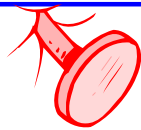


Bama Chatter

HFMA ALABAMA CHAPTER

VOLUME XXXX, NO. 2

SEPTEMBER / OCTOBER 2000



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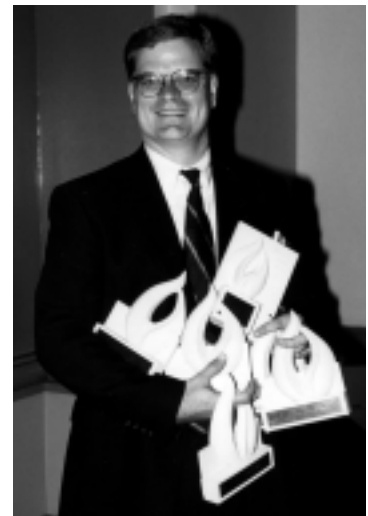
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Calendar of Events

Alabama Chapter Recognized at ANI

Once again the strength of the Alabama Chapter was recognized at the Annual National Institute held in Orlando, Florida June 25-28, 2000. The Alabama Chapter continues to be one of the premier chapters in the country, and this was evidenced by the fact that our chapter received seven awards at the ANI. Congratulations and thanks go out to the entire Alabama Chapter. Without the contributions of our strong membership, these awards would not be possible.

Our members were recognized by the National HFMA organization for their great work during this past year. The following awards were presented to the Alabama Chapter:



Curt Miller represents the Alabama Chapter at the ANI

The Charles F. Mehler Gold Award for Excellence in Education

This award recognizes chapters achieving outstanding performance in educational programming. The Alabama Chapter achieved one of the highest registrant hours per member - performing well above the average level of other HFMA Chapters.

The Bronze Award of Excellence for Certification

This award recognizes chapters that have demonstrated outstanding commitment to certification support and maintenance.

Five Helen M. Yerger Special Recognition Awards

The Helen M. Yerger Special Recognition Awards recognize outstanding chapter performance in a variety of categories. Applications for consideration were submitted to National HFMA and were graded

- continued on page 5 -



2000 - 2001

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Paul T. Graham, FHFMA, CPA
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Southern Institute

Nancy R. Strachan
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Winter Institute

Mike White, CHFP
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Nominating	Paul T. Graham, FHFMA, CPA	(205) 838-3343
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Past Presidents' Advisory	W. Curt Miller, CPA	(205) 226-7328
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PFS Forum	JoAnn Hudspeth	(256) 571-8039
Compliance Forum	Yolanda D. Rich	(205) 923-1467
Rural Meeting	Wes Sigler	(205) 226-7337
Tax Meeting	John Thrasher, CPA	(205) 254-1602

Advertising Information

Quarter page: \$100 per issue—Half page: \$175 per issue—Full page: \$300 per issue

Special discounts for long-term arrangements. Contact the editor for details.

Please send your ad and graphics on plain white paper or slicks. Deadline for publication is the 20th of the month preceding the month of publication. *Bama Chatter* is published bimonthly and is circulated to approximately 700 recipients.

Publication Schedule

ISSUE	DEADLINE	ISSUE	DEADLINE
September/October . . .	August 20th	March/April	February 20th
November/December. .	October 20th	May/June	April 20th
January/February	December 20th	July/August	June 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 typewritten and double spaced, and submitted to the editor or the awards council chairperson 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.

Opportunities Ahead for Continuing Our Tradition of Excellence

I would like to begin this message by extending a heartfelt thank you to the editor of the Bama Chatter. This bi-monthly HFMA job is a huge volunteer commitment and it was accomplished this month in the middle of a maternity leave! Congratulations to Dawn and Ted Walton on the birth of their daughter, Ellen Kathleen Walton born July 12, 2000. THANK YOU Dawn for doing such a great job as editor of *Bama Chatter*!!!

Please help make her job easier by submitting papers for publication.

Curt, Paul, and I recently returned from the Annual National Institute (ANI) in Orlando. Congratulations to Curt Miller and the membership for winning seven national awards for the 1999-2000 year.

This meeting marked the culmination of another great year for the Alabama Chapter of HFMA!

Special thanks to Richard Byerly for planning the Summer

Institute in Montgomery. This year's Summer Institute was well attended, provided excellent educational opportunities and the Thursday night dinner and trip to the Shakespeare Theatre was great! (Yes, it did happen again - the trolley driver was convinced (by some members who shall remain nameless) to make an unscheduled stop again this year). I would like to express my appreciation to Richard and the staff at East Alabama Medical Center who worked to plan and coordinate all the details necessary to organize this meeting. Congratulations on your success!

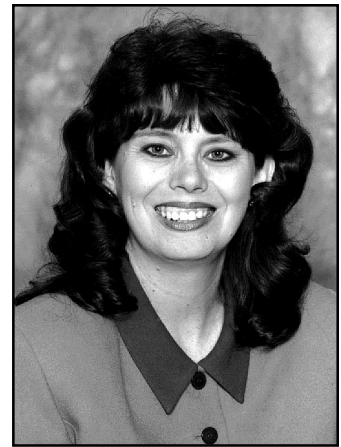
A special note of thanks to the Institute's sponsors! It is the continued support of our sponsors that enable the Chapter to provide quality speakers and

exceptional educational opportunities for our membership.

