HAWKEYE HIGHLIGHTS

SUMMER 2006

President's Message

Dear AAHAM Member:

A fter decades of discussion of how the government could, or should, play a role in providing healthcare to its citizens, in 1965, under President Lyndon B. Johnson, the Medicare and Medicaid programs became a reality. It took nearly 50 years of consensus-building discussions to adopt these national healthcare programs.

Similar types of discussions continue today. How does the United States want to address its large uninsured and under-insured populations? It seems we are a long way from agreeing as a nation on what political philosophy will suit us, and even further away from reaching consensus on how to shape whatever plan is agreed upon, if any.

Even so, we continue moving forward with ideas that will shape the healthcare environment for years to come. President George W. Bush recently reiterated his Administration's priorities for healthcare reform. They range from expanding health savings accounts, to pricing transparency, to encouraging the adoption of modern information technology. All of which cause those of us in the patient financial services world take a step back to and ask ourselves, "What will all this mean to my profession?" But we must not lose sight of the bigger picture of what these ideas may mean to the delivery of healthcare in the United States. This fall, you will have the opportunity to help shape your local AAHAM chapter by electing a new slate of officers and three board members. The leadership team you choose will have an excellent opportunity to put great ideas into reality so that you as Hawkeye AAHAM members will continue to benefit. So that when the next wave of healthcare reform comes to fruition, you are prepared, because not only will you have had the education to prepare you and your organization, you will also have a web of AAHAM members with whom to network and share your plans of attack.

Also coming this fall is a chance to recognize the past 30 years of Hawkeye Chapter Presidents who have shaped this organization by setting the bar high and developing the strong chapter of which you are a part. Please join us Thursday, September 14 at the Hotel at Gateway Center in Ames for this celebration. Special "thanks" to those of you involved in event preparation.

Don't miss this opportunity to become more involved in the Hawkeye AAHAM Chapter. Watch your inboxes for nominations and ballots from our Nominating Chair, Vicki Drish.

> Respectfully, Heather Hulscher

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Hospital / Physicians Office Partnership:

The Front Line When Dealing with Pre-Authorization and Pre-Certification Requirements

By Johnny S. Tureaud, MS, MHA, CHAM, CCP and Mary F. Miller, RN

Increasingly, healthcare providers—both physicians and hospitals—are finding it difficult to understand and administer the complex access requirements of managed care agreements. Specifically, the line item pre-certification/pre-authorization (pre-cert) requirements and processes of many payors have become difficult to track, comprehend and manage. One innocent slip-up and the result can often be patient or physician dissatisfaction and, in the case of non-recourse agreements, a sizeable financial loss to the hospital.

In view of the above, it is easy to see that a strong relationship with the physician offices referring to your facility is critical for success. At Mercy Medical Center - Sioux City, our Vision is: "In partnership with physicians, staff and the community, Mercy Medical Center - Sioux City will become the indispensable provider of healthcare services to the communities in our region." Access Services at Mercy takes this Vision seriously and actively pursues opportunities to partner with physician offices to serve our mutual patients.

Mercy's Financial Counselors identified that certain payors and procedures were often lacking the necessary pre-cert to assure timely and accurate payment for the services provided. Upon review it became clear that a tracking instrument needed to be developed to improve comprehension of pre-cert requirements of the payor for both the hospital and physician offices. The necessity to outline pre-cert requirements lent itself well to a partnership opportunity with the physician offices in our area.

The Pareto principal guided the development of the tool from both the payor and procedure prospective. Mercy's Access Services area has laminated the instrument and distributed it to all physician offices in the area. It is key to note that Mercy's Access Services area has committed to keeping the instrument current and assuring updated instruments are distributed timely to assist our physician office partners.

The first iteration of the pre-cert instrument has been well received in our community. We believe the real value of this simple instrument is to improve the quality of our revenue cycle, reduce or eliminate administrative denials, for both the hospital and physicians, as well as serve as a simple bridge in improving relationships in our service area!

Happy 30th Anniversary, Hawkeye Chapter!

Mark your calendars *now* and plan to attend the fall conference, which will be in Ames, Iowa, as we celebrate 30 years of success. We have invited all the past presidents to attend our fall conference banquet on September 14, 2006.

Come celebrate with us as we continue our legacy in the next 30 years!

Congratulations to Jocelyn Cox of Mercy Home Care for passing her CPAM exam!





