

first illinois speaks

A Newsletter from HFMA's First Illinois Chapter

April 2009

making connections

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Using a Frontline Offense to Mitigate Your Financial Risk in Today's Sick Economy

BY BRUCE NELSON, VICE PRESIDENT, SEARCHAMERICA, A PART OF EXPERIAN

It is a usual day at a hospital. A new patient enters an Emergency Room needing care for a broken arm. The treatment process begins... the registrar admits the patient, a nurse preps the receiving room, an X-ray technician readies the equipment, and the Finance Director sighs as he sees the hos-



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pital's finances plunge. Why? In today's economy, every patient entering their facility is more and more likely to be discharged feeling better, but leave the hospital in a weaker financial state than when they entered.

An ever growing number of today's patients are responsible for paying a portion of their care. Many need financial assistance, charity care, or a payment plan; or they may simply default on their financial obligation. The number of underinsured patients is rising rapidly to an estimated 25 million adults in the United States, an increase of

60 percent since 2003, according to a recent study by PriceWaterhouseCoopers. The result is a rise in the self pay patient population, which has become a significant portion of a hospital's revenue cycle. These individuals are often unable or unwilling to pay the high deductibles associated with their plans, leaving the hospital with increasing bad debt. Coupled with decreased financial giving and elective surgeries, the outlook is grim. Even in the worst of times, however, the hospital's mission remains the same: to care for those in need of medical

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Letter from the President

May you lead in interesting times! Who would've thought a year ago that so much would change in a year? We have experienced one of the most dramatic years in the life of the chapter. At the start of the chapter's 60th year the Dow Jones industrial average was at 12,000. The economy was still going strong (so we thought). There were signs things were going wrong when the auction rate market ceased up in February. A year later the economy is still at a standstill. Banks are in trouble. What industry there is, isn't producing or selling anything. Unemployment is way up and our 401(k)'s or 403(b)'s are way down.

While most of us in the provider area have been fortunate, on the vendor side many jobs have been lost or are in jeopardy. Now more than ever **making connections** is important. Getting involved in the chapter is a great way to make those connections—connections that can last a lifetime. Volunteering for the chapter is fulfilling, not too time consuming (usually) and a great way to network and get known by others. This can be very helpful when you're in the job market. Also, let me remind all that the chapter has a job bank listing on its website that is free to all members. It's a great way to advertise and to find quality employees.

As we ended the chapter's 60th year we are on the cusp of not only dramatic changes in the economy, but also healthcare. I believe the two are intertwined. Changes must be

made in healthcare if the country is to prosper in the future. Employers need reform to become competitive in a global economy. Providers need reform to become financially viable, to obtain the capital to rebuild, and to implement programs that will improve the health status of the communities served which will ultimately reduce healthcare costs. Meeting with fellow chief financial officers from around the country, it is clear that the nation's 46 million uninsured need coverage under reform. The government needs healthcare reform to make US industry more competitive, as well as to reduce the cost of its share of the healthcare pie in the face of the 80 million baby boomers hitting retirement age.

How do we pay for all this? That is the key question and the reason previous attempts to reform healthcare have failed. Consensus from my peers is that profits must come out of the insurance and drug industries. Consensus from the government is eliminating waste and unnecessary cost through quality improvements can save money. Improved wellness and lifestyle changes will also be necessary. How can we and our children get away from the computer screen and lead more active lifestyles to fight obesity and its insidious side effects?

Whatever happens it will be interesting. Be part of the solution, and not part of the problem. One of the best ways to be part of the solution is to be active in HFMA and stay connected with our chapter membership. We have a great network of health-

care leaders dedicated to helping you stay educated, improving your work performance, and providing networking opportunities.

I would like to recognize Cathy Jacobsen as incoming HFMA National Chairman. Cathy is a wonderful person, a great leader, and a tremendous asset to the chapter. Please offer Cathy your support in this most important year for HFMA and our country.

