

# Colorado Connection

The Official Newsletter of Colorado MGMA

## Important Dates

### Today

Survey Deal from Bob Vosburgh:  
zero cost to you!  
See page 8 for all the details.

### April 13

Conference hotel discounted rate deadline

### April 19

Conference early registration cutoff

### April 20

CMGMA Salary Survey due

### May 1

Red Flags Rule implementation

### May 6

End of Colorado Legislative session

### May 7 & 8

*Quality is Job One*  
CMGMA Spring Conference  
Colorado Springs

### May 31

Deadline for ACMPE outlines

### August 10

CMGMA Golf Tournament  
The Ranch Country Club

### April 28-May 1, 2010

4-Corners Conference  
Albuquerque, NM

## President's Column

By Mary Jo Heins, FACMPE



### Sturdy Stock

I've been following the Red River Valley flooding situation on my iPhone. First I'll look at Facebook for any updates from my high school friend, Beth, who lives in Fargo and

then click on the red, white, and blue FoxNews icon for another angle.

Those folks (my people) come from sturdy stock up North! This comes as no surprise to me since Garrison Keillor weekly reinforces the heartiness of Lake Wobegon German Lutherans and Norwegian bachelor farmers.

Perhaps that's why medical practice management feels like a good fit for me—you have to be from sturdy stock to manage a medical group!

Sturdy Stock also realize that so much more can be accomplished working together, whether on sandbag dikes or in healthcare.

I attended a healthcare breakfast this morning and was struck again by 2 facts:

1. Healthcare is in a "change accelerator" and small physician groups will continue to feel increasing pressures.
2. I am not alone and am ever so thankful for the network of healthcare professionals who are working together.

I hope you join the other Sturdy Stock—your healthcare colleagues—at our **May Quality Conference** and by contributing to the **Salary Survey!** Together, we can positively impact our patients, our physicians, our staffs, and ourselves!

## 2009 Spring Conference

May 7-8, 2009  
Doubletree Hotel  
Colorado Springs, CO

Visit [www.cmgma.com](http://www.cmgma.com)  
or call

303-756-8380  
for more  
information

## Book Your Hotel Room Now!

The cut-off date to get the discounted room rates for the Spring conference is April 13.  
Call 719-576-8900 and mention you are with the CMGMA.

## The College Corner

By Julie Kjack, FACMPE

This is the year for Colorado MGMA to be the leader of the nation with the number of new Fellows at the MGMA annual conference in October. As most of you already know, our MGMA annual conference is right here in Denver. The dates are October 12 thru the 14th.

College day is Tuesday, October 13th and the celebration lasts all day and well into the evening. The new fellows are allowed to bring a guest to the evening dinner and ceremony. This would be a great time to show your spouses or significant others the great achievement you have accomplished by becoming a Fellow in the American College of Medical Practice Executives.

I will be calling every CMPE (Certified Medical Practice Executive) who belongs to CMGMA very soon. You either have to write a professional paper or do three case studies to make Fellow. Outlines are due the end of May. You still have time to get yours submitted.

As an added bonus, CMGMA will reimburse expenses up to \$200 for all CMGMA members who make Fellow and participate in College Day at the annual MGMA conference. We started this several years ago and your board has made it a permanent incentive for CMGMA members.

Oregon has issued a challenge to Colorado for the most number of new Fellows in 2009. I would hate to see us lose when the conference is right here in our own state. I will be attending the Oregon MGMA meeting in Portland from May 17th thru the 20th. They will be asking me how many new Fellows Colorado will have in 2009.

On another subject, it is time to submit applications for the Member-at-Large position on the Western Section Board. As past chair of the Western Section, I am chair of the nominating committee this year. If anyone is interested in becoming a member of the Western Section MGMA board, please contact me and I will see that you get an application. The MGMA office is emailing the applications to all state presidents. If anyone has questions regarding the responsibilities of the position I will be glad to talk to you. It is a four year commitment and you start as member-at-large, then move to chair-elect, followed by chair and then past chair. It has been a most rewarding experience for me and I have met so many MGMA members from the 13 western states.

I look forward to seeing all of you at our May meeting in Colorado Springs. Julie Kjack, can be reached at [jkjack@clearcreekfamilypractice.com](mailto:jkjack@clearcreekfamilypractice.com) or 303-951-4183.

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## Third Party Payer Report

By Jeffrey Milburn

### Are You Monitoring the Monitoring Systems?



It is getting nearly impossible to track all the potential sources rating your physicians on quality and effectiveness. Many of the major payers are providing physician ratings, there are other sites dedicated to health care provider ratings, and now we can find our physicians on various "lists" that are even more dubious as a legitimate resource for physician information. All of this is done in the name of greater transparency and consumerism.

My first experience with the rating systems was a few years ago when a major payer met with my former group to review the initial ratings and methodology. They were very sincere and wanted to meet medical director to medical director. First of all, the initial list was suspect in that it omitted some of our physicians and listed some who had never been affiliated with us. Not a good start as we proceeded to the actual ratings. This plan, as most plans do, was basing its grades on a "proprietary system" that can't be explained in detail but is "mostly" driven by claims data. Basically a "black box" that analyzed who knows what data with mysterious methodology and criteria.

