

Show-Me Update

Greater Missouri Chapter

Healthcare Financial Management Association

Fall 2004

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Letter from the editor

By Kalon Mitchell

This newsletter is the first for the HFMA fiscal year. It includes ads from the gold level sponsors and a new list of all of the sponsors. Don't forget them at your next meeting; they help keep the chapter in the black.

There is an article from me on the one sided implementation of HIPAA and an article from Amy Michael on Founders points. If anyone else wants to submit an article for the next newsletter, it is another excellent way to earn Founders points.

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HIPAA Administrative Simplification— “Fair and Balanced?”

By Kalon Mitchell and WebMD

It is a year after the “final” CMS October deadline and CMS reports that over 80% of claims are being submitted in an HIPAA compliant format. Although the contingency plan remains in effect so that these remaining claims can be paid, it would seem that the implementation of HIPAA Administrative Simplification has been successful. However, that would be true only if you looked at this single transaction—the 837 or claims transaction.

When the HIPAA Act was developed in 1996, CMS estimated that the health industry would save \$29.9 billion dollars in administrative expenses over a ten-year period, beginning in 2002, as a result of administrative simplification. The total savings would be divided between \$13.1 billion for health plans and \$16.7 for providers. From a provider standpoint, these savings have not yet materialized.

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Changes to the Founders Program

By Amy J. Michael

Feedback during the 2004 Leadership Training Conference (LTC) has resulted in a move to keep the Founders program prospective rather than retrospective. Information distributed in April announced important new changes to the Founders award program:

- For 2003-04, the Founders program will continue to include points for education (both local chapter and national), membership, certification, Forums, and volunteer activity points (both local and national). *This is a change from the information published in earlier communication from HFMA National and addresses the retrospective issue raised by chapter leaders at the recent LTC.*

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“Fair and Balanced?”

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CMS has put the pressure on providers and their vendors to supply electronic claims in the HIPAA compliant 837 format, but this transaction is only one in a set included in this legislation. Medicare acknowledged in March 2004 that only 27% of submitters/receivers (payers) are in production for the ANSI 835 remittance advice and only 7% are in production for coordination of benefits. At this time, Medicare and its fiscal intermediaries are unable to conduct the eligibility inquiry (ANSI 270/271) and have directed trading partners not to send HIPAA compliant eligibility requests. WebMD states that only 3.1% of payers processed by them (over 1,500) are engaging in all of the HIPAA standard eligibility, claim status, and remittance advice transactions through WebMD.

According to the HIPAA statute, “a payer may not refuse to conduct any such electronic transaction as a standard transaction.” The intent of the law (which is acknowledged by payers) is that all payers must be able to comply with and respond to these additional HIPAA transactions. It is still far from reality.

It is clear that it is to the benefit of payers (and CMS) to receive electronic claims rather than paper claims. It means that the payer does not have to pay to have them manually keyed and it

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eliminates the possibility of errors introduced by their staff. However, CMS has yet to enforce the same amount of pressure on the payers to comply with HIPAA standards that they have on the provider community. Their own systems cannot yet process any other transactions than the ability to receive and process 837 claims and respond with the 835 electronic remittances. Even though they are legally required to process the other transactions along with the rest of the payer community, they are not able to do so.

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Letter from the President



By Greg A. Johnson

Warning: Due to the content of this letter, you may experience a strong desire to do something out of the ordinary.

We had a great conference in Kansas City and for those of you attending, I'm sure you brought back some valuable information. The planning/programming committee did an outstanding job and the location was great. I predict we will try it again next year.

