

Northwest Outlook

 hfma™ washington / alaska chapter
healthcare financial management association

September - October
2004

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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



Gregg Terreson
Chapter President

Of Themes Themes Themes

Each year the HFMA National Chair selects a theme for the upcoming year. Each theme represents the goals of each chair – or maybe it represents their career in healthcare – or maybe it represents all they have received from being a member of HFMA.

Every theme is unique but all seem to resolve

beyond
the numbers

around a few key shared values:

- *Being a leader in all that you do*
- *Accepting and managing continuous change*
- *Performing with quality and integrity*
- *Being disposed to action*
- *And most important, connecting with others in all you do.*

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www.waakhfma.org

Contributing Writers

Larry Hettick

Ginger Rhoades

Gregg Terreson

THANK YOU!!!

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This year, the National Chairman, Joyce Zimowski, Vice President for Financial Process Improvement for the Unity Health System in Rochester, New York chose the theme "Beyond The Numbers." In her introduction of the theme first to chapter leadership at the LTC conference in San Francisco in April and then to the HFMA members assembled at ANI in Nashville in June she challenged all of us in finance to step out from our comfort level with numbers to go beyond the numbers.



No this is not an Enron thing – it's not going in *that* direction beyond. Rather, it's knowing what drives your business, what attracts physicians, what attracts patients, what attracts workers to your organization and how that group uniquely defines quality. And it also means going beyond the numbers (or beyond your department or even beyond finance) to become a leader where you work – to build better relationships, to network with others and inspire those who work with you.

HFMA provides the tools to help you go beyond the numbers – and they are here for the taking. Whether it's getting information from the HFMA website or publications – or attending meetings and conferences and interacting with experts and peers – or contributing to the chapter operations and leadership – we have the tools for you.

Thanks,

Gregg

by

Larry Hettick

Washington State

Department of Health

Charity Care Approaches \$159 Million in 2002

Washington hospitals provided \$159 million in total charity care charges for 2002, which is an increase of 17.4 percent above 2001 and a 33.2 percent increase above the 2000 levels. Charity care for 2002 was 1.09 percent of total hospital revenue and 2.15 percent of "adjusted revenue" (with Medicare and Medical Assistance Program payments deleted for comparisons focused on each hospital's base of primarily private payments). From 1989 until 1993, charity care steadily increased in total dollars and as a percent of revenue, while from 1994 through 1997, charity care steadily declined in both categories. Since 1998 total charity care charges have consistently

increased through 2002.

Twenty-five hospitals each provided more than \$2 million of charity care in FY 2002, which accounted for 84 percent of the statewide charity care. Regionally, King County clearly provides the largest dollar amount of charity care, with Harborview Medical Center alone providing approximately 30 percent of the statewide total. Rural hospitals report less charity care, in proportion to their total adjusted revenue, than do urban hospitals. Rural hospitals also have a higher proportion of revenue from Medicare and Medical Assistance (including Medicaid), resulting in a smaller base of private sector payers to which charity care costs could be shifted.

Overview of Hospital Charity Care in Washington, 1992-2002

Year	Total Revenue	Adjusted Revenue	Statewide Charity Care	Percent of Total Rev	Percent of Adj Rev
1992	\$5,386,977,916	\$2,505,987,814	\$107,230,469	1.99%	4.28%
1993	5,656,853,442	2,604,329,914	117,269,462	2.07%	4.50%
1994	6,013,233,056	2,836,757,950	111,947,855	1.86%	3.95%
1995	6,393,992,319	3,141,574,942	110,172,746	1.72%	3.51%
1996	6,831,863,277	3,351,784,781	105,767,242	1.55%	3.16%
1997	7,466,307,575	3,874,390,027	102,008,794	1.37%	2.63%
1998	8,283,508,258	4,406,201,947	108,371,473	1.31%	2.46%
1999	9,495,164,654	5,131,945,589	112,577,000	1.19%	2.19%
2000	11,009,631,695	5,736,296,849	119,081,863	1.08%	2.08%
2001	12,559,409,550	6,374,245,419	135,140,421	1.08%	2.12%
2002	14,594,866,236	7,361,696,909	158,602,333	1.09%	2.15%

Source: Washington State Department of Health Hospital Financial Data Year-End Reports FY 1992-2002

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The hospital accounting concept of “adjusted revenue” subtracts Medicare and Medical Assistance (including Medicaid) charges from total patient care revenue to allow meaningful comparisons of hospital levels of charity care. Medicare and Medicaid have specifically excluded participation

in covering charity care from their prospectively determined payment levels. Since the payments that hospitals receive from Medicare and Medical Assistance do not cover charity care, the hospitals adjust their rates to recoup the charity care from their base of private

purchasers and payers. This private paying base differs widely among hospitals as a percentage of their business. Therefore, the use of “adjusted revenue” allows for a comparison of hospital charity care as a percentage of privately sponsored patient revenue.