Lastly, it has been a privilege and an honor to be your president during the 60th anniversary year of the chapter. I want to thank all of the many volunteers that made this year a success! 🍀

Guy R. Alton, FIHFMA, CPA

2008 – 2009 Chapter President
HFMA



In Memoriam

Susan Nibbe

HFMA member, Susan Nibbe, 47, a resident of Highland Park, died Dec. 21, 2008, after a long battle with cancer.

An employee of Advocate Lutheran General Hospital in Park Ridge since 1990, Susan had served the past 13 years in her most recent position. She was responsible for financially related departments such as medical records, patient intake, patient accounts and materials management and finance. She was a project manager during the Evangelical Health Systems/Lutheran General Health System merger, which led to the Advocate Health Care system. She played a key role in major hospital expansion projects including opening the Center for Advanced Care, a cancer care, breast and advanced imaging center on Lutheran General's campus and building the new 192-room, eight-story patient tower which is slated to open in June.

Before joining Lutheran General, Susan was a senior associate at the 998-bed Long Beach Memorial Hospital, serving as management chief of staff.

"Susan was a dedicated and respected professional who touched many lives throughout her career." - *Sherrie Russell*



Susan Nibbe
1961-2008

Gail F. Patinos

HFMA member, Gail F. Patinos, 46, a resident of Wheaton, died March 13, 2009, of complications due to a respiratory infection.

Gail worked for several top ranked Illinois hospitals including Advocate Healthcare Good Samaritan Hospital, Advocate Healthcare Lutheran General Hospital, University of Chicago Hospitals and Rush Presbyterian St. Luke's Hospital. During her career in healthcare, she received her master's in organizational leadership from Lewis University in 2008 and advanced into several key management positions, including revenue cycle director in the finance department at Advocate Healthcare Good Samaritan Hospital. Gail rapidly advanced and played an instrumental role in the healthcare profession.

"We have lost someone truly special in our world who now rests with the angels. Farewell, until we meet again."



Gail F. Patinos
1962-2009

Letter from the Editor

Spring has arrived and the season has officially started, however, the warmer weather seems to have a slow start. As the temperatures keep rising and the snow keeps melting, we are reminded to be patient as a wonderful season is on the horizon. I can't wait to see all of the tulips in full bloom!

This is the last newsletter for this chapter year, and with that, Brett Kleebauer will be taking over the position of newsletter editor for the 2009 – 2010 chapter year. I hope that our members continue to feel that the newsletter and its content are an additional benefit to their membership in the First Illinois Chapter of HFMA.

As the new chapter year begins, we are almost out of articles for the future newsletters. Therefore, if you have articles that you think may be of interest to other members, we encourage you to please forward them to Brett at bkleebauer@hotmail.com. I try to include as many articles as possible in the newsletters to keep everyone updated on all of the changes in healthcare.

I have thoroughly enjoyed being the First Illinois newsletter editor for the past two years, but think it is time for another change. I have no doubt that Brett will do a wonderful job and will be responsive to your newsletter needs. ☘

Amanda Springborn
amanda.springborn@rsmi.com

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Protecting Patient Financial Data: Nothing is More Expensive than Regret (Unless it's Negligence)

BY DAN YUNKER, VICE PRESIDENT & CFO, METROPOLITAN CHICAGO HEALTHCARE COUNCIL

Securely storing patient financial data in a PCI-compliant manner is more important than ever.

With the rising trend of increasing collections on the front end, the theft of patient financial data is a very real and expensive threat for hospitals and physician practices, and can have a far reaching, devastating impact. I had the opportunity to interview Greg Morris, a noted speaker and data security expert, on the importance of securely gathering and storing a patient's financial data. Mr. Morris is the President and CEO of TriHealix – a company specializing in PCI-compliant payment processing systems for healthcare providers.

Dan: What is PCI compliance and why is it so important to providers and administrators?

