



first illinois speaks

A Newsletter from HFMA's First Illinois Chapter

July, 2006

Courage

IN LEADERSHIP



President's Message

First let me say that it is an honor and a privilege to serve as President of the First Illinois Chapter of HFMA. Four years ago when I made the commitment to the officer track this year seemed to be a long way off. It seems like only yesterday and the time to represent the chapter is now.

HFMA's incoming National Chairman, Joseph Fifer, FHFMA, CPA was installed at ANI and unveiled this year's national theme, "Courage in Leadership".

I hope to make our national theme, "Courage in Leadership" a central part of our efforts this coming year. As healthcare professionals, we see first-hand the high quality of care provided in our facilities everyday.

At the same time, we recognize the challenges the industry faces and understand that maintaining the status quo is not a viable direction for our industry. We must have the courage to change and adapt our organizations for the future, so that they can continue to serve the communities that depend upon our organizations.

Whether we work for a provider organization or a vendor that partner's with providers our success is contingent upon the industry's long-term viability. Through active involvement in our chapter we can collectively identify the knowledge and opportunities that will drive this success, but we must have the courage to lead. Through HFMA we can drive each other to be better.

As one of 70 local Chapters that are part of an organization with a national membership of more than 34,000 healthcare financial management professionals, we have a tremendous level of resources of which to take advantage.

But we can only be effective for our members, if the members are active, informed and engaged. As healthcare finance professionals, we need to take advantage of the expertise of our Chapter members. We have the opportunity to learn from each member. We have the opportunity to take advantage of professional educational opportunities offered by the Chapter and our national organization.

We have the responsibility to make an extra effort to lead and demonstrate the courage necessary to drive success.

As a member and officer of the Chapter for many years, I know that our members work with the highest of integrity and ethics. Our standards cannot be compromised. I look forward to continue working with our officers and members in finding "Courage in Leadership".

Vincent E. Pryor
President

Clinical Integration: A United Approach to Pay-for-Performance, Outcomes Reporting, and Evidence-Based Medicine in an Era of Consumer Driven Healthcare

BY JAMES L. WATSON AND DR. MICHAEL RAYMOND

For the past 3 years we've heard about the coming of "Pay For Performance", "Outcomes Reporting", "Consumer Driven Healthcare" and "Clinical Integration". It has been slow in coming, and with much skepticism, but it arrived in our offices last week in a big way.

In the past week, we've received three (3) letters from different managed care plans that demonstrate where the industry current is in relation to Pay For Performance, Outcomes Reporting (Report Cards), and Consumer Driven Healthcare.

Hospital Example: Pay for Performance linked to Outcomes Reporting

The first was a letter from one of the large, national health insurers, proposing that for our new hospital contract our reimbursement be totally based on our performance. There would be two (2) components to this; first, the hospital's ranking in their annual "report card", and second, the "quality" of DRG outcomes as measured by three indicators: Mortality, Length of Stay, and Complications.

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Editor's Note

Welcome to the 2006-07 Chapter year – another year to educate and inform and meet my fellow chapter members!

Throw in the desire to write a column that can engage readers and you are faced with somewhat of a unique challenge.

In recent months, I have been focused on the concept of change - how I can achieve it, what it personally means and how can I successfully apply and deal with it. For starters, my spouse made a job change (for the better) in very recent times – come to think of it, I will also be moving onto new professional challenges (talk about a chaotic household and juggling schedules). For the Dillons, personally, this means perhaps exchanging some of our traditional duties and assignments and adapting to others, all the while staying focused on the important components of our life.

From a professional standpoint, I will soon be faced with cultivating new relationships and perhaps changing my perspective, the way I deal with others or just even reopening my mindset to a different perspective. Whatever trepidation I may feel is balanced by the fact that I am excited about new opportunities and will embrace them wholeheartedly.

For you the chapter reader, change means that this year you will see an extra edition of First Illinois Speaks – 5 instead of the traditional 4 issues!! 4 issues have been beneficial to the membership; however, change also has its advantages and this provides us the opportunity to relay other information of professional interest in a more timely manner. And while we will be keeping much of the traditional content, our newsletter team may look to incorporate other stylistic and content changes to make that you the reader are satisfied with our final product.

The concept of change ties in nicely with “Courage in Leadership”, the theme this year developed by HFMA’s National Chairman Joseph Fifer, FHFMA, CPA. In order to be effective as a leader, not only must one have courage to pursue a course, but perhaps change the course and embrace it. Change helps keep leaders fresh and helps their organizations move forward!

I look forward to another exciting (and change-filled) year ahead – I look forward to meeting many of you during coming events and welcome your comments or suggestions! I can be reached at pauladillon@sbcglobal.net

Sincerely,

Paula Dillon
Editor, *First Illinois Speaks*
First Illinois Chapter HFMA

First Illinois Chapter Opportunities 2006–07

The success of the First Illinois Chapter is thanks to the efforts of chapter leaders, members and the work of the many committees that are responsible for providing the many educational and networking opportunities during the chapter year. Committee participation is a tremendous way to become involved, expand your professional horizons and meet your fellow HFMA members. Listed below you will find a brief description of each of the First Illinois committees and contact information for the appropriate chairperson(s) – please take a few moments to consider participating at some level.