Pam Townsend (prior Chapter Liaison Representative for Region V) and I are making plans to attend the Region V Fall President's Meeting. This meeting is a key to the success that Region V achieves each year.

Region V includes chapters in Alabama, Georgia, Florida, Tennessee and South Carolina.

The purpose of this meeting is to gather input from all chapter leaders in Region V on important program and policy issues. Discussion topics for this year include chapter assessment methodologies, increasing CFO involvement, and administrative simplification. In the upcoming issues, I will comment on the discussions regarding these topics.



Annette N. Baker, FHFMA President, Alabama Chapter HFMA

Don't forget to continue to invest time in your professional development. In our constantly changing healthcare industry, it takes a lifelong learning commitment to succeed. Become certified: start studying now for the next CHFP / FHFMA certification exam. The next exam date is scheduled for December 1, 2000 in Birmingham. Contact Russell Hodge or myself for additional information on the certification exams. Take this important step in your career.

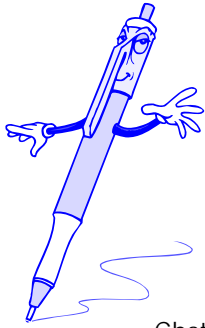
I look forward to seeing you at the upcoming HFMA meetings!

Annette



**2001 Annual National Institute
June 17-21, 2001
Marriott River Center
San Antonio, TX**

From the Editor's Desk . . .



I only thought my life was hectic before. Now I know firsthand that two children are not twice the amount of work, but more - but I'm loving every minute of it.

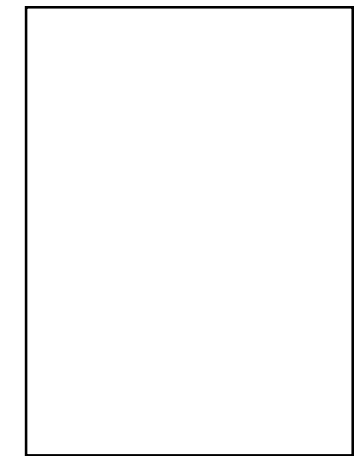
As you now know Bama Chatter is an award winning publication!! And with our new web site, Bama Chatter is going worldwide. That's right - you can access the most recent issue of Bama Chatter any where in the world. No longer will that needed vacation be delayed waiting on your next issue of Bama Chatter. Now you can get it online with just the touch of a button.

A special thanks to all of you who have submitted articles and information for this and past issues of Bama Chatter. My plea for help - Please keep this information flowing. Every one of us has something to share with the chapter - just do it. I get a lot of excuses from people about not being good writers and such. If you want help or someone else to blame, I can find you a co-author!! Consider submitting something someone else wrote - we don't mind as long as we have permission.

I always try to include something fun or interesting to read. This intrigued me. I love puzzles particularly those I can solve. This one stumped me - see how you do. More importantly take to heart the lesson that can be learned.

Until next issue,

Dawn



*Dawn Walton, CPA, Chairperson
Publications Committee*

The Two Boxes

by John Thomas

I saw the following item in a Martin Gardner Scientific American column about 20 years ago. In the context in which he had written it, it was not a puzzle per se, but an expression of paradox — something indeed that could NOT be solved. For some reason — probably because of my contrarian nature — I immediately saw that it WAS solvable and wrote to Martin Gardner who liked my solution and said he might put it in his column



(although I don't know that he ever did). Here's the "impossible" puzzle....and solution.

Puzzle

There are two locked boxes. Each contains the other's one and only key. The only way to open the boxes is with the keys. Yet, I am able to open both boxes. How is this possible?

Solution

I am inside a large box along with the smaller box and a key to

that box. I open the smaller box and inside is the key to the larger box which I now open from the inside.

People tend to jump to a particular formulation of the problem— two boxes sitting side by side, and the "solver" is assumed to be outside the problem frame. In this case, the story also has a deeper metaphorical meaning; viz., that, in order to solve what appears to be an "objective" "out-there" problem, we first need to perceive that we ourselves are part of the problem/ solution space.



Alabama Chapter Recognized at ANI, *continued from page 1*

by a panel of judges. Not every chapter was selected to receive an award; however, the Alabama Chapter received five Yerger awards. The Alabama Chapter won in the following categories:

Education (3). The Southern Institute provides additional educational opportunities to our members in the southern part of the state who generally have difficulty attending other institutes, due to distance. This program also focused on multiple chapter needs by having other southern chapters (Florida, Louisiana and Mississippi) co-sponsor the Institute. The Annual Institute continues to be recognized as an outstanding educational program for our members. The Dixie Institute also continues to be recognized as one of the premier educational events of the year, and this Institute is co-sponsored by all the chapters in Region V, Alabama, Florida, Georgia, South Carolina and Tennessee.

Member Service. Healthcare institutions throughout the state continue to be in need of an organization to offer education, peer interaction and specific information regarding Corporate Compliance. The activities during this past year of the Alabama Chapter Corporate Compliance Forum fulfilled this recognized need.

