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Rainbow Connection

HEALTHCARE FINANCIAL MANAGEMENT ASSOCIATION - HAWAII CHAPTER

MEDICARE COST REPORT BASICS

By: Thomas Ruede and Gayanne Abafo

Hospital Medicare Cost Reports Made Easy
Michael Bell, Partner – Wipfli Health Care Practice
Castle Medical Center's Auditorium
Thursday, February 3rd, 2011



We started the Medicare Cost Report Training day with a great continental breakfast. The employees at Castle Medical Center provided an excellent atmosphere for multitasking - eating and learning! After brief introductions and networking with co-

workers and acquaintances, Michael Bell commenced the conference with a very relaxed style; allowing questions throughout the presentation which enabled us to interact with each other as well as with him. Basic highlights included the various purposes of the Cost Report – 1) informational, 2) calculation of Medicare's share of the costs, and 3) cost settlement.

The overview of the multitude of cost report worksheets, their purpose, and data flow was encompassed by this Cost Report Basics training session. Mr. Bell addressed both Prospective Payment System (PPS) and cost reimbursed (Critical Access) facilities cost report preparation methodologies. An important shred of advice advocated by Michael Bell is to be certain to include both the Medicaid and Medicare Advantage HMO days on the cost report because of the impact on the disproportionate share hospital adjustment (DSH) and Electronic Health Record

(EHR) incentive reimbursements.

An essential component of the Cost Report compilation is the incorporation of the data from the Medicare Provider Statistical and Reimbursement (PS&R) report. Mr. Bell provided a thorough examination of a standard PS&R report and a sample of an actual facility's PS&R.

The training session concluded with a bonus EHR Incentive Payment settlement calculation formula and example on the Medicare Cost Report.

The delicious vegetarian lunch and light snack awakened the nonbelievers amongst us.

The Chocolate Chip Cookies provided enough incentive to stay for this educational review. I know from first hand that one cookie was not enough! In keeping a balanced diet, I made sure to eat two of those!

A special thank you to Michael Bell for providing the seminar (and a bonus seminar) and to the members of Castle Medical Center team especially Wendi Barber that made the day very enjoyable. From the greeters to the food and beverage employees to the facilities people...a BIG MAHALO for providing a pleasant learning environment.



Michael Bell and wife enjoying his visit in Hawaii

MARK YOUR CALENDARS!

- * March 17
- * March 29
- * April 25-26

Legislative Update
Hawai'i Health Information Exchange and Beacon Project update
HFMA Hawaii Chapter Annual Conference



PFS SEMINAR

By: *Racquel Los, PFS Committee Chair*

The PFS Seminar was held on January 14 at the Japanese Cultural Center. There were three sessions held during the day and if you would like to obtain a copy of the presentations and handouts you can download them from the HFMA Hawai'i website at http://www.hfmahawaii.org/site/390/pfs_seminar.aspx.

The sessions included:

“State of Hawaii Healthcare Reimbursement Law” presented by William Richter, Senior Managing Attorney, & Paul Morino, Executive Director–Business Development, AHC, Inc.

Will Richter shared some very useful information regarding who is really responsible for paying hospital bills. He presented common scenarios and then provided Hawai'i specific statutes about who is liable. Will talked about rules that apply to situations when third party payors wrongfully delayed claims or attempt to pay less than the amount expected by the providers due to Silent PPOs. During his session, Will also explained COBRA and preexisting condition rules as they apply to Hawai'i through an example of his “dream job”, which, of course included a lot of sand, sea and sun and not a lot of labor.

Additional topics covered by Will included what to do when you provide services based on a misstatement of benefits by a third party payor, preauthorization denials when authorization is not timely due to third party being unavailable or when the scope of treatment changes, refund demands and medical necessity.

“Denial Management or is it Delay Management?” presented by Susan Labow, Receivables Optimization, Inc.

Susan talked about her experience while working with Enloe Medical Center in Chico, CA on improving accounts receivable collections. In particular she explained how some types of payments that initially ended up with denials were reversed and paid on a more timely basis after having discussions with the right people at the third party payor. Susan reported the following findings after analyzing zero payment accounts:

- Results confirmed not all zero payments are DENIALS
- Specific M/Cal denials cannot be re-processed
- Zero payments mysteriously get paid
- Payers ask for information that is not required
- Payers incorrectly deny & adjudicate clean claims

Much of the success came from moving qualified people to pre-registration so that account information was correct before billing the claims. The hospital provided cross-training between the front and back end processes and will only “promote” people to the front end positions after they have experience in the back end and can understand the impact of getting all the information and authorizations correct. The hospital enjoyed a reduction in credit balances, AR days, bad debt % and FTE's.

Evidence-Based Revenue Cycle Improvement: An HFMA MAP Educational Program video presentation by Suzanne Lestina, Director of Revenue Cycle MAP for HFMA and live discussion led by Susan Labow, Receivables Optimization, Inc.

