

# THE BOTTOMLINE

MONTANA CHAPTER HFMA

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## Newsletter committee:

Donald Miller, Chair

Kim Lucke

Donja Erdman

Tina Montgomery

Bob Olsen

Shar Schaeffer

Submit your articles to:

[dmiller2@communitymed.org](mailto:dmiller2@communitymed.org)



## President's Message

By: Tina Montgomery

### Happy New Year!

I have an idea that the upcoming year will be filled with exciting times and a great many challenges. That is why we are more fortunate than ever to have an active network of peers through HFMA.

We will be having a board meeting in February in Great Falls and while we are there we will look at alternative conference sites. Several cities

have new convention centers that would be able to handle a group our size if booked enough time in advance. The spring conference will be held in Bozeman at the GranTree Inn. We have done surveys in the past to determine preferred locations, but as you can imagine, the results vary depending on what side of the state you live in.

If you have anything you would like discussed at the February board meeting, please email me at [tinam@sidneyhealth.org](mailto:tinam@sidneyhealth.org).

Finally, for those of you interested in taking one of the certification exams, I can proctor the exam. If there is interest, I would be happy to set aside time so you can test at the spring conference.



# Community Medical Center Unveils New Infusion/Oncology Center

By Donald Miller

Community Medical Center, in partnership with Montana Cancer Specialists has recently opened a new Infusion/Oncology center on their campus. The 3000 square foot facility has been completely remodeled with state-of-the-art equipment and was designed to promote patient comfort and convenience. Patients are able to park right at the entrance of the building, thus eliminating the need to have a lengthy trek to secure treatment. As patients walk in the doors, they are greeted by a warm, inviting environment designed exclusively for their comfort as well as the most modern treatments available. The rooms are finished in beautiful maple and are furnished with modern, comfortable furniture.

The building is divided into two major segments- the Infusion Suite and the Oncology Clinic. The Infusion Suite is able to accommodate 10 patients at a time in a friendly, comfortable atmosphere. The space includes 3 levels of privacy. There are 2 private rooms for the highest level of privacy; 4 semi-private spaces; and 4 chairs in a conversational area. All are equipped with individual televisions with dual headphones (for patients and their family member) as well as a privacy curtain and the ability to dim

lights to the level comfortable to each patient. The Oncology Clinic has 2 exam rooms and a procedural room. The center also has a dedicated pharmacy area with separate,



negative pressure rooms for both chemotherapy as well as other IV preparation. The center is staffed by 4 oncology registered nurses and a licensed practical nurse, led by Dr. William Nichols of Montana Cancer Specialists. The center is managed by Susan Rick, RN. Dedicated pharmacy staff as well as social services staff round out the compliment of personnel. Ms. Rick states “We did several patient focused groups to ensure that we were building and providing these services in a facility that met the patient and their care giver’s needs. In listening to the feed-back that I have received by those we have served thus far, it is obvious that we are exceeding their expectations!”

The center opened its doors on January 5, 2008.



**The 3000 square foot facility has been completely remodeled with state-of-the-art equipment and was designed to promote patient comfort and convenience**

## SAVE THE DATES!

### 2009 Region 10 Conference

February 25-27, 2009  
Glendale, AZ

### 2009 ANI- The Healthcare Finance Conference

June 14-17, 2009  
Seattle, WA

### 2009 Montana Chapter Spring Conference

April 15-17, 2009  
Gran Tree Inn, Bozeman, MT

### 2009 Montana Chapter Fall Conference

October 21-23, 2009  
Crowne Plaza, Billings, MT

# Gaining Visibility and Control Over Your Collection Agencies

## *How to adequately compare your collection agencies' performance*

**By Steve Levin, president, Connance, Inc.**

Hospitals increasingly rely on third-party collection agencies to work patient accounts. Today, day-to-day management of these relationships is cumbersome and unproductive as hospital resource time is consumed with auditing and reconciling vendor invoices and files. Limited visibility into vendor activity and inconsistent reporting make performance reviews across vendors virtually impossible.

