

Bama Chatter

HFMA ALABAMA CHAPTER

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Annual Institute Wrap-Up

In traditional form, a great time was had by all last month at the Alabama Chapter's Annual Institute. The event was held at the Sandestin Hilton for the second year, and the accommodations, service and social functions were second to none.

This year's Annual Institute marked an attempt to focus on new ways of viewing healthcare as being similar to

other business ventures. Gary Zuene spent the Thursday session focusing on the ways world-class companies strive to "beat their competitors' brains out" while showing those in attendance how accountants should be more focused on maintaining their "information market share." Other topics included the proliferation of e-business ventures and means of utilizing these to grow market share, real estate financing strategies, portfolio performance enhancement through alternative investments, and several sessions relevant to the pending Medicare Outpatient Prospective Payment System.



The HFMA Officers and Board of Directors

- continued on page 6 -



2000 - 2001

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Winter Institute

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1-800-252-HFMA, ext. 350

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| | | |
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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.

President Plans for a Great Year

June 1, 2000 marks the beginning of the new HFMA year for the Alabama Chapter. The 2000-2001 Board and Officers were installed at the Annual Institute. The officers are excited about the new year! Paul, Phil, Mitzi and I will work diligently to excel in our jobs as officers to ensure that Alabama remains one of the strongest Chapters in the nation.

Congratulations to Curt Miller for an outstanding year as President! We attended the Annual National Institute (ANI) in Orlando where the Alabama Chapter again received National recognition for continued quality service to its members. Next issue, we will have a complete update on the Chapter accomplishments recognized at ANI. Curt, thanks for all of the

hard work and effort on behalf of HFMA!

Special thanks to Paul Graham for planning the Annual Institute at Sandestin. It was a great kick off to the 2000-2001 year! This year's Annual Institute provided excellent educational opportunities, good food, energetic entertainment at Thursday night's banquet, and lots of fun and sun for all. I would like to express my appreciation to Paul and the financial staff at Eastern Health System, Inc. who worked to plan and coordinate all the details necessary for 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. Also, congratulations to the award winners announced at the meeting

Mark your calendar for the Summer Institute August 10-11, 2000 at the Embassy Suites in Montgomery. Richard Byerly is completing the planning for this meeting. In addition to offering great educational opportunities, this exciting Institute will again include a trip to the Shakespeare Theatre. Don't miss this meeting!

Let me encourage each of you to become certified as either a FHFMA or CHFP this year. Certification distinguishes you as an expert in the healthcare field. We are calling on all members to step up and take the certification challenge!! Contact Russell



Annette N. Baker, FHFMA
President, Alabama Chapter
HFMA

Hodge for information on the certification exams.

Take this important step in your career!

I look forward to working with all of you and serving as your President this year.

Together we can continue the tradition of excellence established in the Alabama Chapter of HFMA.

See you in Montgomery!

Annette 

2000 Health Law Seminar

September 15, 2000 · HealthSouth Conference Center · Birmingham, Alabama

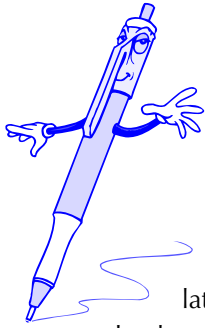
Make plans to attend the **2000 Health Law Seminar** on September 15, sponsored by Cumberland School of Law and Co-Sponsored by HFMA. Watch your mail for complete registration information, coming in August.

Tentative Agenda

| | |
|---------------|---|
| 8:30 - 10:00 | HIPAA - Overview and Emphasis on Privacy and Security Issues |
| 10:00 - 10:15 | Refreshment Break |
| 10:15 - 11:45 | Update on Fraud and Abuse, Including New Stark II Regulations, Safe Harbors, and OIG Advisories |
| 11:45 - 12:45 | Lunch |
| 12:45 - 1:45 | Compliance for Small Physician Offices |
| 1:45 - 2:45 | New Developments in Enforcement Action under the False Claims Act. |
| 2:45 - 3:00 | Refreshment Break |
| 3:00 - 4:00 | State Law Update |

CPE Credits: 8 hrs. ALL INTERESTED MEMBERS ARE ENCOURAGED TO ATTEND! CLE Credits: 6 hrs.

From the Editor's Desk . . .



Congratulations to our "Best Paper" Award Winners Debra Gorham, Paul Graham, Becky Miller and Kerry Vermillion.

Thanks to each of you, and to all who submitted a paper for *Bama Chatter*. I will serve as your editor through the next administration, so keep those articles coming. Remember, there is prize money at stake, as those mentioned above can attest.

Please be patient with me if the next couple of issues are a little late. The time is drawing near for my maternity leave, after which I will be the mother of two! That may have influenced the article beginning below.

Until next issue,

Dawn



Dawn Walton, CPA, Chairperson
Publications Committee

Have APC's got you worried? Is the BBA still causing you pain? Are your kids driving you crazy this summer? Are you desperately trying to find time and money for that needed vacation? Well whatever is causing your stress this summer, don't fret. We have help on the way!! Stress expert Charles B. Inlander has developed 25 ways to reduce stress. Do yourself a favor. Practice any or all of these stress busters. They can mean the difference between good and bad health!!

Stress Busters . . . 25 Ways to Reduce Stress

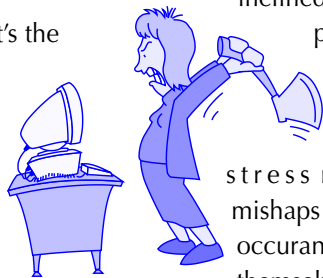
1. Laugh. It's one of the healthiest antidotes to stress. When we laugh, even smile, blood flow to the brain is increased, endorphins (painkilling hormones that give us a sense of well-being) are released, and levels of stress hormones drop.

2. Socialize. Don't be a loner. Isolation has been tied to failure to cope adequately with stress, heightened vulnerability to illness and even premature death.

3. Get Rid of Anger. It's the single most damaging stress-related personality trait that precedes a heart attack.

4. Be Decisive. Indecision prevents you from taking action, causing a loss of a sense of control and thus intensifying stress.

5. Be Assertive. Stand up for your decisions, express your feelings, disagree with others when you feel differently, give, as well as accept, compliments.



6. Get Some Sleep. Lack of adequate sleep can make you moody, angry and more vulnerable to illness and the daily stressors that stalk you.

7. Adapt Your Environment. Color, lighting and noise are all elements that engage and influence our senses. They can work against you, adding stress — or for you, as environmental stress reducers.

8. Encourage Yourself. If you're inclined to blame yourself for your problems — even when they're not your fault — you may be guilty of negative self talk, which is a great stress maker. Those who accept mishaps as routine and normal occurrences in life and who talk to themselves in positive terms about these events have higher self-esteem and much lower stress levels.

9. Choose Winners. Seek the company of those who are optimistic and have high self-esteem. They tend to have low stress levels and contribute to lower stress levels to those around them.

10. Reward Yourself. Go to the movies, browse in a bookstore. Those who reward themselves by engaging in something pleasurable realize a boost in the disease fighting quality of their immune systems for several days.

