



A Letter From The President

From the President,

As I sit to write this letter, I think about all of the issues that are impacting the regional and national healthcare scene: the SCHIP funding debate in Congress, the uncertainty of the Section 508 reclassification for wage index, the focus on healthcare cost due to the autoworkers strike at GM, the upcoming transition to MS-DRGs, and continued pressure on us all for funding the uninsured and underinsured. The issues I have mentioned are but a fraction of issues that healthcare financial professionals must deal with on a daily basis. Trying to balance strategic goals and daily operations in this tumultuous environment can see overwhelming at times. This is where the NEPA HFMA chapter comes in to provide relevant, timely, and affordable education to its 168 members and many non-members. As a regional provider of healthcare finance education, HFMA NEPA is focused on providing information that will provide clarity on issues specific to the provider community that we serve.

*Chapter President
Loren Stone, MHA, CHE*



As president, my goal is to engage members, collaborate with other healthcare related organizations such as the American College of Healthcare Executives and American Health Information Management Association, and to provide the information and education sessions that will make a difference in the work that we do.

I ask that you check out the NEPA HFMA website at www.nepahfma.org and review the education session schedule for the remainder of the year, check out our links to HFMA national, and review the regional job bank section. The officers and board of directors of HFMA NEPA are interested in your comments and we invite you to contact us regarding the chapter. We are also looking for individuals to get involved in chapter activities such as the newsletter and education session planning. If you are interested in becoming involved please contact me or any of the officers.

Loren Stone, MHA, CHE
Executive Vice President
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In This Issue:

- Page 1: Letter from the President & NEPA Chapter Officers
- Page 2: Electronic Window & Board of Directors List
- Page 3: NEPA HFMA Award Photo & 2006-2007 President Comments
- Page 4: Summary of Annual National Institute (ANI)
- Page 5: Summary of Sept 21st Education Session
- Page 6: Educational Session Dates 2007-2008 Year



Our HFMA NEPA Electronic Window

Please visit our new Chapter website at www.nepahfma.org which went live on September 18th!!!

Our newest update is the establishment of our own NEPA Job Bank (During January 2007). We offer on-line position posting to all Members and Colleagues a cost of \$100 per individual posting for 30 days.

If you are interested in posting a classified and you can go directly to our website nepahfma.org and click on the job bank browser. Within that section click on the contact_us@nepahfma.org mailer and send us your classified information (e.g. word document).

We have also established links to the following Regional Chapters Classifieds to develop a future Regional Job Bank:

Philadelphia	Western Pennsylvania
Appalachian	New Jersey

We will be also facilitating a short Member Satisfaction Survey via the website in the near future. Please take the time to quickly submit the information as this will assist with future education and communications planning for our Chapter. An email with the website link will be sent directly to you.

Other features of our website include on-line program registration, information regarding our sponsors and sponsorship program, certification information, current newsletters, our current leadership and committees/contacts, strategic initiatives, and even links to the national website.

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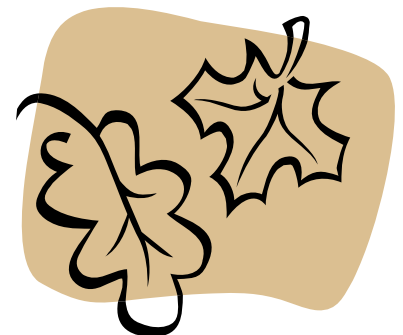
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NEPA HFMA Award Photo

Acceptance of Individual Chapter Awards

From Left: **Joe Fifer** HFMA 2006-2007 National Chairman, **Josephine Bradley** NEPA HFMA 2006-2007 President and **Mary Beth Briscoe** HFMA 2007-2008 National Chairman.

Three Awards Presented and Accepted:

- 2007 Helen M. Yerger Special Recognition Award for Outstanding Improvement in Education Planning and Educational Content
- 2007 Helen M. Yerger Special Recognition Award for Outstanding Improvement in Communications – New NEPA HFMA Website
- Henry Hottum Award for Educational Performance Improvement



Photography Credits: RC Photographic Productions



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Appalachian and NEPA HFMA Multi-Chapter Award Photo

From Left: **Joe Fifer** HFMA 2006-2007 National Chairman, **Josephine Bradley** NEPA HFMA 2006-2007 President, **John Bubb** HFMA 2006-2007 Appalachian Chapter President, and **Mary Beth Briscoe** HFMA 2007-2008 National Chairman.

