

# The Appalachian Trail

October/November  
2011



## What is the Super Committee— and is it “Super?”



By Mike Lane

Our country is facing unprecedented debt as a result of unprecedented governmental spending. The Budget Control Act of 2011 (BCA) created a joint committee to craft a deficit reduction bill. The goal: To reduce debt—not by a little—but by as much as \$1.2 to \$1.5 trillion. Joint committees in Congress are not uncommon, but the authority given to this committee, the Joint Selection Committee on Deficit Reduction or “Super Committee,” is thought to be unique. Many may ask, “Is this Super Committee constitutional? Will it do anything super?”

Taking a step back in our country’s history, the very first Congress had committees, and even the Continental Congress, which wrote the Constitution, divided itself into small working groups. Today, committees are how the work of Congress gets done. Without delegating authority to smaller groups of members, or committees, Congress would be unable to accomplish all the tasks necessary to govern the nation.

In Congress, there are standing committees and select committees. Standing committees, also referred to as the committee system, remain in place after each election, and cover legislation in a broad topic area (such as the armed services). Select committees, on the other hand, are formed for a single purpose, and are dissolved once their task is complete. Pennsylvania has representation on the Super Committee; Senator Pat Toomey (R) is one of the 12 members of the committee.

Joint committees are made up of members of both the Senate and the House of Representatives. Committees without the “joint” designation are specific to either chamber. The Super Committee created by the BCA is a joint select committee. It has members of both the House and the Senate, and once its purpose is fulfilled (crafting a \$1.2 trillion deficit reduction proposal), it will be dissolved.

The authority that has been given to the Super Committee is unusual. The deficit reduction bill that will be crafted by Super Committee members is guaranteed an “up-or-down” vote in the House and in the Senate. When the bill reaches the floor of these bodies, Senators and House members may NOT modify the bill with amendments. Additionally, Senators may NOT filibuster the bill. This unique level of authority is why the work group has been dubbed the Super Committee.

Why would Congress delegate such a high degree of authority to the Super Committee?

Congress has difficulty coming to agreement when decisions are politically unpopular, and has difficulty making these decisions fair and reasonable to all the parties affected by them. Deficit reduction certainly is politically unpopular; it will mean either spending less money on popular programs, or raising taxes. Members of Congress generally want to be reelected, and thus, are reluctant to make either of these unpopular decisions.

Will this Super Committee decide the necessary changes and sacrifices that may be long overdue? Only time will tell. But time is running out. •

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Pennsylvania Chapter

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President's Message

## Michael Rupert, FHFMA Chapter President 2011/2012



They say time flies when you are having fun. I must be having a lot of fun (I am), because my first four months as president have flown by. It is hard to believe summer is gone and college football season is half over. The theme of Greg Adams, the current chairman of HFMA is Believe to Achieve. For my fellow Nittany Lion fans, that theme is being put to the test every week.

The officers and directors of the Central Pennsylvania Chapter have taken this theme to heart and set a goal of winning the Shelton Award, which is given out at ANI every year to a chapter who has displayed five years of continued excellence. Last year, the award was given to the New Jersey chapter.

So far this year, we have had two great education sessions and have implemented our going green plan, by making the session handouts available online rather than handing out printed copies. Beginning with our January education session, we will have the ability to do online registration and accept credit card payments. This will make registration easier for both attendees and chapter leadership. Attendees will still have the ability to mail in payment and register via fax or mail if they wish.

We have some great education sessions planned during the next several months, starting with our annual Accounting and Tax update on November 17 at the Royal Oaks Golf Club in Lebanon. Once again this year, we will be having a food drive at this event to benefit the Central Pennsylvania Food Bank. I encourage all of you to attend this session where you will earn 7 valuable CPE's (3 A&A and 4 Tax) and help us to continue to support this worthy cause. During the past two years, through the generosity of our attendees, we have donated more than \$1,000 and 500 pounds of food to local food banks. On January 26, we will be having an education session at HACC focusing on how the revenue cycle and finance go together.

In addition to our all day sessions we are participating with the other chapters in Region 3 to offer monthly webinars. These webinars will be one hour and will be offered during lunch. Below is a list of the upcoming dates and topics:

November 15th - 501r Update  
January 17th - Bundled Payments  
February 21st - Topic TBD  
March 20th - Topic TBD

Once again this year national HFMA is offering its free virtual conference on December 13 and 14. This will include six one hour live events. For more information, please see the HFMA website.

