

first illinois speaks

A Newsletter from HFMA's First Illinois Chapter

October 2008

Know Your Patients, Not Just Their Insurance

BY RICH RACIOPPI, REGIONAL SALES MANAGER, SEARCH AMERICA

making connections

INSIDE:

Highlights and Recap
First Illinois Chapter Events

Cubs/Astros Game
page 6

60th Anniversary
Diamond Dinner
page 8

Annual Meeting &
Recognition Dinner
page 10

In the past years, patients have seen their healthcare deductibles increasing.

Consumer healthcare costs for insurance premiums are also increasing, even when employers are absorbing some of its impact. Patients are feeling more financial strain to meet their commitments, and as a result, hundreds of thousands



Inside This Issue

"Know Your Patients, Not Just Their Insurance"	1
Letter from the President	2
Chapter News, Events and Updates	2
MCHC Annual Conference & Exhibition	3
Letter from the Editor	4
"The Importance of Demonstrating Community Benefit"	5
"Area Hospitals Top \$3.2 Billion in Community Benefits"	12

HFMA Event Recaps

Cubs/Astro Game	6
HFMA Medal of Honor Award	7
Diamond Anniversary Dinner	8
HFMA Annual Meeting & Recognition Dinner	10
HFMA Upcoming Events	16

of individuals are signing up for Health Savings Accounts (HSAs). Hospitals are often challenged on how to best collect on their accounts, and this problem becomes even more acute with the advent of HSAs.

HSAs offer the advantage of stock-piling tax-free funds to cover out-of-pocket medical expenses until age 65, and they are teamed with insurance policies with high deductibles. The rationale is that when/if these individuals need medical care, a savings plan that allows funds to rollover each year will encourage fiscal responsibility

and consumer choice since the patient's portion of the bill will be much greater than under traditional plans, often \$10,000 or more.

Experts agree that the HSA is the most dramatic revenue cycle change to hit hospitals in more than 40 years. Hospitals must face this new reality by changing their Point-of-Service (POS) processes and enhancing patients' understanding of their financial commitments before services are rendered.

The bottom line for hospitals is 'Know Thy Patients, Not Just Their Insurance.'

(continued on page 14)

Letter from the President

As we celebrate the 60th anniversary of the founding of the First Illinois Chapter HFMA, I am reminded once again of the many wonderful acquaintances I have made over the years. I want to personally thank all of the Past Presidents. I know first hand how much time and effort they have given to make the First Illinois Chapter what it is today. To the membership: Please thank these courageous volunteers when you meet them. Spend some time getting to know them.

Making Connections is such an important part of HFMA. Just by the fact that members are volunteering says a lot about the character of the individuals you meet at education and committee meetings. As a chapter, we have tried to provide more opportunities for the socialization process. There is never enough time to make connections with your peers, but by participating in Chapter social events, whether at a baseball game, theatre, casino, or other Chapter events, members can not only have a good time, but make new friends.

You can never have enough friends. Who said that? Recently I was reminded of how important it is to make connections. As I was reaching out to potential committee volunteers, I had three phone calls in a row where the person was no longer employed or at that number. As a CFO who has gone through several merger and acquisitions over the years, I am astounded at how in times of crisis, members seem to fall off the face of the earth, so to speak. There is no shame in losing your job these days. If you haven't lost your job at least once, you're not seasoned. You always have to believe in yourself and keep a positive attitude. As difficult times arise, members need to network even more. Many of us are more than happy to help others find positions, but we need to be able to contact members that are transitioning. It is important to keep your contact info up to date on the National HFMA membership database, and to also make connections with contacts in the Chapter. Let us help you. We can be a great support group!

Don't forget to keep that pledge to make some new connections and renew some old connections this year! 🍀

Guy R. Alton, FIHFMA, CPA
2008 – 2009 Chapter President
HFMA



First Illinois Chapter News, Upcoming Chapter Events and Committee Updates

■ Membership Committee

Membership Directory Update

We are finalizing the information for the directory and will have the draft to the publisher by the middle of September. The publisher will have a draft available by the middle of October. After a final review by the committee, the members will receive the directory by the end of October.

Currently, the information contained in the membership and employer sections of the directory is reviewed for accuracy. These sections are supplied by the National HFMA organization and do not always contain the latest member information. We rely on YOU, the members, to ensure your data is up-to-date. Please be aware that you can make changes directly to your membership data at the www.hfma.org website.

One final note: If you've indicated that you did NOT want to receive any mail, including a copy of the directory (via your HFMA membership renewal), but have now changed your mind, please be sure to contact the directory contacts and we will get you a directory. Thanks!