11. Establish Rituals. People who have high stress in their lives tend to live surrounded by mental and physical chaos. Establishing rituals can help prevent and reduce stress by saving time. It also reassures us that no matter how bad conditions get, some things remain constant.

12. Nurture Your Spirituality. Religious or spiritual beliefs give us a context larger than ourselves, and can provide us with perspective when we are deeply stressed.

13. Take Note. Writing down your feelings in a diary may help relieve emotional stress. In a recent study, participants wrote for 20 minutes a day over four days about issues or emotions that were causing them stress. Those who stuck to the exercise showed improved mental health and were better able to cope with stress.

14. Play Around. The next time you're feeling anxious or stressed, take a break and do something childish: find crayons and draw a picture, rent a favorite childhood movie, borrow some fun children's books or find a few old favorite toys.

15. Slow Down. Try moving, talking and behaving in a relaxed, slower manner and see if it doesn't let some of your stress ebb away. For instance, drive ten miles per hour slower; pause at the table before you eat; take an after-work shower; let the phone ring a few times before answering.

16. Get a Pet. Whether it's a dog, cat, bird or fish, a pet can play a vital role in stress relief. A Johns Hopkins Medical Center study found that 50 out of 53 people with pets were alive a year after their first heart attacks, while only 17 of 39 of those without lived a year.

17. Take Vacations. It's an ideal time to gain perspective on your day-to-day life and to put aside the stress load for a few days. It's important to get a total change of scenery, a new environment. Workers who use their vacations to work at home are not recharging nearly as well as they would if they were away from home for the same period.

18. Take Up a Hobby. If you pursue a hobby you genuinely like, you're apt to get so absorbed in it that you don't notice time passing. You'll forget stress and reach a level of total relaxation.

19. Delegate. Those who don't learn to delegate become overloaded with unfinished tasks, making them stressed, less productive and isolated by their excessive expectations.

20. Be In Control of Your Finances. A survey of 11,000 adults showed the number one source of stress is worry over personal finances. Research also



shows that people trying to maintain lifestyles they can't afford are more likely to have health problems.

21. Don't Procrastinate. It lessens productivity, not only compounding stress but also causing the stressful by-products of guilt, anger and low self-esteem. And the worse stress gets, the greater the tendency to procrastinate becomes.

22. Live by Lists. Having a daily written list of what you expect to do will help you become more realistic about your schedule and remind you of tasks you do not want to forget. By listing a task, you also relieve stress by removing the thought from your mind, which helps to lessen mental overload, a common occurrence in stressed people.

23. Eat Right. What you eat can promote or relieve stress and help or hinder the body in how it handles the physical stress response. Stay healthy and stress-resistant by taking time out for meals, eating at regular times, avoiding sugars and fats. If you are stressed out and need a break from anxiety, try foods low in fat and protein and high in complex carbohydrates for a calming effect. If you're looking to concentrate your energy to help you get through a stressful day, look for food that enhances alertness.

24. Exercise. To work away your tension and fortify yourself against the negative physical effects of stress, try these tips: squeeze something (such as a squishy ball); do an aerobic activity; take a walk; swim.


25. Relax. Breathe Deeply. Visualize something pleasurable. Meditate. Concentrate on present, tangible situations. Inhale aromatic oils. Listen to soothing music.



All materials adapted from Stress: 63 Ways to Relieve Tension and Stay Healthy, with the permission of the People's Medical Society, Copyright 1996.


Stress Points

Just to give you an idea of how stress is controlling our lives, here are some facts for you to mull over. Don't let them get you down.

- 70 - 80 % of all visits to the doctor are for stress-related and stress-induced illnesses.
- People who live in a high state of anxiety are 4.5 times more likely to die of a heart attack or stroke.
- Stress contributes to 50% of all illnesses in the United States.
- Stress-related injuries on the job climbed from 5% of all occupational disease claims in 1980 to more than 15% in 1990.
- The cost of job stress in the United States is estimated at \$200 billion annually, including costs of absenteeism, lost productivity and insurance claims.
- 7 of 10 respondents to a national poll in 1995 said they felt stress in a typical workday, while 43% of those interviewed said they suffer noticeable physical and emotional symptoms of burnout.
- According to a Johns Hopkins University study of 12,000 workers, the highest stress job categories include: lawyers, secretaries, data entry and computer operators, special education teachers and school counselors, typists, health aides, waiters and waitresses, food preparation workers and sales personnel. All do demanding work for which others set the rules. 

Annual Institute Wrap-Up, continued

The highlight of the event was the Thursday night banquet and the rousing performance of Frank Miles. If you missed it, suffice to say that a few lines on paper wouldn't do it justice. But just know that machetes, fire juggling, unicycles, half-eaten apples, ping pong balls, and a couple of brave volunteers can make for a very interesting hour of entertainment.

Special thanks go to our many sponsors whose kind contributions ensured the overwhelming financial success of this event. This year's Annual Institute kicked off a year that we know will be one of the Chapter's best ever in the area of educational programming. 

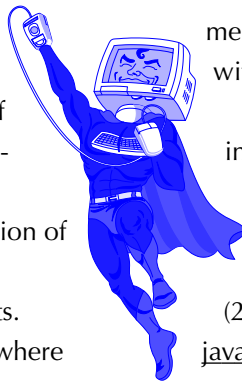


Best Paper Award Winners (l to r): Debra Gorham, Paul Graham, Becky Miller and Kerry Vermillion. Other award winners not pictured are Kevin Sheppard and Dawn Walton.

Alabama Chapter Announces Its Own Web Page


The new Information Technology Committee is in the process of developing a web page for our chapter. We are awaiting confirmation of our web address and plan to have the site accessible by September 1, 2000.

Our web page will feature an electronic version of Bama Chatter, upcoming chapter activities and educational opportunities and calendar of events. There are plans for a secured discussion forum where



members can pose questions and discuss issues with other members of our chapter.

The Information Technology Committee is interested in hearing from you. If you have suggestions or questions regarding our new web page, contact Jose' Valencia, Chairman of the Information Technology Committee, at (205) 939-9239 or email

javalencia@thevalenciagroup.com. 

WIN \$100, \$200 OR EVEN \$300


YOU CAN BE WINNER - IT'S EASY!

How? Write an article for Bama Chatter

Articles must be typed, double spaced and can be **any** length - that's right - from two to 2,000 words. The more you submit the more chances you have to win. So don't delay - submit your articles today.

All articles or other information worthy of



printing should be submitted to the editor by the 20th of the month preceding publication (see *page 2 for publication schedule*). The editor reserves the right to edit materials and accept or reject contributions whether solicited or not. 

