

Northwest Outlook

 **hfma**™ washington / alaska chapter
healthcare financial management association

May - June



2005



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Publication Objective

The NW Outlook is the official publication of the Washington/Alaska Chapter Healthcare Financial Management Association. Our objective is to provide members with information regarding Chapter and national activities, with current and useful news of both national and local significance to healthcare finance professionals and to serve as a forum for the exchange of ideas and information.

President's Message



The Value of Education

by Eric Teshima, President

One thing I can say for certainty after being in healthcare for seventeen years is that I've never gotten bored. There have been endless changes in Medicare regulations, new payment methodologies, changes in accounting rules, opportunities to reduce expenses, new technologies to become more efficient, and new ways to finance capital expenditures, just to name a few. Trying to keep up with it all is quite a challenge. This is where I believe HFMA can be of value to all members.

Providing quality education to its members is one of the cornerstones for the chapter. We strive to offer education that will provide useful tools and information to help you achieve better results. Chapter meetings in Washington will be held in September, December, February and May. We will be following up last year's very successful meeting in Alaska with another one in November. The Chapter is also part of the ever popular Region 11 Symposium in January. We continually look at how our meetings can

better serve our members and are making some changes for the coming year. Since the membership is quite diverse, we are expanding our use of concurrent sessions at the September and May meetings. We are also going to add a daily price for the meetings. With busy schedules and limited budgets, we hope this will help more members take the opportunity to attend at least part of a meeting.

Of course not all the education occurs during the sessions. Having time to chat with other members at the meetings can provide contacts that save countless hours in problem solving back at the

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Contributing Writers

Peggy Figy	Nolan Newman
Jim Heilsberg	Gregg Terreson
John Izzo	Eric Teshima
David Morgan	Jeffrey Uyyek
Tom Muller	Catherine Wakefield

THANK YOU!!!

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office.

One of the keynote speakers at a recent meeting shared this idea – “You cannot do critical thinking with only one thought”. We work in a very complicated industry and we owe it to ourselves and our companies to share and learn ideas with and from one another. Let the education HFMA has to offer be part of your toolkit of thoughts.

I hope to see each of you at a meeting during the year.

I'd like to thank the many members that are participating in putting together these education sessions. There were over sixty members at the last Leadership Councils and Committee meeting and most were involved in one of the education committees. These committees have responsibility for arranging topics and speakers for the meetings. As incoming President, it was so energizing to see so many members willing to be involved. Special thanks in advance to Lee Johnson who has overall responsibility for the education programs this year and the Committee Chair and Co-Chairs for all the work they do to make the meetings a huge success. ■

Reflections

by Dr. John Izzo

I recently read an obscure article about a research project that examined the most common graffiti messages in sixty countries. Having been to graduate school I can easily picture minions of poorly paid graduate students' content analyzing bathroom walls. The study's finding was that the most common message worldwide was something like: “I was here!”

This did not surprise me as after twenty years of working with organizations I am convinced that the one thing people want to know is that they matter...that someone noticed they were here. This is why it is so important that we make a big deal

of people especially when they leave our place of work. Last year I spoke at an event for an unnamed large company. Halfway through their annual banquet, the head of the division mentioned in passing that one of their people was attending his last meeting as he was retiring after almost thirty years with the company. With this one brief line, an entire lifetime devoted to a company was summed up.

After my talk, a young man who had just joined the company the year before thanked me for my talk and then proceeded to tell me that he had decided that night to leave the company. When I asked him why he said: “You know that man they said was retiring tonight. Well he is not the best salesman we have ever had but he is certainly not the worst, and he is the kindest best team member you could ever have. Tonight when they casually mentioned that this was his last meeting I could see into the future. I imagined myself here for the next thirty years of my life and knew what was waiting at the end of the journey—one casual comment about it being my last meeting. And frankly, that is not enough.”

Next time someone is leaving your place of work (either to retire or take another job), remember the most common message scribed on walls all over the world—I was here! Make a big deal when people leave—collect personal notes from people who have worked with them, get customers to give them a call, personally thank them for the life they sacrificed to join your enterprise, make a list of their accomplishments, and let them know in every way you can that it mattered they were here. Another simple idea is to create a book that colleagues can write what this person meant to them—like the books we used to have people sign when we graduated. They will likely look at the book for years to come. Don't just throw a party with the standard cake—find a way to show them they made a difference. And remember that young people who have just joined your company are watching and peering into their own future.

Dr. John Izzo will be a keynote speaker at the September Washington – Alaska HFMA meeting in Bremerton. ■

Compliance Updates for Finance Personnel

by Catherine Wakefield, Administrator, Corporate Compliance and Internal Audit
Co-Chair—Committee A Compliance and Health Policy

At the May workshop and quarterly meeting, five speakers addressed current compliance and internal audit opportunities that all financial professionals should be knowledgeable of. Some key themes throughout included the importance of risk management and risk assessments, regulatory updates, documentation, and identifying low hanging fruit.

