

Officers 2002-2003

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

Board Members 2002-2003

Grant Baumgartner	Frank Hemeon
Annette Edwards	Greg Moga
Peggy Figy	Tom Muller
Tim Howden	John Nutter
Lee Johnson	Deirdre Ridgway

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

from
Tom Dingus



Principle-Based Ethics

Business ethics have been on nearly everyone's minds during that last year due to the wave of corporate scandals. We attended presentations by Bruce Weinstein, PH.D. on "What Should I Do" and Dr. Kay Carnes on "Foundation of Professional Ethics for Washington CPAs" at our last educational program on December 5, 2002. I also recently attended a presentation by Dr. Bill Robinson, President, Whitworth College on "Ethical Questions and Leadership in the Post-Enron/Worldcom Era." The last year and these presentations have made me ponder business and personal ethics. Following are some thoughts, ideas, and opinions about ethics in today's business, legal, and cultural environment.

Two-Step Ethical Decision-Making Test

Dr. Robinson presented a two-step ethical decision-making test that I have paraphrased.

- Transparency test – if everybody could see you make the decision would you still do it? This is a simple reminder that if you would be embarrassed that your mother, spouse, children, co-workers, boss, or friends knew you acted in a certain matter would you still do it?
- Repeat test – if everybody did it would it be okay? The easy examples of this are littering and disobeying traffic laws. Both littering and disobeying traffic laws can be not very disruptive to society if only you are doing it but what if everybody did it?

continued on next page...

www.waakhfma.org

Contributing Writers

Tom Dingus
 Sean Douglas
 Julie Meek
 Randy Morgan
 Tom Muller

THANK YOU!!!

...continued from previous page

Observations About Ethics

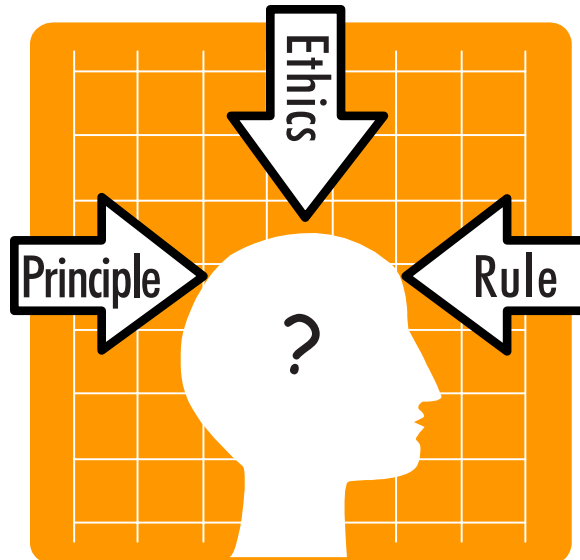
Dr. Carnes' presentation included some of the following observations:

- Accountants have become ethicists by default — within companies the accountant or accounting department is looked to for guidance about right and wrong, and often held responsible for ethical shortcomings, which occur, in other parts of the organization.
- Ethics is about how we meet the challenge of doing the right thing when that will cost more than we want to pay.
- Character is much easier kept than recovered.
– *Thomas Paine*
- The measure of a man's character is what he would do if he knew he never would be found out.
– *Baron Thomas Macauley*

Principle- vs. Rule-Based Ethics

I find principle-based vs. rule-based ethics to be a fascinating concept. It seems that we would all agree that the substance is more important than form. Rules can be pushed, abused, twisted, and have gray areas. Rules tend to be geared toward the lowest common denominator. When there are specific rules we as a society tend to abdicate our personal responsibility to decide what decision is really and truly the right thing to do. We use the rules as a “crutch” and make rationalization such as “well

everybody else is doing it.” My personal example of this is the way I play basketball. When playing a friendly (or even competitive game) without referees I do not push the rules



and try to get away with pushing and holding (I always seem to be guarding someone bigger, faster, or stronger) like I do when I am playing in an organized game with referees.