■ Accounting and Reimbursement

The Accounting and Reimbursement committee monitors emerging accounting and reimbursement issues in the health-care industry and shares this information with Chapter members and others through articles published in First Illinois Speaks and through high-quality and innovative education programs.

Committee Co-Chairs:

Brian Katz - (312) 665-5652 and

Pat Moran - (312) 602-3549

■ Certification

The Certification Committee provides preparation and educational assistance to those members interested in completing HFMA’s certification exams and attaining CHFP or FHFMA status.

Committee Chair:

Mike Nichols – (847) 413-6360

■ CFO Committee

The composition of the CFO Committee includes Chief Financial Officers and Vice Presidents of Finance from providers and purchasers of healthcare services. The committee regularly schedules round table discussions on behalf of its members and organizes one or two educational programs/social events aimed at a broader constituency.

Committee Co-Chairs:

Guy Alton – (773) 962-4073 and

Jeff Rooney – (847) 933-6039

■ Education

The Education Committee coordinates the yearly educational programs, working with each committee to ensure program content and meeting logistics.

Committee Chair:

Brian Sinclair – (847) 273-2196

First Illinois Chapter Opportunities (continued)

■ Golf

One of the largest annual events sponsored by the First Illinois Chapter is the annual golf outing, with over 400 healthcare professionals in attendance for networking and socialization. The committee is responsible for the overall planning and coordination of logistics.

Committee Co-Chairs:

*Ron Hennings – (630) 424-4016 and
Dan Cook – (312) 523-6041*

■ Information Technology

The Information Technology Committee provides educational sessions to members and discusses the state-of-the-art technology in the healthcare industry. The committee is focused on addressing the pivotal role it plays in both the clinical and financial area.

Committee Co-Chairs:

*Eric Tate – (630) 942-8211 and
Greg Wimbrow – (630) 801-2704*

■ Managed Care

The Managed Care Committee's primary focus is on the constant changes in healthcare driven by managed care trends. Committee members have direct input into the content of the programs presented and an informal planning atmosphere aids in the creative flow of idea generation.

Committee Co-Chairs:

*Cathy Peterson – (773) 580-6800 and
Denise Cameron – (773) 250-1119*

■ Medical Groups and Physicians

The Medical Groups and Physicians Committee deals with structure, governance, strategic planning and financing of growth strategy, physician compensation and practice valuation and acquisition issues. The committee meets in the fall to plan its annual educational program and to develop newsletter articles for First Illinois Speaks. In addition, the committee hosts a roundtable discussion group that meets regularly throughout the year.

Committee Chair:

Elaine Scheye – (773) 989-9315

■ Membership Relations

The Membership Relations Committee is responsible for the development and imple-

mentation of new and creative approaches to increase the membership of the Chapter.

Committee Chair:

Janet Blue – (630) 916-1166, Ext. 120

■ Mentoring

The Mentoring Committee is a new committee that will focus on the mentoring of new members to the chapter.

Committee Chair:

Pat Moran – (312) 602-3549

■ Mini-LTC

This committee will focus on the continuation of HFMA 101 and 201, which affords members the opportunity to learn about HFMA and volunteerism within the First Illinois Chapter.

Committee Co-Chairs:

*James Watson – (847) 933-6023 and
Janet Blue – (630) 916-1166, Ext. 120*

■ Multi-Chapter Education Event

This committee will plan and coordinate a multi-chapter education program. The event will be multi-day event which will include learning opportunities for many aspects of healthcare financial management.

Committee Chair:

James Heinking – (847) 706-9200

■ Newsletter

The First Illinois Chapter's newsletter, *First Illinois Speaks*, is recognized by National HFMA as one of the premier chapter publications. Volunteer assistance is needed for writing articles, editing, photography and advertising sales.

Committee Chair:

Paula R. Dillon – (630) 627-4549

■ Registration

The Registration Committee greets attendees at educational and social events and ensures that attendees are appropriately registered, attendance lists and names badges are prepared, and all monies are deposited for programs in a timely manner.

Committee Chair:

Gail Walker – (574) 252-2700

■ Revenue Cycle Management

The Revenue Cycle Management Committee

is made up of a diverse group of healthcare industry leaders including, but not limited to, PFS managers and directors, accounting and reimbursement managers, CFOs, and other healthcare professionals. Besides organizing and presenting a quality educational program during the year, the Committee's agenda includes round table discussions related to the revenue cycle.

Committee Chair:

Michelle Holtzman – (847) 971-4011

■ Sponsorship

The Sponsorship Committee assists in obtaining advertising for the newsletter and corporate sponsorship for First Illinois events.

