Gadsden Regional Medical Center
- Gerald Turner, Director Business Services
Highlands Medical Center
- Lisa Rickey, Regional Pt. Access Director
Tenet Healthcare
- John Teta, Director of Underwriting
Medical Properties Trust
- Paige Cantrell, Regional Dir. Business Office
InMed Group
- Donna Rowle, Director of PFS
Brookwood Medical Center - **Sponsor:** Kemberly Blackledge
- Jim Chesney, V.P. Strategic Services Group
River North Solutions - **Sponsor:** Marianne L. Muise
- Mark Garst, Manager
UAB Health System Patient Financial Services
- Jeff Byars, Sr. Accountant
Blue Cross and Blue Shield of Alabama
- Yvonne Law, Accountant
UAB Health System - **Sponsor:** Donna Urquhart
- William Ross, PFS Accounting Supervisor
UAB Health System - **Sponsor:** Donna Urquhart
- Lissette Lopez, Chargemaster Coordinator
Children's Health Systems - **Sponsor:** Dawn Walton
- Susan Mee, Patient Access Manager
St. Vincent's Hospital
- Anit Makhija, Graduate Student
University of Alabama
- John Barth, Sr. Account Executive
Software & Services
- Carlos B. Taylor, Director -
Brookwood Medical Center
- Drew Ward, Administrative Resident
Athens-Limestone Hospital
- John Taylor, Manager Decision Support
Mobile Infirmiry Medical Center
- Michael Hayes, Health Systems Database Analyst
Vanderbilt University Medical Center
- James Pool, Attorney At Law
Maynard, Cooper & Gale, PC
- Lonnie Younger, Chief Finance Officer
Huntsville Hospital
- Jeffrey Eaton, Marketing Consultant - Meditech
- Julian Mehal, Director of Financial Assesment
McKesson Medication Management

Exhibit/Sponsorship Information - Annual Institute

The Annual Institute of the Alabama Chapter of HFMA will be held at Sandestin Hilton Beach and Golf Resort, June 3 - June 6, 2008 (Tuesday-Friday). I hope you are already planning to join us this year for another outstanding educational event made possible through your support!

If you would like to exhibit your company/products, exhibitor space is available and beginning to fill up already. Sponsors will have the first opportunity, and will be allowed to select spaces in the order their completed applications are received. After March 1, the exhibitor space will be opened to all applicants, and spaces will be assigned in the order that completed applications are received. Even if you are not a sponsor, you should apply as soon as possible, and your completed application will be held in the order received, until March 1.

Space is limited and the queue is growing, so please respond quickly. If you have any questions, or would like an application, (or both), please contact: Jeffrey Burkhardt, Ph.D., FHFMA - Phone: 205.934.1670 or email: jburkhar@uab.edu.

Thank you for your support. Let's make this year's Annual Institute one of the best ever!



2008 - Ready or Not

"The federal government decided long ago that it knew how to manage your health care better than you and replaced personal responsibility and accountability with a system that puts corporate interests first. Our free market health care system that was once the envy of the world became a federally-managed disaster."

In November 2008 we will elect a new President of the United States. In my opinion, this will be the biggest event of 2008. Among the candidates there is a consensus that changes are desperately needed with our health care system.

Ron Paul's view, quoted above, is a lot bolder than most regarding health care. Regardless of your political affiliation, however, we can all agree that changes are needed within our health care system. A good health care system is essential to us all not only because it

supports our livelihood but because it is one of the cornerstones of our society.

I believe that most of the proposed changes to the health care system by the candidates are lofty, at best. I believe it will take much longer than a four-year term to correct the issues facing the health care system; however, I applaud the acknowledgement of the shortcomings.



Jason M. Frey, CPA

In any event, 2008 is here and most notably a new president will be in office this time next year. There will also be other events in 2008 that will affect the health care industry. We have noted a few of those items in this issue already, but rest assured we will do our best to highlight and communicate as many of the changes as possible.

I personally want to wish you all a great 2008. The year is here and if nothing else be prepared for change.

-Jason M. Frey, CPA
Newsletter Chair
jason.frey@chsys.org

Editorial Mission

The Bama Chatter supports the mission of the Alabama Chapter by serving as a key resource for individuals involved or interested in the financial management of health care.

Editorial Policy

Opinions expressed in articles or features are those of the author and do not necessarily reflect the view of the Alabama Chapter, the Healthcare Financial Management Association, or the Editor. The Editor reserves the right to edit material and accept or reject contributions whether solicited or not. All correspondence is assumed to be a release for publication unless otherwise indicated.

Publication Objective

The Bama Chatter is the official publication of the Alabama Chapter of HFMA and is written and edited principally to provide members with information regarding Chapter and national activities, current and useful news of both national and local significance, information about seminars and conferences and networking with colleagues, and to serve as a forum for the exchange of ideas and information.

Article Submission

The Bama Chatter encourages submission of material for publication. Articles should be typewritten and submitted electronically to the Editor. The Editor reserves the right to edit, accept or reject materials whether solicited or not. HFMA Founder Points are granted for any articles published in the Bama Chatter.

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The *Bama Chatter* is a quarterly, printed, four-color publication mailed to our entire membership roster.

The newsletter is also archived on our website for our membership and outside interested parties to access the information.

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Please refer questions to our editor:
bamachatter@gmail.com



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