The Dilemma

But the real question about principle-based ethics in the business sector is will it work within the American legal system? Our legal system and culture is rule-based. Principle-based ethics allows for judgment and not everybody's judgment in particular circumstances will be the same based on our values and experiences. Since our judgments will not be the same it will then be necessary to make some rules to keep the playing field level. And then somebody will find a way around those rules so more rules will be necessary.

Many situations that arise within

business and personal life do not have a definable line between right and wrong. There is a gray area where each person moves between right and wrong.

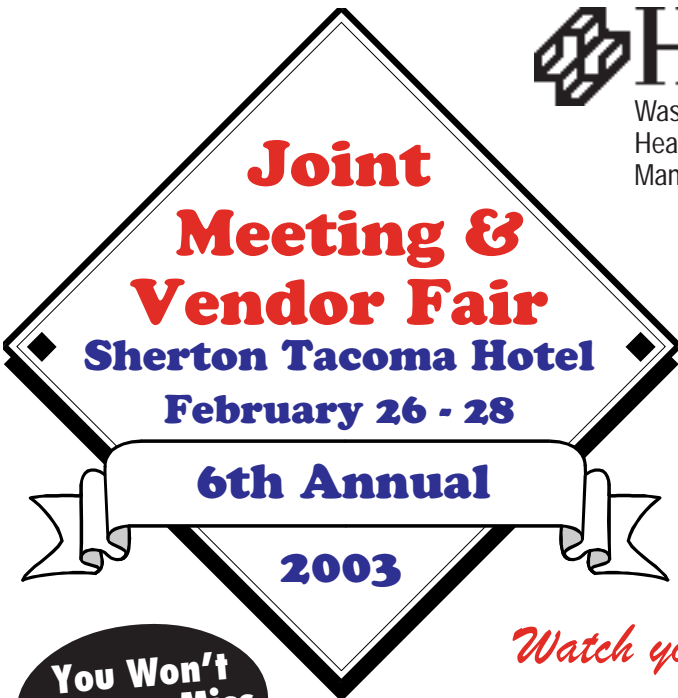
Without rules, how is the “game” kept fair and how do you know when to punish the bad guys and reward the good guys? Are you willing to risk losing the game or business to a competitor that defines the line between right and wrong in another place than you?

I do not think there are any good answers to this dilemma other than to use a principle-based approach in decision-making while using the “rules” as the lowest point you are willing to consider.

Ethical Situations to Ponder

The following are interesting ethical situations that highlight the dilemma of principles versus rules.

- When the stoplight turns yellow – are you thinking can I make it or do you think can I stop?
- Is it really speeding if the police do not see it or cannot prove it?
- If you are a college football coach during a no contact period with recruits — is it okay to stand on the sidewalk in front of a recruit's house and call him on your cell phone and then wave to him through the window?
- Is it okay to “spenddown” your estate to qualify for Medicaid? ■



It's still possible to register for the HFMA Joint Meeting and Vendor Fair. Take a look at the topics below and register before it's too late. For registration information, call Bob Hinman (424) 883-7438 or email r_hinman@msn.com

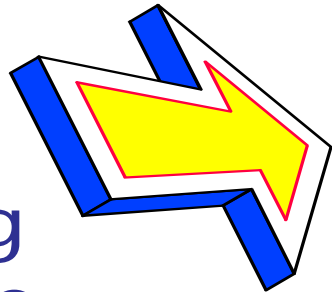
Hotel Deadline is February 2nd

Registration Deadline is February 17th

You Won't Want to Miss This One!

Watch your mailbox for registration information

Guest Speakers will bring you up to date on these many topics!