Improvement. Significant effort was put into ensuring that our chapter membership was receiving timely and informative information through our chapter newsletter, Bama Chatter. The Bama Chatter took on a new look and format, which was very well received by the entire membership of the chapter, as well as representatives from National.

Thanks to all of you for making the 1999-2000 year such a success. The Alabama Chapter truly is one of the premier chapters in the country!



Region V Presidents display their Awards

The Annual Tax Planning & Compliance Update Seminar

The Wynfrey Hotel, Birmingham, Alabama

Thursday, September 28, 2000

8:15 a.m. - 3:30 p.m.

HFMMA and the Alabama Hospital Association invite you to attend the Annual Tax Planning & Compliance Update Seminar. An outstanding panel of speakers has been assembled to provide you with an update on the latest changes in the area of taxation and compliance issues and how they may affect your organization.

Hear the latest about personal tax planning and individual tax issues. You will also learn about the most recent tax issues affecting both tax exempt and taxable healthcare organizations, unclaimed property and 403(B) tax issues, and about current regulations concerning intermediate sanctions. Learn to identify the differences between mistakes and fraud and gain insight into current compliance requirements. You will also receive physician compliance guidance from a hospital's perspective.

Hotel Information: You may make reservations directly with the Wynfrey Hotel by calling (205) 987-1600. Please mention HFMA or Alabama Hospital Association to receive the discount rate of \$125 double/single. The block of rooms reserved for this function will be released on September 4, 2000. After this date, reservations will be accepted on a space available basis.

Continuing Education: The Alabama Hospital Association has awarded 4.75 hours of continuing education for this seminar. The Alabama State Board of Public Accountancy for continuing education for CPAs and Alabama Chapter-HFMA have awarded 8.0 hours. The Alabama Board of Nursing Home Administrators has awarded 4.5 hours of continuing education credit.

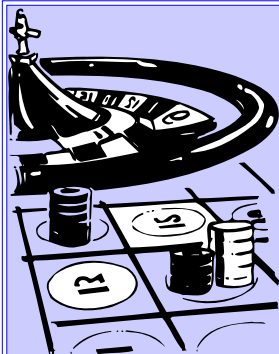
Meeting Registration

Name _____
 Title _____ Organization _____
 Address _____ City _____ State _____ Zip _____
 Phone () _____ Fax () _____ E-mail: _____

FEES:	HFMA / AlaHA Members	Non-Members	Total Registration Enclosed
Registration	\$95	\$145	\$ _____

Please contact Debbie Maddox at (800) 489-2542 for special assistance. No refunds on or after 9/22/00

<p><i>Make checks payable and return to:</i> Alabama Health Research & Education Foundation P.O. Box 210759 • Montgomery, AL 36121-0759 or call Debbie Maddox: (334) 272-8781 • (800) 489-2542 Fax registration to: (334) 270-9527</p>	<p>• VISA / MASTERCARD • _____ • Card Number Exp. Date • _____ • Card Holder's Name & Signature</p>
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HFMA Southern Institute Grand Casino Biloxi • January 18-19, 2001

This multi-chapter meeting hosted by the Alabama Chapter promises to be another great event! National HFMA Chairman-elect Ronald R. Long will speak about "Healthcare 2000 and Beyond," and Pam Townsend's topic will be "The Aftermath of APCs, What Now!" Please make your reservations early. You may contact the Grand Casino Biloxi directly by calling (800) 354-2450. Mention the HFMA Southern Institute to receive the special rate of \$79+tax, double/single.

For more information about the Grand Casino Biloxi, go to www.grandcasinos.com.

HFMA Fall Institute

Wynfrey Hotel at Riverchase Galleria
 Birmingham, Alabama
 November 8-10, 2000



James Gregory
"The Funniest Man in America"

Mark your calendars and register now for the 2000 Alabama Chapter Fall Institute. It is scheduled for Wednesday, November 8 through Friday, November 10 at the Wynfrey Hotel in the Riverchase Galleria in Birmingham, Alabama.

This year's event promises to be enjoyable with informative educational opportunities and lots of fun on the agenda! To start, join us at the beautiful Pine Tree Country Club for the golf tournament scheduled for Wednesday afternoon, November 8. We'll enjoy playing a round of golf in the crisp fall air on this great course!



The education session begins on Thursday, November 9 at 8:00 a.m. We will adjourn at 5:00 p.m. for our evening at the Comedy Club Stardome Theatre where we will enjoy an evening of networking and laughter. The Comedy Club will feature James Gregory, *The Funniest Man in America*. We will resume Friday, November 10 at 8:00 a.m. and adjourn around 12:45 p.m. Make your plans to attend.

Hotel Information

You may make reservations directly with The Wynfrey Hotel by calling (205) 987-1600, or toll free (800) 996-3739. Please mention HFMA to receive the discount rate of \$125 double/single. The block of rooms reserved for this function will be released on October 8, 2000. After this date, reservations will be accepted on a space available basis.