GM: PCI compliance for merchants and payment card processors is adhering to and applying the information security best practices of the Payment Card Industry Data Security Standard (PCI DSS). Any business of any size must adhere to PCI DSS in order to accept payment cards, and to store, process, and/or transmit cardholder data.

As a healthcare provider performing financial transactions, maintaining the security of your patients' financial data should be viewed as an essential piece of the total patient care experience. Cyber attacks on healthcare organizations have increased 85% from 2007 to 2008, with an average of 20,000 attempts per day – per organization. When you consider that the average cost for a data breach was more than \$6.3 million, and 31% of individuals affected by a data breach ultimately terminate their relationship with the afflicted organization, having a secure, PCI-compliant payment processing system is not only a must for data security, but also for the financial welfare and public image of your organization. Many organizations have learned this the hard way.

Dan: Greg, without having to do a full blown assessment of your PCI compliance protocols, what are some easy indicators to know whether you have a good or bad system in place?

GM: The easiest way to determine whether you are likely to have PCI violations is to look for credit card terminals in your hospitals, clinics, or practices. Almost by definition the terminal signals a likely PCI violation because in healthcare, we all know that the goal is to capture payment information from the patient while they are there. The problem is, the terminal cannot capture and store card holder data. This inability to store cardholder data forces good employees to create work around solutions. For example, they write the cardholder

data down in the patient file or they add the information to the notes section of a practice management or billing system. Without really doing it intentionally, good employees are exposing the organization to significant risk.

Dan: If you can't use a credit card terminal to securely store patient financial data what do you do?

GM: That's easy. If you do one thing with payments this year, switch to a virtual terminal. A virtual terminal, also called a payment gateway, allows you to effectively outsource the PCI compliance responsibility to your merchant services provider. Look for a gateway that provides the ability to set up "card on file" transactions just like a hotel does so that you can charge the patient at later points in time when you know what they owe. You simply capture the patient's authorization and then charge against it later. You can even set up payment plans using recurring payment functionality....and the best part, payment gateways require almost no capital expenditures. They cost much less than your existing terminals from day one. Simply buy a \$75 swipe card reader and plug it into the USB port of your computer.

Dan: How do you recommend hospitals and practices protect themselves?

GM: When choosing a payment processing system, providers need to take a 360 degree, end-to-end approach to financial data security. Data breaches can come from multiple sources – motivated hackers, negligent vendors and partners, and even careless or hurried staff. From the moment office staff swipes a credit card or enters financial information, that data needs to be encrypted and protected in a PCI-compliant system.

When we designed our payment processing system, we focused on the unique security issues healthcare providers face, while still maintaining next-generation functionality. As such, our system encrypts sensitive data and is PCI Level One certified, the highest level of protection possible. When a provider processes a payment or stores a patient's form of payment for future transactions on our system, they can be assured that their patient's data is protected and secured from end-to-end.

What I always tell providers is this: If you don't know if your organization is using an up-to-date and secure PCI-compliant payment processing system, it could only be a matter of time before you find out the hard way. ☞

Welcome New Members

Richard Sanchez
Director of Radiology
Healthcare Information
Services

Paul Boulus
Consultant
Wellspring Partners

Jennifer A Clauson
Project Coordinator
University of Illinois
Medical Center at Chicago

John Z Zaharis
Staff Consultant
Ernst & Young LLP

Christopher Phillips
Manager/Financial Analyst
Swedish Covenant Hospital

Carol Schneider
Business Development
Executive Integrated
Project Management
Company, Inc.

Jorge R Blakely

Frederick M Crampton
Senior Business Analyst
Cancer Treatment Centers
of America

Kathleen M Gallagher
Principal, Gallagher
Media & Marketing

Donna Ramadan
Director, Patient Access
Delnor Hospital

Terri Anne Powers

Dawn V Gay, CSC

Rozella Nelsen

Greg Mohrdieck
Director, Provider
Contracting and
Reporting BC/BS of IL

Robyn Carlson
Sr Accountant
Edward Health Services
Corp.