At the Wednesday workshop, Grant Baumgartner, a managing director with Protiviti, spoke on “Sarbanes-Oxley—Roles of Management, Compliance and Internal Audit.” Grant started with a high level review of Sarbanes-Oxley (SOX), discussing requirements for publicly traded companies and best practices for non-for-profit health care entities. He emphasized the role of management in establishing and maintaining effective internal controls both for financial statements and for operations. Grant also provided excellent examples of key linkages to information technology processes. From the IT linkages, he showed an easy tool for linking business cycles to financial statement elements. This is a form of risk assessment that can lead finance personnel to address high risk areas where there may be opportunity to mitigate financial reporting risk and/or achieve savings. Some practical applications for internal controls reviews for Finance personnel to address can include: What should the scope be—financial reporting elements, business units, processes, systems? How should front line management be engaged—accountability, control processes? Work with others, including external auditors, to ensure understanding of timing and risk. Communicate and document your processes and finding.

At the Thursday afternoon breakout, there were four speakers who presented on different aspect of compliance effectiveness. Tony Maki, a partner with Moss Adams and the chair of the COSO Enterprise Risk Management task force presented the frame-

work for an enterprise risk management process. Management in any organization must identify its risk tolerance levels. The framework is a process by which an organization can assess, identify, respond and control risks. This work supports compliance through on-going monitoring and auditing; communications to the various players (Board, executive management, operations); and to the US Sentencing Guidelines through prevention and detection of violations of law.

Pamela Henderson, Compliance Officer at Children’s Hospital & Regional Medical Center in Seattle, linked Tony’s presentation to the US Sentencing Guideline changes and to the updated Supplemental Compliance Guidance for Hospitals. She spoke about effective compliance programs (a requirement yes, “effective” defined, no).

Pamela led the participants through the OIG’s supplemental compliance guidance. She emphasized that the federal regulators are telling healthcare professionals exactly what they think is important for us all to be focused on. Besides Medicare billing issues, they are looking into physician relationships (Stark and Anti-Kickback), gain-sharing, and sub-standard care. The OIG re-emphasized self-reporting.

Wilma Acosta, with Protiviti, took off from here with a review of the OIG 2005 work plan. This is the fed’s roadmap to compliance auditing. Every finance professional should review this work plan and pro-actively assess their institutions risk under these initiatives. At a minimum, every finance professional should look at the table of contents of the work plan. If any of the topics raise concern, then you can delve further into the specifics.

Lori Nomura with Foster Pepper Shefleman PLLC, ended the compliance break-out session with a legal update. Lori covered suspect joint ventures, gainsharing arrangements, and the CMS funding of emergency care for undocumented aliens. There is money available for this, but an application must be filed. The web-site is www.cms.hhs.gov/providers/section1011/.

The compliance focus was helpful, informative, and potentially rewarding. The speakers were all knowledgeable and practiced speakers. Every participant should have left with several ideas for improvement. This value-added focus will continue at future meetings. ■

Washington/Alaska Chapter Recognized at ANI

by Gregg Terreson

The efforts of all of you in the Washington/Alaska chapter was recognized at the annual Chapter Awards dinner during the 2005 Annual National Institute in Las Vegas, Nevada. The awards are based upon benchmarks the National office has set for the chapters in the areas of education, certification and member services. All of the HFMA chapters were recognized for their efforts. Our chapter received the following awards at the dinner:

- The most remarkable achievement was the Henry Hottum Award for educational performance improvement – we increased our educational hours by nearly 29% over last year. We hope you were able to take part in an educational program in the past year
- With 11 members who passed one of the certification exams, we received the Silver award for excellence in Certification. One of our members, Brad Becker, was specially recognized as the year's highest scorer in the Managed Care certification exam
- Our membership grew by 5.65% to 785 members in the past year – and we were recognized with another Silver award, this time in Membership Growth and Retention
- One of the key metrics that is tracked is the new member retention rate (for members with HFMA less than 4 years). With a new member retention rate of just under 77%, we were awarded a Bronze award in New Member Retention.

The chapter also received a special Yerger award for the one day workshop in Alaska last October. Special thanks go to Alaska members Cathy LeMay, David Morgan and Donna Herbert.

Once again, thanks to all who contributed to the Chapter's efforts this past year. ■

WSHA Update

by Jeffrey Uyyek

Editor's Note: I want to thank Mr. Uyyek for agreeing to make this a regular column in the chapter's newsletter.

