

Northwest Outlook

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

March - April
2004

Officers 2003-2004

Bob Hinman, President
Gregg Terreson, President-Elect
Eric Teshima, Secretary
Lee Johnson, Treasurer
Tom Dingus, Immediate Past President

Board Members 2003-2004

Frank Hemeon
Greg Moga
Tom Muller
John Nutter
Deirdre Ridgway
Grant Baumgartner
Brad Becker
Doug Bishop
Peggy Figy
Marcy Nicol

Editorial Policy

Opinions expressed in articles or features are those of the author and do not necessarily reflect the view of the Washington/Alaska Chapter, the Healthcare Financial Management Association, or the Editor. The Editor reserves the right to edit material and accept or reject contributions whether solicited or not. All correspondence is assumed to be a release for publication unless otherwise indicated.

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



Robert Hinman
Chapter President

San Juan to San Francisco – Leadership Training

Every year in April, National HFMA hosts a Leadership Training Conference (LTC) for all of the Chapters across the country. My LTC experience started in Dallas four years ago and culminated with last year's LTC in Chicago. A title of "Dallas to Chicago" just didn't sound catchy enough, so I took the literary liberty to substitute my third LTC stop, San Juan, and this year's LTC, San Francisco. While I'm not attending LTC this year, our Chapter's four incoming Officers are currently at the conference learning about valuable ideas and

tools for our Chapter operations this coming year.

The LTC programs typically provide training in strategic planning, educational programming, member communication, membership recruitment and retention, chapter reporting, treasurer duties, and leadership. All are critical functions for a Chapter's success and in many ways were beneficial for my own daily work with my real job.

While leadership and communication skills obtained at LTC are more obvious benefits to your everyday job, it is the contacts and resources

continued on page 11...

www.waakhfma.org

Contributing Writers

Peggy Figy
Bob Hinman
Tom Muller
Eric Teshima

THANK YOU!!!

Don't Miss the Boat Cruise



"50's" Party

for our

"50"th Anniversary



Our cruise honoring our past presidents, and installation of officers will be swinging in the "50's". Joyce, Ginger, Deirdre and Robbie are promising you a great time.



If any of you have pictures from the past years would you let Ginger know? She would like to borrow them and they will be returned to you.

Get your outfit ready for our costume contest. Check out Toy's R Us for a hula-hoop and get some practice. Join us for a trip down memory lane and lets see who the creative ones are.

For you youngsters that missed the "50's" (I've been reminded that some of you are too young to know about this) you'll have to do a little research.



We'll have a little trivia, music and dancing, prizes, good food and spirits. Let's make this a cruise to remember. See you there!

Important
News:

Founders Program Changes

The purpose of the Founders Merit Award Program is to acknowledge the volunteer contributions made by HFMA members. Specific activities under this merit system are assigned a range of point values.

Over the years, the Founders Merit Award Program, which began back in 1960, evolved to include ties to certification, membership, and education, all tangential to the original purpose of the program.

In November 2003, the HFMA Board of Directors delegated to the Regional Executive Council the authority to bring the Founders Merit Award program back to its original purpose of recognizing volunteer efforts at the chapter, regional, and national levels. The council, in turn, established a Task Force to evaluate modifications to the Founders program infrastructure, award levels, and reporting methods. The new system will significantly reduce the administrative burden of the Founders Contact, as well as refocus the program on its original purpose: "Recognize The Leader In You!"

Commencing June 1, 2004, the new program will include an on-line reporting system for chapter Founders Contacts. Founders Contacts will be able to run reports 24 hours a day, seven days a week (24/7) to include: detailed historical information by member,

complete chapter membership lists with point totals/details, and chapter award lists. The program will still require chapters to report all information by August 10 each year, but the new structure gives chapters the ability to submit point updates 24/7. The data capture will be instantaneous, the error factor greatly reduced if not eliminated, and the time commitment to maintain the data will be drastically reduced.

New Award Levels and Points!