As expected, most of the presentations provided strategies for improving the financial performance of providers. We spent some time with Capital Access Issues, Key Performance Indicators, Goal Development, and Accountability Enforcement—the typical stuff us “Financial” types tend to be attracted to. However, a common thread that almost every program included was the importance of effective communications—the stuff most of us “Financial” types could stand to improve on. Richard Clarke, HFMA President and CEO, addresses the importance of effective communications in the September 2004 issue of HFM. I have included some of the ideas he adapted from the PATIENT FRIENDLY BILLING project. They are as follows:

- In one short sentence, state why the financial information is important (no technical language please).
- Put yourself in the shoes of the person you are communicating with. Try to understand and address that person's core concerns.
- Provide information in layers, starting with a general description and adding more detail as necessary.
- Try to find out how people like to receive information—visually, in writing, or in person—and try to communicate in that manner.

Effective communication seems to be an ongoing problem for many organizations and continues to be a hot topic in most leadership publications. With this in mind, I challenge you to do something “out of the ordinary”. The next time you are presented with a new idea or proposal, listen closely for the core concerns. Resist the temptation to first apply financial reasoning or justification. Put yourself in the shoes of the person you are communicating with, listen closely to their concerns, and go “beyond the numbers” to seek a greater understanding of the issues. ■

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“Fair and Balanced?”
Continued from p. 2

It is these transactions where the financial benefit to the provider lies. Many providers have already invested in systems that can produce an eligibility inquiry, but they have no payers they can send them to and get a response. This process, executed during the preadmission and admission, could save providers millions in uncollected charges and manual processing of eligibility inquiries. The same is true with the ANSI 276/277 claim status inquiry/response that would allow the provider to know the status of all outstanding claims without endless phone calls to the payers.

To this point, data has only flowed one way—from the provider to the payer—and CMS has enforced only provider oriented requirements of HIPAA while allowing their own agency and other payers to ignore this legislation with no contingency plans or negative outcomes. Without a fair enforcement of this legislation, it will simply become a new standard for claims transmission, benefiting only CMS and the payer industry.

WebMD has written an excellent white paper on the subject that can be accessed through this link: <http://www.webmd.com/corporate/index.html>.

This article suggests actions that CMS could take to correct these issues and others that are causing problems with full HIPAA implementation. It is just ten pages long and very informative. It contains some interesting statistics on actual payer compliance, some of which I have quoted in this article.

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HFMA should also work with CMS to see to it that these regulations are implemented to the benefit of providers as well as payers so that some of these savings related to administrative simplification can actually be realized. ■

“Changes”
Continued from p. 1

- Being “prospective” rather than “retrospective” will eliminate the need for members to be concerned about being close to an award level and not receiving points they were counting on for 2003-04. *Members will not lose any points for the 2003-04 year.*
- To simplify the transition we will continue to use the “old” Founders point system and award levels for this year (i.e. Bronze-100, Silver-200 & Gold-300).

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“Changes”

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- Beginning with 2004-05, and in keeping with the core purpose of the Founders recognition program—*Recognizing the Volunteer in You*—the Founders program will only record points for volunteer efforts.
- Chapter members can view their Founders points on the HFMA National web site under activities in their personal profiles in the membership directory area at: http://www.hfma.org/access_eseries.cfm.

In addition, certified members were concerned that Founders points for attendance at HFMA educational events would not be tracked for certification for 2003-04. Founders Contacts are now being asked to report this data in aggregate for 2003-04. A new on-line system is now available for members to track their own education points (contact hours) for certification. HFMA members can self-report eligible education activities that occurred June 1, 2004 or later using the on-line system available at this link: http://www.hfma.org/members_only/certification/education_activity.cfm. Send an email to certification@hfma.org for specific certification questions.

The HFMA National Regional Executive Council will continue to monitor Founders program feedback as HFMA transitions to the new award program. On the HFMA National Web site under the Careers

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tab there is a list of the new Founders point categories and the points allocated for them. For example, by volunteering to help on a Show-Me of Missouri Chapter committee you will earn 2 points. If you are a committee chair or co-chair you would earn 4 points. The Show-Me of Missouri Chapter has many different committees to choose from. Look in the Chapter's membership directory for further information on the committees and the contact person. Another way to earn points is to write an article for the Show-Me of Missouri Chapter's newsletter. This will earn you 1 point. Everyone has information that would be useful to someone else. For example, you could write about information you learned at a recent conference.