Committee Chair:

James Ventrone – (847) 550-9814

■ Strategic Planning

This committee is responsible for reviewing and updating the Chapter's strategic plan and working with First Illinois Chapter officers and directors to identify future directions for the Chapter.

Committee Chair:

Jame Watson – (847) 933-6023

■ Website

The Website Committee develops and maintains the content of the Chapter's website. Committee members also work with other chapter committees as well as National HFMA to ensure that members have access to timely Chapter and industry news and information. Check out the revamped First Illinois website at www.firstillinoisHFMA.org

Committee Chair:

Athena Peterson – (847) 706-9200

■ Miscellaneous

Opportunities to write an article for *First Illinois Speaks* as well as speaking at chapter programs are also available – please contact the newsletter chair for writing opportunities or the education chair for speaking opportunities.

For additional information on any of the exciting chapter opportunities described above, please feel free to contact the chairperson(s) identified. ☎

First Illinois HFMA and University of St. Francis in Education Partnership!

The First Illinois Chapter of HFMA (FIHFMA), together with the College of Professional Studies at the University of St. Francis (USF), are pleased to announce plans for a partnership designed to deliver a number of formal educational program opportunities for FIHFMA members. Providing the opportunities to increase the educational credentials of HFMA members is a specific goal in the strategic plan of the chapter, and to that end, it has engaged in discussions with USF concerning the delivery of those programs.

The University of St. Francis is a private university based in Joliet, Illinois. The College of Professional Studies (CPS), a specific educational unit within the university) is recognized as a proven leader in the delivery (both locally and nationally) of educational programs geared specifically for working

adults; current degree programs include degrees in the healthcare field (Master's of Science in Health Services Administration and Bachelor's of Science in Healthcare Leadership) as well as the Master's of Science in Training and Development. In addition to offering classes on site at its Joliet campus, USF also offers classes at seven other sites located geographically within FIHFMA's boundaries (Des Plaines, Elmhurst, Evergreen Park, Moline, Naperville, Oak Forest and Rockford). Students can also complete all the course requirements of the CPS programs in a distance learning (web-based) environment. For example, core courses in the Master's of Science in Health Systems Administration curriculum include: Management of Health Services, Administration of Health Services, Health Services Marketing, Healthcare Law,

Financial Management of Health Services, Economics of Health Services, Medical Sociology, Healthcare Ethics and Applied Research Methods. In addition, USF also offers degrees in undergraduate programs, as well as selected certificate programs. *We must also emphasize that at this time, discussions between both organizations have stressed that this is a pilot project offering for First Illinois Chapter members only at this time.*

Tom Jendro, USF CPS faculty member and member of the FIHFMA Education and Membership Committees is the contact for this project. (tjendro@stfrancis.edu). Both organizations believe that the offering of these educational opportunities for HFMA members represents an exciting opportunity.

We want to know what YOU think!
Look out for the survey in your email very soon!! ☕



**FIRST ILLINOIS HFMA AND
UNIVERSITY OF ST. FRANCIS
IN EDUCATION PARTNERSHIP!**

Questions?

**Call Tom Jendro on (815) 740-3534,
or email tjendro@stfrancis.edu**

Founders Merit Awards Winners

Several First Illinois chapter members were recently honored during the 2005-06 year for their ongoing contributions to First Illinois. Recipients of the Founders Merit Awards were: Michelle Holtzman, Fullmer Bronze award; Tony Kazwell, Reeves Silver award; Dominic Nakis, Reeves Silver award; Al Staidl, Muncie Gold Award. Congratulations to all award recipients!



Brian Sinclair & Al Staidl (Gold Award)



Brian Sinclair & Michelle Holtzman (Bronze Award)



Dominic Nakis (Silver Award) & Brian Sinclair



Tony Kazwell (Silver Award) & Brian Sinclair

New Members

HFMA would like to welcome the following members as of April 2006 to the First Illinois Chapter:

Mike Uribe
Loyola University Medical Center

Anthony Cutilletta, M.D.
Protiviti, Inc.

Brian (Bo) Martin

Nanette Aubert
Rush University Library

James Marinis
Meridian Leasing

Will Redfield
Emc Captiva Healthcare Solutions

Luis Pesantez
Norwegian American Hospital

Richard Bajner, Jr.
Rush North Shore Medical Center

Michael Meunier

Courtney Hoagland
Deloitte Consulting

Megan Schmitz
Blue Cross Blue Shield of Illinois

Ben Johnson
Blue Cross Blue Shield of Illinois

Fred Bazzoli
Medtech Publishing

Suzanne Petru
Petru Enterprises

Matthew Mason
Mount Sinai Hospital

Ken Seip
CitiCapital Healthcare Finance

Clinical Integration: (CONTINUED FROM PAGE 1)

The way we would get reimbursed under this proposed "Pay For Performance" methodology is relatively straight-forward: Our base reimbursement increase would be tied to the report card ranking: If we scored in the bottom half we'd get 5%, if we finished in the top half we'd get 7%, and if we finished in the top one-third we'd get 9%. We would get a 4% "bonus" payment for each claim that met the three criteria described above: No Mortality, LOS at the 66th percentile, and no complications as defined by the top 10 AHRQ measures.