In the past, Founders points have been awarded by HFMA National for many different activities, including: local chapter meeting attendance, membership, certification, audio teleconferences and e-learning, and attendance at the Leadership Training Conference and the Annual National Institute. Under the new system, current points were changed to accommodate only volunteer points; this automatically eliminates points for attending education programs. Founders points will ONLY be awarded for volunteer activities such as: writing articles for national or local chapter publications; participating in a program (speaker/panel); volunteering for a chapter committee or chapter officer position; volunteering at the national level (e.g. Regional

Executives, Chapter Advancement Team members); proctoring an HFMA certification exam; and reviewing articles or book reviews for HFMA National. Going forward, any non-volunteer points will not be counted. For more information on how these changes will affect your certification maintenance, please review the *Certification Maintenance Process* section of this article.

All Founders points have been reduced to reflect the new award levels set at 25, 50 and 100, respectively:

- The William G. Follmer Bronze Award is awarded after an individual has earned 25 (previously 100) total member points.
- The Robert H. Reeves Silver Award is awarded to an individual who has earned 50 (previously 200) total member points.
- The Frederick T. Muncie Gold Award is presented to a member who has earned a total of 100 (previously 300) total member points.
- The Founders Medal of Honor was added in 1986 and is conferred by nomination of the Chapter Board of Directors. This prestigious award recognizes an individual who has been actively involved in HFMA for at least three years

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after earning the Muncie Gold Award, has provided significant service at the chapter, regional and/or national level in at least two of those years, and remains a member in good standing.

To reflect these changes, all member point totals will be converted to reflect with the new points system. This will go into effect for the 2003-04 year and will affect all points from June 1, 2003 onwards. When converting points, the HFMA National Founders Merit Award Program Task Force took into consideration those members close to an award level. For example, if a member had 99 points under the old system, that member would be expecting to receive a William G. Follmer Bronze Award for 2004. The new system would convert the points to 24.75, ensuring the member would reach that specific goal when 2003-04 points were added. The new award level for the Follmer bronze award is 25 points. The converted points will allow you to still reach to bronze award level at the same time you would have if the points and award levels stayed the same.

Are you close to an award level? Need to check your points? You can access your current Founders point history through your personal profile under the HFMA National on-line directory at www.hfma.org. Please contact your local chapter Founders Contact with any point discrepancies. All changes must be reported by May 31, 2004.

In addition to the new point categories, point allocations and award levels, detailed individual member Founders point

information will be available 24/7 on HFMA National's web site as of June 1. Under the new system members will have the ability to view all past Founder point details on-line, a significant enhancement to the current structure.

HFMA Certification Maintenance Process is Changing

Remember all of those Founders points you earned for attending HFMA local and national education programs? Well, effective June 1, 2004, these activities are no longer eligible for Founders points. Instead, *contact hours will be awarded toward the certification maintenance requirement* for those activities as well as participating in other non-HFMA sponsored education events that currently receive Parallel Points (e.g., those sponsored by your company, another organization such as AICPA, or a vendor). Based on a 50-minute contact hour (i.e., 50 minutes of continuous activity), relevant educational events and experiences will receive one point per contact hour.

Under the new system, HFMA membership and Forum membership will not be eligible for contact hours toward certification maintenance. Contact hours will be awarded for participating only in structured educational events that contribute to the development of professional and technical skills such as attending seminars, conferences, college courses; completing self-study course and e-learning programs; reviewing manuscripts; and presenting at seminars. Proctors will continue to receive Founders points as

well as contact hours toward the maintenance requirement.

A new feature will be available June 1, 2004, that will allow members to track under their membership profile the amount of contact hours received for participating in HFMA-sponsored and other non-HFMA education activities. Members will have ownership of their education activity record and certified members will be fully responsible for documenting their education activities through the on-line system as well as ensuring accuracy and completeness of their record.

The change in the Founders Award Point system will affect CHFP and FHFMA eligibility as well as HFMA certification maintenance requirements, all of which are still being finalized. More information will be communicated as it becomes available. We will be sure to keep you informed of all related matters. At this point, questions specifically related to the HFMA certification program should be e-mailed to certification@hfma.org. These questions will then be addressed in the next *Certification Update* as well as other HFMA communications/newsletters.