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“Letter From the Editor” *Continued from p. 1*

The one-day meetings for January are being planned and will mostly cover legal issues like FRA, self-pay charge structures, and lawsuits. The dates will be the 26th in Columbia and the 27th in Springfield. We are working on getting the best speakers for these topics at both locations.

The actual sites will be posted soon on the chapter web site, www.hfmashow.org, and brochures for these meetings will be mailed and posted on the Web site as soon as they are available.

The Web site also has information on the December Region 9 meeting that will be held December 1–3 in New Orleans.

We are working on new membership directories; they should be out soon. In the mean time, if you need to contact any officer, board member, or committee chair, you can find their contact information on the Web site under the link “Contacts”.

Once again, I want to implore you to use this publication to share your experiences as a hospital staff member or a vendor. We need to be able to help each other out and this newsletter is an excellent way to share solutions or opinions with the rest of the chapter members. If you are uncomfortable with your writing skills, just send me a rough draft and I will revise the content and return it to you for your approval or further revisions. You will still get full credit for the article. This is the role of the editor. I have other people review my material as well.

I can keep writing about what I know, but this publication needs the input of our membership to make it a well-rounded source of information and not a narrow reflection of my own experiences. There are a couple of months until we publish another issue, so see if you can spare some time to contribute—it would make my life much easier. Until next time! ■

“Changes” *Continued from p. 5*

Each year the Chapter Officers turn information into the Founders Committee Chairperson regarding who served on committees, wrote articles, and/or who is on the member attendance lists for Show-Me of Missouri Chapter seminars. He then forwards the information onto National. If you have questions about the Founders program, the Show-Me of Missouri Chapter’s Founders Contact is Eddie Marmouget, CPA. He may be reached at emarmouget@bkd.com. ■

Matt Levsen Elected Regional Executive for Region 8

The Show-Me of Missouri Chapter is proud to announce that Matt Levsen has been elected as the 2006-2007 Regional Executive. As Regional Executive, Matt will hold a seat on the National HFMA Regional Executive Council. The HFMA Regional Executive Council serves as the primary volunteer and policy link between the chapters and HFMA National. The Regional Executive Council has all authority related to those activities that impact chapters other than dues and other policies that are reserved by the HFMA National Board of Directors. This involves policy making and compliance authority as it relates to the Davis Chapter Management System (DCMS), the Founders Merit Award Program, monitoring the performance of chapters within the region, convening and organizing meetings of the regional leadership, maintaining communications with the chapters in the region, and representing the needs and interests of the region's chapter leaders on the Regional Executive Council. ■

The Fall 2004 President Meeting



This photograph, taken at the Fall 2004 President Meeting, includes (from left) National President & CEO Richard L. Clarke, Show-Me of Missouri Chapter President Greg Johnson, Show-Me of Missouri Chapter President-Elect Theresa Winning, and HFMA Regional Executive Joseph Corfits. The President Meeting is where current year issues are discussed, the regional elect-elect is elected (Matt Levsen was elected), and each chapter provides their success stories along with any suggestions they may have for other chapters or National. An update from National is also received. ■

Upcoming Events

Region 9 Meeting: "Revenue and All That Jazz"

You're invited to New Orleans December 1-3, 2004 for our Region 9 Annual Conference. A quality agenda is planned for your educational opportunities (Up to 16 CPE Credits for \$175.00*) and there isn't a better time to renew old friendships (last yr. 424 registered) & make new ones this year in New Orleans!

The event will be held at the New Orleans Marriott on Canal Street. A limited number of rooms are available at the conference rate. Specify that you are reserving for the HFMA Conference. Early registration ends November 1, 2004, and all reservations must be made before November 6.

Visit <http://www.hfmashowme.org/meetings.shtml> for additional hotel and conference information. ■



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