CMS recently implemented a quasi-P4P program by rewarding hospitals that submit Core Measures data by not reducing the hospitals' rates by the .4% mandated for those that don't submit Core Measures (this goes up to 2% in 2007). They are attempting to follow suit for physicians. Once they are able to achieve that, CMS, the largest payor for healthcare services in the U.S., will be the first to implement P4P on a large scale nationally.

Physician Example: Pay For Performance Linked to Outcomes Reporting

This same large, national healthcare insurer has been doing quality studies and improvement programs for years. Rush North Shore Practice Organization holds contracts where we and the physicians are paid partly on our performance, and where the outcomes of our care are reported to the health plan membership via report cards and via the plan's website. On the physician side of the equation, this company not only measures things like Asthma care plans, Diabetic care, Pap Smear rates, Immunization Rates, but they also provide patient information to the doctors on chronic care issues their patients are dealing with to help the doctors find and treat these people. Then after helping you help them, this company will reward you with increased reimbursement.

Of the \$4 million in annual capitation revenue received through our PHO, approximately 25%, or \$1 million, is linked to our performance. These contracts also measure member satisfaction,
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HFMA Events

30th Anniversary First Illinois Golf Outing May 26th 2006

BY AL STIDL

The 30th Annual First Illinois HFMA Golf Outing was held on Friday, May 26, 2006. This year's event took place at St. Andrews Golf Club and Klein Creek Golf Club. We had a truly wonderful day and we saw a lot of sunshine during the day. I think it helps having "mother nature" on our golf committee! This year's gifts were women's and men's Calloway CG Sport Drysport Lite golf shoes.

310 golfers played in the event. They enjoyed an outside barbeque from 11:00 AM till 1:00 PM for those who had to leave early. For those who stayed, we enjoyed a barbeque which was held inside in the cool air-conditioned banquet room at St. Andrews from 3:00 until 7:00 PM.

This year's awards and winners were:

William Costello Memorial Award

Low gross score for a HFMA member who played the regulation course at Klein Creek
Lynne Robinson (*shot a 83, same as last year*).

Scramble team winners at the St. Andrews golf courses were:

St. Andrews course (7 under par):

Don Haring
Rich Walsh
Ken Nelson
Don Daniels

Lakewood course (10 under par):

Nancy Bartelt
Keith Degner
Dan Cook
Al Staidl

The following are the winners of the hole events played at St. Andrews and Klein Creek:

St. Andrews course:

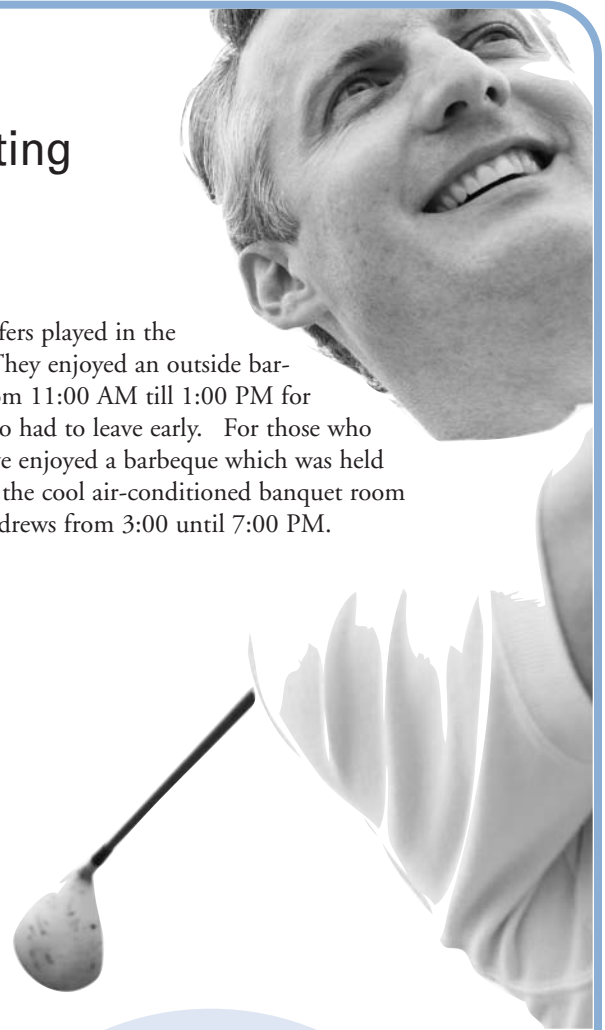
Closest to the pin, Women - Sue Ciezki
Closest to the pin, Men - Jose Robles
Longest drive, Women - Sue Ciezki
Longest drive, Men - John Pucin

Lakewood course:

Closest to the pin, Women - Doris Hendrickson
Closest to the pin, Men - Terry Swan
Longest drive, Women - Julie Haluska
Longest drive, Men - Dan Cook

Klein Creek:

Closest to the pin, Women - Lynne Robinson
Closest to the pin, Men - Jesse Ong
Longest drive, Women - Lynne Robinson
Longest drive, Men - Rick Logan



A special THANKS to the following sponsors:

HEALTHCARE FINANCIAL RESOURCES, INC.