If you have any questions regarding the Founders program, please contact Shirley Heavlin, chapter relations specialist, at (800) 252-4362, ext. 347 or sheavlin@hfma.org. Tom Muller is the Washington/Alaska Chapter Founders Award Chairman. He may be contacted at Tom.Muller@DOH.WA.GOV or (360) 236-4215. ■



hfma washington / alaska chapter
healthcare financial management association

Job Opportunities

POSITION AVAILABLE	ORGANIZATION	LOCATION
Accounting Manager	Large Healthcare Center	Metro Portland, OR
CFO/Controller	Klickitat Valley Health Services	Goldendale, WA
Controller	230-Bed Acute Care Facility	West/Central WA
Controller	Yukon-Kuskokwim Health Corp	Bethel, AK
Controller – Dir of Finance	Sierra Surgery & Imaging Hospital	Carson City, NV
Contract Manager	Group Health Cooperative	Tukwila, WA
Financial Analyst	Harborview Medical Center	Seattle, WA
Financial Analyst – Social Accountabilty	Providence Health Care	Spokane, WA
Manager – Managed Care	Evergreen Healthcare	Kirkland, WA
Physician Billing Manager	Providence Physician Services	Spokane, WA
Revenue Cycle Director	Deaconess Medical Center	Spokane, WA
Revenue Cycle Manager	UW Health Sciences Center	Seattle, WA
Revenue Cycle Mgr, Medical Specialties	Harborview Medical Center	Seattle, WA
Sr. Accountant	Overlake Hospital Medical Center	Bellevue, WA
Sr. Accountant	Providence WA Regional Svcs.	Renton, WA
Sr. Decision Support Analyst	Providence WA Regional Svcs.	Renton, WA
Senior Financial Analyst	Providence Health Care	Spokane, WA
Sr. Payer Contract Analyst	Providence WA Regional Svcs	Renton, WA
Sr. Reimbursement Analyst	Swedish Medical Center	Seattle, WA

FOR MORE INFORMATION...

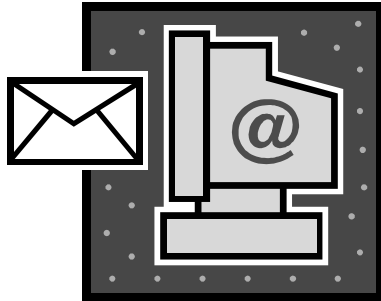
...on these listings or to include a listing, please contact Peg Figy,
(509) 474-5480 or emailto: figyp@holy-family.org

See also National HFMA's website (www.hfma.org) for additional job listings.

Last update: April 2004

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.

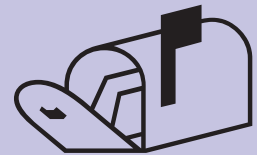
- 1. Log on to <http://www.hfma.org>**
- 2. Go to the membership section**
- 3. Log in using the username and password prompts**
- 4. Follow instructions to access your Profile**
- 5. Edit information.**

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
Mount Carmel Hospital
982 E. Columbia
Colville WA 99114

Phone:
509-685-2406

E-mail
rhoadev@mtcarmelhospital.org



Don't Miss This...

May 19-21, 2004

**HFMA Workshop,
Meeting**

**CDA Resort
Coeur d' Alene**

SEE YOU THERE!

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

*Individual scoring records
for the Founders Merit
Award program are main-
tained 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



CORPORATE SPONSORS

The Chapter would like to thank
the following companies
for 2003 - 2004 sponsorships:

PLATINUM LEVEL

Bank of America
Bennett Bigelow & Leedom PS
Case Mix Analysis
Merchants Credit Association
Moss Adams LLP
Pacific Medicaid
Resource Corp of America
TIAA-CREF

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Perot Systems Healthcare
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Healthworks
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Triage Consulting Group

SILVER LEVEL

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Avega Health System, Inc.
Michael R. Bell & Company
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The enVision Group
Foster Pepper & Shefelman PLLC
GSB Law
Sheryl Kennedy, CPA LLC
R & B Solutions
Spencer Kinney
Whitman Garvey Inc