Meeting Registration

Name _____
 Title _____ Organization _____
 Address _____ City _____ State _____ Zip _____
 Phone () _____ Please check here if you are a new HFMA member as of June 2000

FEES:	Members	Non-Members	
Registration	\$100	\$125	\$ _____
Golf	\$60	\$60	\$ _____
Guest at the Comedy Club	\$25	\$25	\$ _____
TOTAL			\$ _____

Please check the events you plan to attend:

- Wednesday's Golf *Handicap or average score* _____
- Thursday Evening Comedy Club *(included in registration fee)*
- I plan to bring a guest to the Comedy Club *(Add \$25)*

Dress code for all events is casual.

Make checks payable to: Alabama Chapter-HFMA

Mail to: **Jonathan B. Kimsey, CPA**
PricewaterhouseCoopers LLP
 1901 6th Avenue North, Suite 1600
 Birmingham, AL 35203-2690
 Phone: (205) 250-8503 • Fax: (205) 250-8581

Welcome New Members

Reginald Nelson*
Baptist Health Centers, Inc.

Geno Preskitt*
Cap Gemini Ernst & Young

Scott Huffaker*
Concord EFS Card Services

Libby McClendon
Marshall Medical Center South
Recruited by Catherine G. Norwood

John Milazzo*
Stringfellow
Memorial Hospital
Catherine G. Norwood
Marshall Medical Center South
Recruited by Kathy B. Nelson

* Please call us with your sponsor's name.

Member-Get-A-Member Sponsor Standing

SPONSOR	TOTAL RECRUITED
Kathy B. Nelson, Marshall Medical Center South	1
Catherine G. Norwood, Marshall Medical Center South	1
TOTAL NEW MEMBERS RECRUITED FOR 2000/2001	8

To receive applications for new members or additional information, please call Pollyanna Brannan at 1-800-264-2700 ext. 213. If she is away, please leave your name, number, address and fax on the voice mail and she will respond ASAP!

MGAM LEAD RECRUITER

Kathy Nelson and Catherine Norwood have tied early on with one recruit each. In addition to the similarity in names, they both work for Marshall Medical Center South.

Everyone get out and RECRUIT! RECRUIT! RECRUIT! It looks like Marshall Medical Center South may be tough to beat!


Go For The Gold!

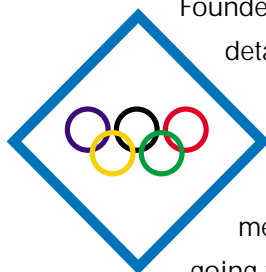
Effective immediately, chapter members can view their Founders Points on the HFMA web site at www.hfma.org/members/memdirect.htm <<http://www.hfma.org/members/memdirect.htm>>.

Log on today to see where you stand. Remember, points are accumulated and accounted for on an annual basis using the June-May membership year. The maximum number of points a member can earn in one year is 40. The Membership Directory includes a complete description of the

Founders Merit Award series and details of the points system. If

there is an error with your points, please contact Annette Baker. As HFMA members, we should all be


going for the Gold! 



Log On!!

We have great news to share!! The Alabama Chapter's web page is up and running. Visit our web page today at www.alhfma.org <<http://www.alhfma.org>>

If you have suggestions or ideas, please send them to Jose' Valencia at javalencia@thevalenciagroup.com <<mailto:javalencia@thevalenciagroup.com>>. We want to know what you think!

A special thanks to José Valencia and the Information Technology committee for working so hard to bring our chapter into the 21st century. 



Certification Via The Net

by Mary A. Debilzen, CHFP

Director, Patient Financial Services, Holy Family Memorial, Inc.

Taking the HFMA certification exam isn't as intimidating as you may think. I just wanted to briefly share my experience with taking the exam the new way - via the Internet.

With the new year and century, I made a New Year's resolution to pursue HFMA certification after procrastinating for the last three to four years. I also decided to take the core exam and my specialty exam at the same time. This way I only had to go through the agony once and it would prevent me from procrastinating again about taking the second exam later on. Also, my goal was to take the exams by the end of April to ensure that the upcoming warmer weather would not be a distraction to me.

So I ordered the self-study courses for the core and specialty exam and began my work of studying and doing assignments for the courses. The first neat thing I discovered was that I could submit all my assignments via the Internet. This allowed me to send the completed assignments as soon as I finished. I also saved on postage costs. So things were going very well with the course studies.

Then I received a letter from HFMA National explaining that they no longer would be using

Sylvan Testing Centers to administer the exams. Instead, they were to be taken via the Internet, with the chapters being responsible for coordination and administration of exams. At this point I didn't know if this was an advantage or a setback for me. One good thing was that the fee for the exam had decreased.

In response to the letter, I called my chapter certification chairperson. He was very accommodating even though he just recently learned of the new process as well. I was to be the first person in Wisconsin to take the exam this way, so we set the date and place. I was to take the exam at his healthcare facility, and he would be the proctor and find out what he had to do to administer the exam. He assured me all would be in place by the exam date.

So now I had a definite date to shoot for and continued my studies. I downloaded sample questions from the HFMA web site. On the day of the exam, I drove to my proctor's healthcare facility, and his associate had everything set up for

me in a quiet meeting room, including coffee and muffins. They put me at ease.