Dave Golom
708.915.6107

Jane Bachmann
708.383.1860

■ Golf Committee

'09 Golf Outing Update

The golf committee has been working very hard to make next year's annual outing more exciting and fun for all of us. As we prepare for the event, we have decided to change to a shot gun start. This will allow everyone to start and finish at the same time. If you need to catch up with a friend or colleague you have not seen in a while, this will make it easy to find them and say hello. We are expanding the prize table to make sure most of the golfers are able to take something home after dinner. We are also checking out some different courses, which would make the 2009 outing the best one in years. Please stay tuned as we are changing the date from the traditional Friday of Memorial Day weekend to a date in early June.

We look forward to seeing you at next year's event!

Carl Pellettieri and Ross Stebbins



First Illinois Chapter News, Upcoming Chapter Events and Committee Updates

■ Cvent Committee

Improved Delivery of Invitations

Recently you should have received an e-mail regarding improvements being made in the deliverability of invitations from First Illinois HFMA. The company we employ for sending invitations is adding new IP addresses. If you experience any problems receiving e-mail invitations from First Illinois HFMA, please contact the Cvent Administrator, Sylvia Sorgel, at event-filhfmaorg@comcast.net or call her at 773.467.4386.

MCHC Annual Conference & Exhibition

We are excited that this year's First Illinois Chapter HFMA fall program will be held in conjunction with Metropolitan Chicago Healthcare Council's Annual Convention and Exposition (C&E) on October 30 at the Donald E. Stephens Convention Center in Rosemont. HFMA's Revenue Cycle Management and Accounting and Reimbursement Committees have worked closely with MCHC staff to secure key speakers on a number of important financial topics.

In addition to hearing from former Congresswoman and vice presidential candidate Geraldine Ferraro, and noted business ethicist Jack Gilbert, HFMA members can choose from 19 exciting educational programs and interface with hundreds of healthcare vendors.

Join your HFMA colleagues by registering for these educational sessions:

- **The RAC is Knocking: Are you ready to answer the door? (session CE00)** – Susan Melczer, director, patient financial services, MCHC, will provide an update on the current status of the Medicare Recovery Audit program, and Dawn Walden, vice president, revenue cycle management, Northwest Community Hospital, will share how her hospital is preparing for the advent of RAC audits.
- **Understanding IRS Form 990 and Related Schedules: Parts 1 and 2 (sessions CE03 and CE12)** – Zach Fortsch, managing director, RSM McGladrey, Inc.; Patrick Moran, Carol Lalonde and Lynne Huisman from Plante Moran; Larry Narum, vice president of community relations, Resurrection Health Care; and Daniel Yunker, vice president, MCHC, will focus on completion of the new Form 990 Schedule H, with insights on reporting community benefit activities, executive compensation and fund-raising related issues.
- **Healthcare Delivery and the Revenue Cycle – Future Shock (session CE07)** – HFMA Distinguished Speaker David Hammer, vice president, Revenue Cycle Solutions, McKesson Provider Technologies, will discuss some of the current megatrends in healthcare, top issues from the C-suite, changing technology, access to care, and revenue cycle management as a pacesetter for the future.
- **Hospital Financial Management for the Non-Financial Manager: Parts 1 and 2 (sessions CE08 and CE15)** – Steven Berger, FHFMA, FACHE, CPA, president, Healthcare Insights, will address variables that impact directly on profitability, such as financial analysis, accounting, and productivity management, and how to communicate confidently with others using financial data.
- **National Managed Care Payer Trends – What May Shock You (session CE14)** – Joseph H. Davi, FHFMA, president, Revenue Management Services, MedAssets, will share contractual and operational strategies for effectively managing the growing demands of managed care payers and their efforts to delay and reduce payment.

Letter from the Editor

This issue is full of changes and new beginnings. First and foremost, I am sure you may notice a few changes in the look of this and our future issues of the newsletter. We have recently changed publishing companies to DesignSpring Inc. We wanted a new and fresh look, just in time for the 60th Anniversary of the First Illinois Chapter of HFMA.

Happy Birthday First Illinois! This issue is dedicated to the 60th Anniversary of our chapter and will highlight the Diamond Anniversary Dinner that took place on Friday, September 19, at the Medinah Country Club. Please refer to the center pages of this issue for more information and pictures.

Speaking of birthdays, I would like to introduce Brett Kleebauer as the new co-editor of the *First Illinois Speaks* newsletter. Brett will be helping out and taking over my duties as editor while I am on maternity leave. If you have anything you would like in the January issue of the newsletter, please contact Brett so that we can make sure the newsletter is full of valuable information for each and every one of our members.

In this issue, you will find articles on community benefits and knowing your patients. You will also see updates for the membership directory and golf committees. Make sure you don't miss the summaries and pictures from the recognition dinner, Cubs game and anniversary celebration.

The newsletter is here to notify you of upcoming events so that you may be able to attend them; and give you recaps of the events in case there were scheduling conflicts.

To ensure that you are up to date on all of the upcoming hot topics in healthcare, we are **ALWAYS** in search of authors to write articles. If you have any ideas and would like to volunteer, please let one of us know.