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Healthcare Providers Urged to Obtain NPIs

The Centers for Medicare & Medicaid Services (CMS) is urging healthcare providers to obtain their National Provider Identifiers (NPIs) in preparation of the May 23, 2007 effective date and in light of the recently issued final rule on the Medicare 855 enrollment applications. The new enrollment procedures will require all new Medicare providers obtain their NPI prior to enrolling in the program, and providers making changes to their enrollment information must include their NPI number with the enrollment application.

To meet the May 23, 2007 compliance date, CMS is creating its own cross-walk of Medicare legacy numbers to the NPIs, in order to minimize the potential for disruptions in claim processing. From October 2 through May 22, Medical will accept both the legacy Medicare number and the NPI on Medicare claims. On May 23, only the NPI may be submitted on any named HIPAA health care transactions.

Hospitals are encouraged to obtain NPIs if they have not already done so, and to provide these numbers to claims software vendors, clearinghouses, and payers to allow these organizations to build their internal cross-walks of provider identifies and to lessen the potential for payment disruptions. For more information on the NPI, visit the CMS website at: www.cms.hhs.gov/NationalProvIdentStand.

IHA Provides Inpatient Psychiatric and Rehabilitation Facility Regulation Summaries

The Centers for Medicare & Medicaid Services (CMS) has released the Medicare rate year (RY) 2007 Inpatient Psychiatric Facility (IPF) Prospective Payment System (PPS) final rule, and the FY 2007 Inpatient Rehabilitation Facility (IRF) PPS proposed rule.

The payment updates for the IPF PPS will be effective for discharges beginning on or after July 1, 2006. This is the second update to this new reimbursement system since its introduction in 2005, and the second year of a three-year transition period to the PPS from the cost based reimbursement system. CMS is implementing very few policy changes as this is a relatively new reimbursement system. Payment rates for RY 2007 will be updated by 4.3% using a new market basket index that is specific to IRFs, IPFs and Long-Term Acute Care Hospitals. CMS is adopting without a transition period the revised labor market area definitions, Core-Based Statistical Areas (CBSAs), increasing the labor-related share of the base rate from 72.53 to 75.66%, and increasing the outlier payment fixed-dollar loss threshold from \$5,700 to \$6,200.

CMS had requested comment on how to address same-day transfers when a patient is admitted to an IPF and subsequently discharged and admitted to an inpatient acute care unit. The agency stated this is an issue from the perspective of counting the beneficiary's Medicare days, and the potential for providers to inappropriately enhance reimbursement by first admitting to an IPF. Based on feedback, CMS stated that at this time it would not be implementing policy changes, but that it would review this policy after analyzing further data.

For FY 2007, CMS is proposing a market basket update of 3.4% for IRF services. However, CMS is also proposing a **2.9% payment reduction** to the standard rate to account for clinical coding changes that do not reflect real changes in case-mix. This would be in addition to the 1.9% reduction CMS implemented in FY 2006 for the same purpose. The net result of these proposed payment changes is a 1.5% increase from FY 2006.

In addition payment updates, this rule proposes to implement the extension to the phase-in of the 75 Percent Rule compliance threshold that was included in the Deficit Reduction Act of 2005. Essentially, this provision extends the current 60% compliance threshold for an additional 12 months, with full implementation of this policy effective for cost reporting periods beginning on or after July 1, 2008.

Questions regarding either rule can be directed to Heather Hulscher (<u>hulscherh@ihaonline.org</u>) at IHA. Both detailed summaries can be found on the IHA website at <u>www.ihaonline.org</u> under the "Health Care Finance" section of the government relations menu.

Summer 2006 Certification Update

By Liz Baptist, CPAM, CHFP

Thank you to everyone who attended our Study Session on May 15th and extra thanks to those who covered for me while I



could not be there. I missed seeing everyone and having the chance to talk to you in person.

Congratulations to those who passed the May Technical exams:

- Lark Addy, CCAT
- Therese Honts, CCAT
- Sara McClure, CCAT
- Lois Meyer, CCAT
- Toni Sitzmann, CCAT
- Janet ThomCson, CCAT
- Tracy Thorson, CCAT
- Melynda Crawford, CPAT
- Laurie Gotsch, CPAT
- Diana Hiatt, CPAT
- Kelly Klossing, CPAT
- Linda Miller, CPAT
- Christi Sammons, CPAT
- Deb Sammons, CPAT
- Debra Sheeder, CPAT
- Cenny Stewart, CPAT
- Dawn Zaiser, CPAT

The program continues to grow. Thirty-five people are scheduled to take the Technical Exam in August, and people are already signing up for November. The deadline to sign up for November is September 1.