Hunter Turasky
Financial Advisor
Capital Lending Group

Debora Ludolph
Senior Director Business
Development
Workstream, Inc.

Martin H Judd
Vice President Operations
Saints Mary And Elizabeth
Medical Center

Jeffrey Laurinaitis
Vice President
Arcadia Solutions

Brian Verne
Regional Sales Director
Sysmex America

Dennis Rizzo
Controller
Metropolitan Chicago
Healthcare Council

Alan M Zulanas
Student
John Marshall Law School

Kristina Parkinson James
Director of Marketing
MedAssist, Inc.

Diana Arand
Healthcare Market Strategy
Maron Structure
Technologies

Stephen Marra
Vice President
Wells Fargo

Shik Sundar
Director of Sales
Revenue Cycle Solutions

Lisa Siebenhaar
Senior Director
Insurance Operations
Revenue Cycle Solutions

Alice M Bynum-Gardner
Director
Patient Services
Molecular Imaging

Diane Simmons
Vice President
Education
HFMA

James McNeal
Director of Accounts
Receivable
Gateway Foundation

Luke A Kowal
Assistant Vice President
JPMorgan Chase

Daniel Shoemaker
Senior Reimb Analyst
Provena Mercy Center

Darryl R Davidson
Principal
Miller Canfield Paddock &
Stone

Jon R Leasure
National Account
Executive VP
Commerce Bank

Frank C Dodero
Senior Vice President
AON Corporation

Richard J Carroll
Director
Ima Consulting

Michael T Young
Staff 1
Ernst and Young

John Chapa
Northwestern Memorial
Hospital

Michael T Kolbuk
Horizon Hospice &
Palliative Care, Inc.

Rita Carlson
Director of Patient
Accounts
Advocate South Suburban
Hospital

Gregory J Arnold
Director Patient Financial
Services
Mount Sinai Hospital

J Chip McCall
GE HFS

Jennifer Schoenberger
TransUnion

Patricia Eddy
Director Finance
Advocate Christ Medical
Center

Cathleen A Smyth
Director Health Information
Management
Advocate Christ Hospital &
Medical Center

Michael Grivas
Account Executive
AHA Solution

Patrick Dolan
TradingPartners

George Kubin
Vice President
Deutsche Bank National
Trust

Mario Virtudes
Managing Director
Commonfund

Eric Doveala
Associate/Consultant
Deloitte FAS

Alyssa Kim
Finance Manager

Rosemary E Vittori
Consultant
Successful Physicians
Practice Management

Robert Smallwood
President
On Target Staff, Inc.

John Gustafson
Director, Provider Solutions
Medefinance

Jason Lineen
Associate Director
Navigant Consulting

Charles J French, IV
Consultant
Stratford Advisory Group

Dale Chung
Arcadia Solutions

Jameson W Paul
Assistant Vice President
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Vice President
Fifth Third Bank

John Courtney

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Thomas F. Courtney &
Associates

Liz Jeltema

Corcare Developer
Corvel Corporation

Shelby N Baughman

Crowe Horwath

Shelly Carling

Manager
Price Waterhouse Coopers

Alyssa B Cheatham

Consultant
Stratford Advisory Group

Sue Lopardo

Director, Information
Services
Northwestern Memorial
Hospital

Deia Campanelli

Communications Manager
GE Healthcare Finance

Laura Ramos

Chief Financial Officer
Vital Communications
Group

Karen Wagner

Wagner Freelance

Rosetta Gervasi

Gervasi Freelance

Kathleen Vega

Kathleen B Vega, Inc.

Meg L Trimby

Regional Director
Materials Management
Provena St. Joseph
Medical Center

Alex Anaya

Manager/Receivables
Northwestern Memorial
Hospital

Kate Jackson

Vice President
Communications
MedAssist, Inc.