So, I hope you enjoy this issue of the newsletter and find reading it worth your time. If you have any questions/comments/suggestions in regards to the *First Illinois Speaks* newsletter, please feel free to contact us. 📧

Amanda Springborn
amanda.springborn@rsmi.com

Brett Kleebauer
bkleebauer@hotmail.com



Reputation. Expertise. Commitment.

At Charter One, we understand that healthcare organizations have unique needs when it comes to achieving their financial and strategic objectives. Our Healthcare Financial Services Group is ready to assist and respond with innovation and creativity. With a dedicated focus on not-for-profit acute care and long term care, the vast and committed resources of our parent company, the Royal Bank of Scotland, and an experienced team of professionals, we have the customizable solutions your organization needs to thrive.

CHARTERONE.COM/HEALTHCARE

Kimberly A. McMahon
kimberly.a.mcmahon@charteronebank.com
312-777-3658

Member FDIC. Citizens Bank is a brand name of RBS Citizens, N.A. and Citizens Bank of Pennsylvania. OV#08278

Crowe Knows Healthcare

- Assurance
- Performance services
- Financial advisory services
- Tax consulting
- Risk consulting

For more information, contact:

David Frank
630.586.5237 or
dfrank@crowechizek.com

The Unique Alternative
to the Big Four®



Crowe Chizek and Company LLC is a member of Horwath International Association, a Swiss association (Horwath). Each member firm of Horwath is a separate and independent legal entity. Accountancy services in the state of California are rendered by Crowe Chizek and Company LLP, which is not a member of Horwath. © 2007 Crowe Chizek and Company LLC

HC7010A

The Importance of Demonstrating Community Benefit

BY THE ACADEMY OF HEALTHCARE REVENUE

In recent years, healthcare providers across the country have seen an increased focus placed on the distribution of charity care to their patients. Litigation led by several groups has alleged that hospitals do not provide sufficient discounted care to the uninsured population, while government entities are also becoming involved in non-profit hospitals' charity practices. One example is the Illinois attorney general's proposed law that would require non-profit hospitals in the state to spend the equivalent of eight percent of their operating costs on charity care. In fact, partially as a result of this attention toward charity care, nearly 70 percent of Academy survey respondents modified their charity care policies within the last year.

However, the significant nationwide focus on charity care policies has somewhat obscured the other aspects of hospitals' community benefit. Free or discounted care to uninsured, underinsured, and indigent populations is not the sole benefit that hospitals provide to their communities—a fact that can often be overlooked. As a result, while tax-exempt hospitals have historically reported their community benefit on IRS form 990 and in some cases to their individual states, more hospitals are now voluntarily reporting community benefit statistics to potential patients and their respective community leaders (e.g., governing boards). With the threat of potential scrutiny of hospitals' charity care and tax-exempt status, it is vital for hospital leaders to examine their own methods of tracking, documenting, and publicizing community benefit.

Accurately monitoring community benefit is often a challenge for healthcare providers—especially because community benefit is defined differently between hospitals, due to several factors:

- Legislative reporting requirements in each hospital's state
- Specific programs and services designed to deliver healthcare to unique populations served by each hospital
- Litigation (or threats of litigation) in each hospital's area that has contributed to an increased focus on publicizing community benefit

Before tracking quantifiable data that illustrates the impact of community benefit activities, leaders must first identify which hospital programs and services can be considered community benefit. In general, community benefit activities meet one of three criteria, according to the Catholic Health Association:

- Generate low or negative margin
- Serve the needs of special populations in hospitals' areas—such as minorities and persons with disabilities
- Would likely be discontinued if healthcare providers' decision to offer the activity was made solely on a financial basis

The chart below provides examples of which hospital activities are considered community benefit—and which activities should not be included in community benefit calculations.


Community Benefit Activities	
Include...	Do Not Include...
<ul style="list-style-type: none">■ Prevention, wellness, and community education programs■ Emergency, neonatal, and trauma care■ Clinical services that involve hospital volunteers who help to provide free or low-cost care—such as immunization drives to uninsured patients	<ul style="list-style-type: none">■ Health education classes designed to increase market share, such as pre-natal programs■ Time and talents volunteered by non-hospital staff members■ Unreimbursed services due to contractual allowances or Medicare/Medicaid shortfalls

Source: Catholic Health

Some best-performing healthcare providers have collaborated to develop a systematic approach for identifying community benefit programs and tracking standardized metrics to assess these programs' overall impact. Concerted strategies used by these organizations include the creation of formal community benefit committees comprised of board members, staff, and community representatives. Some facilities have also assigned one staff member the title and job description of Community Benefit Manager. While the staff member may only serve in this role on a part-time basis, he or she uses legislative criteria and hospital policies to evaluate which activities can be considered community

benefit, and identifies additional opportunities where community benefit programs can be implemented.

