

CT SCANNER

CT HFMA Wins Yerger Award for Newsletter Improvement

Article contributors: Mary Lou Sanders, Steve Vargo and Janet Roemer

The CT Chapter of HFMA is proud to announce that the Chapter was successful in their pursuit of a Yerger Award for Newsletter Improvement.

So how did all this come about? Let's start at the beginning. Mary Lou Sanders provided us with the history of our chapter's newsletter improvement:

In 2005 Steve Vargo was asked to accept the challenge to become the editor of the *CT Scanner*, the Connecticut HFMA Chapter newsletter. At first Steve was skeptical. However, Steve the dedicated HFMA volunteer, accepted the challenge. Steve knew that the Chapter, Officers and Board of Directors would not leave him "out there alone." The Chapter sent Steve to LTC (HFMA Leadership Training) that year to help him with his new role. Steve attended classes for newsletter editors and staff. He learned the intricacies of writing and laying out a successful chapter newsletter. He listened to what other chapters were doing, both good and bad. He brought back a wealth of information. He then began his new role as editor of the *CT Scanner* with the tools he needed to be successful.

Steve's energy, enthusiasm and ingenuity shined. Steve successfully recruited new staff, updated the format and held officers and committee chairs to a schedule for submitting articles for publication.

This year our outgoing president, Lou D'Auria, made an executive decision that the *CT Scanner* deserved to win a Yerger Award for the improvement Steve Vargo made to the *CT Scanner* as Editor. In order to accomplish this challenge, Lou commissioned a "Yerger Committee" to get the job done. That committee consisted of Bob Nelson, John McNeff, Janet Roemer, John Rucco, Steve Vargo and Mary Lou Sanders.

The committee communicated with weekly conference calls and e-mails. The Yerger Award is won by meeting measurable goals. The submission must demonstrate needs, set the goals, report the measures used and then quantify the results. Once the committee had pulled together all the necessary information and exhibits, the entry was submitted to National HFMA. Three independent reviewers judge the entry.

Then you wait; but the wait was well worth it.

HFMA has recognized the Connecticut Chapter Newsletter as one of the most improved communication sources this past year by rewarding them with a Yerger Award. At the ANI in Las Vegas, Lou D'Auria was called up to the stage in front of hundreds of HFMA National and Chapter Officers to be presented with the Yerger Award for most improved in communications for the Chapter newsletter—the *CT Scanner*.

Lou walked onto the stage in front of the assembled Chapter leaders and proudly accepted the award from outgoing Chairman Mary Beth Briscoe and incoming Chairman Bob Broadway.

The Yerger Award reflects outstanding accomplishment in several areas that affect individual chapter performance and growth. This is the first individual Yerger that Connecticut has won in several years.

Lou said "The Chapter knew it needed to improve its communication with the membership and the newsletter was the first step in that process. Our members play a key role in the provision of healthcare services in the state. They get called on everyday to be creative and innovative in resolving the day-to-day issues. We owe them all of the assistance we can to continue fighting the challenges."

This could not have occurred without the editor, staff and committee who worked so hard to make this happen. And let's give special kudos to Lou D'Auria who set forth the challenge and of course Steve Vargo, the editor who was responsible for the improvements.

Congratulations to all.

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President's Corner

By Jim Harris, Chapter President

I feel both privileged and honored to address you for the first time, as President of the Connecticut Chapter of HFMA. I appreciate the confidence you have placed in me and will make every effort to exceed your expectations.

On behalf of the officers and directors we would like to thank Lou D' Auria for the exemplary leadership and commitment he provided our Chapter for the past two years. This past year under Lou's guidance our Chapter received a national HFMA "Helen M. Yerger" Award for Newsletter Improvement for Increased Member Satisfaction. Awesome job, Lou.

The morning after one of the severe lightning and thunderstorms we had in June, my wife exclaimed, "I think the garage was hit by lightning." Racing through my mind was the picture of our garage having a section of its siding burnt off or a hole in the roof. My immediate reaction was to question her about how she came to that conclusion, "what the hell are you talking about?" Whereby she shouted, "will you just let me finish." She then proceeded to tell me that the garage door opener didn't work and she had to push the reset button on the ground fault interrupter (GFI) on the electrical outlet to restore electricity to the garage. No burnt siding, no hole in the roof or any other traces of lightning damage, just no electricity to the garage.