Alabama Chapter Summer Institute

Embassy Suites Hotel • Montgomery, Alabama
August 10 - 11, 2000

Alabama Shakespeare Festival's *Godspell*

This year's Summer Institute is not to be missed! In addition to the great speakers and topics (listed below), we have a Wednesday afternoon golf outing at the RTJ Capital Hill in Prattville. (Each golfer will pay at the facility.) Thursday evening, join us as we enjoy the play *Godspell* at the scenic Alabama Shakespeare Festival Theater as well as dinner at the Macaroni Grill. Our meeting topics will include:

- **APCs - What Happens After We Go Live?**
presented by Medical Management Plus
- **Anger Management and Customer Service for the Professional**
presented by Greg Smith, Integrated Psychiatric Care
- **HIPAA - Do You Have a Choice?**
presented by The SSI Group
- **Patient Satisfaction - Does it Affect My Marketshare?**
presented by Zimmerman & Associates

Registration Information

Name _____
 Title _____ Organization _____
 Address _____ City/State/ Zip _____
 Phone () _____

| REGISTRATION FEES: | Total |
|---|-------|
| First Person: Name/Title _____ \$100.00 | _____ |
| Second Person: Name/Title _____ \$80.00 | _____ |
| <i>*Note: Dinner & Play are included for 1st & 2nd Registrants. All others add \$25 here. ↓</i> | |
| Third Person: Name/Title _____ \$60.00 | _____ |
| Fourth Person: Name/Title _____ \$40.00 | _____ |
| Each Add'l: Name/Title _____ \$20.00 | _____ |
| TOTAL | _____ |

Please check the applicable boxes:

Alabama Chapter: Member New Member
 Non-Member

Yes, I plan to attend: Wednesday Afternoon Golf Outing
 *Thursday Dinner - Macaroni Grill
 *Shakespeare Festival's *Godspell*

*No additional charge for 1st & 2nd registrants.

Make checks payable to: Alabama Chapter-HFMA

Mail to: **Richard Byerly - Controller**
 East Alabama Medical Center
 2000 Pepperell Parkway
 Opelika, AL 36801
 (334) 705-2107 • Fax (334) 705-1828

Hotel Information

The meeting will be held at the Embassy Suites in Montgomery. (Phone: 334-269-5055.) When making reservations, please mention HFMA to receive the room rate of \$109. Please don't delay in making your reservations as the block of rooms being held for this event will be released on August 1. Dress code for all events is casual.

Become a Certified Member...It's the only Thing to Do!

National HFMA announced this spring that the CHFP exam process was changing. As of April 2000, Chapters are responsible for making certification exam arrangements. We have answers to your many questions!

Testing Dates

We have three test dates scheduled for the year 2000/2001:

Friday, August 18, 2000

Friday, December 1, 2000

Friday, March 9, 2001

National HFMA requires a member to wait 90 days before retaking any portion of the exam so the exam dates have been set at least 90 days apart.

Testing Location

All exams will be held in Birmingham in the Training & Development area of Blue Cross and Blue Shield of Alabama in the Galleria Towers office building at the Riverchase Galleria.

How Will the Test Be Administered?

The examinations are conducted via the internet. Exams must be proctored by an HFMA certified member chosen by the chapter. The proctors for the test dates above are:

Aug. 18, 2000 Russell Hodge

Dec. 1, 2000 Kevin Sheppard

March 9, 2001 TBA

Note: You need the proctor information above, along with the test dates, in order to apply for the exam.

What is the Cost?

The cost of the Core exam is \$100 and each Specialty exam is \$70. To become certified, you must pass the core exam and one specialty exam. The specialty exams are Accounting and Finance, Managed Care, Patient Financial Services and Financial Management of Physician Practices.

How Do You Register?

You can register through HFMA National via the internet at www.hfma.org. Just click on certification.

Everything you need to know about the certification process is on the web site as well. Also, you can request Certification information from Russell

Hodge by contacting him at russell.hodge@ey.com or calling (205) 226-7326.

Our chapter goal is to certify ten members during the 2000/2001 Chapter year. Currently, only 7% of our members are certified. If you have questions or need study materials, call Russell Hodge. ☎



Certified members we need your help!!

A certified member is needed to proctor the exam scheduled for Friday, March 9, 2001.

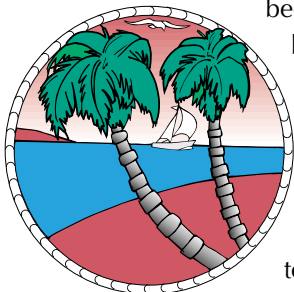
If you are interested and available to help, please contact Russell Hodge at (205) 226-7326.

Top Recruiter Honors Go to David Cashio

by Pollyanna Brannan
Membership Council Chairperson

Congratulations and a big "Way To Go" for David Cashio from Decatur General Hospital, the Top Recruiter for 1999/2000. David recruited 5 new members into HFMA this past year. Along with the title of Top Recruiter, David earned a 3 day/2 night stay at the SanDestin Hilton Beach Golf and Tennis Resort. Thanks to everyone who participated in the contest and recruited new members.

Are you disappointed that you didn't win? Well, don't let it get you down, because we're going to do it again. That's right! We will be giving away another 3 day/2 night stay at SanDestin to the Top Recruiter for the 2000/2001 year. So, start looking now for that prospective new member and share HFMA with him/her. A new member application is included in this issue of Bama Chatter for your convenience. Any new member updates should be sent to Pollyanna Brannan at pollyanna@cbmontgomery.com or call (800) 264-2700, ext. 213. ☎



ATTENTION HFMA MEMBERS

Have you renewed your HFMA membership for 2000-2001? Renewal notices went out in the mail several months ago. If you did not receive yours or have just failed to return it, act now. You can renew your membership online at www.hfma.org. Do it today before you miss out on any of your HFMA membership benefits.

APPLICATION FOR MEMBERSHIP IN HFMA

FAX IN: 1-708-531-0665
(credit card payments only)

MAIL WITH CHECK TO: HFMA
Dept. 77-5195 • Chicago, IL 60678-5195

Send Mail: Business Home

Mr. Mrs. Ms. Other First Name _____ Middle _____ Last _____ Suffix _____

Job Title _____ Employer _____

Business Address _____ Home Address _____

City/State/Zip _____ City/State/Zip _____

Business Phone/Ext. _____ Fax _____ Home Phone _____ E-mail _____

Member Dues/Fees: Annual regular membership includes a \$30 allocation to *Healthcare Financial Management*, the official magazine, and is not deductible from the dues. Annual dues cover membership in National HFMA and in one local chapter.

Begin my membership the month of: _____

Dues through May 31, 2001 (see schedule below) \$ _____

One-time Application Fee for Nw Members \$ **30**

Total (Add all lines above) \$ _____

NOTE: Memberships are personal only and do not apply to institutions. Memberships, even those paid by employers, are not transferable.

| Month Joined | Dues | Month Joined | Dues |
|--------------|-------|--------------|-------|
| June 1999 | \$199 | December | \$109 |
| July | \$184 | January | \$94 |
| August | \$169 | February | \$79 |
| September | \$154 | March | \$64 |
| October | \$139 | April | \$49 |
| November | \$124 | May 2000 | \$34 |

I affirm that the information I have given is true to the best of my knowledge, and I agree to abide by the HFMA Code of Ethics, and the Constitution and Bylaws of the Association.

Signature _____ Date _____

WHAT IS THE HIGHEST EDUCATION LEVEL YOU HAVE COMPLETED?