July 1 marks the start of a new fiscal year in Washington State. It comes on the heels of what was arguably the most successful legislative session for health care in six years. In the face of the third straight biennium of budget deficits, not only did we avoid cuts to health care, but significant funding increases were made to preserve health care in Washington. Now that the legislative session is over, the work is just beginning.

The Washington Medical Assistance Administration (MAA) is selecting a contractor to conduct a study of Medicaid inpatient hospital payment. This study will advise the 2007 legislature on how hospitals should be paid, with goals of increasing equity among hospitals, rewarding efficiency in delivering care and quality outcomes, and controlling the increasing state costs of providing health care. It could conceivably result in significant changes in how hospitals are paid. Or we could see no change at all. The question of equity was discussed as WSHA developed its vendor rate increase proposal during the 2005 legislative session. But underlying the equity question was the overall adequacy of funding. When the pie's too small to go around, it's harder to make sure everybody get a fair slice. With the modest vendor rate increase this biennium, real fixes may prove challenging to find.

For fourteen public hospitals in Washington, the new state fiscal year brings a major change as MAA implements its Certified Public Expenditure program. States across the country are scrambling to offset the loss of federal funds they had been receiving through intergovernmental transfer programs, now prohibited by the Centers for Medicare and Medicaid Services (CMS). Washington was the first in the country to receive CMS approval on its Medicaid state plan amendment, designed to offset the lost funds through reduc-

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tions in state Medicaid expenditures to twelve public hospital districts, Harborview Medical Center, and University of Washington Medical Center. While the legislature and MAA have made significant efforts to protect the hospitals from reduced revenue, this new payment method was developed from scratch in under a year and only time, and CMS, will tell how successful it is.

Critical Access Hospitals (CAH) have clearly benefited from “cost based” reimbursement. But not all costs are allowable, and “cost based” is also “cost limited”. With as much as 70 percent of revenues limited to allowable costs, CAHs’ ability to generate margin is likewise limited. It is becoming apparent that policy makers are growing concerned about the growth of the program, as evidenced by the sunseting of necessary provider status by Congress, CMS’s proposed rule limiting CAHs’ ability to relocate, and the state legislature’s passage of HB 2289 placing a moratorium on Medicaid reimbursement for new CAHs. We need to be making a concerted effort to educate legislators about the importance of continued support for the CAH program, and to correct misconceptions that cost based reimbursement has solved all of CAHs’ financial problems.

These are just a few of the issues we’ll be working on during the interim. In addition to these we’ll be closely following legislatively mandated studies on long term care reimbursement, certificate of need, and evidence-based medicine in state programs. Trauma, CAH, and inpatient psychiatric payments will be looked at as part of the Medicaid inpatient study. And legislation on mandatory overtime, patient lifting, and health information remain on the radar screen.

Yes, 2005 was a successful session. Next year is now, and the 2006 session is just around the corner. ■

Healthy Choices for Hospital Executive Compensation

by Nolan A. Newman

Just because individuals work for a non-profit hospital doesn’t mean they have to receive below market compensation. These organizations don’t automatically receive breaks on products or services and must generally pay full price for the majority of items needed to conduct business.

So people who lead these organizations shouldn’t have their wages discounted – especially in the competitive health care marketplace. That said, the IRS last year announced that it is examining executive compensation at 2,000 non-profit organizations.

Such compensation levels are set by the board of directors. Given the recent focus on this issue, what can a board do to make sure it hires executives with the qualifications to make and keep the organization healthy and competitive and at the same time set that level of compensation at the amount appropriate to be a proper steward of the organization’s finances?

The answer is not difficult. It involves common sense and an adherence to the law. Boards must fulfill their fiduciary obligations and should engage in best practices involving transparency, governance, compliance and independence to stay competitive and fulfill their organization’s mission.

Be Transparent

There is nothing to hide, so hide nothing. Hospital boards must outline the process for setting executive compensation and must follow that process. If the processes of the organization are followed, it is more likely to provide a more reliable, transparent and sustainable result. Most non-profit hospitals

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are familiar with open communication, open dialogue with the community and medical staff, and public inspection of their tax returns and other documentation. It is not only in their best interest – but in the public’s best interest - for them to be completely open with the way they conduct business.

Follow governance best practices & be independent

Insiders who are in a position to influence the processes and the affairs of the organization must minimize acts of self-dealing and personal gain. Most Fortune 500 companies have an executive compensation committee made up of consultants and board members. Many successful organizations have a compensation policy. These are best practices that non-profit hospitals should consider following.

Whether it’s the board or a separately charged committee that takes executive compensation under its wing, the members of the committee should be independent and conflict free so they are not influenced by inside forces or agendas of any one individual. That means anyone with a family, financial or business relationship with the executive or the organization should not make compensation decisions. The organization should have a policy that outlines conflicts of interest and what to do about them.