Once connected to the Internet, the format of the exam made it easy to take. Five to ten questions appeared at a time. When the group of questions was answered, I would click on "submit" and the next group of questions appeared. At the end of the exam the score was available to me immediately after submitting the final group of questions.

That was all there was to it. What I thought would be a mind-boggling project turned out to be a good experience. I received valuable education from the self-study courses and accomplished one of the goals I had set for myself.

For additional information on any of these topics, please contact Pepper Zenger at HFMA by calling 800-252-HFMA, ext. 308, or by e-mail at pzenger@hfma.org.

For more information on HFMA's certification program or HFMA career development services, contact your chapter certification

chair, your chapter placement chair, or HFMA's Director of Career Development Pepper Zenger at (800) 252-HFMA (4362), ext. 308, pzenger@hfma.org



Upcoming Testing Dates

DATE

December 1, 2000

March 9, 2000

ADMINISTERED BY

Kevin Sheppard

TBA

PFS Open Forum Summary

by Debra Gorham
The Valencia Group

The Summer Institute was successful and enjoyable. I had the pleasure of moderating the PFS open forum panel discussion that included representatives from EDS, Blue Cross and Blue Shield of Alabama, Zimmerman and Associates and Medical Management Plus. The discussion and interaction between the panel and audience was productive and important issues were addressed. As expected, much of the discussion related to the implementation of Medicare APCs.

For the benefit of those who were not able to attend, the following is a summary of the information shared during the meeting:

Panel members included: Blue Cross and Blue Shield of Alabama's Paula Cox, J. E. Avrard and Shannon Lavett; from EDS, Cyndi Crockett; from Medical Management Plus, Karen Northcutt; and from Zimmerman & Associates, Fran Cone.

EDS

Cyndi Crockett reminded everyone that the time filing limits for

Medicaid claims has been extended. However, this extension does not include PHP claims. The PHP claim limit is still 120 days from the fiscal year-end.

Effective September 1, 2000 EDS representative assignment will be restructured. Representatives will be assigned to specific programs rather than being assigned to a region. This should allow for more specialization and detailed knowledge of the programs. The representative assignment will be in an upcoming issue of Provider Insider.

Zimmerman & Associates

Fran Cone provided suggestions for improving collection results:

- Focus on basic clean claims
- Try to lower the number of days on bill holds
- Place emphasis on upfront collections
- Offer payment options

APC Related Topics

At this time, representatives of the fiscal interme-

diary participate in a conference call with HCFA each week to discuss current topics and



questions. Many of the original directives by HCFA have changed since the initial questions and answers were posted on the Alabama Medicare Internet site (www.almedicare.com/provider/claims/opsapc.htm). Providers should review this site on a weekly basis to see if any information has changed.

In order to receive all detailed payment information on APC claims, electronic remittance must utilize a new format. The only way to receive line item payment detail is by posting electronic remittances using Version 3051.4A. Paper remittances will not change and will not have the payment line item detail. This detailed payment information will be important for provider's decision support

analysis. Version 3051.4a will be required as of January 1, 2001 for electronic remittances.

Modifiers will be important for emergency room claims. Specifically, modifier 25 must be attached to the evaluation and manage-

ment code when appropriate. Karen Northcutt recommended education for staff entering charges for emergency room services. This is to ensure that the modifiers are passed to the UB92 when appropriate. Additionally, Karen recommended that all charge master issues be reviewed and updated to ensure that all required items have a CPT code that will pass to the UB92.

Audit trails will not be affected by APC billing. Claims on audit trails will still reject at the claim level and not at a detail level. Also, paper audit trails will not be available after December 31, 2000.

A special transmittal should be released soon relating to pathology. There should also be a transmittal released

continued on page 12

House Introduces New Bill "Nursing Home Quality Protection Act"

James F. Henry, Esq.
Johnston Barton Proctor & Powell LLP

By now, most health care providers are acutely aware of the federal government's efforts to enforce compliance with the Medicare and Medicaid laws and regulations. Accordingly, managing the risk associated with False Claims Act lawsuits and administrative remedies has become an integral part of the compliance programs for most health care providers. As health care providers are learning to cope with False Claims Act lawsuits and administrative remedies, however, new enforcement mechanisms are on the horizon.

On July 25, 2000, United States Representative Henry Waxman introduced House Bill 4949, which would amend Section 1919 of the Social Security Act. Entitled the "Nursing Home Quality Protection Act," the bill purports to improve the quality of care furnished in nursing homes through three initiatives.

Section III of the bill would reinstitute the Boren Amendment payment methodology which required that the states make reasonable and adequate payments to nursing homes and other health care facilities. Section III would also establish a nursing facility quality improvement account that would distribute funds to the states to be used for purposes designated by the secretary of the Department of Health and Human Services.



Section II of House Bill 4949 would establish new money penalties for deficiencies cited as a result of Medicare and Medicaid certification surveys. These penalties . . . would be in addition to the civil money penalties already available to the government.