The halfway house at all 3 courses

SENEX SERVICES REVENUE PRODUCTION MANAGEMENT

Beverage tents on the St. Andrew's courses

Raffle prizes included TV's, Stereo's, DVD Players, Golf Clubs, Cubs' Baseball Tickets, and HFMA Folio's.

Our corporate sponsors are acknowledged below for their generous gifts throughout the year to the chapter:

Platinum Sponsors:

Crowe Chizek & Co., LLP
 Nebo Systems, Inc.
 RSM McGladrey and McGladrey & Pullen, LLP

Gold Sponsors:

Healthcare Financial Resources, Inc.
 HealthCom Partners, LLC
 JPMorgan Chase Bank
 Plante & Moran, PLLC

Silver Sponsors:

Claimquest Corp.
 DST Systems, Inc.
 Harris & Harris, LTD
 MAILCO, Inc.
 Pellettieri & Associates, P.C.
 Powers & Moon, LLC
 Virtual Recovery, Inc.

Bronze Sponsors:

Accelerated Receivables Management
 CMD Outsourcing Solutions, Inc.
 Cymetriz
 H & R Accounts, Inc.
 IMaCS Ltd.
 MedAssist, Inc.
 MEDCLR
 Medical Recovery Specialists
 On Target Staff
 R & B Solutions
 Revenue Cycle Solutions
 Revenue Production Management, Inc.
 Senex Services
 Strategic Reimbursement Inc.
 United Collection Bureau, Inc.
 Ventrone, LTD.
 Wellspring Valuation, Ltd.

A special "THANK YOU" is given to those persons who helped at the registration table:

Laura Barnes, Addison Financial Search; Janet Blue, On Target Staff; Paula Dillon; Mary Grady; Tina Nelson, The Jacobson Group; Mary Okel; Kathy Reszel, Kronos; and Marianne Staidl

I hope everyone who attended the 30th Anniversary 1st Illinois Chapter HFMA Golf Outing enjoyed the entire days' activities. Its been a pleasure and a honor to serve as this year's chairperson.

In order to put on an event like this, our corporate sponsors provided an additional donations to help this event. I want to give them acknowledgement and THANKS for their additional generous gifts!

Sponsors for the 30th Anniversary Golf Outing:

Accelerated Receivables Management	Jacobson and Associates
Addison Financial Search	The Jacobson Group
AHA Solutions, Inc.	JPMorgan Chase Bank
AIM Healthcare Services, Inc.	Kaufman, Hall & Associates
Ajuba International, Inc.	MAILCO, Inc.
ATG Credit	McGladrey & Pullen, LLP
Blue Cross - Blue Shield of Illinois	MedAssist, Inc.
Capital Source Finance, LLC	Medical Business Bureau, Inc.
Chartone	Medical Recovery Specialists, Inc.
CMD Outsourcing Solutions, Inc.	Metropolitan Chicago Healthcare Council
CSI Financial Services	NCO Financial Systems, Inc.
DNL Health Care Services, Inc.	Nebo Systems, Inc.
Eligibility Services, Inc.	On Target Staff
Experian Healthcare	Physicians' Service Center, Inc.
Fifth Third Bank	Plante & Moran, PLLC
Great Lakes Medicaid	R & B Solutions
Gustafson & Associates	Revenue Cycle Solutions
H & R Accounts, Inc.	RSM McGladrey, Inc.
Harris & Harris, Ltd.	Robert Half International
Harris Trust & Savings Bank	Troy Q. Smith & Associates
Healthcare Revenue Technologies, LLC	Wellspring Valuation, LTD.
HealthCom Partners	Wine Sergi, & Co. LLC.
Horizon Financial Management	Ziegler Capital Markets Group
Illinois Collection Services	

This event just does NOT happen by itself. It takes a lot of personal time, commitment, and hard work to bring our golf outing together. I want to say "THANK YOU" and recognize each of my golf committee members for the 2006 Outing:

Ron Hennings, Co - Chairperson - Pellettieri & Hennings, PC
 Laura Barnes - Addison Financial Search
 Bob Belke - OSI Healthcare Services
 Janet Blue - On Target Staff
 Tim Carlson - Trans Union
 Dan Cook - AIM Healthcare Services
 Luba Dezurko - Healthcare Financial Resources
 Paula Dillon
 Chad Frederickson - Deloitte & Touche
 Amy Goble - AHA Solutions
 Michael Grady - Healthcare Resources Initiatives
 Julie Haluska - NCO Financial Systems
 Di Di Lee - Senex Services
 Tina Nelson - The Jacobson Group
 Kathy Reszel - Kronos
 Ross Stebbins - RMS McGladrey
 Edwina Vass - Harris Trust & Savings Bank
 James Ventrone - Ventrone, LTD.
 Greg Wimbrow

Al Staidl is a member of HFMA's First Illinois Chapter and a long-time co-chair of the annual Chapter Golf Outing, including the 2006 Golf Outing.