Be competitive

Non-profit health care organizations are competing for talent and must maximize recruitment and retention of top executives. Once a top candidate is found, it is up to the board to make sure the executive’s compensation level keeps up with market levels. Don’t let compensation levels lag, or it will be difficult and sometimes risky for them to catch up. Organizations that fall behind market levels and make adjustments to catch up could end up having to defend themselves to employees, medical staff, donors, the community – and perhaps to the IRS. Against a backdrop of a stated compensation policy, steady pay increases are

much better than holding off for years, then playing catch up with lump sums.

In addition, these organizations must compete with publicly traded companies and privately held organizations that are able to offer equity-based compensation such as stock options and stock. Non-profit organizations don’t have those options, yet must still work to keep total compensation competitive and based on market levels for the entire industry.

Comply with the law

Both the federal and state governments have laws governing non-profit compensation. Congress in 1996 enacted what are known as “intermediate sanctions” as a way to incent tax-exempt organizations to comply with federal tax laws and not enter into “excess benefit transactions” with insiders.

Using a “restoration and sanction” model, if an insider such as a key employee, trustee, board member or founder of an organization is involved in a transaction that produced an excess benefit, the person must restore the excess benefit back to the organization and pay a 25 percent penalty to the IRS. If the restoration doesn’t occur in a timely manner, the penalty rises to 200 percent and the commitment to restore the excess benefit back to the organization remains. Any manager who was party to the violation is liable for a \$10,000 fine.

However, a planning opportunity exists for non-profit organizations to shift the burden of proof from themselves to the IRS. This is available as long as they fulfill a three-part “rebuttable presumption” test. To meet these requirements, the organization must:

1. Make sure the transaction is approved by the organization’s governing body or a committee of people who do not have a conflict of interest with respect to the compensation arrangement.
2. Require that the governing body or committee that sets executive compensation relies on comparable market data to make its

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determination.

3. Document the determination within 60 days of when it is made.

Even then, the organization is not protected from immediately losing its tax-exempt status in egregious circumstances. In addition, the organization must report details of the excess benefit transaction and any penalty tax paid on its Form 990, a public document that then notifies the IRS – and any other interested party – of the violation.

There are also state tax laws that govern non-profit compensation. In Washington, non-profit hospitals and public hospital districts pay a 1.5 percent business and occupation tax on most net revenues. But non-profit and public hospital districts can deduct certain government paid reimbursements such as Medicare or Medicaid. To qualify, non-profit hospitals must meet certain requirements; and one of those requirements is paying reasonable compensation to their executives. It's a significant deduction worth hundreds of thousands of tax dollars a year for most hospitals, and it is worth protecting when reviewing executive compensation policies.

Remember Sarbanes-Oxley

Finally, we have all heard that non-profits are increasingly being asked to consider complying with Sarbanes-Oxley. Though not required, following the new Sarbanes-Oxley rules when setting executive compensation can only help organizations fulfill their goals of achieving transparency, good governance, compliance and independence on this very important subject.

Nolan A. Newman is a Tax Principal at Clark Nuber PS in Bellevue. He specializes in health care services and not-for-profit organizations. He can be reached at 425-709-6694 or nnewman@clarknuber.com ■

Healthcare Transitions

by Jim Heilsberg

Healthcare in transition has taken on a whole new meaning for fiscal folks as of late. In years past transitions were happening to other parts of the hospital, whether we talk about dealing with patient safety, rules and regulations, payment etc. In recent years we have seen many people within HFMA go through transitions. These transitions have ranged from moving from one hospital to another along with taking on new responsibilities and more recently giving up some responsibilities.

The reason for these changes can be tied to two issues focused on in this article:

- 1) The change from centralized to decentralized and customer service focus.
 - 2) The change from a logical approach to a much more emotional based approach that focuses on supporting others in the organization with Data.
1. The business focus of the past was steered at gaining market share, reducing costs, managing pay rates and FTE's. It was fairly logical and based on what we were trained to do as accountants. Many accountants are comfortable with a decision process that includes their input and focuses on the business details and a process that has the business details drive the end decision.

The current focus within healthcare is much more about employee buy-in and methods to gain that buy-in as it is about the details. We want buy-in from all levels and are willing at times to sacrifice the more profitability for gaining that buy-in. This buy-in is not limited to employees; it goes to all levels of the organization including the customers.

These are all necessary changes to help balance out our logical thoughts of the past that don't often deal with the less logical, emotional issues that are an important part of a healthy

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organization. In some ways the pendulum is swinging away from logic and may end up more in the middle of logic and emotion at a later point in time. We are seeing a swing back to the middle as organizations struggle with finances and the realities of healthcares lack of financing of this decade.

So we have these changes that are impacting us all and making us scratch our head and agree with many thoughts about customer service but also agreeing with the realities of our past as our financials ancestors talk to us and warn us to make sure there is money in the bank at the end of the day regardless of what others say or do. There has to be a balance. We will probably get there but it will take time.