The purposes include recruiting, educating, and training nursing employees. Section IV of the bill would provide for increased public disclosure over the Internet regarding a wide variety of information concerning each facility, including: compliance with federal regulations; complaints filed against the facility; enforcement actions against the facility; nurse staffing ratios; identities of the owner and operator

of the facility; violations of federal labor and employment laws; and other information. To facilitate the Internet disclosure, nursing facilities would be required to maintain records and make reports to the Department of Health and Human Services regarding these matters. Although the disclosure requirements embodied in Section IV of the bill are cause for concern among all health care providers, an even greater concern arises from Section II of the bill, which is entitled "Increased Sanctions for Substandard Care Furnished in Nursing Homes." Section II of House Bill 4949 would establish new money penalties for deficiencies cited as a result of Medicare and Medicaid certification surveys. These penalties, which are characterized in the bill as "refunds", would be in addition to the civil

continued on page 12

PFS Open Forum Summary, *continued from page 10*

regarding approximately twenty procedures originally designated as inpatient procedures that are now approved as outpatient procedures. Many of the newly approved outpatient procedures are in special procedures and cath lab areas. However, the OCE edits have not been updated to accept and pay these as outpatient procedures. The OCE edits should be updated October 1, 2000. Until the update occurs any claim billed as outpatient for these procedures will reject. HCFA has recommended two options for

the affected claims. The first (HCFA preferred) suggestion is that providers hold these claims until October 1st. The second is that the claims are submitted as an outpatient claim without the charge for the affected procedure. Then after October 1st, the provider can submit an adjustment request online.

BCOL

Shannon Lavett reported that Blue Cross is working toward the goal of having BCOL available twenty-four hours a day, seven days per week. This project has become much more involved than

originally anticipated. There are many processes that must be reviewed and updated to accommodate this change. Blue Cross hopes to soon have BCOL available sixteen hours a day, seven days per week. The goal of twenty-four by seven is still being worked toward with the sixteen by seven as the first step.

Medicare to Medicaid Crossover Claims

The panel members are of the opinion that the crossover claims should start working as a result of the CELIP implementation for Medicare. As Medicare claims are processed with

the line item detail, Medicaid should be able to process the crossover claims.

The panel discussion lasted for the allotted time and would have continued further, but we had to close the session to stay on schedule. Both panel participants and the audience made positive comments about the session.

A special "Thank you" goes out to our participants.



Note: This summary can be viewed and printed from The Valencia Group's website at www.thevalenciagroup.com/hfma.html

House Introduces New Bill, *continued from page 11*

money penalties already available to the government.

Under the current system of civil money penalties, collection of the civil money penalty is stayed when a provider lodges an appeal. The penalty is only collected if the Health Care Financing Administration ("HCFA") prevails against the provider upon appeal. Unlike the current system of civil money penalties, however, the "refunds" would be payable by the facility

within thirty days, regardless of whether the facility appeals the results of the survey. In other words, the provider would have to pay first, appeal later.

Providers' concerns over this new pay first, appeal later, approach is heightened by the magnitude of the refunds proposed in House Bill 4949. The bill proposes refunds ranging from \$2,000.00 to \$25,000.00 per deficiency cited against the facility.

Payment of such amounts

prior to lodging an appeal (which may occur through the withholding of future payments by HCFA) could have dire consequences for some providers, particularly in light of the fact that appeals to HCFA may take months, or even years, to reach a conclusion on the merits.

Although aimed initially at the nursing home industry, House Bill 4949 has significant implications for all health care providers. Accordingly, all health care

providers should keep a close watch on this legislation.



Mr. Henry is with the law offices of Johnston Barton Proctor & Powell LLP. He is the author of Liability of Managed Care Organizations after Dukes v. U.S. Healthcare: An Elemental Analysis, 27 Cumb. L. Rev. 681 (1996-97). Mr. Henry's principal areas of practice include health care law, administrative law, and general civil litigation.

Best Practices To Accelerate Collections

Survey reveals national best practices

by David Zimmerman, CEO
Zimmerman & Associates

Hospital's with best days revenue outstanding and bad debt expense have revealed what makes them successful in a national survey conducted by Zimmerman Communications.

Results prove the best performers focus more on collecting high-dollar inpatient accounts with extremely tight control on all collection activity than the worst performers. Best performers also utilize all aspects of automation to accelerate collection from receivables, more than the worst performing hospitals.

Those hospitals that qualified as "best performers" averaged 51 gross days revenue outstanding and 2.4% of gross revenue in bad debt. These numbers are considerably lower than the 1999 national averages of 70 GDRO and 4.6% bad debt. Those hospitals at the opposite end of the spectrum averaged GDRO of 80 and 6.4% bad debt, which is far above the national average.

Here's a breakdown of revenue cycle management practices, comparing the best performers to those hospitals with highest days and bad debt.

Pre-registration

BEST performers are consistently pre-registering scheduled patients and focusing on third-party payer information. Specifically, pre-registration procedures include collection of full demographics, insurance eligibility and verification of benefits, as well as all required pre-authorization and pre-certification requirements.

The BEST performers reported that they consistently pre-register more than 50% of scheduled patients. Only one-third of the WORST performers have achieved this level of compliance.

In-house Collections

BEST performers focus on inpatient collections. Over 80% verify insurance while patients are still in-house, and over one-third request that inpatients stop at the cashier's office prior to discharge.