Ultimately, however, the responsibility for defining and demonstrating community benefit is shared by hospital executives and revenue cycle leaders, who promote the importance of these activities to communities and to staff members who may volunteer at uninsured clinics, screenings, and the like. By working with community benefit committees and managers, executives can identify effective measures for tracking quantifiable data that illustrates community benefit beyond the charity care hospitals provide—including statistics such as the total amount of staff and hours volunteered, the number of patients served through community benefit programs and services, and the revenue spent

on community benefit activities. With intense public focus on hospitals' tax-exempt status and charity care policies, leaders must make sure not to neglect tracking and emphasizing all benefits their facilities provide to their communities. 

You can reach The Academy of Healthcare Revenue at 888.700.5223 or contact@healthcarerevenue.org

Astros 4 Cubs 0...but

Happy FIHFMA Members and Guests 100 to None

BY MIKE NICHOLS, PRESIDENT ELECT FIHFMA, MANAGING DIRECTOR, RSM MCGLADREY



Chapter president fulfills election promise to offer a Cubs Game event at Wrigley Field

A day with a dreary beginning (weather-wise) ended with nearly 100 members and guests coming together for a wonderful evening of food and fellowship at Wrigley Field. This was the first HFMA social event held at Wrigley Field in quite some time. As part of President Guy Alton's first 100 days in office, he fulfilled an election promise to offer a Cubs Game event at Wrigley Field. He really took one for the HFMA team, as he is truly a Chicago White Sox Fan.

Attendees included current and past officers and board members, representatives from the provider and vendor partner community and created a great networking opportunity for many new members as well. We even made room for a visiting dignitary, Ron Snyder, currently President Elect of the McMahon-Illini HFMA chapter. Ron made the long trip from the Quad Cities to share in the food and fellowship enjoyed by our group.

All the registration for the event was handled through our new CVENT system, so thanks to Sylvia Sorgel for all the behind the scenes work she does to make all of our events work out so well. I'd also like to thank Ross Stebbins (golf

committee Co-Chair) for his help with some of the logistics of getting the tickets delivered.

We need to especially thank Michelle Holtzman for her help in organizing the event and making it possible for us to enjoy the amenities of the Wrigley Field Stadium Club. Our guests were treated to the finest hospitality Wrigley Field has to offer. Many people expected typical stadium food such as hot dogs, hamburgers and warm beer, but we were all pleasantly surprised with the hand carved meats, grilled asparagus, delightful salads and

heavenly desserts, not to mention ice cold beer in an actual bottle. Everyone commented on the wonderful meal and the opportunity for camaraderie the Stadium Club provided before the game.

The weather cooperated and the Astros and Cubs were able to get the game completed. Even though the Cubs did lose the game, we were all winners that night, as the friendly confines provided a great chance to enjoy a nice evening of baseball and a nice way to wrap up the summer. We now have a great chapter year to look forward to. After all, it looks like Cubs fans and HFMA members won't have to wait until next year.

This event was a great success and we hope to continue to offer high quality events like this in the future. Since we have such a diverse chapter we need to look at events that appeal to these groups. If you have any ideas for future chapter wide events like kayaking, a Chicago Fire Soccer game, or a Ravinia Festival outing don't hesitate to contact a member of the social committee or one of the chapter officers. 🍷

Mike Nichols is President Elect of FIHFMA and a managing director of RSM McGladrey. He can be reached at 847. 413.6360 or mike.nichols@rsmi.com.



Standing: Pat Moran and Jim Watson. Seated: Jeff Rooney, Vince Pryor, Jack Gilbert and Ron Snyder

HFMA Events

Astros 4 Cubs 0... (continued from page 6)



FIHFMA in the stands at Wrigley Field enjoying the Cubs vs. Astros game



New members of FIHFMA enjoying the amenities of the Wrigley Field Stadium Club

First Illinois Chapter HFMA Medal of Honor Award

BY JIM WATSON

Dave Golom receives 2008 Medal of Honor Award

At its Annual Meeting & Recognition Dinner on July 17, 2008, First Illinois Chapter HFMA bestowed the 2008 Medal of Honor on Dave Golom. Dave has been a member for 22 years, having joined FIHFMA in 1986. He has long been an active member in FIHFMA, and is well-known to all of us in the chapter. Through the years, Dave has contributed an enormous amount of his time and talent to the chapter, taking many chapter leadership roles including Co-Chair of the Membership Directory Committee, Chair of the Facilities Committee, and a long-standing member of the Accounting & Reimbursement Committee.

Dave has been in healthcare since 1976, and has been the Director of Reimbursement at Ingalls Memorial Hospital for the past six years. Vince Pryor, past president of FIHFMA and Corporate VP of Finance at Ingalls had this to say about

Dave Golom: "Dave is a very quiet, unassuming man; very devoted to his family, his work, and his volunteer responsibilities to HFMA. Dave is one of the nicest people you will ever meet, and I'm really happy for him tonight." Dave was in attendance at the dinner with his wife Adrienne to accept the award.

Dave is no stranger to receiving awards from FIHFMA. He received his Follmer Bronze Award in 1997, the Reeves Silver Award in 2000, and the Munice Gold Award in 2004.