I would like to thank all of you for making the Central Pennsylvania Chapter one of the best in the country. I believe, with your help, we can achieve our goal of being THE best. •



Royal Oaks Golf Club, Lebanon  
**Thurs, November 17, 2011**

**Tax, Accounting &  
Audit Update**  
*Plus*  
**You CAN Make a Difference**  
**Food Drive**

**AGENDA**

- 7:30 a.m. **Chapter Board Meeting**
- 8:30 a.m. **Registration and Continental Breakfast**
- 9:00 a.m. **Welcome, Announcements & Chapter Updates**, *Michael Rupert, FHFMA, Chapter President*
- 9:15 a.m. **990 Tax Update**, *Kelly Trzeciak, Senior Manager, Tax, ParenteBeard LLC*
- 10:45 a.m. Break
- 11:00 a.m. **Cloud Computing**, *Saif Rahman, Senior Manager, Advisory, Information Protection, KPMG*
- 12:00 noon Lunch
- 1:00 p.m. **Accounting and Audit Update**, *Michael Brozic, Senior Manager, Audit, KPMG*
- 2:30 p.m. Break
- 2:45 p.m. **Individual and For-Profit Tax Update**, *Mike Burkholder, Partner, Tax ParenteBeard LLC*
- 4:30 p.m. **Day End Raffle and Announcements/Adjournment**



**DON'T FORGET THE NOVEMBER  
FOOD DRIVE!!!**

*All donations will go to  
the Central Pennsylvania Food Bank.*

**SAVE THE DATES!**



**November 17, 2011: Accounting, Auditing and Tax Update**, *Royal Oaks Golf Club, Lebanon*. 3 A&A and 4 Tax CPE credits. The day is filled with accounting and auditing updates, cloud computing, 990, individual and 1120 update.

**January 26, 2012: Accounts Receivable & Finance, HACC**. January's meeting will address issues that impact both billing and accounting offices, including: internal controls; outsourcing; contract payments; and, denials. This meeting will also include the **Chapter Awards Luncheon**.

**March 22 & 23, 2012: Two-Day Hospital/Physician Collaborative Meeting, Lancaster Convention Center**. Keynote speakers: Jeanne Scott Matthews, and Dick Clarke, FHFMA.

**May 22, 2012: State and Federal Update, Induction of New Chapter Officers, National Chair, HACC**

***Sponsor Spotlight***



**KPMG**

KPMG International is a global network of professional firms providing audit, tax, and advisory services. We operate in 146 countries and have more than 140,000 professionals, including more than 7,900 partners, working in member firms around the world. Since our firm's founding, we have been committed to providing professionalism, integrity, and quality in the services we deliver.

## ***Off The Cuff with Brooke Shuey!***

*By: Stephanie Hollick*

I have had the opportunity to work with Brooke over the past several weeks in planning the November meeting. I have not had the opportunity to meet her in person yet, however I thought she would be a great person to be interviewed for the newsletter, as a person starting to get more involved in HFMA. She joined HFMA to get to know more people within the healthcare industry and to network.

She is currently an audit manager at KPMG. If she could do anything, she would most likely be a buyer for Nordstrom's department store or a restaurant/food critic. Her first job was a waitress at the Holiday Inn on the Carlisle Pike. However, as a child Brooke dreamt of being a dancer.

In the event that she has free time, she enjoys exercising, cooking, traveling, and spending time with her family and friends. Her favorite place to spend time is on the beach. She enjoys being near the water and relaxing, specifically spending time being outside. If she won the lottery, she would buy property and travel.

Some random things that you probably don't know about Brooke are: she is one of four children, played basketball



through high school, her favorite cartoon is Garfield, and she really enjoys cooking. The best advice she has been given was if you do something you love, you will never feel like you are working, which was shared with her by her mother, her role model.

Brooke will be attending the November meeting, so if you haven't met Brooke yet make sure you say hello!



## **6th Annual Hospital/Physician Collaborative Meeting**

*By: Stephanie Hollick*

Block your calendars, if you haven't already, for Thursday March 22 and Friday, March 23, as you don't want to miss this! The conference will be held at the Lancaster Convention Center.

Our two days will be filled with great speakers and content as well as opportunities for networking including a networking session Thursday evening. More information will come as we finalize the different tracks, so I bet you are as excited about this meeting as our program committee and board are. So what can you do?

1. Definitely block off you calendar to attend those days.
2. Reserve your hotel room, noting the event you are staying for.
3. If you are interested in sponsoring the event, please contact Michael Rupert at [mrupert@susquehannahealth.org](mailto:mrupert@susquehannahealth.org)
4. If you have a topic you want to be considered for discussion content, please contact Carrie Frey at [cfrey@mhyork.org](mailto:cfrey@mhyork.org)

Hope to you see you there!

## **Reimbursement Update/Capital Access Meeting**

*By: Stephanie Hollick*

The Reimbursement Update/Capital Access meeting was held Thursday, September 22 at HACC. Mike Rupert, Chapter President, opened the day with announcements and chapter updates. The updates covered were: 1) Future meeting dates—see page 2 for dates and upcoming meeting topics; 2) National membership drive “Member-Get-A-Member” program—see [www.hfma.org](http://www.hfma.org) under Membership for details; 3) Online Meeting Registration!!! Yes, you saw that correctly: Online meeting registration. The board has listened to your request. The January meeting should be set up for online registration.

Jim O’Connell from Sunstone Consulting LLC, kicked off the education for the day with an overview of the key provisions of FY 2012 IPPS final rule. To continue with the Reimbursement Update, Kyle Bobb, Ryan Williams, and Michelle Wagner, from Highmark Medicare Services, spoke about the 2552-10 Cost Report, MC Audit Issues, and Occupational Mix Surveys.