Award Presented and Accepted:

2007 Helen M. Yerger Special Recognition Award for Education – Advanced Education Session on Medicare Cost Reporting

FY 2006-2007 NEPA HFMA Past President Comments:

Recently I had the wonderful opportunity to attend HFMA's Annual National Institute (ANI). This is an annual summer (June) conference held at major cities within the United States. This year ANI was held in sunny San Diego, California!

This was the most dynamic and largest conference I ever attended in my healthcare career with approximately 4,500 attendees and 1,000+ healthcare service exhibitors. Conference sessions were held in the San Diego Convention Center...a truly amazing building along the San Diego Bay area

Aside the logistics, the quality of the conference was exceptional covering broad to specific healthcare topics in the areas of financial strategy and operations, reimbursement/managed care, and patient financial services. General Colin Powell (one of three keynote speakers) was such an inspirational speaker and genuine individual. I attended a variety of sessions and was very impressed with the high quality speakers and materials received to utilize in the future.

To top off the entire trip of combined education and networking was HFMA's 54th Annual Chapter President's Dinner. It was an honor to represent our NEPA Chapter and accept our awards along with the Presidents of Region 3 (Phila, NJ, Appalachian and Western).

Josephine A. Bradley, CPA, MHA
2006-2007 NEPA Chapter President



Summary of Annual National Institute (ANI) The Healthcare Finance Conference June 25-27, 2007

Each year ANI is held at the end of June and provides HFMA members with education and networking opportunities.

The HFMA's 2007 ANI was held in San Diego and had the most attendees, educational sessions and exhibit booths to date. A variety of activities throughout the week gave members a chance to relax with colleagues and friends, network with other members, learn new strategies for dealing with some of the toughest challenges in healthcare finance, and renew their passion for healthcare finance. Members also found motivation and inspiration from presentations given by Gen. Colin Powell, USA (Ret.), James Gilmore, Quint Studer and HFMA Chairman Mary Beth Briscoe.

Brief Overview of a few key Breakout Sessions: Materials for these education sessions can be obtain by visiting <http://www.hfma.org/events/ani>.

Partnering with Nursing to Achieve Cost Effective Staffing – In this breakout session the role nursing can play in controlling labor costs while improving vacancy, turnover, and employee satisfaction rates was reviewed. A nurse “Bid Shift” computerized program was reviewed to show how a health system successfully partnered to implement an enterprise-wide staffing effectiveness strategy. The presenter discussed the links between effective staffing, quality of care and financial performance.

Strategies for Coping with Severity Reimbursement: The Maryland Experience – The purpose of the presentation was to introduce the concept of severity-adjusted reimbursement, discuss Maryland's initiative to introduce severity adjustment for payment, review Medicare's proposal to introduce severity adjustment into its Inpatient Prospective Payment System and examine broader ramifications of Medicare's changes.

Implementing Current Best Practice for Capital Allocation and Management – The agenda of this breakout session included: Defining Terms (Best Practice and Capital Allocation). Best Practice can be described in a way that others can understand, replicated, founded in valid (theoretical concepts and constructs), improves management efficiency and decision making, and a net positive impact on the organization (the effect is measurable). Capital Allocation is the strategic process for deploying scarce capital resource (cash and debt capacity) for investment in: mission and community-based imperatives, existing service line growth, new businesses/ventures, routine infrastructure, information technology and the balance sheet (cash reserves) to fund a competitive liquidity position. Also identified critical components of Best Practice Capital Allocation and successful implementation.

Visit <http://www.hfma.org/events/ani> for conference links such as: Photo Gallery, Recordings from the Sessions, Session Handouts CD, and Video. Other HFMA resource features included on the website are: Evidence Based Leadership Presentation from Quint Studer, HFMA's Healthcare Finance Outlook 2007, Patient Friendly Billing Report on Price Transparency and Principles and Practices Board Statement 15 on Charity Care and Bad Debt.

Don't forget to save the date for HFMA's 2008 ANI Conference which will be held in Las Vegas, June 23-26!!!



Summary of September 21, 2007 Education Session

Medicare Modernization Act Update:

Recent Medicare Provider Bulletins:

Provider Notice 07-005 – Requirement for written agreements in Non-Hospital settings. Modifies definition of “All or Substantially all of the cost for the Training program in the Non-Hospital Setting. A review of the calculation for the 90% threshold and determination of teaching physician costs was analyzed. Provider Notices 07-002, 07-003, 07-004 were reviewed. 07-002 relating to the amount of pension expense that can be claimed and when it can be claimed. 8/12/05 Federal Register states GAAP can no longer be utilized to report pension expense for Wage Index Purposes. A summary review of the three items that can be claimed was provided.