Charity Care by Region 1999 - 2002

Hospital Region	Charity Care as a Percent of Adjusted Revenue			
	1999	2000	2001	2002
King County	2.44%	2.29%	2.33%	2.67%
Puget Sound	1.79%	1.80%	1.90%	1.77%
Southwest Washington	2.27%	1.99%	1.75%	1.70%
Central Washington	2.37%	1.95%	2.41%	1.98%
Eastern Washington	1.76%	1.84%	1.78%	1.46%
Statewide	2.19%	2.08%	2.12%	2.15%

Source: Washington State Department of Health Hospital Financial Data Year-End Reports
FY1999-2002

This is a brief excerpt from the report “Washington State 2002; Charity Care in Washington Hospitals” published by the Washington State Department of Health. To view the entire report, visit the Department’s website at www.doh.wa.gov/EHSPHL/hospdata/. For a printed copy of the report please contact Larry Hettick by telephone at (360) 236-4210 or by electronic mail at larry.hettick@doh.wa.gov. ■



“Beyond the Numbers”

by Ginger Rhoades

One Woman's Story

At our Chapter meeting in May, my boss Gordon McLean, President of Mount Carmel Hospital, spoke on the relationship of the CEO and the CFO. He talked about how losing your job was often not a bad thing.

Little did I know that just about two weeks later he would inform me that my job was being eliminated. You can imagine that isn't good news for a Vice President of Operations in a small town hospital. What do you do if you won't or cannot move?

My aging parents (let's hope they don't read the aging part) retired in Colville to be near me. Family is more important to me than a job, so in Colville I will remain. What to do, what to do?

Fortunately, Mount Carmel Hospital and Providence Healthcare provided a very good severance package. So one day just a week later, on a trip with a couple girlfriends, the idea of an antique store in Colville was born.

Ginger's Antiques & Treasures is opening (hopefully) mid-late October. The building is being renovated to accommodate my

store. All of you who get involved in building projects know what that can mean.

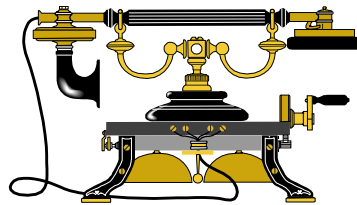
What a fun time I have been having shopping for the all those antiques

and treasures. I am using my financial skills to start my own company. My cash register arrived today along with my inventory control/price tags. The mannequin is still in pieces in a box in the back seat of my car. Our barn and basement are full.

Also, the day we announced my departure from the Hospital, I was asked to work with a small consulting company providing process improvement services. You may look forward to hearing from me in that role as well.

I have also been blessed with the opportunity to be the partly paid very part-time bookkeeper for our Habitat for Humanity Thrift Store. Volunteer opportunities abound.

During the past several months I have seen first-hand what it means



Antiques

to look “Beyond The Numbers”. The vitality of my business depends upon my ability to build relationships and provide the quality and products desired by my customers. It occurs to me that this is not so different from my role at Mount Carmel Hospital.

So, I may not see you in September at Alderbrook. Getting ready to open the store will take most of my time. I will continue to be involved in HFMA helping where I may be of use and of course, continuing to learn.

Gordon was right. Losing my job may be the best thing to happen since I got it 14 years ago. Attitude is really the most important thing over which we have control. I choose to look forward with excitement to my new future. ■

Vegas in 2005

**You are going to Las Vegas
next year.
Put it in your budget.**

Both the Region 11 Symposium and the National ANI conference will be in Las Vegas next year.



As you may know the Region 11 Symposium is now entering its 7th year in Las Vegas and is returning to the Rio Suites from Sunday January 23 to Wednesday January 26, 2005.

And National HFMA is bringing the ANI to Las Vegas next June – at Bally's Resort from Sunday June 26, 2005 to Thursday June 30, 2005.

The Region 11 Symposium program is in the final stages and will soon be announced via e-mail and in print. For the latest updates, go to www.hfma-region11symposium.org.

Information about the ANI will be announced next spring.

These are the two biggest meetings HFMA offers each year so next year you have a chance to go to Vegas and actually leave with more than you came with (except possibly your cash).

CORPORATE SPONSORS

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

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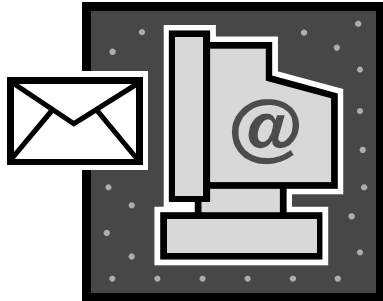
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All of our chapter directory information including e-mail and addresses for the newsletter are received from the National HFMA database.



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

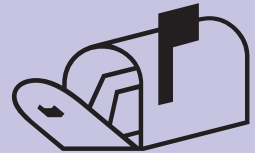
- 1. Log on to <http://www.hfma.org>**
- 2. Go to the membership section**
- 3. Log in using the username and password prompts**
- 4. Follow instructions to access your Profile**
- 5. Edit information.**

WIN \$100.00



You could win \$100 by writing an article for N.W. Outlook! Share your knowledge & experiences with other HFMA Members. You can help make a difference!