The next Professional Exam will be given Saturday, September 30. The deadline for signing up was August 1, 2006. Applications for Technical Certification should be sent to me:

Liz Baptist, CPAM Perry Memorial Hospital 530 Park Avenue East Princeton IL 61356

Applications for Professional Certification should be sent to National:

AAHAM Certification Department 11240 Waples Mill Rd Suite 200 Fairfax VA 22030

Remember that if you are professionally certified, you can earn CEUs in many ways besides attending AAHAM meetings (though we love to have you with us!). Many other organizations' meetings can earn CEUs, such as HFMA, MGMA, IHA, Medicare and more. You can earn points by proctoring exams, both Professional and Technical, and by helping to grade Professional exams. Making a presentation at an AAHAM meeting will earn CEUs, as will serving as a Board Member or publishing articles about healthcare. See www.aaham.org for more ways you can earn CEUs and how to report them.

Welcome, New Members!

Please help welcome our newest members to the Hawkeye Chapter of AAHAM!



Diane Hamilton St. Anthony Regional Hospital

Stephanie Hultman H&R Accounts/Med Pay Management Systems

Melissa Leslie Manning Regional Healthcare Center

Matt Sharer Quad Corporation

FY 2007 Rule Proposes Major Changes to Inpatient PPS

The Centers for Medicare & Medicaid Services (CMS) released on its website the hospital inpatient prospective payment system (PPS) proposed rule for fiscal year (FY) 2007. The rule proposes the first major changes to the Diagnostic Related Groups (DRGs) since its implementation in 1983. In addition to proposing to base the weights assigned to each DRG on costs, rather than charges, CMS is proposing to replace the current 526 DRGs with either the proposed 861 consolidated severity-adjusted DRGs, or an alternate severity-adjusted DRG system. The latter proposal would likely be implemented in FY 2008.

The following are highlights of other major provisions in the proposed rule:

- A market basket update of 3.4% for hospitals that submit data on the existing required 10 quality measures and pledge to report on 21 anticipated measures. As required by the Deficit Reduction Act of 2006, hospitals that do not report these measures will receive an update of market basket **minus** 2.0%, or 1.4% for FY 2007 payments.
- Increase the outlier threshold from its current level of approximately \$23,600 to \$25,530.
- Incorporate the expiration of Section 508 of the Medicare Modernization Act (MMA) of 2003, which was a one-time geographic reclassification opportunity for hospital that met certain criteria.
- Implement Medicare Dependent Hospital (MDH) provisions in the MMA that: reauthorized the MDH program, added 2002 as an allowable base year, increased

payments from 50% to 75% of the difference between the PPS payments and the hospitalspecific rate, and removed the 12% disproportionate share hospital cap.

The final rule is scheduled for release in early August, with policies and payment rates becoming effective October 1, 2006. The rule is currently available for display on the CMS website and will be published in the April 25 *Federal Register* at: www.access.gpo.gov/su_docs/fedreg/a060425c.html. Questions regarding this proposed rule can be directed to Heather Hulscher (hulscherh@ihaonline.org) at IHA.



Inside Interview with Liz Baptist, AAHAM National Executive Secretary

By Pam Brindley, CHFP, CCAE, CPAT, CCAT

Liz Baptist was elected as the National Executive Secretary for the AAHAM Board in May 2005, with her term beginning in January 2006 and lasting for 2 years. Currently Liz serves on the Executive Committee for the Hawkeye Chapter as Chairperson. Prior to that, Liz served as Chapter President.

For the past 10 years she has been a member of AAHAM. When she first attended meetings with her supervisor, Liz realized what a great opportunity it was to network with others in the same occupational area. Liz commented that other organizations may touch on what AAHAM does, but they don't focus on the patient accounting.

"No matter how long you've been in healthcare, there are always new things to learn, and at AAHAM, you can share that knowledge with others," stated Liz.

Besides her national duties, Liz is the Iowa Chapter's Certification Chairperson. To qualify for national office members must be professionally certified.