The Board of Directors unanimously voted to award Dave the 2008 Medal of Honor at its Board meeting of 1/18/2008.

HFMA established the Founders Medal of Honor Award in 1986. This prestigious award recognizes an individual who has been actively involved in HFMA for at least three years after earning the Munice Gold Award. The individual must have provided significant service at the chapter, regional or national level and maintained membership in good standing. The Chapter Board of



Dave Golom and Brian Sinclair

Directors must then vote to approve the nomination.

Since the award was established in 1986 only 12 other First Illinois members have received the MOH. Dave is now the 13th. Our chapter averages over 1,200 members per year, so this is a rather exclusive group. As the result of Dave's continued work on the membership directory you can see his name and the others under the chapter award section.

Congratulations Dave! It couldn't happen to a nicer guy. 🍀

First Illinois Chapter Diamond Anniversary Dinner

Healthcare Financial Management Association

1948-2008



Current and Past Chapter Presidents

The Chapter celebrated our Diamond Anniversary Friday September 19, 2008, hosted by Chapter President Guy Alton and Past President James Watson. The event was successfully attended by 145 very attractive chapter members!

The celebration was held at Medinah Country Club and began at 5:30pm. The evening started out with Cocktails, Hors D' Oeuvres, wonderful conversation and piano music. The dinner included Ceaser Salad with Parmesan Reggiano and Garlic Croutons. The main course was Lobster

Tail and Tenderloin with Fingerling Potatoes, Baby Leeks, and Buttered Asparagus. The final desert was a Chocolate Marquis.

The event was attended by fifteen Past Chapter Presidents and our current President Guy Alton.

After dinner Chapter President Guy Alton presented Dr. Richard "Dick" Clarke, National HFMA President, with the Alice V. Runyon chapter advancement award. Dick is the 10th recipient of this award. Dick is a person who has set an example for all of us to follow as a leader in healthcare. CONGRATULATIONS!

**We would like to thank our Sponsors
ONE MORE TIME!**

Thank you to:

Allegiant Asset Management Group
Healthcare Finance Group, Inc
Lillibridge Healthcare Real Estate Trust
National City Bank
Passport Health Communications
Siemens Medical Solutions USA, Inc

Your generosity is appreciated by all who attended this very auspicious event. 🍀

Those pictured above are:

Richard Zeiler 78-78
Joseph Parrillo 83-84
Suzanne Petru 84-85
Linda Klute 90-91
William Okel 93-94
Morley Kerschner 98-99
Joseph Fazzini 99-00
Steven Berger 00-01
Eric Lundahl 01-02
Suzanne Lestina 02-03
Paula Wilke 03-04
Martin D'Cruz 04-05
James Heinking 05-06
Vincent Pryor 06-07
James Watson 07-08
Guy Alton 08-09

Janet Blue and Jim Heinking
Diamond Anniversary Dinner
Event Co-Chairs



Dick Clarke receiving his award from Guy Alton

HFMA Events

First Illinois Chapter Diamond Anniversary Dinner (continued from page 8)



Julie Haluska and Tammy Rowland



Brian Washa and Mr. and Mrs. Steve Berger



Mary and Bill Okle



Anniversary Dinner Co-Chairs Jim Heinking and Janet Blue

First Illinois HFMA Annual Meeting & Recognition Dinner

BY JIM WATSON

Over 100 FIHFMA members gathered at the new Harry Caray's Restaurant in Lombard on Thursday July 17, 2008, for our annual get together. Every July, the chapter hosts an event designed to celebrate the chapter year and recognize our accomplishments. Over the years this event has been called the "Transition Dinner" or the "Recognition Dinner"; it's kind of a running joke. But every July we get together and celebrate. So this year, I decided to call it the Annual Meeting & Recognition Dinner, because, well, it's once a year, and we recognize people for their accomplishments.

The FIHFMA Chapter Awards presented included: Members who achieved Certification status, Member-Get-A-Member contest winners, Scholarship Awards, and the 2008 Medal of Honor Award. It was great to see so many people recognized for their contributions; thank you and congratulations to each of you. It was especially rewarding to see the scholarship winners; seniors in high school who submitted applications to FIHFMA for one of our 3 scholarships.

The many chapter volunteers who manage our chapter operations, our committees, our educational events and our social events were recognized and presented with a small token of our appreciation. Our chapter leadership was also recognized with a national Yerger Award from HFMA for our work on re-engineering the program planning process. A very big "thank you" goes out to Elizabeth Simpkin, Sylvia Sorgel, and Brian Sinclair for their work on that project.

The 2008-2009 Board of Directors and Officers were once again installed by Cathy Jacobson, CFO, and Senior Vice President of Strategic Planning & Finances for Rush University Medical



2008 - 2009 Officers and Directors

Center. Cathy is also the Chairman-Elect for HFMA National, meaning that next year, Cathy will be the senior-most officer within HFMA for the entire country. Congratulations Cathy! And thanks for your continued involvement and leadership with FIHFMA. To the incoming Officers and Board, I bid thee well; please don't mess up the chapter too badly.