As patients today are directly shouldering a greater share of healthcare costs than ever before, hospitals need to gain visibility and control over their self-pay collections in order to maximize cash flow. By better managing agencies, hospitals can realize more cash with greater oversight while substantially reducing administrative burdens. In addition, hospitals need to make sure they continue building stronger relationships with their patients by being able to supervise agencies' daily activities.

### *Step 1: Consider New Approach*

Innovative companies in other industries, such as telecommunication companies and multiline financial institutions, have embraced technology to improve collection agency management. Using three or more primary and secondary collection agencies, these companies don't rely on alpha splits and account balance size to simply place accounts. Instead, they use technology to manage the placement, reconciliation, and auditing activities – all activities that tax scarce internal resources. These creditors have realized consistently increased cash yields from any single agency, reduced clerical costs, improved handling of exceptions in the collections process, enhanced customer satisfaction with their agencies, and the ability to optimize their portfolio of agencies. Their agencies also experience

improvements including less clerical activity, fewer administrative calls and better creditor engagement.

The technology solution for collection agency management establishes a single placement platform that sits between the hospital and its agencies and collection resources. The best platforms include a database and a rules engine that captures the hospital's work

requirements. The database maintains an inventory of accounts being worked by all vendors and receives daily updates on recent activity by the hospital and the vendor. As a result, the central database has all the information needed by hospitals to analyze performance. The rules engine continually analyzes the database to find activity that should be flagged for review.

### *Step 2: Evaluate Your Options*

When choosing agency management technology,

hospitals should evaluate their current agency management issues and then compare the features and benefits that existing solutions can offer. Some factors to consider follow.

***A single platform for all of the hospital's agencies.*** All agency activity (including early out and late stage collection agencies, attorneys, and debt buyers) should be centralized to compare agency performance consistently.

***A full reporting suite.*** A framework for consistent



*"Collection Agencies" continued on next page*

# Collection Agencies *(Continued from page 3)*

reporting across all collection agencies is necessary to support account audit and reconciliation requirements and to conduct agency performance comparisons. Daily reports of agency activities can provide insight into the number of letters sent, calls made, and “promises to pay” taken, which allows hospitals to respond quickly to changing agency dynamics and performance.

**Ability to execute the hospital’s business rules.** A system that offers automatic rules-based workflow allows hospitals to monitor and control compliance to their business rules.

**Ability to change agencies quickly.** A more robust, comprehensive system enables users to change vendors quickly and with minimal business disruption.

**Quick and easy installation.** Implementation of an agency management system can be done on a small scale. Many web-based solutions don’t require investment in hardware and software upgrades, have reasonable installation fees, and are predominantly pay-as-you-go.

**Limited maintenance.** Web-based systems simplify maintenance and software upgrades. They have limited requirements for internal resources.

**Regulatory compliant.** The system should ensure full regulatory compliance with the Health Insurance Portability and Accountability Act.

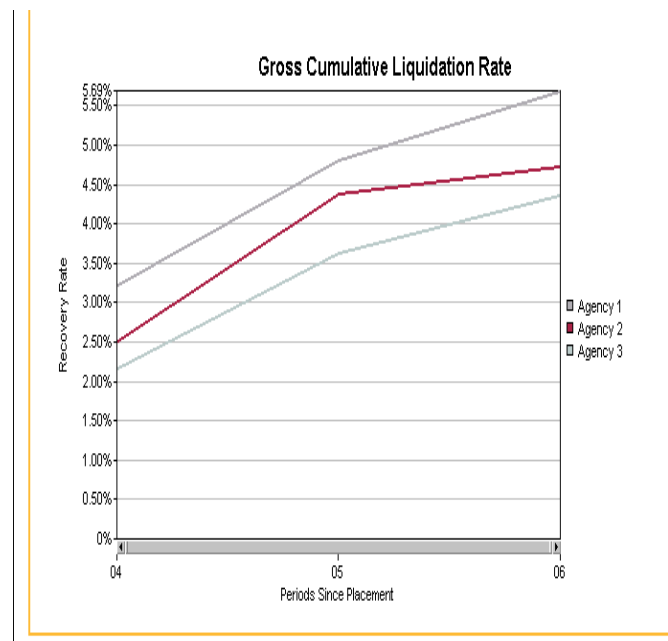
**A platform for future analytics.** The system should be able to accommodate analytics to achieve maximum financial performance. Analytics ensures that each account is sent to the collection agency most likely to maximize collections on that type of account.

