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HFMA NEPA NEWSFLASH

A Newsletter from the
Northeastern Pennsylvania Chapter of HFMA

HFMA Leadership 2010 - 2011

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Happy New Year—I Think

I have mixed emotions about this New Year.

By Richard L. Clarke, DHA, FHFMA

President and CEO, HFMA

On the one hand, the economy is slowly getting better, most capital markets have rebounded, and some evidence suggests an improving employment picture. On the other hand, the federal and most state governments have been significantly weakened by the great recession. Our political leaders' practice of expanding geopolitical and domestic promises, funding stimulus and bailout programs, maintaining tax cuts, and avoiding tough decisions has led to massive deficits. In other words, as a society, we're broke—from both a leadership and financial standpoint.

So what is likely to happen?

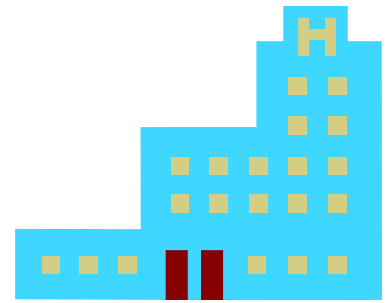
In the short term, it is unlikely that federal or most state governments will increase revenues significantly either by raising tax rates or eliminating key deductions. To make good on promises to reduce the federal deficit and stabilize state budgets, the focus will be on expenditures. And key targets will be the new healthcare reform law—the Affordable Care Act—and stimulus spending under the 2009 Health Information Technology for Economic and Clinical Health Act (HITECH).

The affordable Care Act probably will not be repealed and replaced, as some Republicans have advocated. Key aspects of the law will be attacked, but major portions of the law are unlikely to be significantly revised. What is likely is that the law's Medicare and Medicaid payment cuts will remain in force and possibly be accelerated. The tradeoff for these cuts was supposed to be increased coverage for the uninsured, but that increase may not materialize as originally envisioned. I suspect that expansion of Medicaid eligibility for some 16 million of the uninsured and subsidies for the purchase of insurance through state exchanges will be slowed and reduced to help solve federal and state budget problems.

The problems with the sustainable growth rate (SGR) formula for physician payment under Medicare also will challenge policymakers. Their solution may be to shift resources from other parts of Medicare to help offset a more permanent fix. For example, Congress may attempt to solve the SGR problem by redirecting the dollars earmarked to support IT investments through HITECH.

So my New Year's prediction is that federal and state government payments for healthcare services will be reduced more than originally anticipated. Healthcare finance leaders need to understand and then communicate the risk exposure of these and other potential actions to their organization's executive leadership and governance. That will include, for example, understanding the impact of significantly reduced coverage of the uninsured on long-term financial performance. Also, many organizations have budgeted payments in CY 11 from the HITECH funds. What happens if those funds are not made available? How will you fill the hole created by these shortfalls? Finance leaders also will need to accelerate the pace of cost reduction through process improvement efforts.

All of this is very sobering. But in the end, I am still optimistic about the future of healthcare delivery in this country. I believe we will work through the challenges facing us and develop a healthcare system of which we can all be proud. So happy New Year—I think.





The History Behind Valentine's Day

On 14 February we celebrate Saint Valentine's Day, usually by the way of exchanging cards, sweets, lingerie, flowers or jewelry. But, what exactly are we celebrating, is it just a holiday the retail stores invented to get our money? One could think so, but no, we are actually celebrating a Christian Holiday, Saint Valentine's. We are following a Christian and ancient Roman tradition. By now the Catholic Church recognizes three Saints by the name of Valentine, or Valentinus. The first legend to the background of the celebration of Valentine's day is this:

> During the 3rd century a priest by the name of Valentine, under Claudius II in Rome, secretly disobeyed the law. Claudius had come to believe that a single soldier was a better soldier than a married young man and so decided to outlaw marriage in order to have plenty young strong men with no wives at his disposal. Valentine, the priest, did not obey this law and continued to celebrate the holy bond of marriage for young couples in secrecy. Of course, the way it always works with secret clauses, he was caught and sent to his death.