- | | | |
|--------------------------------------|---------------------------------------|--|
| <input type="checkbox"/> High School | <input type="checkbox"/> Some College | Date degree earned _____/_____/_____ |
| <input type="checkbox"/> Associate | <input type="checkbox"/> Bachelor | Date of birth _____/_____/_____ |
| <input type="checkbox"/> Masters | <input type="checkbox"/> Doctorate | Date started in healthcare _____/_____/_____ |

Member-Get-A-Member (MGAM) Sponsor Information:

Sponsor Name _____

Sponsor Member No. _____

Payment Method:

Check enclosed for \$ _____

Please mail your application with payment to: HFMA
Dept. 77-5195 • Chicago, IL 60678-5195

Charge \$ _____ to my
 Visa MasterCard American Express

Card Number _____ Exp. Date _____

Cardholder's Name _____

Cardholder's Signature _____

You may fax your credit card applications to:
1-708-531-0665

Questions? Call (800) 252-4362, ext. 2
Visit the HFMA Website at
www.hfma.org

HFMA IS COMMITTED TO DIVERSITY. YOUR RESPONSE IS VOLUNTARY.

- | | |
|--|---|
| <input type="checkbox"/> American Indian or Alaskan Native | <input type="checkbox"/> Hispanic |
| <input type="checkbox"/> Asian or Pacific Islander | <input type="checkbox"/> White (not of Hispanic origin) |
| <input type="checkbox"/> Black (not of Hispanic origin) | <input type="checkbox"/> Other _____ |

Organization Codes: Check what best identifies your organization.

- | | |
|--|---|
| <input type="checkbox"/> 0031 Accounting Firm | <input type="checkbox"/> 0003 Home Hlth (VNA, hospice) |
| <input type="checkbox"/> 0002 Ambulatory Care/Clinic | <input type="checkbox"/> 0001 Hospital/Medical Center |
| <input type="checkbox"/> 0037 Bank/Invst. Firm | <input type="checkbox"/> 0036 Law Firm |
| <input type="checkbox"/> 0044 Clinical Foundation | <input type="checkbox"/> 0004 Other Med. Facility/Labs |
| <input type="checkbox"/> 0033 Comp. Hardware/Software | <input type="checkbox"/> 0006 Physician Group Practice |
| <input type="checkbox"/> 0034 Consulting | <input type="checkbox"/> 0043 Phy. Practice Mgmt Firm |
| <input type="checkbox"/> 0035 Contract Mgmt. Services | <input type="checkbox"/> 0045 Recruiting/Staffing |
| <input type="checkbox"/> 0010 Corp. HQ/Health Care Sys | <input type="checkbox"/> 0005 Skilled Nursing Facilities (subacute/rehab) |
| <input type="checkbox"/> 0032 Credit & Collection | <input type="checkbox"/> 0008 Specialty Practice Grp |
| <input type="checkbox"/> 0041 Edu. Institution/Library | <input type="checkbox"/> 0039 Third Party Admin. |
| <input type="checkbox"/> 0030 Equip/Prod Sales/Leasing | <input type="checkbox"/> 0040 Trade Assn./Publisher |
| <input type="checkbox"/> 0021 Government | <input type="checkbox"/> 0042 Voluntary Health |
| <input type="checkbox"/> 0038 GPO/Purchasing Alliance | <input type="checkbox"/> 9999 Other |
| <input type="checkbox"/> 0022 Health Plan/Insurance | |

Interest Codes: Check 4 areas in which you are most interested.

- | | | |
|---|--|---|
| <input type="checkbox"/> 1010 Acctg & financial reporting | <input type="checkbox"/> 1100 Hospital | <input type="checkbox"/> 1135 Managed care operation |
| <input type="checkbox"/> 1011 Accts. receivable mgmt. | <input type="checkbox"/> 1001 Human resource mgmt. | <input type="checkbox"/> 1180 Medical group mgmt. |
| <input type="checkbox"/> 1120 Ambulatory care | <input type="checkbox"/> 1002 Information systems | <input type="checkbox"/> 1004 Med record/hlth info. mgmt. |
| <input type="checkbox"/> 1012 Budgeting | <input type="checkbox"/> 1131 Insurance & risk mgmt. | <input type="checkbox"/> 1016 Payment & reimb. issues |
| <input type="checkbox"/> 1013 Capital planning/financing | <input type="checkbox"/> 1160 Integrated health systems | <input type="checkbox"/> 1005 Quality improvement |
| <input type="checkbox"/> 1014 Cost accounting | <input type="checkbox"/> 1015 Investments & cash mgmt. | <input type="checkbox"/> 1042 Regulatory/legislative environment (HCFA, IRS, DOJ) |
| <input type="checkbox"/> 1130 Health plans & payers | <input type="checkbox"/> 1141 Lgl. aspects/fraud & abuse | <input type="checkbox"/> 1043 Standards & measurements |
| <input type="checkbox"/> 1140 Health policy | <input type="checkbox"/> 1170 Long-term care providers | <input type="checkbox"/> 1006 Strategic Planning |
| <input type="checkbox"/> 1150 Home healthcare/hospice | <input type="checkbox"/> 1003 Management, general | |

Responsibility Codes: Check your level of responsibility - select only one.

- | | | | |
|--|---|---|--|
| <input type="checkbox"/> A President/Administrator | <input type="checkbox"/> E COO | <input type="checkbox"/> J Asst VP/Asst. Assoc. Admin | <input type="checkbox"/> N Analyst |
| <input type="checkbox"/> B Board Member | <input type="checkbox"/> F CFO/Controller | <input type="checkbox"/> K Director/Mgr./Supervisor | <input type="checkbox"/> P Professor/Academic |
| <input type="checkbox"/> C Partner/Principal/Owner | <input type="checkbox"/> G CIO | <input type="checkbox"/> L Clinical | <input type="checkbox"/> Q Other Professionals |
| <input type="checkbox"/> D CEO/Exec. Dir./Exec. VP | <input type="checkbox"/> H Vice President | <input type="checkbox"/> M Consultant | <input type="checkbox"/> R Attorney |

Position Codes: Check one area relevant to your position. - select only one.

- | | | | | | |
|--|---|--|---|--|--|
| <input type="checkbox"/> AA Accounting | <input type="checkbox"/> AM Benefits/Human Res. | <input type="checkbox"/> AP Corporate Compliance | <input type="checkbox"/> AT Materials Mgmt. | <input type="checkbox"/> BA Phy. Practice Mgmt. | <input type="checkbox"/> BC 3rd Party Admin. |
| <input type="checkbox"/> BF Administration | <input type="checkbox"/> AG Billing | <input type="checkbox"/> AS Decision Support/Info. Tech. | <input type="checkbox"/> AH Medical Records | <input type="checkbox"/> AV Provider Svcs./Relations | <input type="checkbox"/> BH Training |
| <input type="checkbox"/> AC Admitting | <input type="checkbox"/> AL Budget | <input type="checkbox"/> AB Finance | <input type="checkbox"/> AJ Medicare/Medicaid | <input type="checkbox"/> AR Recruiting | <input type="checkbox"/> BD Util Review/Case Mgmt |
| <input type="checkbox"/> AD Atty/Legal Counsel | <input type="checkbox"/> AN Business Devlpmt. | <input type="checkbox"/> AU Managed Care | <input type="checkbox"/> AQ Operations | <input type="checkbox"/> AK Reimbursement | <input type="checkbox"/> BE Underwriting |
| <input type="checkbox"/> AE Audit | <input type="checkbox"/> BG Clinical | <input type="checkbox"/> AW Marketing | <input type="checkbox"/> AF Patient Finan. Svcs | <input type="checkbox"/> AX Sales/Customer Svc. | <input type="checkbox"/> ZZ Other responsibilities |
| | | | <input type="checkbox"/> AZ Physician Devlpmt. | <input type="checkbox"/> BB Specialty Dptmt. | _____ (describe) |