The Capital Access part of the day started after lunch with Andy Majka of Kaufmann Hall speaking about innovative ways to access capital. Liz Sweeney from Standards & Poor spoke about bond rating trends.

Last but not least, Leasing Options and the accounting for leases closed the day with Cheryl Cohen from Pantheon Capital and David Taylor from BKD, LLP.

*HFMA’s Benefits Go Even Further  
When You Share Them*

### **2010-2011 HFMA’s Member-Get-A-Member Program**

As a valued member, you can impact the future of HFMA by sharing your experiences with your peers, your staff, and others in your organization with an interest in healthcare finance. Every friend or colleague you sponsor into membership at HFMA counts towards prizes and awards simply by having them list your name on their membership application.

For more information on the Member-Get-A-Member Program download the full brochure from HFMA National’s website under Membership.

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# Inpatient Prospective Payment System

## FFY2012: A Small Win in a Challenging Year

By Mike Lane

During August, the Centers for Medicare & Medicaid Services (CMS) published its final rule governing Medicare inpatient acute and long-term care services for federal fiscal year (FFY) 2012 (Medicare discharges occurring on or after October 1, 2011 through September 30, 2012). What was contained in the final rule? How does it impact hospital operations and payment? The following is a brief overview of the major components of the hospital inpatient prospective payment system (IPPS) rule.

The final rule called for an overall increase in Medicare inpatient acute payments of 1.1 percent, as compared to the final, FFY2011 payment rates. The net increase includes:

1. A market basket increase of 3.0 percent.
2. An Affordable Care Act (ACA) mandated reduction of 0.1 percent.
3. A 2.0 percent reduction for documentation and coding (behavioral offset).
4. A 1.0 percent reduction for productivity.
5. A 1.1 percent increase as a result of a court decision involving CMS' erroneous application of the rural floor adjustment.
6. Other (including budget neutrality) increase of 0.1 percent.

The 2.0 percent reduction due to documentation and coding represents a significant improvement over CMS' proposed FFY2012 reduction of 3.15 percent. Nationally, this represents \$1.2 billion more in payments during FFY2012 than originally proposed. For Pennsylvania, it is estimated that this change in the final rule will increase hospital payments by \$60 million as compared to the FFY2012 proposed rule. The Hospital & Healthsystem Association of Pennsylvania and the hospital community had strongly opposed the coding provision in the proposed rule and pushed for members of the Pennsylvania Congressional Delegation to sign House and Senate letters to CMS urging a revision of the coding provision. All members of the delegation signed the letters.

Other key provisions of the CMS final IPPS rule for FFY2012 include:

- An overall increase in Medicare inpatient long-term care payment of 2.5 percent, as compared to the final, FFY2011 rates. The 2012 rates, as proposed, increased rates by 1.9 percent.
- Final readmissions measures for three conditions (acute myocardial infarction-heart attack, heart failure, and pneumonia) to be used to reduce hospital payments beginning October 1, 2012.
- Adoption of a Medicare spending per beneficiary measure (efficiency domain) to be implemented as part of the value-based purchasing system during FFY2014.
- Changes and revisions to the hospital-acquired conditions policy for FFY2012.
- Final rule addressing revisions to teaching hospitals' full-time equivalent resident caps for graduate medical education payment purposes. •

### *Sponsor Spotlight*



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# You *CAN* Make a Difference!

## Food Drive: November 17

By: Mike Lane



As we move into the Fall season and begin to prepare for the holidays, did you know that many people do not have adequate food to prepare meals for a month, a week, or even a day? This could be a neighbor, family member, or friend. The stagnant economy, coupled with recent natural disasters, has really left its mark on the Central Pennsylvania area.

### **This year's food drive is more important than ever!**

During 2010, 48.8 million Americans lived in food insecure households; this represents 32.6 million adults and 16.2 million children.

The Central Pennsylvania Chapter of HFMA started an annual November food drive two years ago. During 2010, the Chapter donated more than \$500, and about 160 pounds of food. During 2009, the Chapter donated approximately \$400 and 200 pounds of food. Our 2011 goal is to improve upon years past, and we ask that you give as you can. The chapter is kicking this event off with a donation of \$200.

All monies and food will be donated to the Central Pennsylvania Food Bank. The Central Pennsylvania Food Bank covers 27 central Pennsylvania counties and distributes more than 20 million pounds of food and grocery products to more than 600 soup kitchens, shelters, and food pantries. <http://www.centralpafoodbank.org/>

I challenge you to ask your co-workers and friends to give an extra can of food for this year's drive.

Remember you *CAN* make a difference!

THANKS!!!!



*Sponsor Spotlight*

## **ParenteBeard LLC**

ParenteBeard LLC, the Mid Atlantic Region's leader for Audit, Accounting, Tax and Business Advisory services, was created when Parente Randolph and Beard Miller Company joined forces to become the accounting firm of choice for thousands of businesses and individuals throughout Pennsylvania, New Jersey, New York, Maryland, Delaware and Texas.

*Sponsor Spotlight*



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