## Step 3: Implement and Compare

Once you have selected the technology that is right for your organization, ensure executives and managers are taking control of patient revenue by better managing the collection agencies.

The hospital CFO should monitor and compare current and trendline performance of the collection agencies and evaluate performance on gross and net liquidation rates to get a complete view of the true relative value of each vendor.

### How do my agencies liquidation rates compare?

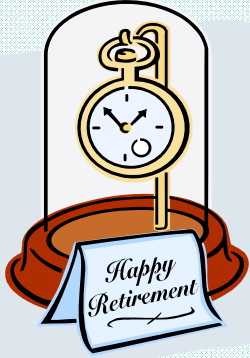


The revenue cycle executive should access information necessary to manage the vendors, not just audit them. The executive can find the collection sweet spots for each of the collection agencies by comparing performance on different classes of accounts. The revenue cycle executive should make more informed decisions with respect to assignment timing and recall decisions, optimizing internal resource costs against vendor demonstrated performance. Over time, the executive should quickly identify true underperformers and replace with a new proven vendor, already connected to the agency management network, who has a demonstrated strength in the desired area.

The day-to-day manager of a hospital’s vendors should monitor service level agreements, rapidly reconcile invoices and inventory, and broadcast new information to all vendors at once.

Providers that are adopting new agency management technologies will be more efficient and effective, know where performance is slipping and be able to respond quickly. Their personnel will sleep better at night knowing what the agencies are and are not doing with their patients.

## Kay Wagner Announces Retirement



After nearly 26 years at St. Vincent Hospital in Billings, Kay Wagner retired on December 8, 2008. Kay was an HFMA member for nearly 20 years and provided chapter members with leadership, professionalism, friendship and her incredible knowledge of healthcare financial management. The HFMA board would like to extend our tremendous appreciation to Kay for her many years of service and wish her the best as she enters a new chapter in her life.

## HFMA National's On-line Membership Directory

Have you visited HFMA National's On-line Membership Directory lately? Here's the link: <http://www.hfma.org/login/index.cfm>. When you select "HFMA Directory", not only can you search for members of our chapter, you can also search for all of your HFMA colleagues by name, company, and location - regardless of chapter! Using an on-line directory instead of a printed directory ensures that you always have the most up-to-date contact information.

While accessing HFMA National's On-line Membership Directory, you may view your current contact information and make edits to your profile. You can also view any products you have ordered, events you have registered for, your CPE credits, your Founders points, and more!

It is vital that HFMA has your correct information, so please take a moment to review your record now. By doing so, you will ensure that HFMA continues to provide you with valuable information and insights that further your success.



# Chapter Sponsors



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*Thank You*

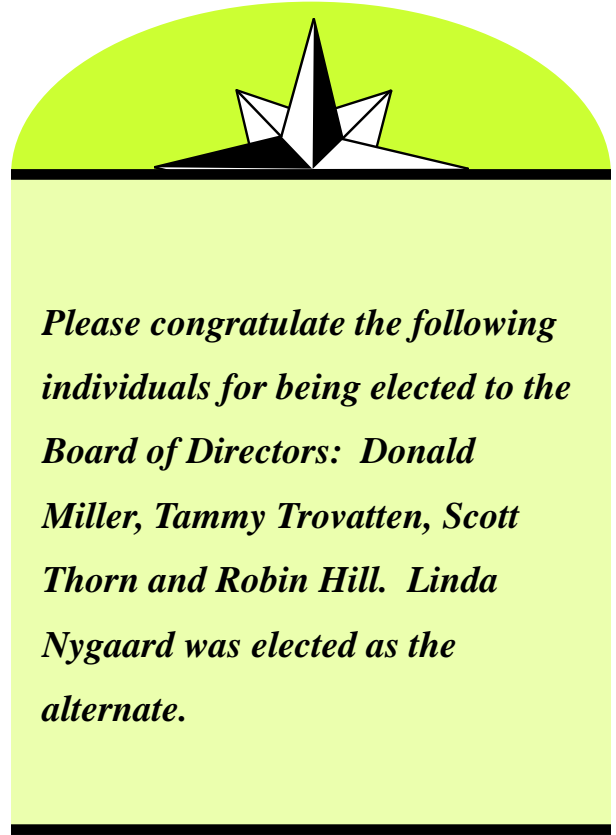
*Thank you to our chapter sponsors. Your sponsorship allows the chapter to provide quality, valuable education to our membership.*