So you ask, what does this have to do with the Connecticut Chapter of HFMA? This year's HFMA National Chairperson Robert Broadway has chosen "Making Connections" as his theme for the upcoming year. Just like resetting the ground fault interrupter (GFI) restored the electricity in our garage you can stay connected by using the tools that HFMA members have available. HFMA connects with its members through its Web site, national and chapter education programs and the HFM magazine. As Robert Broadway stated "perhaps the most important connections are personal." There are many long time members in our Chapter that can attest to the benefit of the relationships they have made through HFMA. As we face many of the same challenges it can be very beneficial to talk with our peers at other organizations. In the 25 years that I have been an HFMA member I've been able to develop personal connections with many of you. I encourage you to take a few minutes this summer to call an old friend or colleague, just to see how they are doing.

Getting involved in the chapter is a great way to begin developing the kind of friendships with your peers that can help you throughout your career. Attend one of our chapter educational programs and take advantage of the opportunity to share best practices, make a connection, and build your personal network. I encourage you to join one of our committees. By participating, it will help develop you into a leader and enhance your career's success.

I hope you have an enjoyable summer. I look forward to having the opportunity to see you at one of our chapter events.



CT SCANNER

Connecticut Chapter — Healthcare Financial Management Association

CT HFMA OFFICERS AND DIRECTORS

OFFICERS

Jim Harris, *President*
Joe Pajor, *President-Elect*
Jacqui Gorin, *Secretary*
Steve Beaulieu, *Treasurer*
Steve Vargo, *V.P. – Membership*
Todd Thiesfeldt, *V.P. – Programs*
Lou D' Auria, *Past President*

BOARD OF DIRECTORS

Gary Bergenty	Kathy Pajor
Andy Czerniewski	Janet Roemer
Barbara Durdy	Mike Rosadini
Bob Halko	Sue Stanley
Cassandra Mitchell	Bill Wollman

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Steve Vargo, John A. Roemer FHFMA



Web Site Information

Chapter – www.cthfma.org

Sue Stanley, Chair

stanke143@aol.com

National – www.hfma.org

CT Chapter at Work

June 2008 — CT HFMA Board Meeting

(Summarized from an e-mail from Jim Harris, President)

Barbara Durdy was voted as Vice President of Programs for 2008-10, but resigned because of her new position at the Office of Healthcare Access. Barbara did request that she remain on the Board. Todd Thiesfeldt agreed to become Vice President of Programs for 2008-10. The Board Meeting voted to have Todd assume the Vice President's position and Barbara assume Todd's place on the Board.

Since National HFMA has placed an emphasis on increasing member educational hours for the coming year, the HFMA Officers and Board would very much appreciate any help that any HFMA member could provide Todd and the program committee. Our goal for the coming year is to provide five educational events.

Due to the numerous concerns expressed from CT HFMA members regarding how the CT HFMA Chapter communicates to our members, the Board formed a Communication Committee with the purpose of establishing a member communication policy for the Board's approval. The Committee will be comprised of the President-elect, Vice President of Programs, Vice President of Members, Newsletter Chair and Webmaster. Any board member or HFMA member who wishes to be part of this committee, please contact Jim Harris, President.

If you are interested in joining the Sponsorship Committee, please contact Lou D'Auria.

CT HFMA FY 2009 Budget Summary

	FY 2009 Budget
Income	
Golf Outing	\$25,000
Interest Income	1,000
National Dues	7,900
Program Revenue	10,000
Sponsor Revenue	8,000
Advertising Revenue	2,000
Other	<u>7,800</u>
Total	<u>\$61,700</u>
Expense	
Board	\$16,950
Bylaws	-
Certification	600
Membership Committee	-
Membership Directory	1,125
Newsletter	2,180
Nominating	-
Program Expenses	9,000
Scholarship Committee	4,300
Special Events	24,800
Communications	<u>760</u>
Total	\$59,715
Net Income	\$1,985

HFMA Scholarship Committee Winners 2007-2008

UNDERGRADUATE WINNER

Robert Nelb, Yale University

His essay addressed the financial and quality of care impacts of Hospitalists for Inpatient Care.