Tiger to Tiggr

BY JANET BLUE



Julie Haluska – Longest Drive



Dan Cook – Longest Drive



John Pucin – Longest Drive

5.00 am, alarm goes off, and I prepare myself for the day – only not just any day, has a year gone by already? I drive north on Rte 59, with my cup of tea in hand, ready to serve over 300 avid golfers who are wending their way across the counties to come together for a glorious day of birdies, eagles and whatever other birds they can bag!

I arrive at St Andrews at around 6am (oh if only it *were* St, Andrews...), and join the crew who have been doing this for years, not 10, not 20 but around 30 years – yes Mary, Marianne and Mary, all Robins any other day to their Batman, but today, they are truly Batman as their Robins were out on the golf course (more birds...).

This formidable team work like a well oiled engine, totally in sync with each other, never missing a beat regardless of how long the line is in front of them, or how many people are talking to them at the same time. I have had the privilege to be their “rookie” for three years now, and it is like watching clockwork – they are amazing – serving the chapter unwaveringly, whilst catching up on news in each others families, time for a hug for old friends, and sharing photographs. I understand that this may be the last year several of them may serve

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Dan Cook wins the TV!



Lakewood Scramble Team – Dan Cook, Keith Degner, Al Staidl (not pictured Nancy Bartelt)



Matt Lowe wins Cubs Tickets

Tiger (CONTINUED FROM PAGE 8)



Front row: - Mary Okel, Marianne Staidl, Mary Grady, Janet Blue.
Back row: Laura Barnes, Al Staidl, Paula Dillon, Tina Nelson

I found my golfing buddy Katherine, and we made our way gingerly over to the golf carts. We insisted on a Golf Cart 101 from Butch the club cart keeper, and we moved off. We purposefully picked a late tee time (*did someone say tea time?*) so that we wouldn't need to be diplomatically "moved on" by ardent golfers, and sped down the path – how exciting it was to ride in the golf cart – I am sure if I had asked my buddy, we would have just loved to ride around in that for the afternoon and call it quits!!

We spent the next 9 holes complimenting each other on how incredible we were, every time the club hit the ball we jumped with glee because we had actually hit it!! On some holes of course we also kicked it and threw it, but it was our ball and we could do it our way couldn't we? Every time we missed we would compliment each other on a "pretty swing". At the end of the day I decided I went from a Tiger to a Tiggr in 3 short hours!



Guy Alton – Rescue Club



Carl Pelletieri – Rescue Club



Tom Jackson – Rescue Club



St. Andrews Scramble team: Don Daniels, Don Haring, missing Rick Walsh and Ken Nelson

easy it is to encourage anyone who is wearing a green shirt, that because he is wearing that shirt, he/she needs to buy raffle tickets!! It's fun, great way to put names to faces, and the morning just disappears with the crowd whilst making tea for some of the ladies (just like in the *other* St Andrews), and waiting for my turn to go out there and show the world (or West Chicago) my amazing golfing talent.

All in all, we had a wonderful day – awesome time in the morning just being part of the crew, total fun in the afternoon – riding the golf cart and hitting the ball. If this is what it is like to serve on a committee in FI HFMA – bring it on!!

Janet Blue is a member of HFMA's First Illinois Chapter and an enthusiastic attendee at the 2006 Chapter Golf Outing.

on this committee – my hat is off to you ladies, they will surely be difficult shoes to fill!

I was put onto the onerous task of helping Mary with the raffle tickets, its amazing how

Donning my shiny new Callaway Golf shoes – this year's gift at the golf outing,

physician satisfaction, and customer service. The measures are based on programs we know and data we share. Both of the contracts referenced above have been in place for years. Both have been ahead of the times in measuring outcomes and incentivizing providers in an appropriate, balanced, and inclusive fashion. Both are HMOs.

The worst of both worlds: Outcomes Reporting not linked to Pay For Performance but only for the sake of putting something out there

I opened a large envelope from another of the nation's largest health insurance companies, to find their buyer's guide to hospital services. Their guide was very slick, as are most of the mailings sent to health plan members (yet we as doctors and hospitals have been relegated to get information from the plan's website, printing at our own cost). In a very slick and extremely superficial fashion, the quality of our care and the cost of our care was laid out in a single table, with a ranking of 1-3 stars for quality, and 1-3 dollar signs for costs.

This was not the first time I'd received a package from a health insurance company, touting a "report card" we didn't know they were putting together, based on data we've never seen, grading us on indicators we never talked about.