To cap off the evening, we had a couple of educational presentations on International Healthcare. We had a panel presentation and discussion about HFMA's International Exchange, which included Dr. Joe Abel, Ph.D., Director of Professional Development at HFMA National, Greg Pagliuzza, CFO, Rush North Shore Medical Center, and Martin D'Cruz, past president FIHFMA and VP, Managed Care at St. Vincent Health System. Following the panel discussion, the crowd enjoyed an excellent presentation from David Jaimovich, M.D., Chief Medical Officer at The Joint Commission Resources and Joint Commission Interna-

tional, who discussed JCAHO's efforts on accreditation internationally.

As you can see, we packed an awful lot of fun into a couple of hours, and as all things HFMA, we got some education hours out of it!

So in closing, as your now past president, I'd like to thank you for the opportunity to serve the chapter, and to serve our membership. It's been great. And one last time, let me express my gratitude to the many, many people who made my year as FIHFMA President an exceptional experience. Thanks also to Martin D'Cruz, Jim Heinking, and Vince Pryor for showing me the ropes; and a special thank you to our Board of Directors, and fellow officers Guy Alton, Mike Nichols, and Patricia Marlinghaus. ☺

HFMA Events

First Illinois HFMA Annual Meeting & Recognition Dinner (continued from page 10)



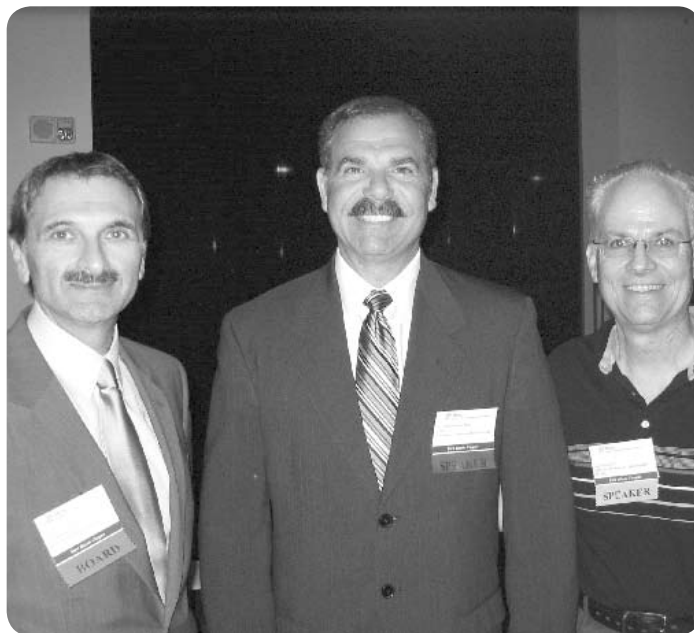
\$1,000 Scholarship Award, Lauren Marshall



Guy Alton, Patt Marlinghaus, Mike Nichols, and Jim Watson



\$1,500 Scholarship Award, Lindsay Noesen



Speakers, Greg Pagliuzza, David Jaimovich, and Joe Abel

Area Hospitals Top \$3.2 Billion in Community Benefits

BY DAN YUNKER

The Metropolitan Chicago Healthcare Council (MCHC) recently released *Caring for Their Communities*, which outlines the important contributions that tax-exempt hospitals make to their communities on a daily basis. This report reveals that hospitals in the metropolitan Chicago area contributed over \$3.2 billion in charitable community benefits in 2006.

Unreimbursed costs from the government due to Medicare and Medicaid shortfall accounted for the largest portion of these community benefits—more than \$1.4 billion dollars or a little more than 42 percent. Medicare and Medicaid patients made up 26 percent of the national patient population in 2006, according to the Kaiser Family Foundation. In the same year, Medicare reimbursed hospitals 91 cents on the dollar, while Medicaid paid only 86 cents on the dollar for the services that they provided.

Looking ahead, if the economy continues to downturn and jobs are lost, the number of uninsured is expected to rise. According to the Gilead Outreach and Referral Center, there are already over 1.2 million uninsured individuals in the metropolitan Chicago area; this includes 26 percent of Chicago's total population from birth to age 64. In addition, according to the Center of Economic and Policy Research, in "the event of a mild-to-moderate recession, health insurance coverage would fall 1.4 percentage points nationally, leaving [an additional] 4.2 million individuals without health insurance."

This combination of unreimbursed costs and caring for the uninsured has left many hospitals in financially fragile states, making it harder to provide important community-based services, forcing some facilities to limit the services they offer or close completely due to failing finances. The planned 2009

closing of Michael Reese Hospital stands as an example of this trend.

Those in the health care community understand the importance of these community-based services and the safety net that area hospitals provide to those they serve every day, enough community benefits to cover the average health care spending of over one million Chicagoans or the equivalent of more than 16 million flu vaccines.