- Undergraduate in Ethics, Politics and Economics in Public Health who will be going on to a Masters in Public Health
- Currently serves as the National Policy Coordinator for the Roosevelt Institution, which is a nonprofit, not partisan network of campus-based student think tanks in 70 chapters around the country
- His directors describe him as an exceptional student, leader, innovator and a student dedicated to social change.
- He writes a public health column for the student newspaper and has started a coalition of over 400 undergrads interested in public health.
- He's authored a book for the American Public Health Association and is believed to be able to leave a lasting influence among his peer community.

GRADUATE WINNER

Daniel Henderson, UConn School of Medicine

His essay examined the benefits of a Universal Health Care System both economically and socially. He gave us a very complete and thorough essay.

- Dan is a Cheshire native and completed his undergraduate training in Biochemistry at Trinity.
- He supplemented his academic training with 2 years of research at Children's Hospital Boston where he expanded his roles in community service.
- Currently Dan is a class leader in the American Medical Students Association and has been elected to a position on a national policy committee.
- He spent the summer of his first year in Zambia, Africa expanding his broad perspective on international healthcare needs.
- His directors describe him as a driven individual, who is enthusiastic, mature, and responsible, with high energy and professionalism.

CT HFMA 2008 Annual Meeting

By Steve Vargo



Officers and Directors installed for 2008 - 2010 Chapter years. (from left) Steve Vargo, VP Membership; Cassandra Mitchell, Director; Andy Czerniewski, Director; Bill Wollman, Director; Joe Pajor, President-Elect; Gary Bergenty, Director; Steve Beaulieu, Treasurer; Lou D'Auria, Past President; Todd Thiesfeldt, VP Programs.

On Friday, June 13, more than 60 individuals arrived at the beautiful Lyman Orchards Golf Club in Middlefield, Connecticut to attend the CT Chapter's Annual Meeting and Educational Program. The date (Friday the 13th) did rear its ugly head. Because of the OHCA filing due Monday, June 16, many members were not able to attend.

After welcoming remarks by our new Chapter President Jim Harris, Todd Thiesfeldt, VP of Programs presented the day's agenda.

John Horak, Chairman of Reid and Riege, P.C., provided a history of the IRS 990 and the legislative changes that have brought us to

Beth Thurz explaining the major changes to the IRS 990



Beth reviewed some of the major changes proposed in the draft. The biggest positive is that the expanded definition of terms is fairly comprehensible. Beth reminded us that the new Schedule H is very involved and even though not all sections are required in year one, best practice will be to try to complete all in order to identify where you need to collect data. Planning for the increased workload and identifying sources of information will be key in minimizing the impact of the revised form.



John Horak describing the burden of the new IRS 990

where we are today. John proceeded to give us a synopsis of the purposes and intent of the revised IRS 990 form. John explained how the intense effort involving corporate governance and finance would create a substantial burden on all not-for-profit organizations. He highlighted the areas where information, which was not subject to public disclosure in the past, will now be made available. The new reporting will be two to three times as voluminous as what organizations currently submit.

Beth Thurz, Senior Tax Manager for Saslow, Lufkin & Buggy, LLP discussed the issue of transparency and how this will be accomplished through the new IRS 990. She explained how the current IRS 990 with its nine Parts and two Schedules has been transformed into a War and Peace version that contains 11 Parts and 16 Schedules. Since the final version is not expected to be released until early 2009 all discussion centered on the draft from December 2007.



Adam Carter Rose detailing the Stark issues

Next, Adam Carter Rose from Reid and Riege, P.C, addressed the Stark Rules. After a quick history on Stark and its growth as a compliance issue, Adam reinforced that the main focus of Stark was, and still is, to prohibit certain relationships between hospitals and physicians. The OIG will continue to focus on compensation

Continued on page 5

CT HFMA 2008 Annual Meeting

Continued from page 4

arrangements under its review. Adam reminded everyone that the penalties for violation of any of the Stark provisions could be grave.

As we tried to digest all of this information we also had the pleasure to enjoy refreshments from Lyman Orchards.

Kathy Pajor, a long-term board member and a Past President of our Chapter and the current Past Region 1 Executive, conducted the ceremony to install the Officers and Directors for 2008-2010.

Special recognition was given to Lou D'Auria for his tenure as President, as well as his long-term commitment and service to our Chapter and Board. Kathy also enthusiastically introduced our new President, Jim Harris.



