

The Appalachian Trail

Annual Induction of Chapter Officers and HFMA National Chair Debi Kuchka-Craig May 25, 2010 Chapter Meeting

July 2010

By Carrie Frey

The Appalachian Chapter held its last meeting of the 2009-2010 year on May 25, 2010. It was a day full of excellent education, a chance to hear what some of our local CFOs are thinking (special thanks to our panel members: **Charlie Santangelo**, Susquehanna Health System; **Bill Pugh**, Pinnacle Health System; **Joseph Felkner**, Lehigh Valley Hospital, and; **Richard Imbimbo**, Memorial Health System), and the opportunity to meet the new HFMA National Chair, **Debi Kuchka-Craig**. It also gave us a chance to say goodbye to our out-going President, **Bill Weik**.

About 18 months ago, the chapter leaders realized there were issues in the chapter's succession plan. Bill agreed to serve two terms as president to allow for more time to work out a long-term plan. During those two years, all the chapter leaders have worked hard to plug the holes and encourage other members to get involved. Bill led us through some rough times, but the chapter has come out of it, stronger both structurally and financially. Thank you so much for all your time, leadership, and friendship during the last two years!



Bill Weik, Debi Kuchka-Craig, Richard Imbimbo

Debi Kuchka-Craig, who began her year as National Chair during June, attended the meeting to induct our fiscal year 2011 officers, share the theme for her year as chair, "Step Up", and talk about her roots in Berwick. Going all the way back to her Berwick childhood, she really has used "Step Up" as her motto in life. It has carried her through good and bad times, both personally and professionally. She is an excellent leader to guide us through the next year, as we navigate our way through the huge changes in health care.

While Debi was with us, we asked her a few questions:

1. *Why did you get involved in HFMA?*

"As a payer (Blue Cross Blue Shield of Maryland), I thought it was a great way to stay current about issues of concern to providers, and to 'find out what they were up to!'"

2. *What would people be most surprised to know about you?*

"That numbers never came easy for me. Most people in our association find it very easy to work with the numbers. Being around the table with CFOs all my professional life has allowed me to become more comfortable. Fortunately, it's rubbed off on me!"

3. *What do you think will be the most positive outcome of health care reform?*

"It will absolutely require more collaboration among stakeholders, more trust with one another, and more aligned incentives." •

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President's Message

Richard Imbimbo, Chapter President 2010-2011

HFMA Appalachian Chapter
of Central Pennsylvania

2010/2011 OFFICERS

President

Richard Imbimbo
Chief Financial Officer
Memorial Hospital
rimbimbo@mhyork.org

President-Elect

Michael L. Rupert, FHFMA
Director, SHMG Finance
Susquehanna Health
mrupert@susquehannahealth.org

Vice President, Education

Donna Muller, FHFMA
OR Systems Analyst
Hanover Hospital
mullerd@hanoverhospital.org

Vice President, Communications

Carrie Frey
Reimbursement & Budget Mngr
Memorial Hospital
cfrey@mhyork.org

Secretary

Stephanie Hollick
Manager, ParenteBeard, LLC
Stephanie.Hollick@parentebeard.com

Treasurer

Jeffrey E. Boland
Partner, ParenteBeard, LLC
Jeff.Boland@parentebeard.com

Directors

Michael Lane
Director, Health Care Finance Policy
The Hospital & Healthsystem Assoc PA
mlane@haponline.org

Margie Minnich
Director of Finance
PinnacleHealth System
mminnich@pinnaclehealth.org

Gary Miller, CHFP
Revenue Analyst
Lewistown Hospital
gmiller@lewisstownhospital.org

Jim Van Etten
Manager
Sunstone Consulting
jimvanetten@sunstoneconsulting.com

For my first President's Message, I would like to continue to emphasize the theme of this year's National Chairperson, Debi Kuchka-Craig—"Step Up."

The Appalachian Chapter of Central Pennsylvania represents this theme very well. In all reality, it has been our mantra for the last few years. Our leaders and our members have certainly "Stepped-Up" in their commitment and efforts to strengthen our chapter during these difficult times for the economy and many of our health care employers. Based on the results of our 2009-2010 year, the Appalachian Chapter ranks well within the top 10-15 chapters (out of 68 chapters) in performance.

For the previous two years, our Chapter President had been **Bill Weik**. Bill was a formidable leader, who committed himself to a second year as president at a time of some instability within our leadership structure. Working with Bill, besides being a great guy, has been an excellent learning experience for many of us, as he moved this chapter forward in so many positive ways—education hours, leadership development, and sponsorship. We are fortunate that Bill has agreed to stay on the Board and lead our first two-day educational event during late March, 2011. On behalf of the chapter: Thank you, Bill, for "Stepping-Up!"