- Integral Leadership: Achieving Results That Last
- How to Conduct a Billing Compliance Audit
- Premera Conversion to For-Profit
- Gazing into the Clouded Crystal Ball..., Reflections About the Future of Healthcare Financing
- The CFO's Primer: Patient Financial Services Challenges & Opportunities
- Long Term Acute Care Hospitals
- Assisted Living Facility: a "Cash Cow," a "Money Pit" or a "Black Hole?"
- Looking for the Cash Cow - Actions Tools for Effective Management in Physician Practices
- Dynamics of Implementing HIPAA in the AR: The Good, The Bad and The Ugly
- WSHA Update
- Legal Update
- Reimbursement Update
- Hospital Chargemaster Update: A Look at New Issues for 2003 and More
- Managing Our Financial Future Utilizing Technology

Featuring Cheryl Scott, President & CEO of Group Health Cooperative

Keynote Topic:
 "Gazing into the Clouded Crystal Ball..., Reflections About the Future of Healthcare Financing"

Social Event
 Thursday - February 27th
 Buffet Dinner & Casino Night

A Red Marble

by Randy Morgan
Morgan Systems International

During the waning years of the depression in a small southeastern Idaho community, I used to stop by Mr. Miller's roadside stand for farm-fresh produce as the season made it available. Food and money were still extremely scarce and bartering was used, extensively.

One particular day Mr. Miller was bagging some early potatoes for me. I noticed a small boy, delicate of bone and feature, ragged but clean, hungrily appraising a basket of freshly picked green peas. I paid for my potatoes but was also drawn to the display of fresh green peas. I am a pushover for creamed peas and new potatoes.

Pondering the peas, I couldn't help overhearing the conversation between Mr. Miller and the ragged boy next to me. "Hello Barry, how are you today?" "H'lo, Mr. Miller. Fine, thank ya. Jus' admirin' them peas ... sure look good." "They are good, Barry. How's your Ma?" "Fine. Gittin' stronger alla' time." "Good. Anything I can help you with?" "No, Sir. Jus' admirin' them peas." "Would you like to take some home?" "No, Sir. Got nuthin' to pay for 'em with." "Well, what have you to trade me for some of those peas?" "All I got's my prize marble here." "Is that right? Let me see it." "Here 'tis. She's a dandy." "I can see that. Hmmm, only thing is this one is blue and I sort of go for red. Do you have a red one like this at home?" "Not 'zackleybut, almost." "Tell you what. Take this sack of peas home

with you and next trip this way let me look at that red marble." "Sure will. Thanks, Mr. Miller."

Mrs. Miller, who had been standing nearby, came over to help me. With a smile she said: "There are two other boys like him in our community, all three are in very poor circumstances. Jim just loves to bargain with them for peas, apples, tomatoes or whatever. When they come back with their red marbles, and they always do, he decides he doesn't like red after all and he sends them home with a bag of produce for a green marble or an orange one, perhaps."

I left the stand, smiling to myself, impressed with this man. A short time later I moved to Colorado but I never forgot the story of this man, the boys and their bartering. Several years went by each more rapid than the previous one.

Just recently I had occasion to visit some old friends in that Idaho community and while I was there learned that Mr. Miller had died. They were having his viewing that evening and knowing my friends wanted to go, I agreed to accompany them.

Upon our arrival at the mortuary we fell into line to meet the relatives of the deceased and to offer whatever words of comfort we could. Ahead of us in line were three young men. One was in an army uniform and the other two wore nice haircuts, dark suits and white shirts ... very professional

looking. They approached Mrs. Miller, standing smiling and composed, by her husband's casket. Each of the young men hugged her, kissed her on the cheek, spoke briefly with her and moved on to the casket. Her misty light blue eyes followed them as, one by one, each young man stopped briefly and placed his own warm hand over the cold pale hand in the casket. Each left the mortuary, awkwardly, wiping his eyes. Our turn came to meet Mrs. Miller. I told her who I was and mentioned the story she had told me about the marbles. Eyes glistening she took my hand and led me to the casket.