Incoming President Jim Harris (on right) presents the Past President's pin to Lou D'Auria

Kathy also recognized members who through their long-term service to the association and adherence to a strict set of guidelines and requirements earned Founders Awards. These were presented to the following individuals:

Follmer Bronze Award:

Steven D. Beaulieu
Gary Bergenty
Jacquelyn A. Gorin

Reeves Silver Award:

Janet Roemer, FHFMA
Stephen W. Vargo

Cassandra Mitchell announced the winners of the Graduate and Postgraduate scholarship awards. Although neither recipient was able to attend, everyone gave them a rousing applause for their achievement.

Bob Mahoney and Brandon McCain, from PricewaterhouseCoopers, presented the IPPS Proposed Rule and current issues that are hot topics with CMS.

Bob began by presenting the magnitude of the Medicare problem — a \$34 trillion shortfall with no increase to the program in the Bush budget proposal. He summarized the key positions and proposed reforms that McCain and Obama have taken on healthcare issues.



Todd Thiesfeldt, Bob Mahoney, Jim Harris and Brandon McCain

Brandon McCain discussed Wage Index Reform. The BLS with some redefinition appears to be MedPAC's favorite. The pros and cons were discussed. The staggering negative impact this would have on Connecticut was a main topic of discussion. Other CMS changes relating to Geographic Reclassification and the Rural Floor were reviewed. Brandon addressed proposals on Occupational Mix, IME Capital, MS-DRG's, Post Acute Transfers, Hospital Acquired Conditions and Disclosure of Financial Relationships Report.

The information and handout materials supplied were extremely helpful in understanding these complex issues. We thank all of the presenters for the information they shared with us.

Make the Connection

The theme of this year's HFMA Chairman says it all. When you are a member of HFMA you benefit from the organization by connecting to other members. The best way to do this is first, by volunteering to be on a committee. The Chapter succeeds when the members share their ideas. The results of the Chapter survey indicated a need for the CT Chapter to improve communication. Communication is a two-way street in a volunteer organization. We need our members to let the Officers and Board know how the Chapter can meet your needs. Send us your suggestions and comments. We also need your time. HFMA Chapters improve when the members volunteer. It doesn't take much time when there are many helpers. Contact one of your elected Officers or Board Members and volunteer to help out with programming, event planning, and sponsorship, writing articles for the Scanner. We need each other to make a great Chapter. Go to the HFMA Web site to find a member's e-mail address or look a member up on the membership CD you received.

making
connections

Revenue Cycle Management Practice

WHITE PAPER

By William Malm, ND, RN
Practice Director,
Revenue Cycle Management,
HCP Pro, Inc.

RECOVERY AUDIT CONTRACTORS

Recovery Audit Contractors

Strategic planning to combat the effects of the RAC program

Background

Medicare Fee for Service (FFS) (i.e., the “original Medicare” program) is a growing program with more than 1 billion claims processed each year. Errors in claims submitted by healthcare providers for services provided to Medicare beneficiaries can account for billions of dollars in improper payments each year. The “Improper Medicare FFS Payments Report for 2007” estimates that 3.9% of Medicare dollars did not comply with one or more Medicare coverage, coding, billing, or payment rules. This equates to \$10.8 billion in Medicare FFS over- and underpayments.¹

CMS developed the Recovery Audit Contractor (RAC) demonstration program as part of its efforts to ensure accurate payments. The original demonstration project (March 2005–March 2008) had two objectives: to detect and correct improper payments.

The RAC program has the following mission statement:

The RAC program’s mission is to reduce Medicare improper payments through efficient detection and collection of overpayments, the identification of underpayments and the implementation of actions that will prevent future improper payments.²

The RAC program is a contingency fee–based program, meaning contractors receive a percentage of what they find in over-/underpayments.

The demonstration project used three contractors, one each for California, Florida, and New York. The contractors were given four years of claims, beginning with October 1, 2001.

In 2006, \$54.1 million dollars were returned to the program claim and Medicare secondary payer (MSP) RACs in California, Florida, and New York.

The RACs use public information from the Office of Inspector General (OIG) and the General Accounting Office (GAO) to target their improper payment audits. During the demonstration, all reviewed claims were limited to Medicare FFS and could not include any claim previously reviewed by a Medicare contractor or under an integrity investigation or agreement. In 2006, \$54.1 million dollars were returned to the program claim and Medicare secondary payer (MSP) RACs in California, Florida, and New York.

CT HFMA New Members

We extend a sincere welcome to the following individuals who have chosen to join the Connecticut Chapter of HFMA. We hope our new members will contact any of the Officers with questions and let us know if you have an interest in becoming involved or participating on one of our Committees.