- 2 So what have these changes meant for fiscal folks? For several folks this has meant that they have to learn to feel. To think emotionally and let others play in our world. In the past we have been left in our sandbox of charges, business office activity, purchasing and other fiscal related areas and we have not had to have others be real involved in process. As we move to the future there is a real desire from other clinical areas to have de-centralization and to have them determine how we charge for things, how we financially function and get much more involved in our sandbox. This is not real comfortable for many of us. We like our ability to control our areas. Why else would we be called controllers. Some have made transitions to mixing emotion with logic successfully and without directed changes to their position or life. Many may find themselves in transitions with a deer in the headlights look and wondering what happened to our logical and orderly world. It does not seem fair to some. One reality is life is ever changing and we may need to find ways to adapt to new surroundings. Adapt to new ways or get out of the way as some have said based on their experiences.

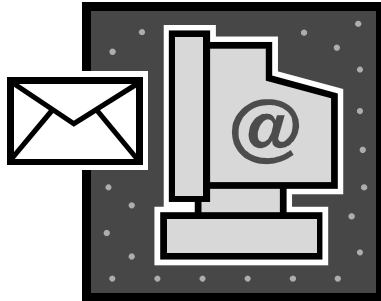
The literature tells us that the CFO of the future has to be able to provide data to others and help them interpret their own data. Help them as they choose to make their own mistakes and even though they may not ask us for input. We can either adapt to this new change or not. If we don't, we are seeing transitions where accountants are being asked to take on lesser roles or new roles. This is not all bad. We can learn to focus again on where we came from. Focus on our accounting roots. For many, it is hard on the ego. But from some who have made the journey say that they actually are enjoying doing a more thorough job in areas they had to let go in order to respond to responsibilities they are now giving up.

The CFO of the future must no matter what, adapt to providing data in a way it can be received by others so that others don't feel like an outsider but part or the process, part of a team. In the past we and others stayed in our silos but in the future we must change to playing with others in, not just our sandbox but rather the hospital sand boxes and like toddlers learn to share and play nice with each other. Maybe we can even learn to enjoy our new playmates and them playing with our toys. Maybe not. If not however we may learn that we are asked to leave the sandbox and watch others play with toys we played with before.

I guess the bottom line is we need to gain balance in our own lives and make sure the debits and credits of life balance at the end of the day. It will be different for each of us as we determine how we do that. To not try may be a much more difficult pill to swallow than making the change itself. Good luck. Thanks to those that helped me with thoughts for this article. We truly have great friends in HFMA: lifelong friends and people that understand transitions. We are a great support group for each other if we are willing to actually open up. Thanks. ■

HOW DO I CHANGE MY HFMA INFORMATION?

All of our chapter directory information including e-mail and addresses for the newsletter are received from the National HFMA database.



The easiest way to make changes is via the internet. Simply follow these steps to change any of your personal information.

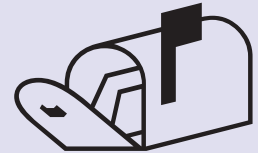
- 1. Log on to <http://www.hfma.org>**
- 2. Go to the membership section**
- 3. Log in using the username and password prompts**
- 4. Follow instructions to access your Profile**
- 5. Edit information.**

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Please send information & articles for upcoming newsletters to:



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Founders Awards Earned by 22 Chapter Members

by Tom Muller, Founders Award Chairman

Founders Awards were earned by 22 members of Washington-Alaska chapter in 2004. Six members earned the Follmer Bronze award, four members earned the Reeves Silver award, nine members earned the Muncie Gold award, and three members earned the Founders Medal of Honor.

The Founders Merit Award series gives recognition to individual chapter members for participation in chapter and national activities. The award series encourages members to make the sustained effort necessary for continued viability and growth of the chapter.

The first award in the series is the Follmer Bronze Award. To receive this award a member must accumulate a minimum of 100 points. The second award is the Reeves Silver Award and is earned by the accumulation of at least 200 points. The third award is the Muncie Gold Award. A member must earn a total of at least 300 points to reach this level.

Points are accumulated towards these awards in the following ways:

- Service as an officer or director,
- Serving as chair or co-chair of a Matrix/LCC committee or council,
- Serving as a member of a Matrix/LCC committee or council,
- Chairing or serving on other chapter committees or sub-committees
- Making presentations at chapter workshops and meetings,
- Making presentations at other healthcare related programs,
- Writing articles for HFM Journal, similar publications, or the NW Outlook newsletter,
- Proctoring certification examinations
- Attendance at chapter meetings,
- Attendance at Annual National Institute
- Membership in National Forum(s)

- Participation in audio teleconferences
- Earning and maintaining certification,
- Maintenance of membership (Student=1/yr, Regular=2/yr, Advanced=3/yr, Life=4/yr).