Today I am leaving for the Annual National Institute in Las Vegas. The Appalachian Chapter will be honored at this meeting for our successful efforts during the 2009-2010 year (again, please keep in mind that there are 68 chapters in the country, and in membership count we rank 41st):

- We are one of only 20 chapters that earned a **perfect score** of 100 points on the **Chapter Balanced Score Card**—an all-encompassing metric tool that monitors just about all chapter activity from membership, to education, to days of cash.
- **Charles F. Mehler Gold Award of Excellence for Education**—This award recognizes chapters performing at the highest levels (exceeding 19.8 hours/member) in educational programming. Our 20.6 hours of educational programming per member places us in the Top 10 nationally.
- **C. Henry Hottum Award for Educational Performance Improvement**—This award recognizes chapters that achieve a significant increase (at least 6 percent) in education performance. The Appalachian Chapter's increase was a whopping 30 percent!
- **Bronze Award of Excellence for Membership Growth and Retention**—This award recognizes chapters that achieve an increase (each year established by National) in membership. Our Chapter had a one percent increase (an accomplishment when many chapters are reporting decreases), and we ended the year 309 members strong.
- **The Helen M. Yerger Special Recognition Award – Education**—Our March 2010 "Physician/Hospital Collaborative" meeting has been cited to receive this honor. Special thanks to **Mike Rupert** for successfully preparing the Yerger application package.
- **Member Satisfaction in the Chapter**—During the 2010 survey from National, the Appalachian Chapter membership reported 65 percent satisfaction in the Chapter and our activities. Nationally, only seven other chapters scored higher.

So, on June 22, when I "Step Up" onto the stage to receive these recognitions, I can only thank all of you for your commitment to excellence and dedication to Appalachian Chapter's long history of success. As I load-up my rented truck to haul all these awards back East, I'll smile as I ride off into the desert sunset...

(Actually, these awards are Fed Ex'd to us, and I'll be taking the Red Eye home.)

My last parting thought: One of my most vivid images of the 2009-2010 year is the cover of April's *Appalachian Trail*. **Patty Taleff** has a look of such happiness and joy as she accepts the Medal of Honor. Patty dedicated years of leadership as a member and an officer, and still remains active. I remember the day of the awards as Patty "Stepped-Up," and joyfully accepted the Medal of Honor. It's moments like this that really reinforce why we should all "Step Up"—excellence, camaraderie, professional development, networking, fulfillment, achievement...and good times!

I'm looking forward to working with all of you for a highly successful 2010-2011 year! •

**Thursday,
July 29, 2010**

Wildwood Conference Center,
Harrisburg Area Community College

AGENDA

- 8:30 a.m. **Registration and Continental Breakfast**
- 8:45 a.m. **Welcome and Federal Reimbursement Update**, *Rich Imbimbo, President of our Chapter, CFO, Memorial Hospital; Jim Van Etten, Manager, Sunstone Consulting, LLC*
- 9:15 a.m. **POS Collections Case Study, What's in the magic to get the cash upfront?**, *Richelle Fleischer, CFO, Riverside Health System in Richmond, Virginia; Larry Estes, Regional VP, Financial HealthCare Systems, LLC*
- 10:30 a.m. *Break*
- 10:45 a.m. **Patient Financial Clearance Process**, *Cassie Wolf, Spend Compass/Advisory Board; Jim Jones, Director Patient Accounting, Holy Spirit Hospital*
- 11:45 a.m. **Self-Pay, Discounting and Billing that leads to Collections**, *Denise Kennedy, Lancaster General Hospital; Christy Pehanich, Geisinger; Barb Forry, Memorial Hospital*
- 12:45 p.m. *Lunch*
- 1:30 p.m. **Reserves – Bad Debt & Contractual: A/R Panel Discussion with Audit Guidance**, *Peter Ryan, Partner, KPMG; Chuck Condran, Accounting Manager, Memorial Hospital; Jim Dehoff, VP and Regional Controller, Select Medical Corp.; Doug Heishman, Wellspan; Jim Rotherham, Administrator, Lehigh Valley Hospital*
- 3:30 p.m. *Break*
- 3:45 p.m. **All this charity—Reporting on the 990**, *Denise Villebrande, ParenteBeard*
- 4:45 p.m. **Adjournment**

Please make sure you (and your AP departments!) make note of the change in treasurer. All meeting registrations and payments now should go to:

Jeff Boland, Partner
ParenteBeard

4550 Lena Drive Suite 200, Mechanicsburg, PA 17055
Phone: (717) 620-4753, Fax: (717) 620-4701

Jeff.Boland@ParenteBeard.com

2010/2011 MEETING DATES



SAVE THE DATES

Thursday, July 29, 2010—Cash is KING! Uncompensated Care and Bad Debt Reserve Calculations. *Harrisburg Area Community College*

Tuesday, September 21, 2010—Medicare IPPS Intermediary Update, MA Payment Reform with breakout session for RAC updates and Subacute Hot topics. *Harrisburg Area Community College*

Thursday, October 28, 2010—Health Care Reform: a peek into a national leader's methods and strategies for success. *Geisinger Health Care System*

Monday and Tuesday, November 15 & 16, 2010—Need Tax and A&A CPE's? We've solved it for you: 6 hours of tax CPEs and 2 hours of A&A. Taxes will include UBIT, 990 and personal taxes. *Roadshow at Harrisburg Area Community College on November 15 and Lehigh Valley Health Network on November 16.*

January 2011 (Date to be determined)—We are planning to offer a full day follow-up meeting on the well-received chargemaster session of January 2010. *Harrisburg Area Community College*

Thursday, February 24, 2011—Budget Preparations & Benchmarking Tools. *Harrisburg Area Community College*

Thursday & Friday, March 31 & April 1, 2011—Two-Day Hospital and Physician Practice Management with breakout sessions including a Healthcare 101 and Vendor Fair. *Lancaster*

CHAPTER ANNOUNCEMENTS

We are looking for people to help maintain the chapter's website. If you are interested (and have the skill), please contact our webmaster, Carrie Frey, at cfrey@mhyork.org.

The chapter is always looking for volunteers to serve on committees. If you are interested in getting involved, please contact any officer or board member.

Say goodbye to the Appalachian Chapter! We're looking for a new name. Start brainstorming! We'll all share our ideas at the September meeting!

Improving Hospital's Medical Assistance Payments

by Michael Lane

During the past several years, the Hospital & Healthsystem Association of Pennsylvania (HAP), on behalf of the hospital community, has advocated with Pennsylvania's Department of Public Welfare (DPW) to update the Medical Assistance hospital inpatient fee-for-service payment system. The current payment system is broken, as it pays on base rates that were based in the 1990's with a CMS grouper that is outdated and does not account for new hospital's technologies, varying levels of severity, as well as additional DRG's that have been added over time. A change is needed to improve funding to hospitals from a payor that pays less than 80 cents on the dollar. How can all this change be undertaken at once, given the vast payment improvement the hospital community needs?

One way to achieve funding improvements is through the yearly state budget process, however, due to the recession and the pressures by the state to reduce spending, this has not been as successful during the past two years as the hospital community would like.

Another way to achieve funding improvements is through a hospital assessment. Currently, more than 40 states have some

type of assessment on providers which assists them by gaining a federal match on assessment funds.

There were many concepts and principles that serve as the basis for the development a modernized payment system, which include:

- Pennsylvania's hospitals provide access to care for the state's most vulnerable citizens.
- The need to secure the required new funding.
- The Medical Assistance hospital payment system must be transparent and to include periodic review and updating
- The base payment system must provide equal incentives to treat all types of Medical Assistance patients and conditions, as well as enable Medical Assistance patients to retain access to needed and appropriate quality health care.
- There must be recognition of hospital core costs.
- A new clinical classification system that enables payments to more closely mirror resource utilization.
- Clear criteria to qualify for hospital supplemental payment systems.
- More certainty and stability in the new Medical Assistance hospital payment system and a public process that enables improvements to be made in the Medical Assistance payment system.

Currently, HAP is working with DPW, the Rendell administration, and the General Assembly to modernize the Medical Assistance hospital payment system and secure additional federal matching funds through a statewide hospital assessment. The strategy is to secure implementation of the new payment system(s) and provider assessment during fiscal year 2010-2011, through passage of legislation that would amend the state's Public Welfare Code coterminous with passage of the state's fiscal year 2010-2011 budget.

Additionally, during the last several months members were given the opportunity to meet with staff, attend webinars and review various communications produced by HAP. The goal is to improve the Medical Assistance payments to hospitals to allow them to provide quality care to the citizens of Pennsylvania. •

Questions about the hospital assessment can be directed to Michael Lane, chapter board member and HAP's director of health care finance policy, at mlane@haponline.org.