"Those three young men, who just left, were the boys I told you about. They just told me how they appreciated the things Jim "traded" them. Now, at last when Jim could not change his mind about color or size ... they came to pay their debt. "We've never had a great deal of the wealth of this world," she confided, "but, right now, Jim would consider himself the richest man in Idaho." With loving gentleness she lifted the lifeless fingers of her deceased husband. Resting underneath were three, exquisitely shined, red marbles.

We will not be remembered by our words, but by our kind deeds. Life is not measured by the breaths we take, but by the moments that take our breath. ■

Randy Morgan
Morgan Systems International
"Making work more effective and more fun."
1-800-893-9002 • 1-208-429-0029
4fun@randymorgan.com
www.randymorgan.com

Empowering Employees Through Revenue Cycle Improvement

by Sean Douglas
Deer Park Hospital

The revenue cycle is one of the primary responsibilities of the Chief Financial Officer. The CFO must facilitate quality improvement initiatives that focus on the entire cycle, set standards of performance for cycle processes, and create an environment of constant improvement. Improving this cycle strengthens the financial stability of the hospital through increased cash, reduced accounts receivable, controlled collection costs, and a reduction in bad debt expense. More importantly, it empowers the employees involved in the revenue cycle process.

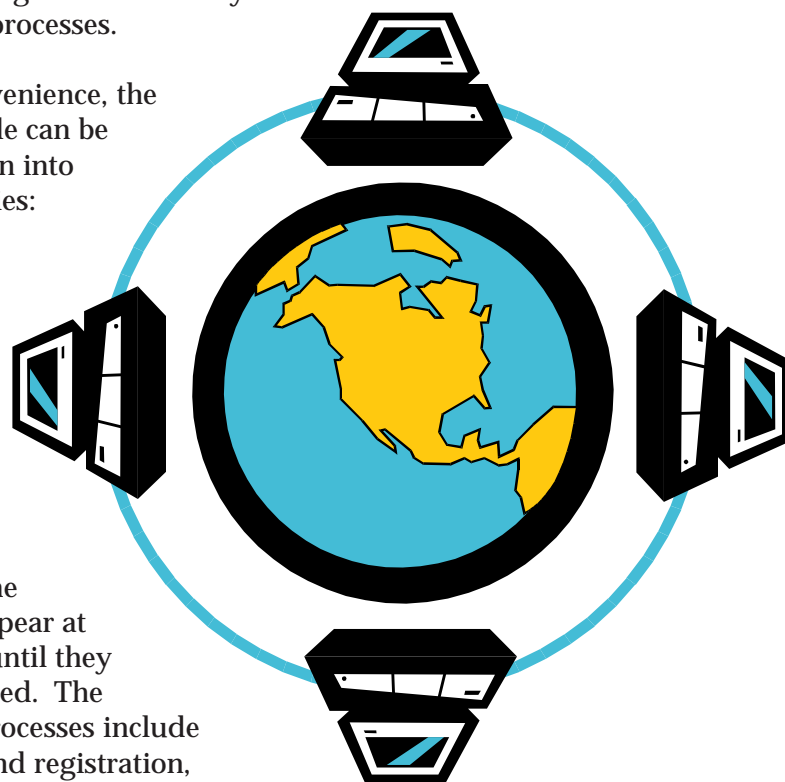
Improving the revenue cycle starts with breaking down the process into its component parts. One of the best tools is flowcharting the revenue cycle by department within the facility. Key elements of the process are identified and an understanding is developed on how they are related. For an efficient revenue cycle, the right processes at the right speed at the right time are a must. Therefore, developing metrics for each key element in the

process is critical. Constantly working to improve that component and monitoring performance against the benchmark will help maintain the gains achieved by improving processes.

For convenience, the revenue cycle can be broken down into two categories: front-end processes and back-end processes. The front end is the actual serving of the patient from the time they first appear at the facility until they are discharged. The front-end processes include admitting and registration, obtaining advanced beneficiary notices, documenting clinical information in the medical record, and capturing charges for medical services.