# Montana Chapter Board of Directors Election Results



*By: Donja Erdman*

The nominating committee of the Chapter put together a slate of candidates for us to elect new Directors. The Directors are elected for two year terms beginning June 2009 thru May 2011. The nominating committee consisted of Don Miller, Chairperson, Dawna Foote, Tina Montgomery, Steve Scharmann, Bob Olsen and Donja Erdman. The ballots were submitted thru December 12, 2008 to the Chapter secretary/treasurer. The ballots were counted by the secretary treasurer and the committee chairperson. Please congratulate the following individuals for being elected to the Board of Directors: Donald Miller, Tammy Trovatten, Scott Thorn and Robin Hill. Linda Nygaard was elected as the alternate. Thank you to the nominating committee, the candidates and those that voted.



*Please congratulate the following individuals for being elected to the Board of Directors: Donald Miller, Tammy Trovatten, Scott Thorn and Robin Hill. Linda Nygaard was elected as the alternate.*



# WELCOME

## New Members

**Nichole Brown**

*Billings Clinic*  
Billings

**Sonja Clayton**

*Billings Clinic*  
Billings

**Luann Cooley**

*Sidney Health Center*  
Sidney

**Maria Conn**

*Monida Healthcare Network*  
Missoula

**Brad Ries**

*Pondera Medical Center*  
Conrad

**Randall McDaniel**

*St. Vincent Healthcare*  
Billings

# Gastric Bypass Surgery

## An Update on What's Covered

Laparoscopic bariatric surgical procedures and adjustable gastric laparoscopic banding are covered TRICARE benefits. A TRICARE beneficiary who is interested in having gastric bypass surgery to lose weight for health reasons needs to meet one of several conditions to be eligible for the surgery.

If ordered by the surgeon, the beneficiary may undergo a pre-surgical psychological assessment, a specialized appointment for patients being considered for gastric bypass surgery. This typically involves a psychological evaluation and brief psychological testing. This specialized patient care service is part of a multidisciplinary approach. Prior authorization is required for the pre-surgical psychological testing.

If it is determined there are no psychological contraindications to surgery, gastric bypass, gastric stapling or gastroplasty (to include vertical banded gastroplasty) may be covered when one of the following conditions are met:

The patient is 100 pounds over the ideal weight for height and bone structure and has one of the following associated medical conditions: diabetes mellitus, hypertension, cholecystitis, narcolepsy, Pickwickian syndrome (and other severe respiratory diseases),



hypothalamic disorders and severe arthritis of the weight-bearing joints.

The patient is 200 percent or more of the ideal weight for height and bone structure. An associated medical condition is not required for this category.

The patient has had an intestinal bypass or other surgery for obesity and, because of complications, requires a second surgery (a takedown).

In determining the ideal body weight for morbid obesity (using the 1999 or most current Metropolitan Life Table), TriWest applies 100 pounds (or 200%) to both the lower and higher end of the weight range. Payment will be allowed when the patient meets all requirements for morbid obesity surgery, including the ideal weight within this determined range.

### Facilities

Network providers should only use network facilities for gastric bypass procedures. Requests for non-network facilities may result in higher out-of-pocket expenses for the beneficiary. If TriWest receives a request for a non-network facility, TriWest may contact the patient and suggest a network facility as an alternative.