I'm told by payers the methodology and accuracy has improved over the last few years, and most recently the Colorado Senate Bill 138 has set some standards to be followed by payers. Google "Colorado SB 138" for access to the actual regulation and some other related articles. I recommend you read the bill to understand your rights and what is and isn't covered under this legislation. For instance, ratings based on patient satisfaction and/or comparative costs aren't covered.

Contact your payer representative and gain access to your physician's ratings. This information may be sent directly to your physicians and you know what the probability is of the notice being opened, read, understood, and forwarded to your office for follow-up.

Just in case you have nothing better to do, Google "physician ratings" and see the list of organizations providing consumers with physician ratings. I counted at least two dozen, not to mention "lists" from Craig and Angie whoever they are. Fortunately, Wellpoint has enlisted the Zagat Survey organization, famous for rating restaurants, to work on providing physician ratings in their market areas. Can't tell you how comfortable this makes me.

The purpose of this article isn't to rehash the debate on the effectiveness and validity of payer and other rating systems. Not nearly enough space for this! My recommendation is that you become familiar with what is available to consumers, your patients, and frequently monitor what is being said about your physicians. You won't be able to easily track all sources, so focus on the payers and the more popular "lists" in this market. Understand how to appeal or at least respond to inappropriate ratings, and prepare your physicians for potential adverse rating publicity.

Jeff Milburn can be reached at 719.375.3158 and [jmilburn@jmilburn.com](mailto:jmilburn@jmilburn.com).

**Editor's Note:** Quality ratings is a central theme of the CMGMA Spring Conference. Don't miss it! Details at the CMGMA website.

**Implementing Healthcare Systems Can Be Extremely Challenging.**

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## Legislative Update

### By Janet McIntyre, FACMPE



Most of the 2009 Colorado legislative session has been focused on cost savings and budget repair. Some cuts have been made in state budgeted expenditures for Medicaid and CHP+. To remedy the situation, **House Bill 1293**, also

known as the **Hospital Provider Fee** bill, aims to seek federal matching funds to increase the number of Coloradans covered by government insurance. This bill would impose a fee on hospitals that could raise \$600 million annually—to be matched by \$600 million more in federal funds. The total \$1.2 billion would be used to expand coverage guidelines so that 100-200,000 more Coloradans could get coverage. Approximately 800,000 Coloradans currently do not have coverage. This fee plan is part of Governor Ritter's Building Blocks to Healthcare Reform.

Another critical piece of the Governor's plan for healthcare reform is the **Center for Improving Value in Healthcare (CIVHC)**. CIVHC was established by Gov. Ritter in February 2008 following a recommendation from the Blue Ribbon Commission for Healthcare Reform (also known as the 208 commission). Its charge is to find and implement ways to improve healthcare quality and to contain costs. The workgroup is using what the Institute for Health Care Improvement calls the "Triple Aim": optimizing the experience of the individual, the health of a defined population, and the per capita cost for the population. The political reality is that the state can't ask taxpayers to pay for expanded coverage if the health care system they're paying for now is not working. We will have a presentation on this at our Spring Conference. Don't miss it!

**House Bill 1188** contains revisions to the **Michael Skolnik Medical Transparency Act** and clarifies some of the requirements our physicians will have in reporting for the May 31, 2009 deadline. This bill covers reporting on business interests, employment relationships, peer review, crimes and misdemeanors, and malpractice. The Governor's signature on 3/30/09 came in time to ensure that DORA can make all of the necessary changes prior to sending out re-licensure notifications to Colorado physicians.

Reportedly, a late session bill will be introduced regarding **raising the medical malpractice insurance caps** again. Last year, CMGMA joined CMS and COPIC to successfully defeat this bill (SB 164). It would have raised malpractice insurance premiums significantly. Stay tuned, we'll keep you posted if a similar bill gets introduced again. If it is onerous to physician practices as we suspect, we will need your help to defeat it. Your phone calls and emails to our legislators definitely make a difference.

CMGMA has developed an active voice with the members of Health and Human Services and Business Affairs and Labor—the 2 committees that hear most of the

healthcare bills. Please do act when we call for help.

Rep. Anne McGihon had to give up her seat early (March 2009) to meet job demands. She has been a great champion for healthcare and physician practice issues in recent years. We thank her for her service and we will certainly miss her. Taking her place is new state Rep. Daniel Kagan from Cherry Hills Village who will finish out this legislative session.

Healthcare is a big subject this session and there are plenty of bills still in progress including one to mandate autism coverage, one to allow wellness incentives, one to create a single payer authority, etc.

For more information on these bills and more, please visit <http://www.leg.state.co.us/>. It is a great site. Colorado Medical Society also has weekly legislative updates on their site: [www.cms.org](http://www.cms.org).

The legislative session is scheduled to conclude May 6, 2009.

## Education Update

### By Lance Goudzwaard and Sheri Page



As new committee members of CMGMA, we are very excited to be involved in the planning of upcoming education events. It has been a very rewarding experience to be able to take part in planning what is considered to be both an affordable educational opportunity in today's troubled economic times, and an opportunity for our colleagues to network with other professionals in our field.