Hospital Financial Highlights

By Tom Muller
Washington State Department of Health

Since calendar year 1993 total patient service revenue for hospitals in the State of Washington has increased by 194.1%, which is a compound rate of increase of 11.4% per year. Over this time period outpatient revenue grew much more rapidly (14.7% per year compounded) than inpatient revenue (9.4% per year compounded). As a result, outpatient revenue expanded from 32.7% of total patient service revenue in calendar year 1993 to 43.7% of total patient service revenue in calendar year 2003.

Contractual adjustments in calendar year 2003 jumped 434% over the calendar year 1993 level. This is an annual compound growth rate of 18.2% per year since calendar year 1993. Charity care reached

a new high of \$240 million. This resulted in a charity care proportion of 1.43%, which was the highest recorded since the twelve month period ended September 30, 1999, but was still 28.7% below the charity care proportion of 2.00% realized in calendar year 1993.

Net operating income in calendar year 2003 jumped 39.7% over calendar year 2002 to \$344 million. This was the highest level of net operating income ever recorded for any annual period since hospital financial records have been maintained by the Department of Health or the Washington State Hospital Commission. It is more the 3.5 times the low of \$97 million reached in calendar year 2000. This net operating income resulted in an operating margin of 3.76%,

which was the highest realized since the twelve month period ended March 31, 1998. Net income per adjusted admission of \$368.70 was also a new record high.