Michelle J Castelbuono

Assistant to CFO
Adventist Glenoaks
Hospital

Thomas H Dodd

President
Stratford Advisory Group,
Inc.

Lisa N Scala

Chief Executive Officer
Cimpar, Inc.

Brigitte Nettesheim

Managing Director
Healthcare Group
Randolph Equities, LLC

Meaghan Dorsey

Regional Director
Outreach Services

John R Masini

Vice President
Business Development
Medassist, Inc.

Candice Thezan

Relationship Manager

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Vice President
Investment Banking
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Justin P Kats

Senior Staff
Crowe Horwath LLP

Kate Harper

Assistant Director
Alexian Brothers Health
System

Mary Jo Neely

Assistant Director
Alexian Brothers Hospital
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Keith D Pennington

Chief Financial Officer/
Vice President-Finance
Rosecrance Health
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Kristoffer Huettner

Accounting Manager
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Julianne Fetter

Associate
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The First Illinois Chapter HFMA Physicians & Medical Group Committee hosted its annual program on February 19, 2009 at the University Club in Chicago. The committee's objective was to provide both a strategic view of the "physician side" of our industry, as well as provide tactical tools to help physician practices navigate the changing healthcare industry and health insurance marketplace.

Following Mr. Manning was a discussion on “Pay-for-Performance,” led by physician leadership representing the two largest insurers in the market (and in the country): Dr. Carol Wilhoit, Medical Director, Quality Improvement, Blue Cross Blue Shield of Illinois, and Dr. David Ellis, National Medical Director, Customer Service and Solutions, United Healthcare. Joining Drs. Wilhoit and Ellis was Dr. Tom Dent, CEO, ICLOPS, LLC. ICLOPS is a national provider of PQRI software solutions for physician practices, and Dr. Dent is a member of CMS’ PORI



workgroup. Each discussed the different P4P models that are emerging in the commercial and governmental segments. Consensus among the three speakers was that currently there are different models across payors for P4P, but these differing models will come together so that we can focus on one set of measures and incentives to create better efficiencies in improving care and reducing costs.

Tom Mallon, President & CEO of Regent Surgical Health, provided an insightful perspective on “Physician-Owned Enterprises.” Mr. Mallon cited many success stories from across the country, including the Chicago area, where physicians have joined together to own and operate hospitals and surgery centers. Whether independently or with a hospital partner, this business model has a strong and growing value proposition to the industry, and especially in surgical specialties like orthopedics.

Rounding out the day was a discussion on "Improving Physician Practice Performance," led by three expert speakers: Chad Beste, Partner, Professional Business Consultants; Louis Papoff, CFO, MacNeal Physicians Group and Lakefront Medical Associates at Weiss; and Kevin Cavanaugh, Senior Director, Medical Affairs, Rush University Medical Center.

Mr. Beste navigated the physician practice revenue cycle, detailing the components, fail points and safeguards in the revenue cycle. While physician

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HFMA Events

Key Strategies for Physicians & Medical Groups in the New Era of Healthcare

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practices have the same issues as hospitals in managing the “revenue cycle,” physician practices struggle to commit the resources to manage it like hospitals. Mr. Papoff described a set of “key performance indicators” that a medical practice could consider in managing its business. The examples of data shared provided information to practice administrators to engage physicians on the operations of their practices, clinically and financially. Mr. Cavanaugh shared strategies on physician recruitment, retention and compensation. His experiences demonstrated the highly competitive environment that hospitals and medical practices must perform in to attract (and keep) the best physicians.