Healthcare Financial Management Association

Alabama Chapter 2000 Member Survey Results

A requirement of the Davis Chapter Management System is to annually survey the membership to ascertain member satisfaction regarding chapter products and services, priorities, direction and management practices. The survey, conducted in last month's *Bama Chatter*, was tallied and the results are as follows:

1. How satisfied are you with the following aspects of education programs and services sponsored by the HFMA Alabama Chapter?

| | VERY SATISFIED | SATISFIED | DISSATISFIED | VERY DISSATISFIED | DON'T KNOW |
|-----------------------------------|----------------|-----------|--------------|-------------------|------------|
| a. Education programs overall | 30% | 66% | 1% | | 3% |
| b. Topics addressed | 31% | 62% | 3% | 1% | 3% |
| c. Speakers at education programs | 30% | 65% | | | 5% |
| d. Location of programs | 88% | 7% | | | 5% |
| e. Cost of programs | 41% | 54% | 3% | | 2% |
| f. Frequency of programs | 31% | 58% | | | 11% |
| g. Social activities overall | 29% | 68% | | | 3% |
| h. Opportunity for involvement | 37% | 59% | | | 4% |
2. Please rank the top three most important factors in your decision to attend chapter meetings. (Write one through three)

| | |
|---|---|
| <p>2 Location of meetings</p> <p>1 Topics offered</p> <p>_____ Time of month meeting held</p> <p>_____ Cost of hotel accommodations</p> <p>_____ Registration costs</p> | <p>3 Speakers</p> <p>_____ Family activities offered</p> <p>_____ Social events</p> <p>_____ Networking opportunities</p> <p>_____ Type of site (hotel, resort, hospital meeting facility, etc.)</p> |
|---|---|

Does the HFMA Alabama Chapter need to improve those factors that you ranked 1 through 3? (Check one response for each item.)

| | NO IMPROVEMENT NEEDED | NEEDS IMPROVEMENT | IF NEEDS IMPROVEMENT PLEASE OFFER SUGGESTION |
|-------------------|-----------------------|-------------------|--|
| a. Item ranked #1 | 96% | 4% | _____ |
| b. Item ranked #2 | 75% | 25% | _____ |
| c. Item ranked #3 | 96% | 4% | _____ |
3. Concerning educational programs in general, should more time be allotted per speaker so that the speakers can (check one):

| | | |
|--|-----------|----------|
| a. Go more in depth in their topic? | 28% - Yes | 72% - No |
| b. Offer more time for discussion/question & answer? | 48% - Yes | 52% - No |
4. If you have not attended any chapter programs this year, please check each item that has prevented you from attending (select as many as apply):

| | |
|--|-----|
| a. Inconvenient timing of programs: can timing be improved? | 13% |
| b. Work obligations | 62% |
| c. Program locations: suggest locations? | 4% |
| d. Program costs | 12% |
| e. Lack of relevant programming: what topic would be relevant? | 9% |
5. How interested would you be in attending an HFMA chapter education program on the following topics? (Please check one response for each item):

| | VERY INTERESTED | SOMEWHAT INTERESTED | NOT INTERESTED |
|---|-----------------|---------------------|----------------|
| a. Patient Financial Services | 38% | 37% | 25% |
| b. Managed Care | 20% | 52% | 28% |
| c. Integrated and other forms of complex delivery systems | 17% | 49% | 34% |
- d. Government and other Third Party Reimbursement

| | | | |
|--|-----|-----|-----|
| e. Strategic Planning and Budgeting | 70% | 24% | 6% |
| f. Capitation Accounting | 40% | 39% | 21% |
| g. Accounting and financial reporting | 16% | 42% | 42% |
| h. Professional and personal development | 43% | 46% | 11% |
| i. Long Term Care | 24% | 54% | 12% |
| j. Ambulatory Care | 21% | 41% | 38% |
| k. Physician Relations/Medical Groups | 20% | 48% | 32% |
| l. Policy and legislative issues (HC reform) | 19% | 45% | 36% |
| m. Utilization/Quality Management | 52% | 42% | 6% |
| n. Case Management | 17% | 56% | 27% |
| o. Medical Ethics | 8% | 50% | 42% |
| p. Re-engineering | 16% | 47% | 37% |
| q. Education toward certification | 24% | 44% | 32% |
| r. Compliance | 36% | 48% | 16% |
| s. Rural Health Issues | 43% | 43% | 14% |
| t. Leadership development | 25% | 53% | 22% |
| u. Other Specify: Fraud & Abuse; APC's; Outsourcing; Internet Opportunities; HIPAA | 46% | 43% | 11% |
6. Please indicate your level of awareness and satisfaction with each of the following services of the HFMA Alabama Chapter:

| CHAPTER SERVICE | NOT AWARE OF | AWARE OF DISSATISFIED | AWARE OF NO OPINION | AWARE OF SATISFIED |
|------------------------|--------------|-----------------------|---------------------|--------------------|
| a. Newsletter | | | 6% | 94% |
| b. Directory | 3% | 1% | 17% | 79% |
| c. Employment Referral | 38% | | 36% | 26% |
7. What is the maximum price for accommodations you would be willing to pay in order to attend a chapter meeting?

\$ **150.00** per night (resort) \$ **100** per night (non resort)
8. Which day of the week is most convenient for you to attend a chapter education program? (Check two):

| | |
|--------------|--------------|
| 3% Monday | 39% Thursday |
| 4% Tuesday | 42% Friday |
| 7% Wednesday | 5% Weekend |
9. How many education programs will your employer pay for each year?

| | | | | |
|------------------|-----------|---------|---------------|-------------|
| 19%-as necessary | 8%-varies | 52%-0-3 | 14%-4 or more | 7%-40 hours |
|------------------|-----------|---------|---------------|-------------|
10. Total number of education programs you attended in the past year?

| | | | |
|------------|------------|------------------|-----------------|
| <u>0-3</u> | <u>4-6</u> | <u>7 or more</u> | <u>40 hours</u> |
| 51% | 39% | 7% | 3% |
11. How many of the education programs you attended were HFMA activities?

| | | | | |
|----------|----------|----------|----------|------------------|
| <u>0</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4 or more</u> |
| 12% | 26% | 31% | 8% | 23% |
12. How many years have you been an HFMA member?

| | | | | |
|------------|-------------|--------------|--------------|---------------|
| <u>0-5</u> | <u>6-10</u> | <u>11-15</u> | <u>16-20</u> | <u>>20</u> |
| 41% | 17% | 10% | 24% | 8% |