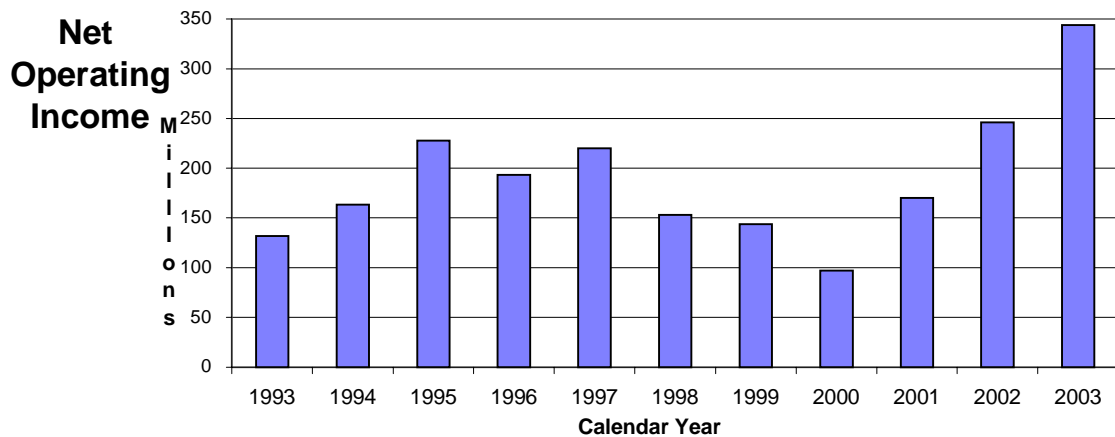
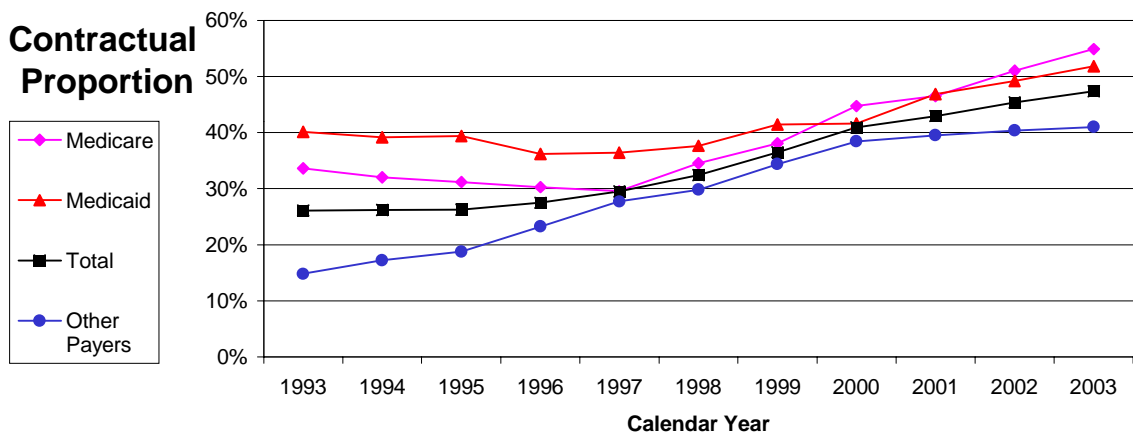
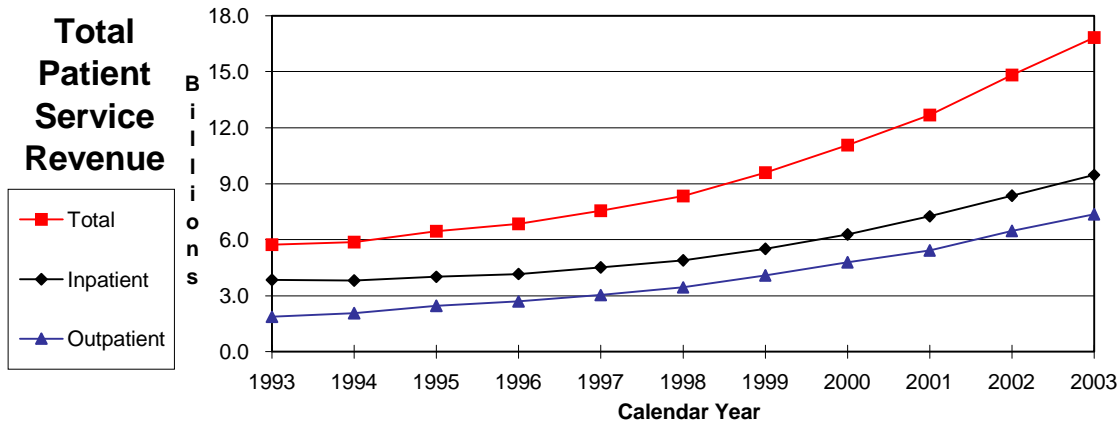
Since calendar year 1993 inpatient discharges have grown by 13.8%, while patient days have inched up 4.9%, resulting in a 7.9% drop in average length of stay. As a result of the significant growth in the proportion of outpatient revenue over the period, adjusted discharges expanded by 35.4%.

In calendar year 2003 average days in accounts receivable jumped 15.1% over the previous year to 68.6 days. Average days in accounts receivable were up for all payer groups.