Peter Abell

Mercy Community Health, Inc.

Frank Bonito

Sr. Financial Analyst
Yale-New Haven Health

Trevor Caplan

V.P. Provider Solution
TriHelix

Michael W. Curtin

Director, Provider Network Mngt.
Anthem Blue Cross & Blue Shield

Cheryl D'Amato

Director, HIM
Ingenix

Tori C. Dargati

Tricia Davis

Manager Revenue & Receivables
Connecticut Children's Med. Ctr.

Ellen M. Liquindoli

Director of Finance
Greater Waterbury Mgmt. Resources

Deborah A. Messina

Director Business Operations
Stamford Hospital

Maryann Morse

Charlotte Hungerford Hospital

Pinal R. Patel

Financial Analyst
Aetna

Marko Pavela

Revenue Analyst
Yale-New Haven Health

Sheryl Raffile

Chargemaster Analyst
Yale-New Haven Hospital

Julian Rodriguez, Jr.

Training & Education Engineer
Craneware

Michael J. Thurz

Audit Senior Manager
Saslow Lufkin & Buggy, LLP

Jayma Waskiel

Director of Managed Care
St. Francis Hospital

Derek A. Wenzel

MBA Student

James Young

Sr. Product Manager
Stryker Orthopaedics

Membership Renewal Due

By Steve Vargo

Welcome to the summer months when we start to think about being on vacation, going to the beach, visiting new places and even some old favorite spots. Being in "summer mode" allows us to kick back a bit and relax.

One thing every one of us should have on our To-Do List is renew our membership in HFMA. I'm sure everyone has received the e-mails from Dick Clark urging us to renew and then there are the reminder notices mailed from National. It only takes a few minutes to click the link in the e-mail and renew online using a credit card or take the card that was mailed and write a check or complete a company Check Request.

We all know the benefits of membership go far beyond the technical information that can be obtained through the variety of sources. Networking with your peers and being able to physically talk to someone about an issue you have, goes far beyond reading a 100-page CMS transmittal. Attending an education session or one of the

social events the Chapter has planned builds that network of professional friends that you know you can count on.

The monthly HFM magazine and the weekly e-mail updates provide you the ability to stay abreast of the current happenings and best practices in the industry. Those members that joined one of the Forums and have opened up a new avenue to share and obtain information have access to a great wealth of knowledge.

All of these benefits help the members of HFMA grow and succeed in their chosen profession. Can you afford not to have access to these opportunities for professional development? I'm sure almost everyone will agree that these are invaluable assets for career growth.

As you read this article, copy and paste this link to be connected to the HFMA Web site and renew right now, <http://www.hfma.org/login/index.cfm>. Once there, sign in and select the renew membership link. HFMA is one of the best values for the money.

SPOTLIGHT ON . . .

Daniel J. Phillips, Region 1 Executive 2008-09 Partner, Phillips DiPisa Executive Search Consultants

By Kathy Pajor, FHFMA, Past Region 1 Executive, Current Board Member



Kathy Pajor with Dan Phillips

Dan is a past President of the Massachusetts/Rhode Island Chapter of the Healthcare Financial Management Association. Involvement in this Association keeps him informed about the latest financial issues and challenges facing healthcare and puts him in front of today's proven and emerging financial leaders. He is well-known for conducting successful leadership searches for healthcare. An experienced and knowledgeable executive search consultant, his counsel is sought by clients on a wide range of issues, including organizational structure, position definition, compensation packages, and employee retention.

Before launching Phillips DiPisa, Dan held financial management positions at St. Elizabeth's Medical Center and Franciscan Children's Hospital in Boston. His background also includes distinguished work in the area of high technology, where he held key product development and sales management positions with Hewlett Packard, Amherst Associates (a division of McKesson-HBOC), and Transition Systems, Inc. (a division of Eclipsys).

In addition to managing Phillips DiPisa, Dan has written a number of articles on labor and recruitment issues for newspapers and industry periodicals. He is active in the Healthcare Financial Management Association and has written articles for this organization on financial leadership issues facing healthcare organizations. He earned a B.S. from Suffolk University, Boston, MA.

Dan feels the challenge he faces in his new HFMA role is assisting the Chapters in meeting the Chapter Balanced Scorecard goals especially in membership retention and education hours. He is looking forward to working with the chapters which consists of Connecticut, Massachusetts/Rhode Island, New Hampshire/Vermont and Maine.