First Illinois HFMA has made a focused effort in recent years to better engage the physician practice community in our chapter’s education efforts. Across the U.S., there is no such thing as a “typical physician practice.” Larger practices, or practices owned/affiliated with a hospital are more likely to have an organized infrastructure to help manage the business of medicine. Still, nationally and especially in the Chicago market, practices are small and most times do not have the sophistication needed to strategically plan for coming trends, let alone manage today’s business demands. The information at this program, and the kinds of tools, measures and sharing of best practices shared at the program, provided a wealth of information and knowledge exchange for those in attendance. 🌟



Speakers, Kevin Cavanaugh, Louis Papoff and Chad Beste



Marty Manning, Speaker

HFMA Events

Managed Care's "Year of Change"

BY GRACE DAIGEL

Change is good, right?

On March 19, 2009, First Illinois held its annual managed care conference at the University Club in downtown Chicago. Some highlights from the day:

What does it take to change?

Keynote speaker Dr. David Dranove, Professor of Management and Strategy at Northwestern University, gave an overview of the history of the United States healthcare system. He discussed how there are three kinds of inefficiency:

1. Wasteful provider incentives (Demand inducement)
2. Wasteful patient incentives (Moral hazard)
3. Inadequate information (Practice variations)

He stated that there have been many attempts to revitalize the health economy, but they have all faced one common limitation: the absence of adequate data systems. He queried, "How can you manage a production process without the ability to monitor what is being produced and reward the most effective processes?"

What kinds of changes are happening?

Jeff Black, Chicago and Milwaukee Market Business Leader for Mercer, spoke on Employer Medical Plan Trends. Is a 6% increase in health benefits costs really a 6% increase in costs? No, it does not take into account the cost-shifting to the employee due to benefit plan changes that increase the employee's share of the costs. The increased employee share is eroding employee income. Can medical tourism, which has thus far been thought of globally, become local where a patient is not leaving the country, the patient is just leaving the state?

Fundamental change, not just incremental

Jim Knutson, Risk Manager for Aircraft Gear Corporation, remarked, "What do you do if something is too expensive?"

1. Buy it cheaper—PPO
2. Buy less of it—HMO
3. Shift cost to someone else—CDHP
4. Do it better

With regard to "doing it better," he described his company's experience with PROMETHEUS Payment, a payment model that has the insurer bear the underwriting risk, the provider bear the operational risk, and the consumer bear the lifestyle risk. He described how employers want warranties for operational risk. The PROMETHEUS Payment model is a fundamentally new approach, not just an incremental one.

The Payer Perspective on Change

Cathy Peterson, President of Peterson Healthcare Consulting, moderated a thought-provoking discussion with executives from some of Chicagoland's most prominent managed care companies:

- **Aetna** – Dr. Burt VanderLaan, Regional Medical Director
- **BCBSIL** – Kevin O'Neill, Senior Vice President
- **Cigna** – Sue Podbielski, President and General Manager for the Midwest Markets
- **Humana** – Mike Kasper, Market President
- **United Healthcare** – Michelle Lobe, Vice President of Network Management

This illustrious panel addressed:

1. **Employers' Perspectives:** What are the top 3 things that employers want?
2. **Change:** What changes has your

company made that will have the most impact on providers?

3. **Provider Networks:** What provider networks does your company offer that are smaller based on quality or price?

4. **Price Transparency:** What are you doing to make hospital and doctor pricing more transparent for consumers?

5. **Economic Decline:** What changes is your company making given the state of the economy and declining employment?

Sue Podbielski from Cigna commented that "the economy is the great equalizer."

What change does the data show?

Dr. Gary Pickens, Chief Research Officer for the Center of Healthcare Improvement at Thomson Reuters, discussed trends in hospital demand, clinical performance, and financial performance. Dr. Pickens noted that annual inpatient discharges have increased 1% per year since 2002. Actual Length of Stay has decreased 8% when it was expected to increase by 12% based on acuity. Overall hospital growth is led by infection and renal failure while cardiovascular disease is contracting rapidly. (The incidence of cardiovascular disease is not contracting, just the rate of hospitalization for it.) Surprisingly, Thomson Reuters research shows that inpatient discharge rates are unrelated to unemployment rates or period of recession. Similarly, there are no obvious declines in hospital outpatient procedures, although it is thought that the procedures might be going to non-hospital providers, such as physicians.