#### Exclusions

TRICARE will not reimburse providers for nonsurgical treatment of obesity, morbid obesity, dietary control or weight reduction. Excluded procedures include:

Biliopancreatic bypass (jejunioileal bypass, Scopinaro procedure CPT procedure codes 43645, 43845, 43847 or 43633).

### Gastric bubble or balloon

Gastric wrapping/open gastric banding (CPT procedure code 43843)

Unlisted CPT procedure codes 43659 (laparoscopy procedure, stomach); 43999 (open procedure, stomach); and 49329 (laparoscopy procedure, abdomen, peritoneum and omentum) for gastric bypass procedures.

You should contact TriWest Healthcare Alliance at 1-888-TRIWEST (888-874-9378) if you have a question on whether a beneficiary is covered for one of these procedures.

For further information, please refer to the TRICARE Policy Manual, Chapter 4, Section 13.2 at [www.tricare.mil](http://www.tricare.mil).

## Two TRICARE Provider E-Seminars Updated

TriWest Healthcare Alliance has recently updated the Medical/Surgical Provider E-Seminar and Behavioral Health E-Seminar. Developed with busy providers and their staff in mind, these E-Seminars contain the same content as our live Fall 2008 provider seminars.

TRICARE Provider E-Seminars allow you and your staff to learn about TRICARE and TriWest in the comfort of your own office, home or any location with Internet access. In addition, the E-Seminars are a good way to educate new staff about TRICARE and for experienced staff to get a refresher between live provider seminars in their area.

The Medical/Surgical presentation is 67 minutes long, and the Behavioral Health session is 64 minutes long. If you can't complete the E-Seminar in one setting, you can pause it and finish it later.

You will need headphones or speakers to take an E-Seminar. Viewing the entire E-Seminar is necessary to receive credit for taking the training. It is important to complete the online form at the end of the E-Seminar. You



also will need your Tax Identification Number(s) (TIN) to complete the online form.

The Medical/Surgical and Behavioral Health E-Seminars cover the following topics:

- ◆ TRICARE Programs and Benefits
- ◆ Clinical Programs
- ◆ Referrals and Authorizations
- ◆ Consult and Treatment Reports
- ◆ Claims and Reimbursement
- ◆ Electronic Data Interchange (EDI)
- ◆ Provider Resources

You may begin a seminar immediately as no pre-registration is required and there is no waiting. Just click on the "Begin the Seminar" button below where you can choose the E-Seminar you would like to take. At the completion of the seminar, take the time to follow additional instructions to receive credit for taking the course.

If you have any questions about E-Seminar content, you may e-mail us at [providerservices@triwest.com](mailto:providerservices@triwest.com). If you have technical difficulties with accessing the E-Seminars, you may e-mail us at [pseminar@triwest.com](mailto:pseminar@triwest.com).



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[www.mthfma.org](http://www.mthfma.org)

Is your information up-to-date?

Visit [www.hfma.org](http://www.hfma.org) and login and check personal profile

## VA Clinic Opens in Havre, MT.

*By Kim Lucke*

On January 12, 2009, the VA opened an out-patient clinic in Havre, MT. The opening comes after years of petitioning by Havre veteran Merrill Lundman. Mr. Lundman began petitioning for the clinic decades ago, but most recently he collected signatures from Havre and up and down the Hi-Line and forwarded them to the VA Montana Healthcare, the national Veterans Affairs Administration and the congressional delegation. Mr. Lundman passed away in December of 2007, just a month before the announcement came that the VA would open a clinic in Havre. Montana Senators Max Baucus and Jon Tester and Representative Denny Rehberg were key in persuading the Washington administrators to approve the clinic. According to Senator Tester, Montana's congressional delegation will begin work to have the clinic named in Mr. Lundman's honor.

Havre and the Hi-Line, including the counties of Hill, Blaine, Liberty, Philips, Choteau, Pondera and Toole, are home to approximately 4,300 veterans, according to estimates provided by the VA Healthcare System. Approximately 1,500 of these veterans would be eligible to receive care at the VA clinic in Havre. Prior to the opening of the clinic in Havre, these Veterans had to travel to Great Falls, Glasgow, Lewistown or Cut Bank for healthcare services, a minimum of a 220 mile round trip. Veterans can now receive routine physical examinations, laboratory testing, mail-out prescriptions, immunizations and preventative health maintenance at the clinic in Havre.