> The second legend believes that Valentine was a prisoner who fell in love with a young woman, who came to see him often. It is believed that she was his jailor's daughter. Before his untimely death he wrote her a love letter, signed with "Your Valentine". Therefore the phrase "Be My Valentine". Some believe he was beheaded, others thought that he died of sickness.

No one is even sure if 14 February was the day of his birth or death or if it had indeed anything to do with Saint Valentine at all. The only thing that is for sure, is that the Romans had a tradition in the middle of February, which would mark the 14th, called the Love Lottery. It was believed that spring and with it the renewal of life came along in the middle of February, therefore the love lottery was held, coupling young men and women for one year, often leading to marriage.

Valentine's Day is celebrated in the USA, Canada, Mexico, France, Australia and the United Kingdom.

The oldest known Valentine's card can be viewed in the British museum.

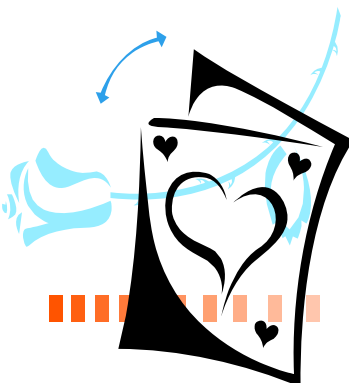
Valentine's day became an official Catholic Holiday in the year 496 or 498 AD. Pope Gelasius declared the 14 February to be Saint Valentine's Day.

The oldest known and remembered Valentine's poem is from Charles, Duke of Orleans to his wife in 1415, while he was imprisoned in the Tower of London. It is part of a manuscript collection of the British Library in London.

Years later King Henry V is supposed to have hired the writer John Lydgate to compose a Valentine's letter to Catherine of Kaolis.

In Great Britain it was around the 17th century that Valentine's Day became a celebrated holiday. By the middle of the 18th century it was common for all social classes to exchange small gifts or handwritten notes with lovers, loved ones and friends.

By the end of the 18th century, printed Valentine's cards were available.



HFMA Certification Changes

Effective January 2011

For any of our members interested in taking the CHFP certification exam, please note the following:

The HFMA Board of Examiners has restructured the CHFP certification program. The changes take effect in January 2011. Under the new certification model:

- ❑ Candidates should have a minimum of 3-5 years healthcare finance management experience
- ❑ Candidates are required to successfully complete one comprehensive certification program
- ❑ Candidates must hold a current and active HFMA membership

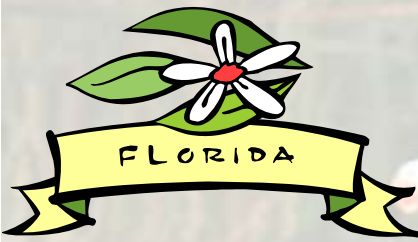
Testing will be administered in testing centers located throughout the country. You can find a list of those testing centers on the HFMA website, and they are identified by city, state and zip code.

More information about the changes to the CHFP program please download the FAQ documentation on the HFMA website.

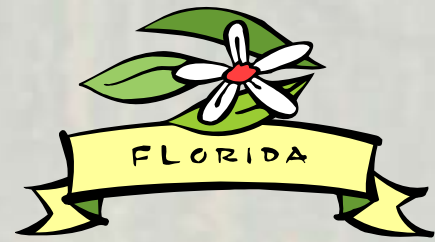
BECOME CERTIFIED

- ❑ Validate your skills and knowledge
- ❑ Enhance your credibility in the industry
- ❑ Support your professional development
- ❑ Demonstrate a high level of commitment to the field





HFMA's 2011 ANI



The Healthcare Finance Conference

June 26–29, 2011

Orlando, FL—Gaylord Palms Resort & Convention Center

HIGHLIGHTS:

Leading Education Sessions Covering:

REFORM (Manage value-based reimbursement, implement ICD-10, and achieve meaningful use)

VALUE (Reengineer clinical processes for sustainable quality improvement and cost reduction)

CLINICAL TRANSFORMATION (Integrate with physicians to create a sustainable delivery system)

ACCOUNTABLE CARE (Work with payers, patients and providers to build the infrastructure to manage population health and meet new community-benefit requirements)

REVENUE CYCLE (Adapt to new payment models and increase collections by improved use of technology, metrics, process improvements and personal strategies)

Please see <http://www.hfmaconference.org/> website for more information.