The result of this interface is the patient's medical record documenting their visit and a patient account that details the items they were charged for during that visit. My personal bias is that this is the most crucial category in an efficient revenue cycle: capturing accurate patient information,

documenting services, and proper charging for those services in a timely manner. Facilities tend to take these processes for granted



and often resort to inefficient back-end inspection to correct deficiencies.

Back-end processes are the steps that take place to create an accurate patient bill and the eventual collection of reimbursement for those services. The patient record for example travels through the medical records department for coding after the front-end is finished. Other back-end processes are the actual billing of

continued on next page...

...continued from previous page

accounts, auditing of charges and documentation, tracking billing denials, posting payments, collection activities, and verifying accuracy of payments from third party payers. Facilities spend a tremendous

Improving core processes

can occur once an
understanding of the
cycle is obtained

amount of time in back-end processes, sometimes jumping over dollar hurdles to chase pennies.

Improving core processes can occur once an understanding of the cycle is obtained. This often means change and can create anxiety for the staff involved. Communicating the goal of these changes is a critical step in the improvement initiative and will help alleviate any change resistance. In addition, staff training, physician involvement, enforced accountability, development of process benchmarks, and an investment in technology are likely additional steps in any successful improvement plan.

Revenue cycle improvement strengthens the facilities overall financial standing. However, the ultimate reward is empowered employees working with new, efficient processes achieving a level of success they never thought possible and the creation of a culture of constant and never-ending improvement.

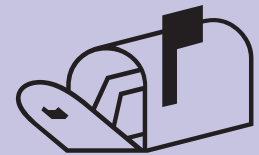
Sean Douglas is the Chief Financial Officer of Deer Park Hospital in Deer Park, Washington and St. Joseph's Hospital in Chewelah, Washington. Both facilities are members of Providence Services Eastern Washington.

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

Morgan Award Nominations Accepted through February 28

Nominations for the 2003 Frederick C. Morgan Individual Achievement Award, HFMA's most prestigious individual honor, are due by February 28, 2003, at HFMA National. Named for one of HFMA's founding members, the Morgan Award is presented annually to an HFMA member who has made an outstanding contribution to the field of healthcare financial management. All active members of HFMA are eligible, except HFMA National officers and directors and members of the award judging committee during their terms of office.

In selecting the award winner, the judges consider the significance of the nominee's accomplishments and contributions to HFMA; the nominee's service to HFMA at the chapter, regional, and national levels; and whether the nominee has earned any other awards.

Morgan Award nomination forms recently were distributed to all chapter presidents and presidents-elect. Chapter leaders are encouraged to give potential nominees in their chapters careful consideration. Although most nominations are sponsored by chapters, individuals also may nominate another member.

Nominations are valid for a period of three years and may be updated during that period. If a chapter has nominated an individual in the past three years, the chapter president will be asked if the chapter wishes to retain, revise, or withdraw the nomination.

The Morgan Award will be presented at the Annual National Institute (ANI), to be held June 22-26, 2003, at the Baltimore Convention Center, Baltimore, Maryland. Past recipients are displayed on HFMA's web site at www.hfma.org in the Chapter Leader area (see Recognition and Awards).

Additional nomination forms are available there as well, or contact Mike Mc-Carthy, chapter relations manager, at (800) 252-HFMA, ext. 363, or mmccarthy@hfma.org.

You may also contact any Washington/Alaska Chapter Officer or Board Member with nominations.

LCC ATTENDANCE MAY MAKE YOU RICHER

by Tom Muller, Membership Services Chairman

Since Washington-Alaska HFMA has no staff to run the chapter, it is members like yourself that make things happen in the chapter. Through participation in the chapter LCC councils and committees, you have a voice in determining the topics that will be on the agenda of future chapter meetings, where and when those meetings will be held, the future goals of the chapter, and the types of recognition the chapter will award to members. In addition, participation in the councils and committees of LCC provides an excellent opportunity for networking with the chapter members who are most actively involved in the operation of the chapter.