Beyond community-based services, hospitals also provide for the health care needs of future populations by educating doctors, nurses and technicians as well as researching disease. The charitable community benefits allocated to these two categories alone amounted to over \$360 million dollars. With a health care workers shortage looming on the horizon as baby boomers continue to age and utilize more medical services, the importance of educating nurses and doctors as well as

(continued on page 13)



Now the healthcare industry has someone looking out for their health.

Your end-to-end business process outsourcing solution, providing customizable programs and pricing structures tailored exclusively for the healthcare community.

Healthcare's New Bottom Line.
www.MiraMedGS.com



MIRAMED
Global Services, Inc.

Get Ready for the Fall with a staffing partner...

who is → dedicated exclusively to the staffing needs of patient access, business office and medical records/chart management.

→ temporary, temp to hire and direct hire personnel in all disciplines.

→ very competitive rates.

and has → a large existing pool of qualified candidates for all shifts and weekends.

→ a validated medical skills test.

→ other proven qualification processes such as behavioral interviewing, full criminal background checks, employment verification and social security number trace.

and is → affiliated with CSI Staff Inc, another local healthcare staffing company with over 16 years experience of quality staffing performance.

On Target Staff Inc will serve you better in terms of responsiveness and cost, and looks forward to being of service to you and your company.

On Target Staff

For more information, contact

Amanda Meyer

Senior Staffing Consultant

(888) 916-1166

amanda.meyer@ontargetstaffinc.com

Visit us at: www.ontargetstaffinc.com



\$3.2 Billion in Community Benefits


(continued from page 12)

facilitating clinical rounds at hospitals is increasingly important. It is estimated that the Chicago metropolitan area will need approximately 36,000 nurses by 2020, with similar shortages expected to occur in other vital health care roles, including technicians, occupational therapists and physical therapists, according to Caring for the Future, which was recently released by MCHC.

Other findings include:

- Hospitals provided more than one billion dollars in free care to patients in 2006
- The amount of community benefits allocated toward language assistance services rose from over \$8.8 million in 2005 to over \$10 million in 2006
- More than \$184 million dollars supported the delivery of trauma, emergency and neonatal intensive care and other vital health care services

This report clearly illustrates the value that the area's hospitals bring to their communities from a financial standpoint. It is important for the health care community to support our tax-exempt hospitals as their status is further challenged by federal and state governments.

To view the full report, go to www.mchc.org. 

Healthcare Receivables

- Call Center Solutions
- Extended Business Office Services
- Customized Pre-Collection Services
- Third Party Recovery
- Bad Debt Recovery
- Litigation

877-427-0555

ICS-COLLECTION.COM

ICS
COLLECTION SERVICE

ESTABLISHED 1940





Reversing Today's POS Processes

The registration process has been designed to efficiently retrieve patient information for clinical and billing needs. Despite higher deductibles, copayments are often the only collections performed at POS, leaving most of the consumer's responsibility until after the hospital claim has been submitted to the insurance company and fully processed by the third-party payer. Large receivables, therefore, remain unpaid until the final stage of the billing cycle, often weeks after the

services are performed. This delay increases a hospital's accounts receivable and strains its cash flow.

What if the process was overhauled and patients paid their bills (or a significant portion of them) upfront with their HSA or other funds?

In this case, a hospital's collection efforts would be minimized, cash flows would be more stable, and patients would be aware of the costs of their healthcare choices prior to receiving service, when adjustments could be made if needed. The good news is that as HSAs mature and become more prevalent, patients will be better equipped to pay their portion of healthcare costs at the point of service (POS), even in emergency situations.

What Should Patients Pay at POS?

This is the million dollar question. The answer is that it depends on the patient. Some patients are good credit risks, but some are

not. Hospitals should ascertain the patient's medical credit score and related information to understand the probability of that patient paying his or her hospital bill on time.

It is just as important to understand the patient's ability and willingness to meet financial commitments, as it is to enter their insurance coverage correctly.

Patient with well-funded HSAs should be able to make payments immediately, and a hospital's billing process should send statements to these individuals more rapidly for faster collections. Using a stratified approach, patients with a high probability of payment should experience more lenient onsite collection procedures, as hospitals can expect full payment on the first billing. Patients with a lower probability of payment should have assistance in meeting their financial obligations through predefined workflows. Each workflow should secure a portion of the patient's bill at the POS and/

(continued on page 15)

THERE ARE HUNDREDS OF WAYS WE HELP HOSPITALS. HERE ARE FOUR OF THEM:

- 401(k) PLAN AUDITS
- 401(k)/DEFINED BENEFIT PLANS*
- INVESTMENT CONSULTING*
- CO-FIDUCIARY SERVICES*

*Services provided by PMFA, an affiliate of Plante & Moran, PLLC

For more information, please contact Pat Moran at 312.602.3549
or Sal Veltri (PMFA) at 312.899.4460.
plantemoran.com



CPAs / Business Advisors


THRIVE.