HOSPITAL PERFORMANCE	Calendar Year 1993	Calendar Year 2003	Ten Year Change Total	Ten Year Percent Change Total	Annualized
Inpatient Revenue	3,850,377,757	9,472,153,507	5,621,775,750	146.01%	9.42%
Outpatient Revenue	1,874,352,767	7,362,593,902	5,488,241,135	292.81%	14.66%
Total Patient Revenue	5,724,730,524	16,834,747,409	11,110,016,885	194.07%	11.39%
Contractual Adjustments	1,493,624,895	7,975,750,803	6,482,125,908	433.99%	18.24%
Charity	114,519,947	240,217,799	125,697,852	109.76%	7.69%
Net Patient Revenue	4,116,585,682	8,618,778,807	4,502,193,125	109.37%	7.67%
Total Operating Expenses	3,984,803,051	8,275,047,993	4,290,244,942	107.67%	7.58%
Net Operating Income	131,782,631	343,730,814	211,948,183	160.83%	10.06%
Days in Accounts Receivable					
Medicare	47.2	53.2	6.0	12.77%	1.21%
Medicaid	63.4	71.2	7.7	12.17%	1.15%
Other Payers	80.3	78.3	(2.1)	-2.58%	-0.26%
Statewide Total	65.5	68.6	3.1	4.80%	0.47%
Utilization					
Discharges	457,175	520,464	63,289	13.84%	1.30%
Patient Days	2,165,145	2,270,826	105,681	4.88%	0.48%
Length of Stay	4.74	4.36	(0.37)	-7.87%	-0.82%
Adjusted Discharges	688,634	932,271	243,637	35.38%	3.08%
Rates					
Tot Rev Per Adj Disch	8,313.17	18,057.78	9,744.61	117.22%	8.07%
Deductions Per Adj Disch	2,335.27	8,812.85	6,477.59	277.38%	14.20%
Net Revenue Per Adj Disch	5,977.90	9,244.93	3,267.03	54.65%	4.46%
Oper Expense Per Adj Disch	5,786.53	8,876.23	3,089.69	53.39%	4.37%
Net Income Per Adj Disch	191.37	368.70	177.33	92.67%	6.78%
Financial Ratios					
Operating Margin	3.08%	3.76%	0.68%	22.05%	2.01%
Deductible Proportion	28.09%	48.80%	20.71%	73.73%	5.68%
Contractual Proportion - Total	26.09%	47.38%	21.29%	81.58%	6.15%
Contractual Proportion - Medicare	33.61%	54.87%	21.26%	63.25%	5.02%
Contractual Proportion - Medicaid	40.12%	51.83%	11.70%	29.17%	2.59%
Contractual Proportion - Other	14.84%	41.00%	26.16%	176.33%	10.70%
Charity Proportion	2.00%	1.43%	-0.57%	-28.67%	-3.32%
Outpat Rev Percent	32.74%	43.73%	10.99%	33.58%	2.94%