Sponsor Spotlight

Conrad Siegel

Conrad Siegel Actuaries, The Employee Benefits Company, is an independently owned firm based in Harrisburg for nearly 50 years. The consultants of **Conrad Siegel Actuaries** are experts at helping businesses analyze health and welfare plans. We provide independent actuarial counsel to help our clients obtain the most cost-effective benefits program to meet their employees' healthcare needs.

Conrad Siegel Actuaries also provides administrative, consulting, and investment advisory services for retirement plans, including 403(b), 401(k), profit sharing, and defined benefit plans. We are also the leading provider of GASB 45 actuarial services to school districts in Pennsylvania.

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IRS Schedule H Reporting

By Mike Rupert

At our November 2009 education session, Julius Green and Denise Villbrandt of ParenteBeard presented an overview of the redesigned form 990. Below is an overview of schedule H.

- Part I—Community Benefit Report
 - Section is OPTIONAL for 2008
 - Does the organization have a charity care policy?
 - Use of Federal Poverty Guidelines (FPG) or other criteria used
 - Care to medically indigent
 - Budgets and effect on amount of care
 - Charity Care and Means-Tested Program includes
 - Charity Care
 - Unreimbursed Medicaid
 - Unreimbursed costs of other means-tested government programs
 - Other Community Benefits
 - Community Health Improvement
 - Community Benefit Operations
 - Health Professions Education
 - Subsidized Health Services
 - Research
 - Cash and in-kind contributions to community workgroups
 - Community Benefit Programs—Requires calculation of:
 - Community Benefit Expense (at cost)
 - Offsetting Revenue
 - Net Community Benefit Expense
 - Percentage of Community Benefit Expense to Total Expense
- Part II—Community Building Activities
 - Section is OPTIONAL for 2008
 - Community building activities include:
 - Physical improvement and housing
 - Training for community members
 - Community health improvement advocacy
 - Workforce development
 - Report the following for community building activities:
 - Number of activities/programs and persons served
 - Total community building expense
 - Direct offsetting revenue
 - Total community building expense as a percentage of total expense
- Part III—Bad Debt, Medicare and Collection Practices Section is OPTIONAL for 2008
 - Section is OPTIONAL for 2008
 - Section A—Bad Debt

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Sponsor Spotlight



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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.

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Meet This Year's Chapter Leadership

Richard Imbimbo,
CFO, Memorial Hospital

Mike Rupert,
Director, SPS Finance,
Susquehanna Health

Donna Muller,
Senior Auditor/OR
Systems Analyst,
Hanover Hospital

Carrie Frey,
Reimbursement and
Budget Manager,
Memorial Hospital

Jeff Boland,
Partner,
ParenteBeard

Stephanie Hollick,
Manager, ParenteBeard

Chapter Leadership Role

President

President-Elect

VP of Education

VP of
Communications

Treasurer

Secretary

1. What was the last movie you saw?



Sex and the City 2

The Blind Side

How to Tame your
Dragon

The A Team

Probably something Disney.
What can I say; I have an
8-year-old daughter.

Shutter Island

2. What is your proudest accomplishment?

Professional: Being promoted
to manager at Coopers and
Lybrand. Personal: Having a
very successful marriage for
30 years and raising two good,
accomplished children

HFMA fellowship

Finishing my Bachelors in
3 years. (Once my kids are
successful, it will be them!)

Finishing my
first 10 mile race.



CPA License

My career

3. Where did you go to college?

BA, Bucknell, MSW, Penn,
MBA, Northwestern

Pennsylvania
College of
Technology

Penn State Harrisburg

Penn State

Lebanon Valley
College

Bloomsburg University

4. What is your favorite or dream vacation spot?

Favorite: condo in Bethany Beach.
Dream: Ocean Club in Nassua

Stone Harbor,
NJ

Dream: Tuscany

Favorite: London
Dream: Fiji

Hawaii

Favorite: Family cabin on
Charleston Lake, Canada

5. If you could have any job (money not an issue), what would it be?

Working in a book store

Own sports memorabilia
business

Pilot

Personal Shopper

Own a Chik-Fil-A
franchise

Professional fishing with
my husband by my side

6. Why did you get involved in HFMA? HFMA leadership?

Got involved for the
education. Leadership:
Was asked by Chrysta
Stine to help chair the
Project Committee.

For professional
development; my
boss asked me to get
involved.

Asked by my boss to get involved.
Once in the committees, I felt
compelled to run the course due
to contacts/friends made and
sense of accomplishment from
volunteering.

Richard told
me he had
volunteered
me for a great
opportunity...

Joined to network
and obtain education
credits. Got involved
in leadership to help
grow the local chapter
and develop new
leaders in the industry.