HFMA provided a video about the new HFMA MAP initiative. In an era of shrinking payment, rising costs, and reform, the hospital revenue cycle is challenged as never before to operate efficiently, manage complex information, communicate clearly with patients, and get the payment that hospitals are due. Ultimately, a high-performing revenue cycle is critical to a hospital's mission. By improving a hospital's cash position, the revenue cycle helps fund investment in clinical resources that make high-quality care a reality. HFMA's MAP initiative, which is highlighted in this program, pro-

(Continued on next page)

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(PFS Seminar: continued from page 2)

vides tools that hospitals can apply to achieve a high-performing revenue cycle.

Evidence Based Improvement MAP components include:

Measure - Measuring Performance

– What are consensus measures of revenue cycle excellence?

Apply - Comparing Performance

– How are peers performance and what are performance targets?

Perform - Improving Performance

– How do high performers succeed?

The video included an explanation of the MAP components and key measurements and some testimonials from successful organizations who have implemented MAP. After the video, Susan Labow asked the participants to talk a bit about how they currently measure key items and what they could do to improve the measurements and processes. HFMA also provided handouts and articles with detailed information



Photos (l to r): Suzanne Lestina, Paul Morino and William Richter, Susan Lebow and April Bass.

UPCOMING EDUCATIONAL SESSIONS

Legislative Update with Coral Andrews, BSN, MBA Vice President, Healthcare Association of Hawaii

Date: March 17, 2011

Time: 2:30 p.m. to 4:30 p.m.

Location: Queen's Conference Center

Parking: \$5 with validation in Miller, POB I, and POB II only

FREE TO HFMA MEMBERS

RSVP to Elsa Honma (elsa.honma@kapiolani.org) by Friday, March 11, 2011

Hawai'i Health Information Exchange and Beacon Community Project update

Date: March 29, 2011

Time: 2:30 p.m. to 4:30 p.m.

Location: Live session at Hilo Hospital with VTC broadcasts to Neighbor Islands

Neighbor Island locations to be determined

Fee: HFMA Members \$20, Non-members \$30

RSVP DETAILS AND REGISTRATION FORM TO FOLLOW.

JOB POSTING



UNIVERSITY CLINICAL, EDUCATION & RESEARCH ASSOCIATES (UCERA)

Position Title:

Manager: Front End Processes/Systems Coordination

Status: Full-time, Exempt

Dept: Central Billing Office

Reports To: Chief Operating Officer

POSITION SUMMARY

The CBO is organized under the supervision of two Managers who supervise specific functions, and who are cross-trained to cross-cover for each other for time out of the office, such as for training, vacations and sick leave. The areas supervised by one Manager include: provider enrollment, charge entry, data processing, payment posting, work queues, IT liaison, and other duties as assigned. The duties of the other Manager include medical billing, follow-up, coding, and collections workflow. Both managers are responsible for the day-to-day supervision, work assignments, and performance evaluation of the staff who report directly to them, but also supervise the direct reports of the other Manager when that person is out of the office. Both Managers will provide training for the clinical department providers and staff to assure that the clinical department billing functions are being performed in an accurate and timely manner, and are in compliance with established policies and procedures.



Join us at the 2011 HFMA Hawaii Chapter Annual Conference!!



Riding the Waves of Change

Monday, April 25—Tuesday April 26, 2011

Ala Moana Hotel

Register online at <http://www.hfma.org/Hawaii-Chapter-2011-Annual-Conference-Riding-the-Waves-of-Change/>

Early-bird registrations are due on or by March 25, 2011

Featured Speakers:

David Gans, Vice President, Medical Group Management Association. Mr. Gans will share opportunities for organizations to gain market share, reduce costs and exert greater influence in their communities.

Frances Miller, JD, Visiting Professor, University of Hawaii, William Richardson School of Law. Professor Miller will discuss the potential political and judicial attacks on the Federal Health reforms and how the reforms will affect Hawaii.

David Hammer, MBA, MHS, Partner, Accenture. Mr. Hammer will discuss how to improve financial performance and take advantage of the various healthcare reform acts and regulations.

Shan Steinmark, PhD, Founder, Strategic Transition Research Corporation. Mr. Steinmark will provide insights to accelerate the development of good-to-great Strategic Leadership in the Era of Healthcare Reform.

In Partnership with:





SOCIAL NET- WORKING

HFMA is active on the social networks. Use these outlets to discuss HFMA events, health-care finance topics, and network within the industry.



Join our LinkedIn group and participate in discussions, network with like-minded professionals, and more.
http://www.linkedin.com/groups?about=&gid=1878748&trk=anet Ug_grp



Join our Facebook group and receive regular updates from HFMA, see photos and video, and more.
<http://www.facebook.com/pages/Healthcare-Financial-Management-Association-HFMA/77150371044#/pages/Healthcare-Financial-Management-Association-HFMA/77150371044>



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<http://twitter.com/hfmaorg>

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- * Karen Young, Senior Financial Analyst, Hawaii Pacific Health

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We need YOU!

Be a part of something fun and exciting, become a Committee Chair today! If you're interested in any of the VACANT positions above, please contact President Elsa Honma at elsa.honma@kapiolani.org