Member Survey Results, continued

13. Are you more or less involved in chapter activities than in prior years?
 12%-More 59%-Same 29%-Less
14. In the following list of matrix committees, please check those that you would be interested in serving on:
- | | |
|---------------------------------------|-----|
| Council on Projects | 4% |
| Council on Publications | 0% |
| Council on Programs | 6% |
| Council on Directory | 0% |
| Council on Membership | 9% |
| Council on Professional Excellence | 9% |
| Past Presidents Advisory Council | 6% |
| Patient Financial Services Council | 6% |
| CFO Forum | 6% |
| Awards Council | 13% |
| Pro-Action Council | 9% |
| Quality Council | 6% |
| Corporate Compliance Officers Council | 13% |
| Information and Technology Council | 13% |
15. Would you be interested in becoming certified (CHFP or FHFMA)?
 33% - Yes 39% - No 28% - Need More Information
16. Which one of the following best describes your job title?
- | | |
|--|-----|
| Executive Officer, including CEO, COO or Administrator | 2% |
| Financial Officer, including CFO or VP for Finance | 23% |
| Financial Director, including Director, Assistant Director or controller | 20% |
| Operational Staff, including Accountant, Internal Auditor, or Financial Analyst | 11% |
| Business Office Mgr. or Patient Financial Services Manager | 13% |
| Other manager/supervisor: | 11% |
| Consultant, including staff of an accounting firm, attorney, or independent consultant | 10% |
| Other : | 10% |
17. Which one of the following best describes your employer?:
- | | |
|---|--------------------------------|
| 49% - Hospital | 4% - Consulting Firm |
| ___ - Ambulatory Care Facility | 6% - Accounting Firm |
| ___ - Home Health Agency | 9% - Insurance Company |
| 2% - Long Term Care Facility | ___ - Healthcare Equip. Dealer |
| 5% - Physicians Group Practice | ___ - Law Firm |
| 11% - Multi-facility Corporate Headquarters | ___ - Sub-acute Care Facility |
| ___ - Managed Care Org. | ___ - Bank or Brokerage Firm |
| 3% - Integrated Delivery System | 11% - Other |



Volunteer Opportunities at HFMA

Planning for the 2000-2001 year is almost complete. Below is the Committee Matrix. Chapter members interested in volunteer opportunities may contact the Committee Chairperson or Annette Baker to be included on the matrix. The skills, enthusiastic energy, and talents of each member make the Alabama Chapter one of the leading HFMA Chapters in the nation. We rely upon your voluntary commitment of time and expertise to maintain the high standard of quality within our Chapter. I encourage each member to identify an area of interest in which to serve and get involved.

Alabama Chapter Matrix 2000 - 2001

| | Council on Projects | Council on Publications | Council on Programs | Council on Directory | Council on Membership | Council on Professional Excellence | Past Presidents' Advisory Council | Patient Financial Services Forum | CFO Forum | Awards Council | Pro-Action Council | Quality Council | Corporate Compliance Officers' Forum | Information Technology Council |
|--|------------------------------------|-------------------------|---------------------|----------------------|------------------------------|-------------------------------------|-------------------------------------|----------------------------------|-----------------------------------|-----------------------------|-----------------------|--------------------|--------------------------------------|--------------------------------|
| Management Accounting & Finance | Gary Goff (B) Marty Franklin | Dawn Walton (C) | Paul Graham (C) | Tracy Berke (C) | Diane Karr Judy Davenport | Tim Thornton | Curt Miller (C) Kathy Nelson (B) | Kathy Nelson (B) John Pace | Libby Bailey (C) Cecil Bostany | Judy Cox Wayne Dunn (CC) | Sydney Rountree (C) | Curt Miller (B) | Jim Thorn Richard Brockman | John Winfrey |
| Management of Patient Accounts | Amy Allen Ron Evans | George Tullos | Farrell Turner | Cindi Barksdale | Pollyanna Brannan (C) | Mack Martin Mitzi Winters | Faye Whitmire Garey Morrison | Debra Corham (CC) | Beckie Crawford (CC) | Lori Hedvig David Lee | Dennis Haines | Mitzi Winters (CC) | Shirley Smith Kevin Holley | Dennis Haines |
| Financial Arrangements with Third Party Agencies | Gina McWilliams Charles Lathram | Jolee Bollinger (CC) | Ben Zarzaur | Brian Romine | Jerry Chambers (B) | Russell Hodge (C) Kevin Sheppard | Beverly Floyd Howard Sisco | Linda Maddox | Ann Purdy Bennett Bowman | Beverly Floyd | Brent Jean | Annette Baker | Terrell Lindsey Jerry Smith | Kevin Overlaur (CC) |
| Systems and Data Processing | Melissa Foti (C) | Susan Hayes | Nancy Stevenson | Terry Flynn | Linda Maddox (CC) | Herman Spicer | Butch Rowell Gary Goff | Cindy Parsons Shon Ingram | Shirley Smith Gary Tate | Diane Karr | Robert Levesque (CC) | Garey Morrison | Tom Cooper Maron Boohaker | Yolanda Rich |
| Administration and Management | Barbara Dedeaux | Curt Miller (B) | Annette Baker | Janette Boyd | Nancy Strachan | Paul Graham | Pam Townsend | JoAnn Hudspeth (C) | Phil Cusa Jerry Smith | Jerry Chambers (B) | Mike Horsley | Laura Kelly (C) | Yolanda Rich (C) | José Valencia (C) |
| Technical Advisory Committee | Brend Hicks William Wyatt | Don Kennedy | Pam Townsend (B) | Art Evans | Renee Clark | Mary Beth Briscoe (B) | Mary Beth Briscoe | Nancy Strachan | Gary Goff (B) Derrell Fancher | Jolee Bollinger (C) | Farrell Turner | Jason Baker | Karen McLeod | Bryan Karson |
| Managed Care | Wes Yeatman | Bryan Karson | Brent Hicks | Pam Townsend (B) | Mike McCollister | Mary Ruth Greene | Derrel Curry | Paul Burchfiel | Tom Cooper Jacqueline Brainerd | Brent Jean | Mary Beth Briscoe (B) | Tommy Melton | Bill Whatley (CC) | Jerry Chambers (B) |

(C) Chairman (CC) Co-Chairman (B) Board Liaison

Turn Self Pay Into Cash Cow

Start now to maximize your most profitable financial class

by David Zimmerman, CEO
Zimmerman & Associates

Here's one of the industry's best kept secrets — self-pay is now the most profitable financial class in the entire hospital payer mix. With Medicare, HMOs and Medicaid and other payors taking cuts in payment driving hospitals net revenue to nearly one-half of gross, self-pay alone emerges as the most profitable financial class.

With hospital cost shifting to offset all of the discount payors, self-pay now stands alone as the financial category that brings the biggest bang for the buck. It can and should be a cash cow for hospitals, but it's not. Too many hospitals treat self-pay as a "throw-away."

That's unfortunate because patients now make up a greater portion of hospital's net revenue than at any time since the early 1960s. Our studies indicate as much as 20 percent of the hospital's net revenue comes directly from the patient. Fifteen years ago, self-pay made up less than 10 percent of net revenue. Increasing deductibles and contractual allowances have changed the percent of patient pay to net revenue dramatically in recent years.