Legislative Change

Elena Butkus, Vice President of Finance for the Illinois Hospital Association, gave us an overview of the most relevant bills pending in the Illinois Legislature. She

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Managed Care's "Year of Change"

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also updated us on developments with the Medicaid payment cycle; CON law; the Uninsured Patient Discount Act starting April 1, 2009; and the fact that the Illinois Supreme Court will be hearing the Provena tax-exemption case.

Providers must change to adapt to ongoing payment issues

Gregg Mylin, Principal of Essayons Solutions, LLC, talked about the pitfalls that would keep a provider from collecting its expected reimbursement. He had con-

ducted an email survey to 100 hospitals asking the question, "What are your payment issues, with whom and what have you done to resolve them?" The results illustrated the myriad of ways not to get expected reimbursement. He said that policies and procedures not directly in the contract cost providers approximately 6% of their reimbursement. Providers need to develop tracking tools.

How to communicate what changed?

Denise Cameron, Vice President of Managed Care and Medical Staff at Neurologic & Orthopedic Hospital of Chicago, shared some tools on abstracting managed care contract language and rates.

The Managed Care Committee wishes to thank all our speakers and attendees for making our conference a great event. We thank Passport Health Communications and HFN for their generous support of this year's Social Hour reception after the program. We also thank our wonderful co-chairs Cathy Peterson and Denise Cameron. 



Co-Chairs, Denise Cameron and Cathy Peterson



Payer Panel

"Change will not come if we wait for some other person or some other time. We are the ones we've been waiting for. We are the change that we seek."

President Barack Obama

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THRIVE.

Using a Frontline Offense to Mitigate Your Financial Risk in Today's Sick Economy

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treatment within their communities. Despite financial woes, hospitals must remain viable to fulfill that mission.

Today's economy has resulted in capital resources vaporizing and investment income becoming investment loss. This means budgets are stretched and many hospitals are looking to their front end staff and systems to buffer their organization from the financial crisis. The following are a few steps – applicable in any economy – that financial executives can take to achieve better financial health without significant cash outlay.

Step One: *Diagnose or prequalify the patient*

With today's frequent changes in insurance coverage – due in part to rising unemployment – and medical identity theft, hospitals need to be vigilant in attaining the most current and accurate information on every patient.

First, hospitals need to be sure the patient is who they claim to be, and the asserted coverage is valid. Then, they must understand the patient's ability to pay their bill. The question, of course, is not merely how and when they will pay, but if they can pay at all. Knowing this information at registration establishes a mutually agreed upon relation-

ship and can protect the hospital from undue risk.

When delivering non-emergent medical treatment, hospitals must be aware of their financial risk, and must take steps to mitigate this risk to the extent possible.

Step Two: *Deliver a personalized financial treatment*

The hospital's front end should have a variety of payment options available that protect the hospital from accumulating bad debt. These may include pre-payment at registration (cash, credit card, or a medical care credit card plan issued by a third party), hospital approved payment plans, charity programs and government assistance programs. Self pay patients, especially, should be offered appropriate options to ensure payment using one or more of the available alternatives.

Teaming with medical staff, front end personnel should be able to offer patients the approximate cost of proposed treatment, especially those that can be delayed or are elective. This information can change the financial relationship, including the options available to the patient. It also empowers the patient to make informed choices on elective or optional components of their care.

Step Three: *Act quickly*

Aging of accounts will worsen in recessions. Collection policies and procedures should be directed at carefully segmented patient populations defined according to a patient's ability to pay their bill. In addition to front end collections, some suggestions have included offering incentives for pre-paying or early payment of medical bills to maximize cash balances in the short term. Often, the first medical bill to reach a patient may be the first one paid. Hospitals should view this as a race and beat other providers to the finish line.