But what was different about this one was a couple of things. First, the elaborate wording of the cover letter. Well, really it was more of a disclaimer than a cover letter; half explaining and half apologizing for their data, going on about how they realize the data's not perfect but it's a start, how they've been in discussion with national advisory committees to collaboratively improve the process, etc. But, having said all that, all the data

we've reported to you here for the first time goes on our website in 30 days. If you have any questions, call our 800 number. Have a great day!

The other thing that struck me about this letter was that it was based on data from a health plan that didn't operate in the Chicago market and that we did not have a contract with. This health plan just happened to have been acquired by the aforementioned large, national insurance company, who apparently felt they needed to put something out there, no matter how flawed.

It just so happens that this same large, national insurance company has done the same type of "report cards" with physician practices. It just so happens that we received a letter from them last week as well; I knew I was there was trouble afoot when I read the letter's salutation: "Dear Administrator"; so important that they couldn't even bother to address the letter. The rather lengthy 2-page cover letter/disclaimer featured most of the caveats as the letter this company sent to the hospital as outlined above. It went on to admit that void of any credible data sources for performance assessment, they used their own claims data. This highlights another problem with the shot-in-the-dark-report cards: They only report on a small sliver of organization's entire patient population; they are inherently biased with small denominator envy. But yet, this information is out there for the world to see.

In both the hospital and physician examples above, regardless of whether the report card was good, bad, or otherwise, there was no link between performance and reimbursement. In both cases, examples of putting something out there for the sake of putting something out there.

Let's talk about "transparency"

Clearly, patterns are starting to form. We know who is serious about quality improvement and performance improvement and those who are newcomers to the game.

And the game is called "transparency", a term being thrown about quite frequently these days. The concept of transparency is simple: The quality of our care and the costs of delivering that care should neither be a secret nor too complicated for consumers to understand. "Pricing transparency" means that a consumer will soon be able to go to a website, pull up the buyer's guide for knee replacement, and get a Consumer-Reports-like print out showing the cost of that service based on their health plan's contracts and based on their benefit plan, at any number of hospitals and with any number of surgeons. "Quality transparency" means that a consumer will soon be able to go to a website and do the same thing as it relates to "quality".

What is dangerously missing from this discussion is a set of agreed upon definitions. My hospital costs may be higher (or lower) than a competitors for any number of reasons. How will the average consumer interpret these indicators? If I'm more expensive is that because high quality is more expensive or is that because I'm greedy? If I'm less expensive, does that mean I'm cheap and go for volumes of patients or is because I have a lower cost structure? On the quality measurement side, the lack of agreed upon definitions and appropriate risk adjustment discussions is not just dangerous, it is reckless and misleading. I may have higher mortality and higher complications because I get the sickest patients referred to me. I may have a higher length of stay because I am an academic hospital with an old population. There is no accommodation for

that kind of intelligent dialogue when you have to squeeze everything into a one-page chart with stars and dollar signs. But I'm pretty certain it is transparent because I see right through it; however, most healthcare consumers aren't in the business of healthcare so they don't know any better.

Clinical Integration: A united approach with many benefits on many levels

Our only hope is that there is a common ground found somewhere soon. What would be nice is if CMS, the national health insurance companies, and the "quality think tanks" (i.e., Leapfrog, 100,000 Lives, AHRQ) could all get in a room and decide (a) what are we going to measure, (b) how are we going to measure it, and (c) how are we going to report it and (d) how can we most effectively and responsibly link patient outcomes to provider reimbursement. Right now, it is truly the Wild Wild West in this regard, with many well-intending people shooting from the hip in an effort to get their 15 minutes in the Quality Spotlight.

Rather than stand by and watch this transformation occur on the terms of the for-profit health insurance industry, we as doctors, hospitals and other healthcare providers need to unite to ensure that the report cards are filled out by real teachers using real scores on our work. This is where "clinical integration" comes in. Simply stated, clinical integration is a method of care delivery whereby a hospital and its medical staff and other care givers work together on clinical initiatives to improve the quality of healthcare. For example, a care pathway adopted by a medical staff and the hospital in an effort to decrease complication rates and length of stay. Another example would be a PHO that contracts

Clinical Integration: (CONTINUED FROM PAGE 10)

with an IT firm to implement a tool that provides physician practice-based data extraction, analysis and patient care intervention tools. Both are examples of “clinical integration” and both are examples of initiatives in Rush North Shore’s Clinical Integration Program in place between the hospital and the PHO.

Clinical integration allows us to focus our energies together on “improving quality”, be that defined as improving underuse, overuse, and misuse of clinical resources, reducing costs, increasing recovery times; it is broad enough to allow a lot of creativity.