According to the 4th quarter report from HARA, nearly 15 percent of the nation's hospitals total accounts receivable outstanding is in patient pay. It ranks right behind Medicare (25 percent) and HMO (25 percent). Unfortunately, more than 30 percent of all the hospital's patient-pay is written off to bad debt.

While the nation's hospitals are watching their operating profit margins hover around the low three percent mark, they also are witnessing bad debt figures that have become equally staggering and concerning.

It is estimated, based on our projections, hospitals could write off \$30 billion to bad debt in 2000. Add charity write-off to that number, and you're looking at an uncollectible total that could reach nearly 40 billion. It was less than \$3 billion back in 1980. Figures from a Zimmerman & Associates national survey put the hospital bad debt average nationally at approximately 4 percent.

In our opinion, the bad debt is about twice as high as it should be. Our experience shows most hospitals pay little attention



to collecting self-pay. Efforts to collect self-pay accounts most often are sporadic and ineffective.

As a result, millions are written off each year that should be cash and profit.

In short, when self-pay builds up in receivables; not turning into cash quickly and bad debt write offs climb into the 4 percent range, the profit potential evaporates.

What should be an extremely profitable payer winds up just another discounted financial class. Our contention is you should see self-pay as having great profit potential and do everything you can to maximize payment.

With that in mind, here are some strategy suggestions to consider to turn your self-pay into a "cash cow."

Approach to Maximize Self-Pay Collections

Once you have determined that self-pay is a financial class worth your

effort, the three main ingredients to maximize self-pay collection and profit would be:

1. developing self-pay strategies
2. obtaining and training staff
3. designing a process that works

1. Developing Self-Pay Strategies

- The most important aspect of this strategy is your determination to improve self-pay.
- Design a one-sentence policy that states, "patient amount due at time of service."
- Develop separate

strategy for collection of inpatient self-pay from outpatient and emergency room accounts.

Inpatient Strategy: Identify patients' portion of bill prior to discharge and take all the steps necessary to collect.

- Do not carry these accounts on installments; instead sell patients on using credit cards, or set up bank financing to get payment now.

- Design discharge process so that every patient who owes a sizeable amount (over \$200) must see a

financial counselor or pay cashier at discharge.

Outpatient/Emergency Room

Strategy: Basically identify and collect patients portion if possible.

- Always explain their balance due when they receive bill.

2. Obtaining Staff and Training

- Determine what you need in number of financial counselors or collectors (or whatever you want to call them) and sell your boss on staffing properly to collect this most profitable financial class.
- When you have the staff, spend a good amount of time in training them on collection from patients consistent with favorable patient relations. It can derail the entire process and put you in hot water with your boss if you don't.

3. Designing The Process

Prorate: Identify Patient's Portion.

Compounding this problem of self-pay is the fact that many hospitals do not utilize their patient accounting system properly and therefore cannot even identify the inpatient's portion of the total bill until the insurance pays. They can't make financial arrangements with the patient when he leaves the hospital as an inpatient. Moreover, they can't even bill the patient for his portion until the insurance pays — anywhere from 30 to 90 days after

discharge.

In addition, those hospital aging of accounts receivable computer reports do not reflect true dollars outstanding in any of the financial classes. They are constantly looking at bad numbers. It's been around forever, but some 50 percent of the nation's hospitals still don't use proration. Proration is simply verifying insurance benefits, and then estimating how much the inpatient owes. Then, inform the inpatient of what they owe as early as possible.

Therefore, one of the most important aspects of the process of maximizing cash from self-pay is to prorate and identify the inpatient portion of the bill.

The simple truth is that you can't afford not to prorate, and you have to make it work, with or without the computer. Most hospitals don't attempt to use their computer to prorate insurance coverage and patient portion because they feel it's too complicated to establish and maintain.

The *psychological advantage* you have in collections at preadmission and inpatient discharge almost totally deteriorates a month after discharge. You have the advantage in making almost any kind of request before service is rendered — a little less at the day of admission and while in-house.



David Zimmerman is CEO of the health care receivables consulting group, Zimmerman & Associates.

Self-Pay Collection Flow

Here is a brief snapshot of the proper "self-pay collection flow" within five control points.

1. **Initial Contact** — Patient scheduled, record necessary information.
2. **Pre-Admission** — Obtain critical financial information about the patient.
3. **Insurance Verification** — Verify the insurance of the patient ahead of the actual admission.
4. **Calculating the Patient's Part of the Bill** — Most insurance policies have deductibles and exclusions. Calculate the portion of the patient's estimated bill not covered by insurance according to the estimated length of stay, charges to be incurred, etc. This is where the proration plays an important role.
5. **Discussing Financial Arrangements with the Patient** — Talk to the patient before the day of admission. Make sure the patient understands and agrees to financial arrangements. Have a staff of qualified financial counselors to fill this role.
6. **Admission** — At arrival, review all information. Refer the patient or family to the Patient Account Representative if necessary.
7. **During the Hospital Stay** — Monitor the patient's stay to see that the original financial arrangements are adequate. Prior to the end of the patient's stay, write financial discharge instructions for the cashier.
8. **Discharge** — With an estimate of the patient's bill and discharge instructions in hand, the cashier collects any money which the patient is expected to pay, gives them a receipt and credits the account.
9. **Follow-up with the Patient** — If a payment is overdue, follow up to collect the account.
10. **Collection of Accounts** — When you have completed the follow-up procedures and payments is still not forthcoming, recommend accounts for write-off to collection agency. Forward to the Supervisor for review. The Supervisor reviews and coordinates collection activities with an outside agency.

E-Commerce and the Healthcare Industry - Where Is This Going?

by Dawn Walton, CPA

It seems e-commerce has truly taken its position in the market place - particularly in the healthcare industry. Healthcare is now one of the web's most used services.

- Nearly 18 million people searched the web for health-related products and services in 1998, with nearly one-half purchasing a health-related item.
- It is predicted the number of healthcare interested surfers will grow to more than 30 million before the end of the year, and
- On-line healthcare sales are expected to reach \$9.8 billion by 2004.

Not only are individual consumers using the web, but also big business has turned to the web. Large players in the healthcare industry are joining together creating web-based exchanges in an effort to increase their profits and reduce their expenses.

What are the individual consumers searching for and finding on the web? Trouble!

As healthcare costs continue to rise and access becomes more limited, many consumers are turning to the web for help. Consumers today want to take control of

their own healthcare. *Cyber Dialogue* estimates that the internet today offers over 15,000 different healthcare sites. Each type of site presents unique opportunities and challenges along with potential legal liabilities.

General Health & Information Sites

These sites are among the more common health related sites and include sites such as about.com, yourhealth.com, drkoop.com and webmd.com. These sites offer general information about health and specific disease advice. Most of these sites include databases, discussion forums and chat rooms providing a wealth of information to those who are ill, caregivers, or those isolated due to their condition or location.

These sites have produced a more informed, more demanding healthcare consumer - one who is more informed about illnesses and procedures than ever before, prone to self-diagnosis and prepared to offer their health professionals their own advice regarding the care, treatment and cure of their ailments.