There is no magic to surviving in today's economy or avoiding layoffs and other cost cutting measures. A hospital's front line, however, can minimize risk and improve cash balances if used properly. It is time to equip front end staff with the technology and processes necessary to identify patients quickly, assess their financial capabilities, and establish financial plans prepared to fit each unique patient.

If a hospital falls into poor financial health, its mission cannot be fulfilled. It is important to the community it serves to be diligent in protecting its financial health.

First Illinois Chapter News, Upcoming Chapter Events and Committee Updates

■ Golf Committee

'09 Golf Outing Update

Spring has finally arrived, and we are ready for some golf! Very shortly you will receive an invitation to the 2009 golf outing at Gleneagles Country Club in Lemont. The date is Thursday, June 4, 2009. The 9:00 a.m. shotgun start will be followed by a cocktail hour and dinner banquet. Space is limited so please return your registration promptly.

Sponsors should have received information some time ago. If not, please contact us right away. There are some opportunities

still available. With the theme of "Making Connections" this year, the networking opportunities will be awesome. We look forward to a full house from tee off until the last raffle prize is presented.

Carl Pellettieri, Esq. cpellettieri@comcast.net
Ross Stebbins ross.stebbins@rsmi.com

(Additional event continued on page 14)

First Illinois Chapter News, Upcoming Chapter Events and Committee Updates

(continued from page 13)

■ HFMA's 2009 ANI: The Healthcare Finance Conference

June 14-17, 2009, Seattle Washington
Washington State Convention and Trade Center

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Keynote Addresses by:

- The Honorable Al Gore, 45th U.S. Vice President and 2007 Nobel Prize Winner
- Author Patrick Lencioni, founder and president of The Table Group
- President Karen Davis, Ph.D., of The Commonwealth Fund

Miscellaneous:

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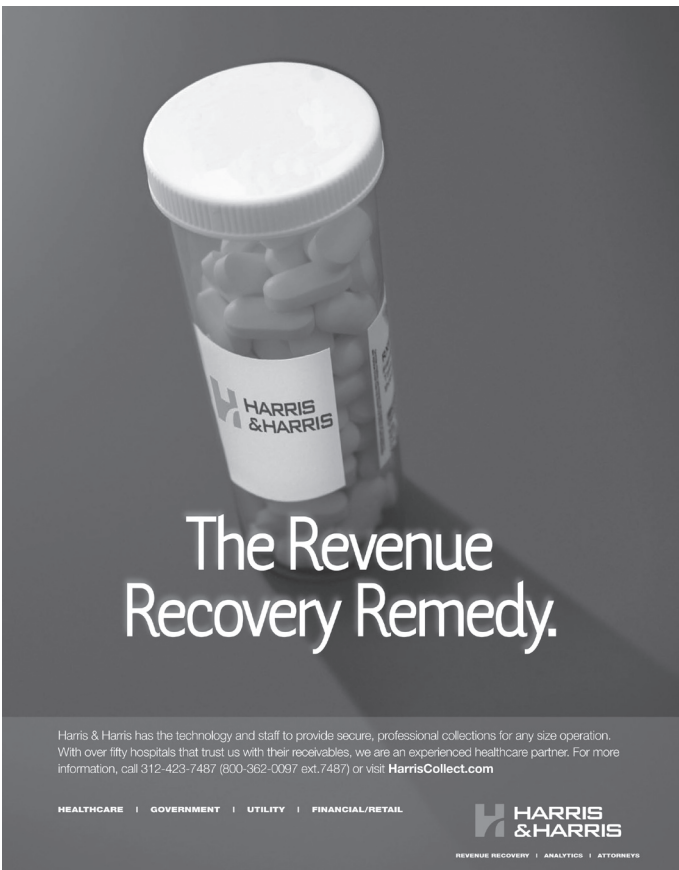
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