Know Your Patients, Not Just Their Insurance

(continued from page 14)

or direct the individual to a financial counselor to discuss the hospital's payment options.

Payment stratification at POS has resulted in significant returns for dozens of hospitals, reducing aging of accounts and improving cash flow. **Integrus Health**, for example, receives payment from 'high likelihood of payment' patients 92 percent of the time within the first two collection attempts. In addition, 98 percent of the time, payment is received prior to an account going to a collection agency for further efforts. **Resurrection Health Care** has improved its collections by 10-25 percent with focused, stratified collections.

No one would dispute that the financial and clinical responsibility for one's health is more and more under the direct supervision of the patient themselves. Today's higher deductibles, new savings plans such as the HSA, and technology to stratify patients according to their payment probability, offer hospitals the incentive and ability to customize their financial interactions with each patient. Institutions that improve their knowledge and interactions with the patient as an individual at the onset position themselves for a mutually beneficial relationship. 



The Revenue Recovery Remedy.

Harris & Harris has the technology and staff to provide secure, professional collections for any size operation. With over fifty hospitals that trust us with their receivables, we are an experienced healthcare partner. For more information, call 312-423-7487 (800-362-0097 ext. 7487) or visit HarrisCollect.com

HEALTHCARE | GOVERNMENT | UTILITY | FINANCIAL/RETAIL

HARRIS & HARRIS

REVENUE RECOVERY | ANALYTICS | ATTORNEYS



Publication Information

Co-editors 2008-2009

Amanda Springborn (847) 413-6964 amanda.springborn@rsmi.com
Brett Kleebauer (847) 235-2421 bkleebauer@hotmail.com

Official Chapter Photographer

Al Staidl (847) 550-9814

Advertising

Julie Haluska julie.haluska@searchamerica.com

Design

DesignSpring Inc., Kathy Bussert kbussert@designspringinc.com

HFMA Editorial Guidelines

First Illinois Speaks is the newsletter of the First Illinois Chapter of HFMA.

First Illinois Speaks is published 4 times per year. Newsletter articles are written by professionals in the healthcare industry, typically Chapter members, for professionals in the healthcare industry. We encourage members and other interested parties to submit materials for publication. The Editor reserves the right to edit material for content and length and also reserves the right to reject any contribution. Articles published elsewhere may on occasion be reprinted, with permission, in *First Illinois Speaks*. Requests for permission to reprint an article in another publication should be directed to the Editor. Please send all correspondence and material to either of the editors listed above.

The statements and opinions appearing in articles are those of the authors and not necessarily those of the First Illinois Chapter HFMA. The staff believes that the contents of *First Illinois Speaks* are interesting and thought-provoking but the staff has no authority to speak for the Officers or Board of Directors of the First Illinois Chapter HFMA. Readers are invited to comment on the opinions the authors express. Letters to the editors are invited, subject to condensation and editing. All rights reserved. *First Illinois Speaks* does not promote commercial services, products, or organizations in its editorial content. Materials submitted for consideration should not mention or promote specific commercial services, proprietary products or organizations.

Style

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

January 2009
April 2009

Articles Received By

December 2, 2008
March 10, 2009

**Healthcare Financial Management Association
First Illinois Chapter**

Chapter Education Calendar 2008/2009

Thursday, October 30, 2008

Joint Educational Conference & Exhibition with MCHC
Donald E. Stephens Conference Center, Rosemont

Wednesday, November 12, 2008

UB04 Training
Good Samaritan Wellness Center, Downers Grove



UNIVERSITY OF ST. FRANCIS

IN EDUCATION PARTNERSHIP!

For information call: Tom Jendro at (815) 740-3534,
or email tjendro@stfrancis.edu

The First Illinois Chapter Sponsors

The First Illinois Chapter wishes to recognize and thank our sponsors for the 2008-2009 Chapter year. Thank you for all your generous support of the Chapter and its activities.

Platinum Sponsors

Plante & Moran, PLLC

Gold Sponsors

Bank of America

Capital Source

Crowe Chizek & Co LLP

Miramend Revenue Group

National City Bank

Professional Business Consultants, Inc. (PBC)

Silver Sponsors

Charter One/Royal Bank of Scotland

Emdeon Business Services

Harris & Harris, LTD

Healthcare Financial Resources, Inc.

ICS, Inc.

MAILCO, Inc.

On Target Staff

Powers & Moon, LLC

Bronze Sponsors

Chamberlin Edmonds

CMD Outsourcing Solutions, Inc.

Gustafson & Associates, Inc.

Healthcare Outsourcing Network, LLC

MedFinance

OSI Healthcare Services Division

Physicians' Service Center, Inc.

R & B Solutions

Revenue Cycle Solutions

Search America

Strategic Reimbursement, Inc.

United Collection Bureau, Inc.

Ziegler Capital Markets