Kathy Pajor, Bob Broadway, Tom Davenport (keynote speaker) and Jeff Walla, NH/VT Chapter Core Member of Volunteer Committee of the Region 1 Conference

The 2008 HFMA ANI

By Janet Roemer



Another ANI has come and gone. Each year the event grows: 5,000 plus attendees from all over the country merged on Las Vegas for an unforgettable event. People began arriving on Sunday, for pre-conference events. The first regularly scheduled event was the kick-off reception at the beautiful Mandalay Ballroom. This was the time to see old friends and make new friends while enjoying delicious hors d'oeuvres and cocktails. This year there was a post-welcome reception at the House of Blues where networking and camaraderie continued. This was most appropriate since the 2008 – 2009 Chairman Bob Broadway's theme is "Make the Connection."

Tuesday HFMA kicked off a week filled with education about the hottest topics in healthcare. The Tuesday keynote speaker was Steve Case, cofounder of AOL who has now focused his interest on healthcare. He is the Chairman and CEO of Revolution Healthcare. His company is described as a consumer-centric company designed to transform how people approach their health and wellness. He believes in pricing transparency and that individuals should have the tools to make informed decisions over their own healthcare. Case's company offers a free Web site to consumers with over 125 online tools to help consumers take control of their well-being.

Tuesday morning was also the time for forum members to get together over breakfast to network and discuss current topics that are affecting hospitals throughout the country. This is the time when you get to talk to your peers about real problems and solutions. Each forum table had assigned facilitators and the discussion was lively and informative. The rest of the day chapter members attended breakout sessions of their choice and one of the largest vendor exhibits in HFMA history.

Tuesday evening was the President's dinner. Lou D'Auria, Past President, received the Yerger Award for the CT Chapter.

Wednesday morning HFMA was privileged to have three great speakers to kick-start the day. Richard J. Umbdenstock, president and CEO for the American Hospital Association (AHA) spoke on the topic of healthcare reform. He challenged hospitals to take the lead in transforming the system and he urged hospitals to be prepared to support ideas that they have not supported in the past. Mr. Umbdenstock also told us that healthcare would play a significant role in the Presidential election this year. He said the cost and affordability of healthcare are in the forefront of the consumers mind. These issues combined with quality of healthcare Americans receive are the number one issue the candidates will need to address. Healthcare reformers must address key questions. Is healthcare a right or a responsibility? Is it a business, or a public good? Is it a cost or an investment? Or is healthcare a national resource? These are questions we all need to think about.

Mr. Umbdenstock also praised the newly released HFMA report "Healthcare Payment Reform: From Principles to Action."

Our next two speakers gave us a political perspective of the upcoming elections. Mary Maitlan, a conservative voice and her husband, the very liberal James Carville shared their views on the current political climate. They were both amusing and insightful. Both did agree, however that the healthcare system will change; it is a matter of how it will change.

Wednesday continued with additional breakout sessions and the continuation of the vendor exhibit. The vendor idea exhibit not only helps keep the price of attending ANI reasonable, it gives healthcare professionals the chance to view many new products that are available to enhance the delivery of healthcare. Wednesday night was a free night, so it gave many attendees the opportunity to continue to "Make the Connection."

The last day of ANI, Thursday, brought us the world-renowned best-selling author of "In Search of Excellence," Tom Peters. Peters is known as a revolutionary in his approach to achieving excellence. He stressed that his revolution has not changed since he wrote his book over 30 years ago. He stressed that simplicity is the key to solving the healthcare problems we face today. Healthcare needs to move away from the super-surgeons and move to the world of family practice. We need to focus on preventive healthcare and healthy living. He stressed we need to step back and "Have Lunch or Tea." What he means is listening to the people who are doing the job; get to know them. Listen to what your patients are asking for in the delivery of healthcare they receive. The answers to healthcare reform are right in front of us, we need to become students again. He showed us statistics that proved that the U.S. spends more than any other nation on healthcare, yet the U.S. is far down the list in providing the quality of healthcare all Americans should receive. He challenged us all to change. He asked what is the hospital or healthcare provider doing to make the world a better place.

After being inspired by Tom Peters, attendees ended the week with additional breakout sessions, a wonderful networking lunch hosted by the HFMA President, Dick Clarke and finally the session ending Chairman's Banquet Thursday evening.