Effective June 2004 only those activities listed above the dotted line will continue to earn Founders Award points. Meeting attendance will earn continuing professional educational (CPE) hours necessary for certification and certification maintenance, but not Founders Award points.

By participating in a large number of activities members could earn awards in a relatively short period of time. The only limiting factor was the maximum of 40 points that could be earned in any one year and the members own time and energy limitations. Conversely, the perseverance to stay with one or two activities over a longer period of time also earned an award. Points are transferable if a member moves to another part of the country before reaching the level of points necessary for an award.

In 2004 six members of Washington-Alaska chapter passed the 100 point threshold and earned their first Founders Award, the Follmer Bronze Award. These members were Mark Flaten, Eugene Johnson, Rik Lewis, Linda McCray, Elaine Phelps, and Susan Ruchin.

Mark Flaten has earned the Follmer Bronze Founders Award serving as co-chair of the annual vendor fair, by participation in LCC, speaking at chapter functions, volunteer work at the Seattle ANI, and attending chapter meetings.

Forum membership, ANI attendance, and chapter meeting attendance helped to earn the Follmer Bronze Founders Award for Eugene Johnson. In addition, he accumulated 47 points before transferring in from the Oregon chapter.

Rik Lewis has earned the Follmer Bronze Founders Award serving as co-chair of the annual vendor fair, by participation in LCC, volunteer work at the Seattle ANI, and attending chapter meetings.

Serving as a course coordinator for the Region 11 Symposium, participation in LCC, forum member-

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ship, and chapter meeting attendance helped to earn the Follmer Bronze Founders Award for Linda McCray. In addition, she accumulated 77 points before transferring in from the Southern California chapter.

Elaine Phelps has earned the Follmer Bronze Founders Award by serving as editor of the chapter's membership directory, serving as a course coordinator at the Region 11 Symposium, volunteer work at the Seattle ANI, participation in LCC, speaking at chapter functions, CHFP certification, and attending chapter meetings.

Serving as co-chair of the registration table, volunteer work at the Seattle ANI, participation in LCC, speaking at chapter functions, and chapter meeting attendance earned the Follmer Bronze Award for Susan Ruchin.

In 2004, four members of Washington-Alaska chapter passed the 200 point threshold and earned their second Founders Award, the Reeves Silver Award. These members were Grant Baumgartner, Ron DeArth, Frank Hemeon, and Catherine Wakefield.

Grant Baumgartner has earned the Reeves Silver Founders Award by serving on the chapter board of directors, serving on LCC, both as a chair and as a member, ANI attendance, volunteer work at the Seattle ANI, speaking at chapter functions, writing newsletter articles, and chapter meeting attendance.

Meeting attendance and forum membership over an extended period of time have earned the Reeves Silver Founders Award for Ron DeArth.

Frank Hemeon has earned the Reeves Silver Founders Award by serving on the chapter board of directors, serving on LCC, both as a chair and as a member, ANI attendance, audio teleconferences, and chapter meeting attendance.

Participation in LCC, both as a committee chair and as a committee member, ANI attendance, volunteer work at the Seattle ANI, forum member-

ship, audio teleconferences, FHFMA certification and chapter meeting attendance have earned the Reeves Silver Founders Award for Catherine Wakefield.

Nine Washington-Alaska chapter members passed the 300 point threshold in 2004 to earn their third Founders Award, the Muncie Gold Award. These members were Mike Bonthuis, John Craig, Mike Cross, Robert Detering, Annette Edwards, Tom Evert, Cathy LeMay, Greg Moga, and Dennis Stillman.

Forum membership, audio teleconferences, FHFMA certification, and chapter meeting attendance earned the Muncie Gold Founders Award for Mike Bonthuis.

Reviewing articles for the HFM Journal helped to earn the Muncie Gold Founders Award for John Craig. In addition, he also earned points for certification proctoring, ANI attendance, audio teleconferences, FHFMA certification, and chapter meeting attendance.

Since earning the Reeves Silver Founders Award Mike Cross has served on the chapter board of directors, served as an LCC committee chair, maintained FHFMA certification, and worked as a volunteer at the Seattle ANI. He has also earned Founders Award points for writing articles for the chapter newsletter, ANI attendance, audio teleconferences, and chapter meeting attendance.

Robert Detering transferred in from Missouri chapter with 294 Founders Award points. As a life member, he has accumulated an additional four points per year, which was sufficient to earn the Muncie Gold Founders Award.

Annette Edwards has earned the Muncie Gold Founders Award by serving on the chapter board of directors, serving as new member coordinator, serving on LCC, both as a council chair and a council member, speaking at chapter functions, maintaining CHFP certification, writing newsletter articles, audio teleconferences, and chapter meeting attendance.