Please send information & articles for upcoming newsletters to:



Ginger Rhoades
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Colville WA 99114

Phone:
509-684-5778

E-mail: mgbell49@hotmail.com



Welcome New Members



**The Washington/Alaska Chapter is pleased to
announce the following new members**

David Miller

Lawson Software
Account Executive
Alameda, CA

Karen Wellman

Prosser Memorial Hospital
Business Office Manager
Prosser, WA

Crystal A. Nolan

Derry, Nolan & Associates LLC
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Elaine Mueller

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Cindy Barbee

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Randal Reddell

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Wenatchee, WA

Cheryl L. Ramon

CitiCapital, a Division of Citigroup
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DeEtta Cunningham

Alaska Native Tribal
Health Consortium
Busn Office Specialist
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Senior Account Executive
Seattle, WA

Tami S. Love

Group Health Cooperative
Billing Operations &
Reimb Manager
Kent, WA

Kerry M. Curran

Resource Corp of America
Director Business Development
Bellevue, WA

Mary K. Wright

Manager
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Suzanne Daly

Providence
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Payor Contracting
Renton, WA

Lynne W. Gentry

St Joseph Medical Center
Regional Director of
Patient Accounts
Tacoma, WA

Kristi Baze

Medical Billing & Consulting
Owner/Business Manager
Kennewick, WA

Teresa Nearing

Robert Half Intl.
Account Executive
Seattle, WA

Shelley E. McDermott

Providence Washington
Program Coordinator
Olympia, WA

Kym Clift

United General Hospital
Director Patient Financial Svcs
Sedro Woolley, WA

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***Get
Connected!***

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Everett, WA

Cindy Sherman
Grays Harbor Community Hospital
Accountant
Aberdeen, WA

Melinda B. Smithson
Olympic Memorial Hospital
Senior Accountant
Port Angeles, WA

Gregg Davidson
Skagit Valley Medical Center
Chief Executive Officer
Mount Vernon, WA

Diem T Luu
Protiviti
Senior Consultant
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Mark Hugh
Clark Nuber PS
CPA
Bellevue, WA

Sarah E. Reis
Protiviti
Consultant
Mukilteo, WA

Kris Files
Central Washington Hospital
Admitting Supervisor
Wenatchee, WA

Timothy C. Hagler
Providence Health System,
Washington / Alaska Region
Regional Dir Supply
Chain Management
Seattle, WA

Stephanie Lantzer
Group Health Cooperative
Billing Operations and
Reimbursement Manager
Spokane, WA

Peter C. Yoon
Protiviti, Inc.
Consultant
Snohomish, WA

Hugh Hallgren
Maniilaq Associates
Administrator
Kotzebue, AK

Justin D.F. Sampson
Protiviti
Consultant
Kirkland, WA

Paul E. Smolke
Microsoft Business Solutions
Director - Healthcare Vertical
Strategy
Redmond, WA

Brian McClellan
Seattle, WA

G. Wayne Hawks
Central Washington Hospital
Sr. Financial Analyst Coordinator
Wenatchee, WA

Jackie M. Davis
On Assignment Healthcare Staffing
Senior Staffing Consultant
Spokane, WA

Thomas H. Harvey
Providence Health Systems
Manager Of Payor Contracting
Renton, WA

Karen Jeffus
Central Washington Hospital
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Wenatchee, WA

Leslie C. Bryant
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Group Inc.
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Cheryl L. Dickerson
Dalrymple And Dickerson
Partner
Bellingham, WA

Christina M. Finch
University Of Washington
Seattle, WA

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Welcome New Members!

Ben P. Steiner
Protiviti Inc
Senior Consultant
Seattle, WA

Ruth A. Johnson
Wildflower Court
Chief Financial Officer
Juneau, AK

Conrad Kimes
Inter Island Medical Center
Controller
Friday Harbor, WA

Teresa McSpadden
Providence Everett Medical Center
Director PFS
Snohomish, WA

Richard E. Sleeth
Sentry Credit
Sales Director
Everett, WA

Shelley Godwin
Medifax Edi
District Sales Manager
Seattle, WA

Daron D. Zimmerman
St. John Medical Center
Decision Support Coordinator
Longview, WA

Joseph Vessey
Inland Northwest Health Services
Financial Analyst
Spokane, WA

Richard Walicki
Alaska Native Medical Center
Director Hospital Financial Operations
Anchorage, AK



Mark Your Calendar

Dec. 2, 2004



HFMA Workshop

**Doubletree
SeaTac, Washington**

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for the Founders Merit
Award program are main-
tained for chapter members
by LCC Council III.*

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please contact*

Tom Muller

Telephone: (360) 236-4215

Facsimile: (360) 664-8579

Email: tom.muller@doh.wa.gov

UPCOMING CHAPTER MEETINGS

EVENT	DATE	LOCATION
HFMA Workshop	December 2, 2004	Doubletree – SeaTac
HFMA Region 11 Symposium	January, 2005	Las Vegas
HFMA Workshop, Meeting & Vendor Fair	February 16-18, 2005	Sheraton Hotel & Conf. Ctr. – Tacoma
HFMA Workshop & Meeting	May 25-27, 2005	Campbell's Resort - Chelean, Wa
National HFMA ANI Conference	June 26-30, 2005	Las Vegas
HFMA Fall Conference	September, 2005	TBD

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