Billing Practices

BEST performers drop a bill about two days faster

than the WORST performers for both inpatients and outpatients.

They also submit over 80% of their claims electronically, and generate Medicare secondary bills automatically. Only about one-fourth of the WORST performers have achieved this level of billing automation.

Over 80% of the BEST performers assign work based on payer, but only about half segregate billing and follow-up activity.

Collection Practices

BEST performers consistently track collector performance by both dollars collected and calls made. WORST performers reportedly track dollars collected, but only about 15% track activity (calls made).

Self-Pay and Agency Activity

BEST performers' self-pay collection cycles are very tight. Roughly two-thirds route outpatient self-pay to agencies within 120 days of service, and almost half route inpatient claims

within that time frame.

WORST performers consistently allowed self-pay to age over 180 days.

Over two-thirds of the BEST performers are actively using credit cards to collect co-pays. Only one in 10 of the WORST performers use credit cards. Interestingly, about half of the BEST performers have three or more agencies competing for business, while the WORST performers use fewer agencies.

Information Systems

Results have shown 100% satisfaction among the BEST performers with electronic remittance, patient accounting and automated collection follow-up software. WORST performers were far less satisfied.

Overall, BEST performers have a wide array of reports to manage their receivables. All the BEST performers are able to accurately track medical record status of a claim prior to billing, while only about half of the WORST performers have this ability.



David Zimmerman is chairman of Zimmerman & Associates.

Average Bill Hold Days	BEST Performers	WORST Performers
Inpatient	4.4 days	6.0 days
Outpatient	5.0 days	6.7 days
Outpatient Ancillary	5.0 days	7.7 days
Emergency Department	5.0 days	6.5 days

How HIPAA's Impact Will Affect PFS Processes and Planning

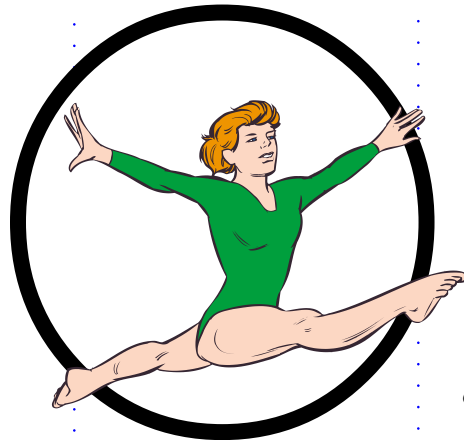
by Franklin Smith, Manager
Zimmerman & Associates

The hype surrounding the Health Insurance Portability and Accountability Act of 1996 may be more promise than achievement. The government has attempted to provide simplification of billing before, with UB-82 and 92 forms. This did not accomplish standardization regarding insurance and patient billing.

However, after reviewing the HIPAA Act of 1996, I believe that the changes stipulated in this law will provide an awesome vehicle for today's PFS leaders to improve their operations and results.

Reduce Major Hoops

With the new HIPAA mandates, healthcare providers will no longer need to jump through major hoops to comply with differences in information transfer rules, formats and communication requirements with payers on their receivables. *The days of using as many as 16 different tables in our charge master to ensure that the correct procedure code is used for each specific financial class requirement will be eliminated.*



Benefits to the Provider

The mandate to use the ANSI ASC X12 format will allow providers and review organizations to replace ineffective and costly paper and telephone certification and authorization methods with electronic inquiries and submissions. *The payment delays we*

currently experience due to paper submissions will be minimized as care approval processes and appeals of denials will be handled electronically.

It should improve operations on the front end. Patient wait times will be reduced due to expedited insurance verification processes relating to data collection, co-payment and patient portion determination, and improved knowledge of benefits available for specific procedures. It should

also result in improved cash flow, decreased bad debt adjustments, and improved days outstanding.

The standardization of claims submissions and payment posting processes will eliminate many local payer formats. Electronic follow-up capabilities will reduce the frustration now experienced by those who work the phones, waiting on hold for up to 10 to 15 minutes to check claim status for as little as three claims at a time. Erroneous data will be flagged automatically, facilitating

problem resolution quickly and effectively. In addition, this should improve the coordination of benefit issues that currently hold payment up for our claims from the Commercial and Insurance financial classes.

In short, HIPAA implementation should be a champion of PFS' causes once it begins. However, HIPAA alone will not improve our experience because of its mere existence.

Begin Now

PFS Managers should begin now to move their daily processes throughout the revenue cycle operations to best practice stipulations. This will ensure that the approach to your revenue cycle operation mirrors some of the transaction requirements that will be required once HIPAA is started. Examine each functional area to ensure that the tasks performed are done so within a comprehensive approach to the cycle, with the under-

standing that each checkpoint will affect the success of the next phase.

Service access is affected by service documentation, which affects the success of collection, which will lead to improved patient satisfaction. Shun the temptation to focus only on specific tasks performed within a certain function, *but build best practice business models that lead to effective communication with each department within the facility, including all revenue producing entities and the drivers such as physicians and physician office staff.*

Preparing for the "Kick-Off"

Start with bringing the issue up with your Administrative Steering Committee, that includes the CFO, CIO, Managed Care Director, Health Plan Administrators for those facilities

that are payers, HIM Director, Business Office Managers and any technology or business office consultants currently onsite at your facility. Establish objectives and planning strategies as it relates to the following items.