Broken Promises: How Obamacare Undercuts Existing Health Insurance



By [BY JOHN S. HOFF](#)

From the Heritage Foundation

To sell his overhaul of the United States health care system, President Barack Obama repeatedly assured Americans that if they liked their current health insurance plan they could keep it under the Patient Protection and Affordable Care Act (PPACA). This broad assurance was designed to disarm opposition from the great majority of Americans who have health insurance and are satisfied with it. Americans did not stop to parse the President's assurance; they took him at his word.

However, what was proffered as an expansive political concession has been constricted and put into a legalistic straitjacket, first by the law itself, and then by confused regulations issued by the Administration. The bottom line is that all insurance plans, including coverage people already have, must meet some portions of the new law, and most plans will soon be subject to all its requirements. The President's assurance of continuing with existing plans is essentially a dead letter for all Americans.

Americans find themselves in this situation because of three things. First, the PPACA itself requires changes in existing coverage. Second, the regulations that are triggered by the PPACA severely limit what is considered to be existing coverage. And Americans' anxiety and uncertainty are fueled by the confusing "guidance" that accompanies the regulations. Indeed, given the PPACA's broad statutory language and the transference of enormous regulatory authority to federal officials, much of what has already happened during the course of the law's implementation was entirely predictable. Damage is already being done, and more damage is guaranteed. The only remedy is to repeal the law before the damage becomes permanent.

President Obama's promise that Americans could keep their current plan has already been breached. Americans' ability to continue with their existing plans has been limited first by the PPACA, which makes certain provisions of the new law applicable even to grandfathered plans, and more broadly by the Administration's ambiguous and restrictive regulation on what changes forfeit grandfather status. The Administration itself estimates that 49 percent to 80 percent of small employer plans; 34 percent to 64 percent of large employer plans; and 40 percent to 67 percent of individual insurance coverage will not be grandfathered by the end of 2013.[25] This estimate is based on changes that the regulation explicitly disqualifies. It does not take into account changes that the regulation does not deal with and that may be found disqualifying, perhaps by "administrative guidance."

So, for employers and employees, Obamacare's operative principle is simple: You can keep your health plan...maybe, well, not really, to some extent, in certain circumstances, for awhile.

To read the article in its entirety, go online to the Wall Street Journal (wsj.com).



HFMA NEPA CHAPTER EDUCATIONAL SESSION DATES 2010/2011 YEAR



Thursday, Feb. 17, 2011

Wilkes-Barre, PA

Winter Revenue Cycle Session

Best Western East Mtn Inn

Full Day

Friday, Apr. 29, 2011

Wilkes-Barre, PA

Accounting/Auditing Update 990 Tax Update

Best Western East Mtn Inn

Full Day

Note: Educational speakers will focus on Health Care Reform and its impact for providers, payers and consumers of health care services.

HFMA 2011 Spring Seminar Series: New Orleans

NEW ORLEANS, LOUISIANA

March 14-16, 2011

In-depth seminars on:

- Using lean management strategies to transform organizational culture and reduce costs
- Turning data into dollars by using analytics to improve financial performance
- Managed care contracting, negotiation, and reimbursement in the era of reform
- Industry standard KPIs to create a high-performance revenue cycle
- Research-based models to benchmark, shape, and influence organizational performance
- Opportunities for collaboration with physician partners, or employed physicians, including performance and quality measures
- Charge master integrity basics, and advanced charge master strategies to optimize reporting and compliance
- The conversion to ICD-10 and potential pitfalls

The Leadership Conference on Value: Delivering Accountable Care

CHICAGO, ILLINOIS

March 31 – April 1, 2011

The Leadership Conference on Value: Delivering Accountable Care invites healthcare financial, operational, and clinical executives to lead the value transformation at this defining moment. In a reform environment, healthcare organizations must enhance quality and reduce costs to survive. This conference engages financial, clinical, and operational leaders in a collaborative effort to measure and manage clinical quality, financial strength, and patient health. Participants will learn from industry experts successful practices for creating value, and they will participate in interactive educational sessions where they help identify best practices for the industry.