Speaking at chapter functions, maintaining FHFMA certification, and chapter meeting attendance has earned the Muncie Gold Founders

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Award for Tom Evert.

Since earning the Reeves Silver Founders Award Catherine LeMay has served as Alaska certification chair and as new member chair. In addition, she has earned points for LCC participation, speaking at chapter functions, ANI attendance, audio teleconferences, forum membership, maintaining FHFMA certification, and chapter meeting attendance.

Since earning the Reeves Silver Founders Award Greg Moga has served on the chapter board of directors, participated in LCC, both as a committee chair and a committee member, and worked as a volunteer at the Seattle ANI. He has also earned Founders Award points for writing articles for the chapter newsletter, ANI attendance, forum membership, and chapter meeting attendance.

Serving as Washington certification chair, participation in LCC, volunteer work at the Seattle ANI, certification proctoring, speaking at chapter functions, FHFMA certification and chapter meeting attendance have earned the Muncie Gold Founders Award for Dennis Stillman.

Founders Medal of Honor

The Founders Medal of Honor award was created in 1986 by action of the National HFMA Board. Unlike other Founders Awards, this award is based on recommendations from the chapter Board of Directors, not by the accumulation of points for specific activities.

Criteria for nomination for the Founders Medal of Honor are (1) currently a member in good standing, (2) three or more years of service since earning the Muncie Gold Founders Award, and (3) significant service in at least two of the years since earning the Muncie Gold Founders Award. Significant service is defined to include active service as a committee/council member, director, or officer at either the chapter or National level. In 2004 the board of directors nominated Tom Dingus, Anne Stallard, and Gregg Terreson for this award.

During the three years since earning the Muncie Gold Award Tom Dingus has served as chapter president-elect, chapter president, chapter immediate past president, nominations committee chair, program chair and on the board of directors. In addition, he has written newsletter articles, participated as a speaker at chapter functions, summarized chapter meeting evaluations, attended ANI, participated in audio teleconferences, been a forum member and attended chapter meetings.

Anne Stallard has served as chapter president, chapter immediate past president, nominations committee chair, and on a National task force during the three years since earning the Muncie Gold Founders Award. In addition, she served as an LCC member, wrote newsletter articles, attended ANI, participated in audio teleconferences, was a forum member, maintained FHFMA certification, and attended chapter meetings.

During the three years since earning the Muncie Gold Award Gregg Terreson has served as chapter treasurer, chapter secretary, chapter president-elect, and program chair. In addition, he has maintained the chapter website, written newsletter articles, participated as a speaker at chapter functions, attended ANI, participated in audio teleconferences, maintained FHFMA certification and attended chapter meetings.

Individual scoring records for the Founders Merit Award program are maintained for each member of the chapter by LCC Council 3. To check your Founders Award points send an e-mail to Tom Muller at tjwashington@reachone.com. ■

Would you like to check your progress toward a Founders Merit Award.

Individual scoring records for the Founders Merit Award program are maintained for chapter members by LCC Council III.

To receive a copy of your record, please contact

Tom Muller

Telephone: (360) 236-4215

Facsimile: (360) 664-8579

Email: tom.muller@doh.wa.gov



Mark Your Calendar

Sept. 21-23, 2005

HFMA

Workshop & Meeting

**Bremerton Harborside
Hotel**

Bremerton, Washington

SEE YOU THERE!

CORPORATE SPONSORS

The Chapter would like to thank the following companies for 2004 - 2005 sponsorships:

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Alaska Healthcare Watch



This column is intended
to share and inform the Chapter Members about
Alaska healthcare financial news

*Written by David Morgan,
Reimbursement Director,
Southcentral Foundation*

*Edited by, Cathy LeMay,
Patient Accounts Director,
Southcentral Foundation*

Medicaid Updates . . .

The following has been updated and is available on First Health Services Corporation (FHSC) Website (<https://alaska.fhsc.com>):

- June through September 2005 Training Schedule, and
- Home Health Services provider billing manual.

The Alaska Division of Health Care Services has not had any updates on the progress of the installation of the Medicaid management Information System (MMIS). The Division has met with working groups to update and correct the billing edits. No date for installation has been announced as of this date (July 17, 2005).

Draft Personal Care Assistance (PCA) regulations were signed by Commissioner Joel Gilbertson, Department of Health and Social Services.

Background: Spending for personal care services such as help with bathing, housework and in-home care has risen 900 percent since 2001. In 2001 the PCA program costs \$8 million compared with more than \$80 million in this State budget year (reported by Anchorage Daily News; Tuesday, July 12, 2005). The client count grew from 1,424 to about 3,800 for 2005.