Clinical integration is also important in two other ways: First, it allows us to produce our own report cards. Right now, imagine a pie chart that represents the 100,000 people in our service area. That pie has 5 slices representing the large insurers that each cover 20,000 of the 100,000. Each of these segments get (or soon will get) a “report card” on the hospitals and on the doctors in their area. But each of these 5 segments of people will see something different; not all 100,000 will see the same report cards. However, if we were to unite and create our own report cards and sent them out to all 100,000 people, we will have won the Battle of The Report Cards. More importantly, we are consistently providing information that we know to be true to our community in whole, without the fragmentation and data integrity issues. Second, clinical integration provides a legal basis for independent physicians and hospitals to contract as a single group with health insurance companies. Based on rulings by the Federal Trade Commission in 2002, a medical network (i.e., a PHO or an IPA) must demonstrate that they are either financially integrated or clinically integrated in order to collectively contract. Such networks are financially integrated

for the capitated contracts; however there has been neither financial nor clinical integration historically in fee-for-service contracts. Void of demonstrating clinical integration, these PHOs/IPAs cannot continue to do fee-for-service contracting with health plans on behalf of independent physicians.

The good news, sans the cynicism

OK, so maybe we got a bit cynical in our discussion, but there is good news in all this.

The good news is that Rush North Shore Medical Center and the Rush North Shore Practive Organization are well ahead of the curve on embracing quality as an organization. On both sides, we’ve been participating in Pay For Performance type contracts for years, and have done well. On both sides, we’ve shared data, worked on quality improvement initiatives, and won awards for our efforts. We are happy that the stories of excellent patient care provided by the doctors and the organization are being heard and seen by more and more people. We have both a responsibility and a vested interest to ensure that it is done responsibly going forward, which is a fundamental argument for clinical integration between the hospital and the medical staff. If done the right way, this is a game we all win.

The other good news is that after receiving several report cards from health insurers, we are well prepared for any report card to come home in the kids’ backpacks. ☘

James Watson is the AVP of Managed Care and Physician Services, Rush North Shore Medical Center and the President-elect of the First Illinois Chapter. He can be reached at jlwatson@rsh.net

Dr. Michael Raymond is the Chief Medical Officer at Rush North Shore Medical Center.



first illinois speaks

Publication Information

Editors 2006-2007

Paula Dillon.....(630) 627-4549 pauladillon@firsthealth.com

Official Chapter photographer

Al Staidl

Advertising

Jim Ventrone.....(847) 550-9814 jmv@ventroneitd.com

Design

Jody Simons.....(312) 226-2227 jody@pubsol.net

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Articles for *First Illinois Speaks* should be written in a clear, concise style. Scholarly formats and styles should be avoided. Footnotes may be used when appropriate, but should be used sparingly. Preferred articles present strong examples, case studies, current facts and figures, and problem-solving or “how-to” approaches to issues in healthcare finance. The primary audience is First Illinois HFMA membership: chief financial officers, vice presidents of finance, controllers, patient financial services managers, business office managers, and other individuals responsible for all facets of the financial management of healthcare organizations in the Greater Chicago and Northern Illinois area.

A broad topical article may be 1000-1500 words in length. Shorter, “how-to” or single subject articles of 500-800 words are also welcome. Authors should suggest titles for their articles. Graphs, charts, and tables (**PDF or JPG only**) should be provided when appropriate. Footnotes should be placed at the end of the article. Authors should provide their full names, academic or professional titles, academic degrees, professional credentials, complete addresses, telephone and fax numbers, and e-mail addresses. Manuscripts should be submitted electronically, on computer disk or by e-mail as a Microsoft Word or ASCII document.

Founders Points

In recognition of your efforts, HFMA members who have articles published will receive 2 points toward earning the HFMA Founders Merit Award.

Publication Scheduling

Publication Date

September 2006
November 2006
January 2007
April 2007

Articles Received By

August 15, 2006
October 9, 2006
December 4, 2006
March 5, 2007

**Healthcare Financial Management Association
 First Illinois Chapter**

2006 – 2007 Calendar

Tuesday, August 22, 2006
 Program Chair Presentation Dinner
 Location: The DuPage Club

Thursday, September 21, 2006
 HFMA 101, 1/2 day program
 Location: Aramark offices, Downers Grove

Thursday, September 28, 2006
 Access Gone Wild, Full Day program co-sponsored with alPAM
 Location: Brookfield Zoo, Brookfield

Thursday, October 19, 2006
 Revenue Cycle/Accounting & Reimbursement,
 Dual Track program
 Location: TBD



Thursday, November 16, 2006
 Information Technology, (cosponsored with HIMS)
 Location: TBD

Thursday, January 18, 2007
 Revenue Cycle/Accounting & Reimbursement,
 Dual Track program
 Location: TBD



Thursday, February 15, 2007
 MD and Physician Group Practice, Full Day program
 Location: TBD

Thursday, March 15, 2007
 Managed Care Meeting, Full Day program
 Location: TBD

Friday, May 4, 2007 - CFO Meeting & Golf outing
 Location: TBD

Friday, May 25th, 2007 - First Illinois Chapter Golf Outing
 Location: TBD

The First Illinois Chapter

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