- Perform a technology assessment of the formats currently utilized by your facility regarding the transactions stipulated in the HIPAA Act, and have the findings reported to the committee. This includes all vendor relationships that are shared by the facility. The findings establish the required work your facility will have to perform in order to be successful after



- the implementation of the ANSI ASC X12 formats.
- I suggest reading materials in the

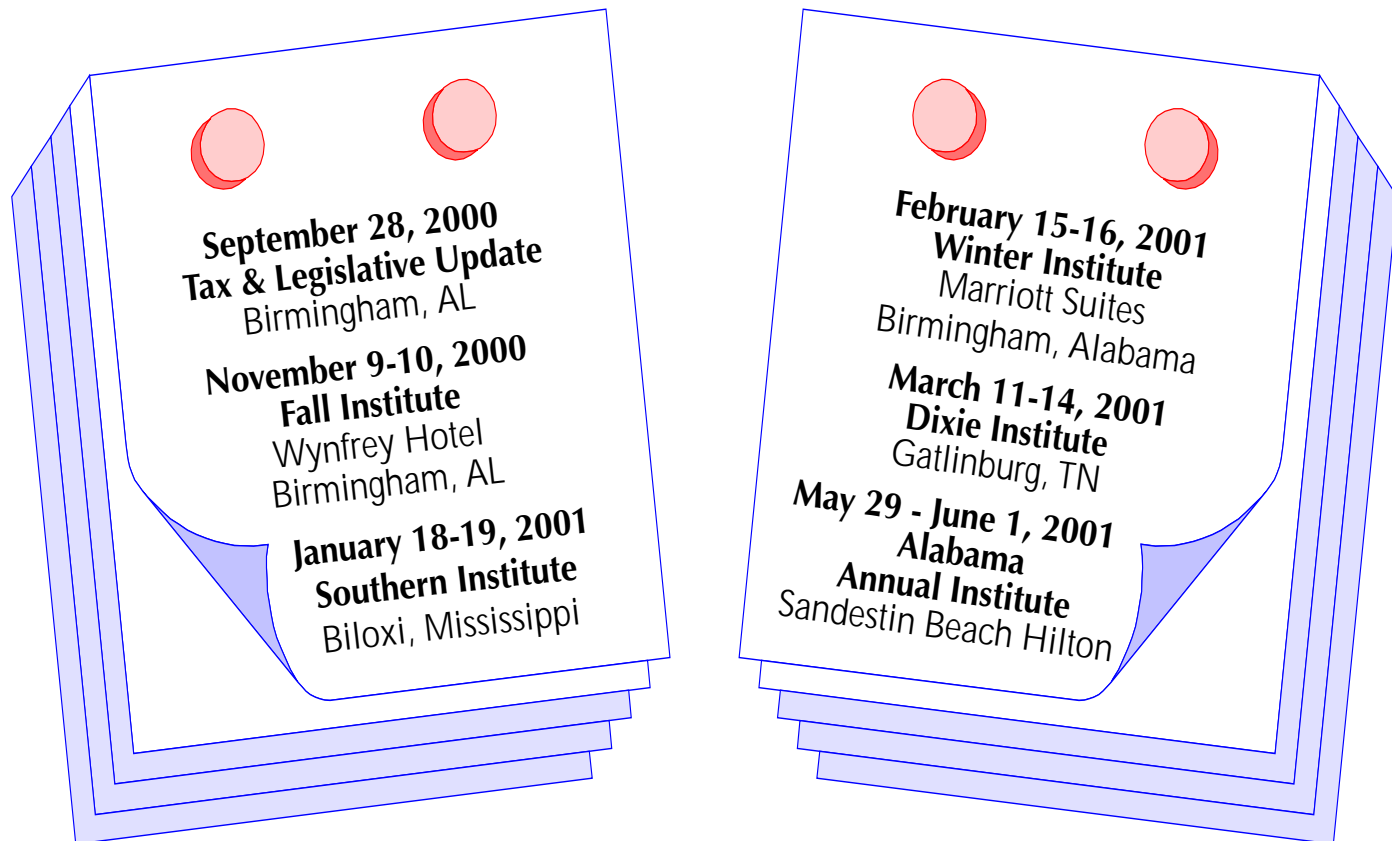
meetings to your peers to ensure that your meetings will be as harmonious as possible, raising the awareness of the group and providing urgency to prepare for what is being called the biggest item impacting healthcare since the Y2K fiasco.

Let's have vision and gather talent and change business office models to capitalize on the utilization of technology. Planning and acting now will allow us to shine as the stars that we are, and will lead to an improved healthcare encounter experience for the patients and communities we serve, which is what this is about in the first place.



Franklin Smith is a manager with Zimmerman & Associates and has over nine years experience in healthcare receivables management.

Mark Your Calendars Now & Make Plans To Attend ...



LOOKING AHEAD

In the upcoming issue of *Bama Chatter* watch for more information regarding the Southern and Winter Institutes and the article *Creating Exceptional Customer Service*.

Dawn Walton, CPA

Editor

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