Liz feels that participating at the national level is a "neat thing." She said, "It's been great so far. I get to work with a great bunch of people. When I was president of the Iowa Chapter, I was able to attend the national meetings twice a year, sometimes more."

When a member is the president of a chapter, that person is also part of the National AAHAM Board. The National Board consists of the Chapter Presidents and the National Executive Committee that consists of the Executive President, Executive First Vice President, Second Vice President and Treasurer.



As far as a time commitment, Liz spends from 4 to 5 days at the national meeting. At her first national meeting as secretary, she thought she could take the minutes on her laptop during the meetings. That didn't work because she couldn't listen and type at the same time, so she wrote notes the old fashioned way on lined paper. Liz said that she was a good note taker in college, which has in turn helped her in this position. Once when a secretary was unable to be present, the board brought in a court reporter that did too thorough of a job. The court reporter included the coughs from the meeting in the notes.

As a final thought, Liz offered her opinion about the present state of healthcare: "Sometimes I think we're on a runaway train with no brakes. When you look at the fact that the CEO of United Health Care was paid \$1.6 billion in stock options and at the same time, everyone is accusing us of gouging the uninsured, this train's going to crash."

AAHAM Board Meeting Minutes

June 22, 2006

Present: Luke Gruber, Craig Lee, Laurie Gaffney, Kristina Gursky, Val Gifford, Heather Hulscher, Pam Brindley, Elizabeth Baptist, and Lisa Quillen

Absent: Larry Howe, Sara McClure and Jolene Hansen

- I. Review and approval of minutes from 2/17/06. Luke motions to approve, Val 2nd, motion approved.
- II. Officer Reports:

President – Heather Hulscher

- A. Legislative Day: April 6, 2006. Heather and Luke attended. 68 members attended.
 Examples of how to approach representatives.
 HIPAA main topics for the day. Medicare Part D discussed; pharmacists not standardized.
 Congress looking for savings through Medicare and Medicaid. Senators have staffers that educate them on the issues; it would be beneficial if staffers could use AAHAM as a resource; this could impact decision-making. Paul Miller is an advocate. He is no longer serving Government Relations because of commitment to IHA.
- B. 2006 ANI: October 25 27, 2006 in Scottsdale, AZ. Luke will be attending to replace Heather. National office will pay for another member registration. Minnesota has a scholarship to send member to ANI. It is based on a point system. Pam will find out how this works and report back; too late for point system this year; will see if a board member wants to attend or draw a name at the September meeting.
- C. National: New committee called the Communication Committee. National Secretary is Elizabeth Baptist; she handed out notes from National Board Meeting. Chapters that have been established are helping out other chapters that have had problems.

National also has Financial Dashboards; Heather suggested our chapter do the same. Heather will have to give up commitment in National office due to conflict with her position at IHA.

D. Website: Heather will get costs to have a state website; will contract someone in the Illinois Chapter.

Vice President – Luke Gruber

- A. May 15th Education Program went well 18 registered attendees. Will get Val registration forms and checks; Val will then get financials. Liz suggested having a meeting to study for the exam, then possibly taking the exam in same day. Will see if there is an interest.
- B. July joint meeting in LaCrosse, WI: Conference call scheduled next week. All rooms have been booked. 13 registrations so far. 5 board members.
- C. Fall conference is September 13 15, 2006 at Gateway in Ames. Will be celebrating 30th anniversary. Tentative schedule of events:
 - Wednesday board meeting and FISS.
 - Thursday 9 11:30 a.m. Steve Stewart, Tom Peterson, and Mr. Brebner on collections. 1 – 2:30 p.m. Health Savings Accounts. 2:45 – 4:30 p.m. Roundtables: Laurie – Section 1011 reimbursement or immigration, HSA, Charity Care – Connie Dudding. 45 minutes for each table.
 - Friday morning updates from Wellmark BC/BS, Medicaid.

(continued on page10)



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Luke Gruber: 515.225.0525

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(continued from page 9)

Banquet night is Thursday. Craig Lee is on committee with past presidents, will have invitation for past presidents. Would like to give a gift to all attendees. Possibly a leather bound notebook with AAHAM logo. Cost of portfolios would be around \$1,000.00. Heather motion, Val 2nd, motion approved. At banquet Thursday night would have a barbeque and music. Lisa will check into jazz trio in Ames. On registration would have a banquet only price to be determined later. Would issue drink tickets to attendees.

Registration should be returned 2 weeks before to get early bird registration fee. Will have election results on at Thursday's lunch.