07-003 relating to resident counts for IME and GME was discussed. Documentation requirements, IRIS shortcomings, and non-patient care activity documentation were discussed. 07-004 relating to Medicare Advantage (MA) Bad Debt reporting. Medicare Advantage Bad Debts are not allowable (Provider Notice 05-163). IME/GME are allowable and reimbursable under the cost report for MA, billing procedures must be followed.

Federal FY 2008 Final Rule Update

Move to MS-DRGs effective 10/1/07. Expanding DRGs by 207. Federal FY '09 – Roll out non-payment for preventable conditions occurring in the hospital. Outlier threshold decreased to \$22,650 for FFY '08. Beginning FFY 2010 penalties assessed for improper reporting of occupational mix.

Inpatient Rehab Facility Compliance Update

A review of the IRF Compliance Review Process was covered. The review covered the medical conditions that must be met for compliance and the review process methodology.

Recent PRRB and CMS Administrator Decisions:

Transmittal 17 Update

Addition of Line 21.03 to identify the provider's MSA or CBSA. Line 36 of Worksheet S-2 has been revised. Worksheets S-3 and S-4 have been revised. S-3 Line 1 and S-4 Lines 19 & 20. Worksheet S-8 Line 17 related to RHCs is modified. Chain providers add subscript line 40.01 to identify chain information. Worksheet A adds lines 85.03 relating to acquisition costs of pancreas. A separate worksheet D-6 is required for islet cell transplants. Worksheet E, Part A line 3.17 is revised. Worksheet E Part B adds Line 19 for Critical Access Hospitals (CAHs) Worksheet E-3 Part 1 line 1.01 revised for Long-term care hospitals. Worksheet E-3 Part IV lines 3.15 and 6.06 are revised. Worksheet E-3 Part VI line 12 is revised. H Worksheets are revised for vaccine costs and administration. Lines 13 on Wkst. H and H-4, line 9 on H-5 and line 16 on H-6. Worksheet K has cost center revisions. Worksheet L, Part 1 line 5.01 is revised.

Physician Pay for Performance

The 2007 Physician Quality Reporting Initiative (PQRI) was discussed. Quality of care is the focus. Website for more information www.cms.hhs.gov/pqri. There are currently 74 quality measures. If four or more measures are applicable to the practice, 3 must be reported on 80% of cases. If three or fewer measures are applicable, provider must report each measurement correctly on 80% of cases. 1.5% bonus payment available to reporting physicians.

DRG Expansion

Reimbursement linked more to the severity of patient condition. Present on Admission codes were discussed. Beginning 4/1/08 they will be mandatory Resources www.cms.hhs.gov/apps/media/fact_sheets.asp, www.cms.hhs.gov/MLNMMattersArticles/downloads/MM5499.pdf, www.cms.hhs.gov/transmittals/downloads/R289OTN.pdf, and www.nubc.org/become.html.

State & Federal Legislative Update

55 new lawmakers Senate Democrats and Republicans seem to be able to work together Budget update was provided. Prescription for Pennsylvania was discussed. Open items to be settled include property tax reform, alternative energy, gun control, clean indoor air act, and Cover all Pennsylvanians to name a few. A review of hospital advocacy issues was presented A review of the potential Highmark Blue Cross and Independence Blue Cross merger was presented. Federal IRS 990 Schedule H reporting was discussed.

Federal Legislative Update

Partisan politics is the rule of the day Unresolved healthcare issues SCHIP reauthorization, Medicare, Section 508, Mental Health, Health IT, and genetic non-discrimination.

Medicare Wage Index

Wage index significance in determining reimbursement was reviewed. Geographic adjustment factor determined from wage index. Wage index review timeline was outlined. Geographic reclassification and its impact was discussed. A detailed review of a wage index calculation was presented. Methodologies to make sure the maximize average hourly wage is being received were presented.



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HFAM NEPA CHAPTER

Educational Session Dates 2007-2008 Year

Thursday, November 1, 2007

- Investing in Healthcare & Our Future
- Wine Tasting Event

Friday, December 7, 2007

- Strategic/Bio-Technology Topics
- Collaborative Session with ACHE & Christmas Social

Friday, February 29, 2008

- Revenue Cycle Session
- Potential Collaborative Session with AAHAM

Thursday, April 24, 2008

- Varied Topic Session
- ROI Best Practices/Cost Benefit
- Tax/Audit Update
- Interpersonal Communication Skills Topic

*Best Wishes
For The Upcoming Holidays !*

If you would like to provide information for future issues of the newsletter, please contact Tom Sokola at tsokola@geisinger.edu or Melanie Hamilton at mbhamilton@geisinger.edu.

Tom Sokola — Editor
Melanie Hamilton — Assistant Editor