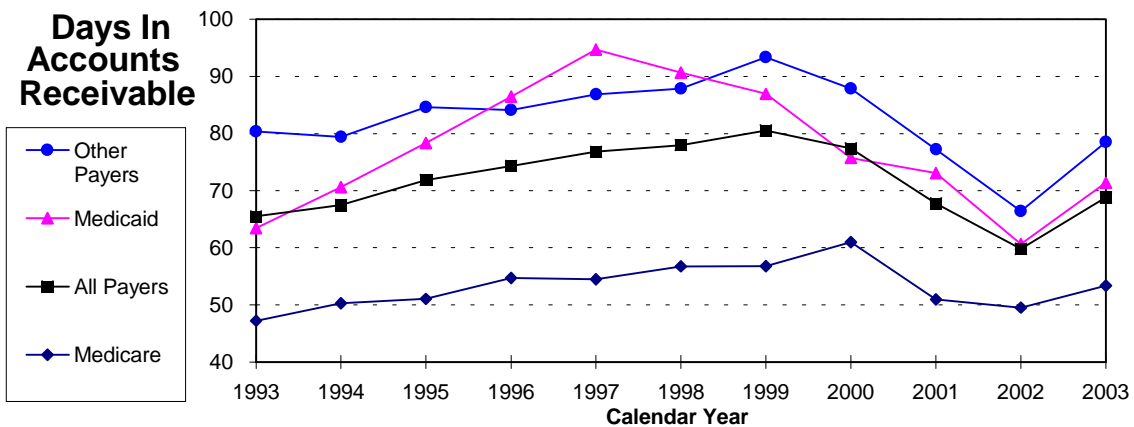
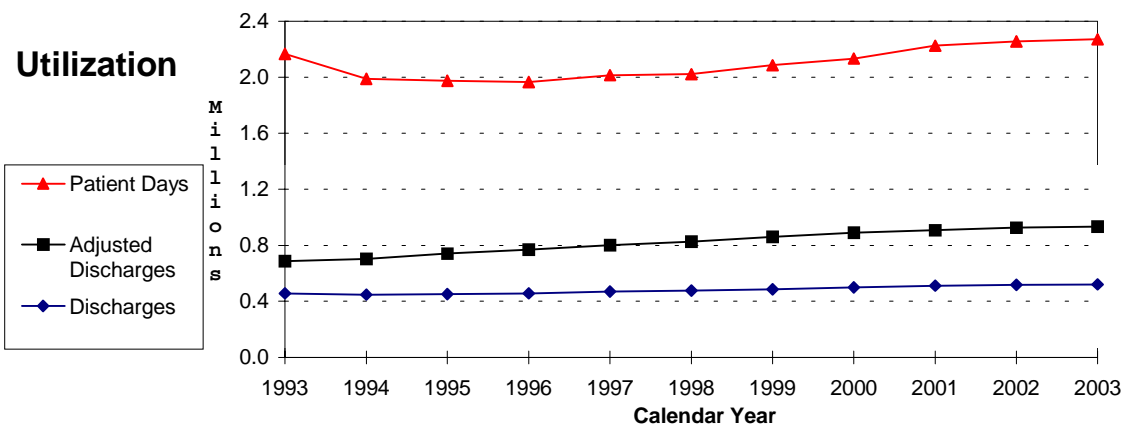
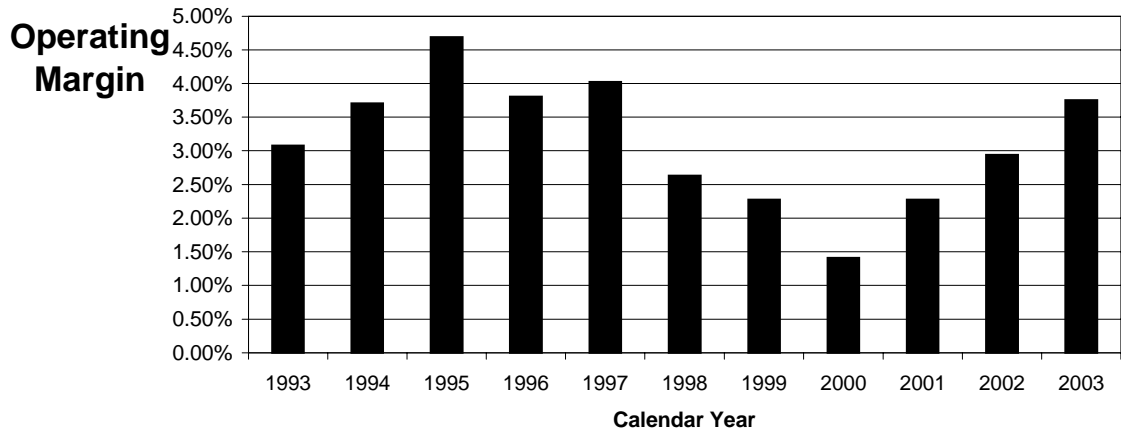
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Hospital Financial Highlights



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Hospital Financial Highlights



attained throughout the country that can be extremely helpful in your career. For me, it is Managed Care contacts in California, Oregon, and Nevada that help with current payer and employer group trends. I have a host of resources just a phone call away.

Now that I am coming to the end of my Officer experience with the Washington/Alaska Chapter, I realize how rewarding this time has been for me to be a part of HFMA. I would highly encourage everyone to get involved with our Chapter operations. Most people start their Chapter volunteerism by attending the council and committee meetings held on Wednesday at each of our Chapter meetings. It was my time spent at the council and committee meetings that started me on the path to becoming an Officer in our Chapter.

LTC is just one of the potential benefits for the hard work of Chapter volunteerism. Join us in Coeur d'Alene, Idaho for our next Chapter meeting, and if you haven't already, take the first step towards Chapter leadership by attending the council and committee meeting on Wednesday afternoon. See you all at The Coeur d'Alene Resort. ■

COMING ATTRACTIONS

The Washington/Alaska Chapter will be celebrating our 50th anniversary at the May meeting in Coeur d'Alene, Idaho. We have plenty of surprises in store for everyone. Come and help us celebrate!