If you attended, I am sure you have returned inspired and enlightened. This is one time you don't want to keep in Vegas what you learned in Vegas, but take back all that knowledge to your facility and share with your co-workers. If you were not able to attend put next year's ANI on your calendar now. This is one conference that has something to offer everyone that attends and helps make the connection.

Connecticut Hospitals Show Financial Improvement

Statewide Hospital Average Total Margin Increased

Despite continuing economic pressure driven by increasing costs, Connecticut's acute care hospitals realized modest financial gains during FY 2007. According to an analysis of FY 2007 audited financial statements conducted by the agency, the statewide average total margin improved from 2.64% in FY 2006 to 3.60% in FY 2007. As shown in Figure 1, below, the industry-wide total margin increase of 0.96% can be attributed to gains in both operating (+0.17%) and non-operating (+0.79%) margins.

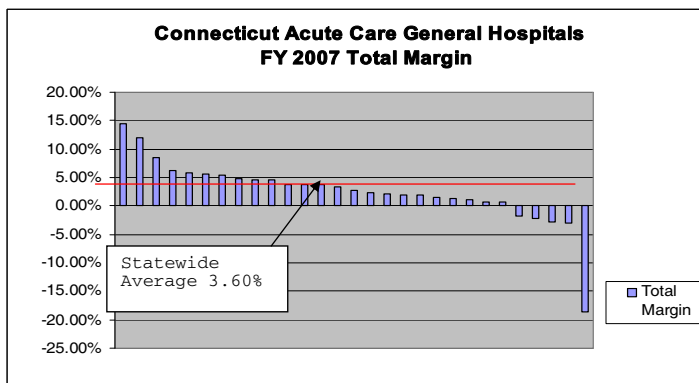
Figure 1: Statewide Hospital Average Margins

Connecticut Acute Care General Hospitals - FY 2003 - FY 2007						
Fiscal Year	2003	2004	2005	2006**	2007**	Change FY 2006 - FY 2007
Operating Margin	0.44%	1.47%	1.72%	0.97%	1.14%	0.17%
Non-Operating Margin	0.70%	1.59%	1.62%	1.67%	2.46%	0.79%
Total Margin	1.14%	3.06%	3.34%	2.64%	3.60%	0.96%

Source: Connecticut Acute Care Hospital Annual Reporting.
 *Average calculated using dollar amounts. (Excess of Revenues over Expenses / Total Revenues)*100
 **Excludes CCMC

For FY 2007, total margins for the industry varied from a high of 14.48% to a low of (-18.73%). As depicted in Figure 2, below, thirteen Connecticut hospitals had total margins which exceeded the statewide average of 3.60%.

Figure 2: Statewide Hospital Total Margins



Source: Connecticut Acute Care Hospital Annual Reporting, excludes CCMC
 Reflects the merger of New Britain General Hospital and Bradley Memorial Hospital

The number of hospitals with negative total margins remained constant at five in both FY 2006 and FY 2007. In addition, while in FY 2006 there were two hospitals with a total margin exceeding 6%, in FY 2007 that number increased to four hospitals exceeding 6%.

Hospital Margins Vary by Number of Licensed Beds and by Location

Hospital margin results vary based on number of licensed beds and location as presented in the tables below. The nine hospitals with between 300 and 500 licensed beds had average margins significantly greater than all other hospitals as shown below in Figure 3.

Figure 3: Hospital Average Margin by Number of Licensed Beds

Connecticut Acute Care General Hospitals - FY 2007				
	Below 300	300-500	Above 500	All Hospitals
# Hospitals	16	9	4	29
Operating Margin	0.62%	2.23%	0.45%	1.14%
Total Margin	2.75%	5.51%	2.36%	3.60%

Source: Connecticut Acute Care Hospital Annual Reporting, excludes CCMC
 * reflects the merger of New Britain General Hospital and Bradley Memorial Hospital.

Nine of the 29 acute care general hospitals in Connecticut are located in five of the largest cities (Bridgeport, Hartford, New Haven, Stamford and Waterbury). Of these nine urban hospitals, four are large medical centers with greater than 500 licensed beds. As presented in Figure 4, the twenty other hospitals had higher average operating margins and total margins for FY 2007.