The state is not proposing to cut the rate it pays for personal care services. The average cost per client is currently \$23,095 a year. The state is

proposing the following changes:

- Requiring a doctor to certify that the client has a medical condition that justifies the need for personal care.
- Adopting objective client PCAT assessment tools that result in a care plan to be used by PCA providers, PCA agencies and the department.
- Eliminating "stand-by assistance" for most clients. This means an aide would not be on hand in case they are need.
- Requiring families or others to provide help when it makes sense.
- Limiting services to people at risk of going into a nursing home or hospital or of losing their job without it.
- Requiring Medicaid certification for PCA provider agencies and individual providers for the services. Require that owner or manager of PCA agency meet specified minimum level of education and administrative or business experience in a related field.
- Requiring prior authorization by department staff or the department's designees for all PCA services.
- Including new regulations that prevents the individual solicitation of clients by PCA agencies, providing consequences for such actions, and establishing standards for decertification.

You may comment on the proposed regulation changes by submitting written comments to Barbara Knapp, Medical Assistance Administrator,

[continued on next page...](#)

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Division of Senior and Disabilities Services, Department of Health & Social Services, PO Box 11068, Juneau, AK 99811-0680. Comments must be received no later than 4:00 p.m. on August 15, 2005. Public comment may also be submitted to Barbara Knapp by facsimile transmission at (907) 465-1170 or electronically by sending her an email message at Barbara_Knapp@health.state.ak.us.

The Department of Health & Social Services will be conducting informational workshops for persons or agencies affected by the proposed changes to regulations dealing with personal care assistants. These workshops are scheduled as follows:

- Juneau: August 2, 2005, 9:00 a.m. – 12:00 p.m. at the Terry Miller Building, Suite 104.
- Fairbanks: August 3, 2005, 1:00 p.m. – 4:00 p.m., Legislative Information Office.
- Anchorage: August 5, 2005, 1:00 p.m. – 4:00 p.m., Legislative Information Office.

To participate by teleconference, call 1-800-395-5073.

Second Annual HFMA Alaska Workshop:

The Second Annual Alaska Workshop will be held at the Hilton in downtown Anchorage on November 3, 2005. The program agenda will include the following highlights:

- National Keynote Speaker
- Educational sessions by Day Egusquiza, President of AR Systems, Inc focused on revenue cycle opportunities and strategies
- Round Table of State Legislators and State Health Finance Administrators focused on the Medicaid budget and changes in regulation for 2006
- Presentation representatives from the Denali Commission focused on obtaining grants for capital needs for rural health organizations.
- Opportunities to network, renew old acquaintances & make new ones!

Volunteers are needed to assist with pre-workshop planning & event coordination. If you would like to be involved please contact Cathy LeMay at Southcentral Foundation at (907) 729-5453 or by email clemay@southcentralfoundation.com. All assistance will be gratefully accepted! ■

POSITION AVAILABLE	ORGANIZATION	LOCATION
Accounts Receivable Manager	Cancer Care Alliance	Seattle, WA
Payroll Analyst	Providence Washington Regional Services	Renton
Revenue Manager	Cancer Care Alliance	Seattle
CFO	75 bed Hospital	Seattle
Regional Sr. Fin Analyst	Providence Health System	Anchorage, AK
Sr. Compensation Analyst	Group Health	Seattle
Dir Patient Financial Services	Pacific Medical Centers	Seattle
Revenue Manager (Scheduling)	Cancer Care Alliance	Seattle
Director, Reimbursement Operations	DaVita O/P Dialysis Center	Tacoma
ACTION O-I Content Mgr.	Solucient	Bellevue
Supervisor, Patient Fin Svcs.	Overlake Hospital & Medical Center	Bellevue

For more on these listings or to include a listing, please contact Peg Figy, (509) 482-2348 or emailto: figypa@holy-family.org
See also National HFMA's website (www.hfma.org) for additional job listings. Last update: May 23, 2005

UPCOMING CHAPTER MEETINGS

DATE	EVENT	LOCATION
September 21-23, 2005	Workshop and Meeting	Bremerton Harborside Conference Center - Bremerton, Wash.
November 3, 2005	Alaska Meeting	Hilton Anchorage - Anchorage, Alaska
December 1, 2005	Joint Workshop with AAHAM	Doubletree - SeaTac, Washington
Jan. 30 - Feb. 1, 2006	HFMA Region 11 Symposium	Caesars Palace - Las Vegas, Nevada
February 15-17, 2006	Workshop, Meeting and Vendor Fair	Sheraton Hotel - Tacoma, Washington
May 17-19, 2006	Workshop and Meeting	Davenport Hotel - Spokane, Washington
September 27-29, 2006	Joint Meeting with Oregon HFMA	Skamania Lodge - Stevenson, Washington

www.waakhfma.org



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