Welcome New Members

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

Kathy A. Johnson

Client Service Field Rep
AllianceOne
Receivables Management Inc
Gig Harbor, WA

Patricia R. Beeler

Project Manager, PFS
Group Health Cooperative
Lynnwood, WA

Shawna K Rutherford

Finance Manager
Inland Northwest Health Services
Spokane, WA

Robin Nydam

Director, Product Management
Solucient, LLC.
Bellevue, WA

Katie Jo Raebel

CPA
Michael R. Bell & Company
Spokane, WA

Jeff R. Kolcum

Chief Finance Officer
Family Home Care
Spokane, WA

Get



Connected!

Leadership Councils and Committees

2004-2005

By Eric Teshima



As we get ready to start the 2004-2005 year, the new Leadership Councils and Committees (LCC) are getting organized. The Councils are responsible for the chapter operations while the Committees have responsibility for the educational sessions. The LCC meetings are held on Wednesday evening following the quarterly workshop. It's a great way to get involved, have a voice in choosing topics and speakers, or help keep things running smoothly in the chapter. I've found that it's also one of the best ways to meet other members. All members are encouraged to become a part of the LCC. If you're not sure or want more information about getting involved, call one of the Officers or Committee Chairs. There's also a description of the Councils and Committees in the Membership Directory. The Council and Committee Chairs for this coming year are listed on the following page:

continued on next page...

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HFMA
Washington/Alaska Chapter
2004-2005 Council/Committees

Council 1
Chapter Operations

Chairman	Brad Becker
Co-Chair	Robbie Wright
Co-Chair	Scott Nelson
Advisor	John Nutter

Constitution/By Laws	Scott Nelson
Operations Manual	
Meeting Facilities	
Social Events	Robbie Wright
Registration	Peggy Ann Rufener
Evaluations	Deirdre Ridgway
Sponsorship	Brad Becker
Vendor Fair	Mark Flaten
Vendor Fair	Rik Lewis

Council 3
Membership Services

Chairman	Dennis Stillman
Co-Chair	Elaine Phelps
Advisor	Lee Johnson

Newsletter	Ginger Rhoades
Directory	Elaine Phelps
Web Site	Leslie Von Ravensberg
CPE	Keith Mock
Certification - WA	Dennis Stillman
Certification - AK	Cathy LeMay
Employment	Peggy Figy
Founders	Tom Muller
New Member Welcome	Anne Stallard

Liaisons

AAHAM Liaison	Joyce Gibb
WSHA Liaison	Ginger Rhoades
WSCPA Liaison	
AHNHA Liaison	Donna Herbert

Committee A
Compliance & Health Policy

Chairman	Grant Baumgartner
Co-Chair	Catherine Wakefield
Co-Chair	Carla Dewberry
Advisor	Eric Teshima

Committee B
Managed Care & Patient Financial Services

Chairman	Charlie Brown
Co-Chair	Marcy Nicol
Co-Chair	Judy Veazie
Advisor	Lee Johnson

Committee C
Keynote Speakers & Current Events

Chairman	Greg Moga
Co-Chair	Mike Deluca
Co-Chair	Jim Heilsberg
Advisor	Gregg Terreson

Committee D
Finance & Information Systems

Chairman	Peggy Figy
Co-Chair	Doug Bishop
Co-Chair	Leslie Sadler
Advisor	Eric Teshima

Committee E
Critical Access & Alaska

Chairman	Eric Moro
Co-Chair	Tom Dingus
Co-Chair	Annette Edwards
Co-Chair	Cathy LeMay
Advisor	John Nutter

UPCOMING CHAPTER MEETINGS

EVENT	DATE	LOCATION
HFMA Workshop & Meeting	May 19-21, 2004	CDA Resort – Coeur d’Alene
National HFMA ANI Conference	June 27 to July 1, 2004	Opryland Hotel - Nashville
HFMA Workshop & Meeting	September 22-24, 2004	Alderbrook Inn – Union, Wa
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

www.waakhfma.org



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Inside This Issue:

- President’s Message
- Don’t Miss the “50’s Party!”
- Founders Program Changes
- Job Opportunities
- How Do I Change My HFMA Information?
- Win \$100
- Corporate Sponsors
- Hospital Financial Highlights
- Welcome New Members
- Leadership Councils and Committees
- Upcoming Chapter Meetings