But Here Comes Trouble!

The biggest legal exposure to these sites in

the past was the appearance of practicing medicine - but now a new can of worms has been opened - visitors' privacy. The Federal Trade Commission (FTC) began inquiring of several of the major players in this area about their privacy policies and practices. The FTC was looking into the practices of these firms improperly sharing personal health and medical information collected from visitors without their knowledge or permission.

The FTC surveyed a random sample of 100 web sites finding 97 collected personal information. The study also found that only 8% of such web sites display a privacy seal. As a result, the FTC is to recommend stronger privacy legislation to Congress, which differs from their earlier stance of self-regulation on privacy. The FTC is recommending basic standards of practice for the collection of information online and creation of an agency to address privacy protection. Some speculate this will be an issue in the upcoming presidential election.

Acting in response to the FTC a group of technology and health care companies have joined together to develop standards for secure web

transactions. As well, a group known as the Internet Healthcare Coalition has completed a code of ethics for internet health care sites. The details of implementing and enforcing the code are still not complete.

General health and information sites generate a lot of hits and derive the majority of their revenues from advertising sales. They walk a fine line between respecting their visitors' privacy and exploiting it to drive up higher ad revenue.

The Bottom Line - Look for more regulations to come!

On-Line Pharmacies

On-line pharmacies generated their revenues from the sale of medical supplies and prescription drugs. These sites are becoming more popular and more frequently used as consumers search for a less expensive, more convenient way to purchase their needed health related supplies.

More Trouble!

The sale of drugs over the internet has caused great concern at the Food and Drug Administration (FDA). The FDA wants to prevent on-line prescribing that bypasses the patient-physician relationship

without affecting mail-order pharmacies. U.S. officials reported to Congress in May that they were investigating dozens of U.S. based web sites for selling medicines without a valid prescription or offering unapproved or illegal drugs. Their investigations have led to 43 arrests and 22 criminal convictions.

The FDA is currently developing new laws to cover the number of regulatory challenges presented by these sites.

The Bottom Line - Enforcement of any regulations will be problematic.

But E-commerce is not just for the individual, Big Business wants its turn!

Now getting into the e-commerce game are the big players and they are joining forces. In April, five of the top U. S. healthcare distributors - AmeriSource Health, Cardinal Health, Fisher Scientific, McKesson and Owens & Minor - announced a joint venture agreement to create an internet wholesale marketplace to be launched later this year. The goal of this new entity is to form a business-to-business exchange marketplace for the sale of drugs, medical-surgical products and devices and other lab products and services. This announcement follows a similar one in March by five medical suppliers - Johnson & Johnson, GE Medical Systems, Baxter International, Abbott Laboratories and Medtronic- also intending to launch an on-line

exchange later this year. As well, six health insurers recently announced their intention to create an internet based company to compete with electronic health insurance claims networks.

These latest series of arrangements, known as exchanges, are booming although most are in their infancy. Business-to-business marketplaces promise to bring efficiency and cost-savings to the lumbering health care industry by driving down internal purchasing costs and streamlining connections between suppliers, partners and customers. Many more of these arrangements are expected to be announced before the end of the year.

Companies in the business-to business (B2B) e-commerce game are expecting big profits. Leading research firms have this market pegged at \$2.7 trillion to \$7.3 trillion by 2004 across all industries. Analysts caution, however, it will be a bumpy road. Many issues and concerns exist that must be addressed before this new sector can move forward including standards issues and security problems.

The Bottom Line - Many agree it will have a tremendous effect on companies, but what the impact will mean to the consumer (individuals and hospitals) is uncertain.



For a list of the sources used for this article, please contact the author.

World Health Organization Releases Controversial Report

The World Health Organization (WHO) released its report on worldwide healthcare sparking a lot of controversy and debate. This was the group's first attempt to compare the world's health systems. The report basically measures bang for the buck: comparing a population's health with how effectively governments spend their money on health, how well the public health system prevents illness instead of just treating it, and how fairly the poor, minorities, and other special populations are treated. Here's a quick look at what they found!

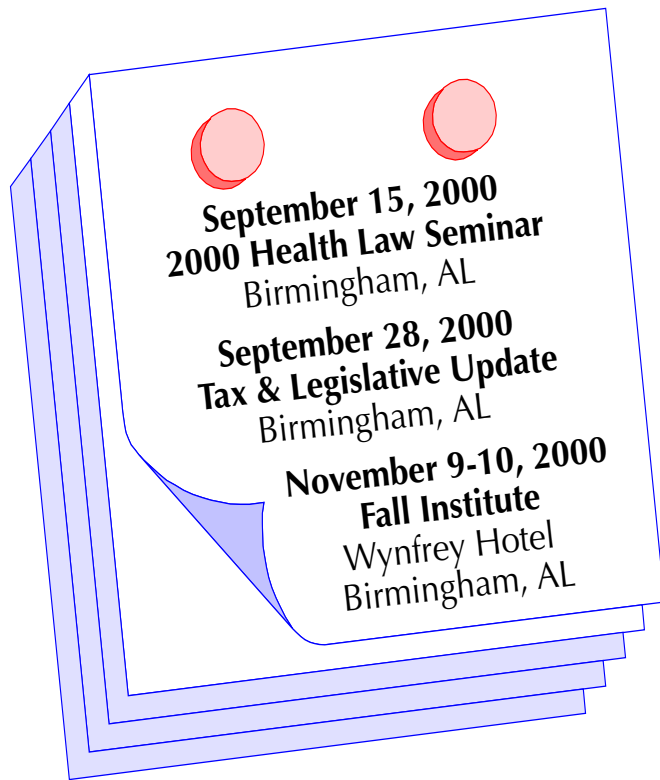
The Top Ten of the Globe's Best Health Care

- | | |
|--------------|--------------|
| 1. France | 6. Singapore |
| 2. Italy | 7. Spain |
| 3. SanMarino | 8. Oman |
| 4. Andorra | 9. Austria |
| 5. Malta | 10. Japan |

- The U. S. spends more per person on health care than any other country in the world - \$3,724 per person.
- While good at expensive, heroic care, Americans are very poor at the low-cost preventive care that keeps Europeans healthy. Cited as an example was prenatal care, which few poor Americans receive.
- Japan won the distinction of the world's healthiest people spending \$1,750 per person per year on health care.
- Japanese beat Americans in life expectancy by four and one-half years, and the French by three years.
- Scandinavian countries and Canada, often cited as model health care systems, did not fare well - Norway ranked 11th and Canada 30th.
- Britain, with its much debated free national health service, came in 18th.
- No country that spends less than \$60 a person on health care does well, yet 42 countries spent less than that. Somalia only spends \$11 per person per year.
- Many of the worst faring countries are in sub-Saharan Africa - largely because of the AIDS epidemic. Worst in the 191-country rankings were: Sierra Leone, Myanmar, Central African Republic, Congo and Nigeria.



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



LOOKING AHEAD

In the upcoming issue of *Bama Chatter* watch for complete details of the Annual National Institute recounting all of the Alabama Chapter's many awards!

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