Another benefit of LCC participation is the dinner provided by the chapter to all members in attendance. As an additional incentive, all members attending, except officers and directors, are entered into a drawing. The member whose name is drawn receives a prize of \$50. The most recent winners were Bob Jensen, from Providence Washington Service Center, and Susan Ruchin, from Moss Adams. You could be the next winner. But, **you must be present to win.** The next LCC meeting will be Wednesday, February 26th at 5:00 PM, at the Sheraton Hotel and Conference Center in Tacoma. The LCC meeting will immediately follow the workshop on Wednesday afternoon.



**Don't
forget
to
VOTE**



You have recently or will shortly be receiving your election ballot for 2003-2004. We have an excellent slate of candidates for both board positions and officers this year, all of whom are exceptionally well qualified to help lead the chapter. We appreciate those who have consented to participate in this process and to serve if elected. I hope all of you will take advantage of this opportunity and spend a few minutes to review the names and to vote conscientiously. Your participation directly determines our future.

Thank you, Anne Stallard, Immediate Past President, 2002-2003



Welcome New Members



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

Debbie M. Janes
Revenue & Reimb Specialist
Peacehealth-St. John's Medical Center
Longview, WA

Patrick Killien
A/R & DS Manager
Greater Lakes Mental Healthcare
Lakewood, WA

Carolyn Murphy
Controller
Columbia Basin Health Assoc.
Royal City, WA

Ted Bigart
Finance Director
Spokane, WA

Miyeon Lee
Senior
Clark Nuber
Bellevue, WA

Joan F. Sunderland
Therapy Access Consultant
Bellevue, WA

Bobbie A. Jacobs
Regional Director
AIM Healthcare
Spokane, WA

David Miller
Spokane, WA

Paul L. Heuvel
Director of Reimbursement
DaVita, Inc.
Tacoma, WA

Doug Pierotti
Student
Seattle, WA

***The following members have
transferred from another chapter:***

Judy I. Viezie
Director
Sacred Heart Medical Center
Spokane, WA

Roger C. Yost, Jr.
Financial Project Manager
PeaceHealth
Bellevue, WA

Lori L. Tanner
Managed Care Consultant
Fairchild Air Force Base/92nd Medical Group
Spokane, WA

Corey K. Shank
Regional Manager
Pacific Medicaid Services, Inc.
Spokane, WA

Janet L. Morgan
Financial Reporting Coordinator
R E Thomason County Hospital
Paulsbo, WA

Monique Zurga
Revenue Specialist
University of WA Medical Center
Seattle, WA





hfma washington / alaska chapter
healthcare financial management association

Job Opportunities

POSITION AVAILABLE	ORGANIZATION	LOCATION
Account Executive – Medical Division	Guidance Corporation (HC Recruiting)	Federal Way, WA
Accountant	Grays Harbor Community Hospital	Aberdeen, WA
Accounting Services Manager	Government health care entity	Seattle, WA
Accounting Tax Team Coordinator	Legacy Health System	Portland, OR
Accounts Receivable Manager	Seattle Cancer Care Alliance	Seattle, WA
Billing Supervisor (2 positions open)	Seattle Cancer Care Alliance	Seattle, WA
Budget Manager	Government health care entity	Seattle, WA
Chief Financial Officer	Hi-Desert Medical Center	Joshua Tree, CA
Chief Financial Officer	Memorial Hospital of Sheridan County	Sheridan, WY
Chief Financial Officer	United General Hospital	Sedro Woolley, WA
Chief Financial Officer	PacMed Clinics	Seattle, WA
Chief Financial Officer	Overlake Hospital	Bellevue, WA
Contracts Manager	National Medical Management	Bellevue, WA
Coordinator, Outpatient & Prof. Services Revenue	Harborview Medical Center	Seattle, WA
Corporate Controller	225-bed non-profit hospital	Western WA
Decision Support Analyst	Queen of the Valley Hospital (St. Joseph)	Napa, CA
Director of Finance & Decision Support	Providence Everett Medical Center	Everett, WA
Director of Reimbursement	Catholic Healthcare West	Northern CA
Director, Management Engineering	Far West hospital division	Las Vegas, NV
Health Care Practice Leader	Moss Adams LLP	So. California
Manager	Certus Corporation	Seattle, WA
Manager, Audit & Consulting Services	Catholic Healthcare Audit Network, LLC	Various CA locations
Managing Director, Collection Services	EHealth Contracts	Hayward, CA
Medicare Cost Report Coordinator	Harborview Medical Center	Seattle, WA
Reimbursement Analyst	Legacy Health System	Portland, OR
Revenue Management Coordinator	Harborview Medical Center	Seattle, WA
Revenue Manager – PFS	Seattle Cancer Care Alliance	Seattle, WA
Senior Accountant	Providence Washington Regional Services ...	Renton WA
Senior Consultant	Certus Corporation	Seattle, WA
Senior Financial Analyst (Accountant)	Providence Everett Medical Center	Everett, WA
Senior Reimbursement Analyst	Providence Washington Regional Services ...	Renton WA
System VP Finance/CFO	Northern CA health system	Northern CA