Figure 4: Hospital Average Margin by Location

Connecticut Acute Care General Hospitals - FY 2007			
	Urban	All Other	All Hospitals
# Hospitals	9	20	29
Operating Margin	0.5%	1.4%	1.14%
Total Margin	3.2%	3.9%	3.60%

Source: Connecticut Acute Care Hospital Annual Reporting, excludes CCMC
 * reflects the merger of New Britain General Hospital and Bradley Memorial Hospital.

Historically, urban hospitals have experienced lower margins due to higher patient acuity (case mix) and less favorable payer mix.

The data used in this report were compiled from data filed with OHCA by Connecticut's 29 acute care general hospitals. Annual operating results are required to be filed with OHCA pursuant to Sections 19a-644 and 19a-676 of the Connecticut General Statutes and Section 19a-643-206 of the Regulations of Connecticut State Agencies. A comprehensive report on the financial stability of the industry will follow in the fall, 2008.

For questions concerning this issues brief, please contact Harold M. Oberg, Financial Analysis and Forecasting Supervisor, at (860) 418-7039 or at harold.oberg@ct.gov.

OHCA report supplied by Barbara Durdy from the Office of Health Care Access.

Founders Points Updated

By Steve Vargo

Founders Points are awarded to members who provide volunteer services to the Chapter, Regional or National events. It is now that time of the year when we initiate the planning process to assure all of our members have received all of their Founders Points that they earned. Many of these will happen automatically based upon your involvement in various Chapter, Regional or National events. All points earned by members through the 2007-2008 Chapter year should now be posted to the individual members' accounts.

In April 2004, HFMA had changed the way in which Founders Points are earned, returning to its core purpose of "Recognizing the Volunteer in You". In addition, the level of points needed to achieve the various levels of recognition was revised.

William G. Follmer Bronze Award	25 points
Robert H. Reeves Silver Award	50 points
Frederick T. Muncie Gold Award	75 points

Some of the ways everyone can earn Founders Points are:

- Be an Event Volunteer
- Serve on a Chapter Committee
- Write an article for the newsletter or the **hfm** magazine

In order to assure that you have been credited with all of the Founders Points you earned you must check your personal profile on the HFMA Web site.

How do I locate my Founders Points details?

- Go to the HFMA Web site: www.hfma.org
- Click on: **Membership** then **Manage My Account**
- Log in with your HFMA username and password
- A screen will appear with the following text: "Your personal information is being accessed. This may take a moment. Please wait."
- Click on **Founders Points** under **Additional Tools** on the left-hand side under where your name and ID are listed. A listing of your points will come up on the screen.

Any discrepancy of the information on the Web site with your records should be reported immediately. It is ultimately the responsibility of the individual member to report points earned to the Chapter's Founders Award Chairperson, who serves as a liaison to HFMA National.

The Founders Points contact for CT HFMA is Steve Vargo who can be reached at (203) 679-5359 or by e-mail at svargo@masonicare.org.

Check out those Founders Points today to be sure you are on your way to earning the award levels that you should be.

Notes from the Editor

I'm a relative newcomer to the CT Chapter of HFMA, but I am not new to volunteering with an HFMA Chapter. I was an active member of the South Western Ohio Chapter before moving back to New England. I was on the Board, and then moved up to Treasurer and Secretary. I chaired committees and was a committee member. I know the value of an active chapter. I am Certified — FHFMA. I know the importance of continuing education. I have written Yerger entries successfully. I must confess, however, that I have never been a Newsletter Chairperson. So why did I agree to take this role on? The answer is simple: because they needed someone to do it.



It's not enough to belong to an organization. To get the most out of an organization you need to make the commitment to be active within the organization. I know it's difficult. I know we are all busy people. If everyone gives a little the benefits are great. So I want to challenge everyone to become active in the CT Chapter.

I also need to ask for your help and understanding while I transition into this role as Newsletter Chairperson. Steve Vargo was an outstanding Chair. He has set the bar high and I need to keep that bar high and raise the bar higher. In order to accomplish this I need your help. Please e-mail your comments and suggestions to me or any members of this committee. We want the *CT Scanner* to be a source of information about Chapter events and a source for current healthcare issues.

I need to hear from you so that the *CT Scanner* meets your needs.

So, help me keep the standard high. And when you see Steve Vargo, thank him for the outstanding job he did as Newsletter Chair. Steve, I hope I don't disappoint.

Janet F. Roemer FHFMA, roemerjf@att.net

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