The clinic is located on the campus of Northern Montana Hospital in space rented by the VA from the Hospital. It is staffed by long-time Havre physician, Dr. Robert Henderson, who just left his 30-year career at Northern Montana Hospital. Dr. Henderson specializes in Internal Medicine.

## **Red Flag Rules: A Good Idea for Healthcare**

*By Bruce Nelson,  
Vice President, SearchAmerica*

If you are like most healthcare financial professionals, you have first-hand knowledge of countless patients who used another identity to procure their medical services. Perhaps they stole an insurance card from a family member, or simply borrowed a stranger's driver's license to cover the costs of elective surgeries, or much worse.

Either way, your organization and the rightful owner of the identification were violated, and most likely left with a large hospital bill that would never be recovered.

Identity theft is prevalent and on the rise. The Federal Trade Commission (FTC) is taking an important step to combat this trend, not only in healthcare, but across financial and lending institutions with its Red Flag Rules and its deadline of November 1, 2008. The Rules apply to any organization, not just healthcare, that extends credit to individuals through a multi-payment plan or covered account.

Some view this regulation as yet another government requirement. I urge you to instead view the Rules as a catalyst to implement changes in your hospitals that will protect you and your patients from identity theft and its impact on your bottom line.

To comply with the Rules, companies must submit their written program to identify and

manage 'red flag' accounts by November 1, 2008. Each program needs to meet certain details on how your organization will identify, detect and respond to



patterns, practices, or specific activities known as "red flags."

Step One: Identification / Detection of Red Flags Hospitals need to accurately identify every patient by validating their demographic information (address, age, social security number, etc.) using a reliable, third party source.

Inconsistencies can constitute a 'red flag' and immediately notify the registrar that something is amiss with this patient account.

*"Red Flag" continued on next page*

## ***Red Flag*** *(Continued from page 11)*

Likewise registrars should be able to view accurate patient information, such as age, to make a visual validation. For example if the patient appears to be in their 20s, but the validated patient information is that of a 60-year old, the registrar should 'red flag' this account.

Over the years, our customers have found that using outsourced financial clearing solutions at registration identifies problem (or red flag using the FTC's terminology) accounts and also provides more accurate information for billing and collection purposes. These systems can correct information that is simply keyed into the system incorrectly or data that mistakenly offered without motive, as well as those trying to perpetuate identity theft.

Complying with the rules and automating this step provides the independent, unbiased, consistent process to validate the identity of each and every patient that enters the hospital.

However, detection is just the first step.

### Step Two: Response to a Red Flag

Once a 'red flag' is detected due to inconsistent patient information, each hospital must have a policy stating its response processes. The processes should include an automated workflow that is launched when inconsistent data is given, whether it is recognized and identified by a system (e.g., wrong address) or the registrar (e.g. patient doesn't fit the age specified). In either case, a scripted process that walks the hospital staff through this situation is

necessary.

Responses should consist of both trained staff and automated systems to aid them in their workflow. The system should prompt them to ask pointed questions to ascertain if the error is innocent or not, and they should be appropriately trained on how to manage the conversations in a professional manner, directing the patient to the appropriate manager or authority as needed. Healthcare networks will likely find that these processes may differ by hospital, patient type (self-pay, insured, etc.), or service center.

**Next Steps** Once these steps are completed, a hospital needs to provide administrative oversight of its Red Flag Rules response by its Board of Directors, and have a plan to periodically reevaluate its identity theft processes and the effectiveness of its current process.

The FTC's Red Flag Rules provide a smart and rationale framework for organizations to minimize identity theft within their customer base. This is good for consumers/patients and their providers alike.

Compliance with this government regulation will extend additional benefits to your organization through reduced bad debt and less account aging due to accurate patient information (or identity theft detection) at the onset of your financial relationship.

For more information on the FTC's Red Flag Rules, visit <http://www.ftc.gov/opa/2007/10/redflag.shtrn>.



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HFMA

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