FOR MORE INFORMATION...

...on these listings or to include a listing, please contact

Julie Meek, (509) 942-2708 or meekj@kadlecmed.org

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



Mark Your Calendar

May 21-23, 2003

HFMA

Workshop & Meeting

**Davenport Hotel
Spokane, Washington**

- Guest Speakers
- LCC Meeting

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 2002 - 2003 sponsorships:

PLATINUM LEVEL

Bennett, Bigelow & Leedom, P.S.
Case Mix Analysis
Merchants Credit Association
Moss Adams LLP
Pacific Medicaid
TIAA-CREF

GOLD LEVEL

Advanced Receivables Strategy/
Perot Systems Healthcare
Michael R. Bell
Clark Nuber
Healthworks
KPMG LLP
Sheryl Kennedy CPA, LLC

SILVER LEVEL

Cambio Health Solutions
Foster Pepper & Shefelman PLLC
LeMaster & Daniels
Protiviti
Provider Advantage
Silberg & Associates LLC
Spencer Kinney
The enVision Group

UPCOMING CHAPTER MEETINGS

EVENT	DATE	LOCATION
HFMA Workshop, Meeting & Vendor Fair	February 26-28, 2003	Sheraton – Tacoma
HFMA Workshop & Meeting	May 21-23, 2003	Davenport Hotel – Spokane
HFMA Workshop & Meeting	September 17-19, 2003	Joint Meeting w/Oregon – Portland
HFMA Workshop	December 4, 2003	Embassy Suites – Seatac
HFMA Region 11 Symposium	January, 2004	Caesar’s Palace – Las Vegas
HFMA Workshop, Meeting & Vendor Fair	February, 2004	Sheraton – Tacoma
HFMA Workshop & Meeting	May 18-20, 2004	CDA Resort – Coeur d’Alene
HFMA Workshop & Meeting	September 22-24, 2004	Port Ludlow Resort – Port Ludlow
HFMA Workshop	December 2, 2004	Embassy Suites - Seatac

www.waakhfma.org



Published bi-monthly by the Washington/Alaska Chapter of HFMA

Editor: Ginger Rhoades
982 E. Columbia
Colville, WA 99114-0351
Phone: (509) 685-2406
Fax: (509) 685-2492
e-mail: rhoadev@mtcarmelhospital.org

Inside This Issue:

- President’s Message
 - Joint Meeting & Vendor Fair
 - A Red Marble
 - Empowering Employees ...Revenue Cycle
 - Win \$100
 - Morgan Award Nominations
 - LCC Attendance May Make You Richer
 - Don’t Forget to VOTE!
 - Welcome New Members
 - Job Opportunities
 - Corporate Sponsors
 - Upcoming Chapter Meetings
-