I was told by a colleague
that it would be good for
me to join and I like to
be in the loop on things.
Being in leadership helps
me to do so.

7. What is your best HFMA memory?

It's like choosing my favorite
child, since I've been
involved for 27 years. My
most energizing experience
was being at a good meeting
and during lunch and breaks,
meeting new members and
catching up with old friends
- some go back many years!

All the fun
I've had
and the
relationships
I've built.

Have many, most include LTCs, but
best...feeling like I was in a snow
globe at the last Hershey Country
Club Holiday Party due to the
panoramic view of the snowfall and
being surrounded by friends from
HFMA and work

The Escape
from Bainbridge
Island!!!

I'm still
working
on it.

Too many good memories; most
recent being Carrie Frey's face
as she was going down the slide
at Rustler's Roost in a dress.
The slide was very deceiving. It
looked little and harmless, even
though Richard Imbimbo had
fallen a little backwards due to
the speed when he went down.

8. What is the best part of your job?

Brainstorming with my senior
financial leaders, developing a
solid plan of action, and beginning
implementation. We spend an
appropriate amount of time planning,
but we're a group of "do-ers."

It's never the
same day
to day.



Never the
same day twice.

The people.

Teaching and
developing staff in
order to advance their
careers, and assisting
clients to achieve their
goals.

Working with all kinds
of different people,
clients and employees

9. What was your first job?

My dad was a building contractor,
and I worked for his company during
high school. He was a stickler for
keeping the job sites clean, so I spent
my first 2-3 summers sweeping... and
sweeping...and sweeping.

Clerk
at Weis
Markets

Kmart cashier

Dairy
Queen



Staff auditor for Main
Hurdman

Babysitting the neighbor's
two kids for \$50 a week

10. Why did you choose a career in health care?

In college I was a psych minor
and took a couple of health care
admin type courses, and I knew
that was where I wanted to be.

The growth
potential.

Public accounting audits
forced me towards health care
and when it was time to stop
commuting, it felt right.

It just kind of worked
out that way, but I'm
glad it did.

I had some clients in the
industry and it seemed
more appealing than
banking or colleges.

I would rather
audit hospital
accounts receivable
over commercial
inventory.

IRS Schedule H Reporting

(continued from page 5)

- HFMA statement 15
- Report bad debt expense (at COST)
- Estimated bad debt attributable to patients under Charity Care Policy
- Bad Debt Footnote from Financial Statements
- Why should bad debts be included in Community Benefit Reporting?
- Section B – Medicare:
 - Compute Medicare shortfall
 - Disclose total revenue from Medicare (Parts A&B only)
 - Allowable costs of care relating to total revenue
 - Describe costing methodology
 - Why should Medicare shortfall be included in Community Benefit Reporting?
- Section C—Collection Practices
 - Does organization have written debt-collection policy?
 - Does it contain provisions to be followed for Charity Care recipients?
- Part IV—Management Companies and Joint Ventures
 - Section is OPTIONAL for 2008
 - Requires JV or mgt company activity on the following:
 - Name of entity and description of activity
 - Hospital's profit % or stock ownership %
 - Officers, directors, trustees, or key employee's profit % or stock ownership %
 - Physician's profit % or stock ownership %
 - Reporting threshold—10%, or greater, aggregate ownership
 - IRS believes this will reduce number of ventures that must be disclosed
 - Include disregarded entities (SMLLC)
- Part V—Facilities Information
 - Section is REQUIRED for 2008
 - Required to include name and address of all facilities (of entity or group)
 - Must identify type of facilities owned/operated at each location
 - Hospital
 - Teaching hospital
 - General med/surg facility
 - Research facility, etc.
- Part VI—Supplemental Information
 - Section is OPTIONAL in 2008
 - Open Ended Questions—Provides for comprehensive responses and disclosures
 - If Federal Poverty Guidelines not used, what criteria is?
 - How does the organization assess the health care needs of the community?
 - How does the organization's patient intake process inform and educate patients about their eligibility for assistance under government programs or charity care?
 - Describe the community the organization serves (geographic/demographic)
 - Describe respective roles of affiliated organizations within the health care system
 - Include any other important information as to how the hospital's facilities further its exempt purpose
 - If applicable, identify all states with which the organization, or a related organization, files a community benefit report
 - Provide any other information to show how the organization uses its exempt purpose to promote the health of the community. •

Sponsor Spotlight

BKD, LLP



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Carrie Frey
Reimbursement, Revenue and Budget Manager
Memorial Hospital
325 S Belmont Street
York, PA 17403-2609

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