- D. Spring 2007: May 23 25, 2007 at the Hilton Garden Inn in Urbandale. Some speaker possibilities would be identity theft and immigration. Attorney health collection. Negotiating skills with speaker Gretchen Patris from Nebraska.
- E. Fall 2007 Conference: September 19 21, 2007 at the Hilton Garden Inn in Urbandale.

Treasurer – Val Gifford

A. Submitted Financial Statement. Liz motioned to approve financial statement, 2nd Luke. Motion approved. Discussed doing an audit in September. Pam and Lisa will do audit 1 hour before board meeting in September. Luke will check into ING for an investment. \$5,000.00 CD maturing in December; Val will e-mail to see what board wants to do. Limit has been increased on bank card.

Secretary – Lisa Quillen

Nothing to report.

Committee Reports

A. Bylaws: Most states charge a fee for membership, Iowa does not charge. Tabled for next meeting.

- B. Membership: Kristina Current listing on non-renewed is 12, down from 35.
- C. *Hawkeye Highlights*: Jolene needs all information by July 1, 2006. Will send minutes from this meeting. Heather will have article about UB04 and NPI. Elections will have a separate attachment.
- D. Elections: Vicki Drish is on the nominating committee, need nomination to her by July 21, 2006. Qualifications for board members: Must be a member for at least 2 years. 3 new board openings: Vice-President, President, Secretary and Treasurer. Must have support from your employer.
- E. Certification: Elizabeth Baptist Keeps growing. On the last group our chapter made \$375.00. 45 people took technical exam in May. Next group is August. 35 signed up to take technical exam, 1 to take professional exam. Liz indicated she needed help to keep up on exam. She prepares a spreadsheet then arranges for proctors. Maybe having the person taking the test find their own proctor. Will ask for volunteers in the Hawkeve Highlights. Jolene Hansen along with Amy at Mercy has developed some pre-tests as a tool. Perhaps find out what incentives employers are giving for taking exams and what rewards are given.
- F. Corporate Sponsors: Craig Lee-we have 8 corporate and 4 platinum, 1 gold, 1 silver and 2 bronze. Will thank sponsors in *Hawkeye Highlights*. During September put together a PowerPoint thanking sponsors. Will ask Jean Barker to contact CPSI for sponsorship.

Craig motioned for meeting adjourned. Luke 2nd. Motion carried.

HAWKEYE CHAPTER OF AAHAM

TREASURER'S REPORT FOR PERIOD ENDING 6/7/06

BALANCE SHEET ASSETS: Cash in Bank \$15,652.83 Certificate of Deposit \$7,500.00 TOTAL ASSETS \$23,152.83 **LIABILITIES:** \$0.00 Payables **EQUITY:** \$23,152.83 TOTAL LIABILITIES AND EQUITY \$23,152.83 **OPERATING STATEMENT REVENUES: Corporate Sponsors** \$4,250.00 Interest Income \$21.05 State Dues \$25.00 Certifications \$1,840.00 **TOTAL REVENUE** \$6,136.05 **EXPENSES:** Travel \$970.33 Certifications \$1,430.00 Miscellaneous \$796.24 **TOTAL EXPENSES** \$3,196.57 **NET INCOME (LOSS)** \$2,939.48 **BEGINNING CASH BALANCE** \$12,713.35 **ENDING CASH BALANCE** \$15,652.83

OTHER (INCREASE OR DECREASE IN CASH)\$0.00FUTURE PAYABLES\$15,652.93

Respectfully Submitted, Val Gifford, Treasurer

Don't Forget AAHAM!

If you've recently had a change to your personal contact information, please let AAHAM know. If we aren't able to contact you, we can't keep you informed of all the great benefits AAHAM has to offer. So please, keep us in mind as your life changes and let us know how to reach you.

To update your local chapter records please contact Kristina Gursky, membership chair:

Phone: (800) 685-0595 ext. 6987 E-mail: <u>kgursky@icsystem.com</u>

To update your national file, please log on to <u>www.aaham.org</u>, click on Members Only, and after logging in, click on "Click Here to Update Your Contact Information." You may also fax your change of information to AAHAM, attn: Debra Fernandez, at (703) 359-7562, or you may mail information to:

AAHAM Attn: Debra Fernandez 11240 Waples Mill Road, Suite 200 Fairfax, VA 22030

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