We hope to see most of you at the "Quality is Job One" Spring Conference on May 7-8, 2009 at the Doubletree Hotel in Colorado Springs. The agenda for this conference is now available at the CMGMA website. We believe that our list of speakers will appeal to your educational needs and will address many concerns about what is happening in the healthcare industry. Following is the list of speakers and the topics they will be presenting:

**Who's Rating Your Quality and How You Can Control Your Practice's Future**  
Rick May, MD, Senior Physician Consultant, HealthGrades

**Report from the Center for Improving Value in Health Care (CIVHC)**  
Dori Biester, Interim Director, Center for Improving Value in Health Care and Jenny Nate, Health Policy Analyst, Colorado Department of Health Care Policy and Financing

**A Quality Approach**  
Bob Vosburgh, President, 9g Enterprises

**Building Better Quality and Performance**  
Michael Pugh, President and CEO, Verisma Systems, Inc

**Quality and the Government Payers—is PQRI the Answer?**  
Leah Cohen, MGMA Government Affairs Representative

We are also in the early stages of planning a conference for April 28-May 1, 2010 in Albuquerque, New Mexico at the Sandia Resort & Casino. We are thrilled to be collaborating with other state MGMA representatives in putting together our first ever "4 Corners Conference." This will be another fantastic education and networking opportunity with an even larger group of professionals from a more broad geographic area. Of course there will also be plenty of fun planned as well!

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## How the Colorado Physician Health Program Can Assist Medical Group Managers

By Sarah Early, PsyD, CPHP Executive Director and Amanda Parry, CPHP Executive Assistant

As a Medical Group Manager you are in a unique position with the medical staff. You may be the first one to notice if there is something "off".

Have you ever wondered what to do if a medical staff member...?

- Is stressed
- Exhibits disruptive or angry behavior
- Misuses substances
- Violates professional boundaries
- Experiences family or relationship difficulties
- Has a bad outcome or is sued
- Is diagnosed with a medical problem
- Has had a significant change in mood or behavior

You may wonder how to help, what your obligation is to patients, who may be affected, or if you do try to help, how that would affect your job. These are difficult questions to answer, but you do have a professional resource available for you.

The Colorado Physician Health Program (CPHP) is a non-profit organization, independent of other medical organizations and the government. Since 1986, CPHP has been providing peer assistance services for licensed physicians and physician assistants of Colorado. CPHP clients are assured confidentiality as required by law or regulation. We currently serve this population throughout Colorado, through every single rural area, and in every single work setting. Our main office is in Denver, with a satellite office in Pueblo, but we regularly travel to all areas of the state.

CPHP is the sole peer assistance program for physicians in Colorado. Peer assistance services aid individuals who have any problems that would affect their health; such as emotional, psychological or medical problems. CPHP helps its clients with a host of problems: family issues, work-related stress, professional liability, neurological and other physical conditions (e.g. Alzheimer's disease, HIV infection), substance abuse, psychiatric conditions (e.g. Depression, Anxiety Disorders, trauma related conditions) and psychosocial or emotional problems.

CPHP believes that early intervention offers the best opportunity for a successful outcome and preventing the health condition from interfering with medical practice. CPHP provides comprehensive diagnostic evaluations, assessment, treatment referrals and monitoring, urine drug screen monitoring, case management, family services, and reports/documentation for our clients. CPHP always strives to consider the totality of our client's individual situation and developing a case specific plan. Physicians and physician assistants with current Colorado licenses can seek CPHP services at no charge to them.

As a Medical Staff Manager you may contact CPHP anonymously to discuss options for your medical staff situation. Please note, CPHP lacks the ability to mandate participation in CPHP. Despite this fact, CPHP will gladly assist you in exploring referral options. For more information about our program, your options, or the assessment process, please call 303-860-0122 or visit [www.cphp.org](http://www.cphp.org).

## Perhaps you've heard of Colorado Physician Health Program (CPHP)?

If you know a colleague in need, professionally or personally, please contact us.

**\* FREE to Colorado licensed Physicians and Physician Assistants**

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**\* STATEWIDE**

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### 4th Annual CMGMA Golf Tournament

On Monday August 10th, 2009, the Colorado Medical Group Management Association along with their members, families and friends will join together for a fun filled day of networking and golf. Following play we will enjoy an incredible dinner and awards presentation on the outdoor deck of The Ranch Country Club.

We are looking for every category of golfer—from the beginner to the club pro—as this will be a scramble format and all involved will have a great time. We encourage everyone to register for this fun event whether you are the only one playing or not. We will pair all individual players with others to create fun and exciting groups of golfers, so register yourself, invite a buddy, or put together a foursome or more.

The tournament will take place at The Ranch Country Club, 2 miles West of I-25 on 120th Avenue. There will be a 1:15p.m. shotgun start time so that everyone will finish at the same time for an exciting evening of dinner and awards presentation. The cost is \$80 per player which includes everything you will need to have a great time.

**For more information please contact:  
Scott I. Raberge at 970-352-5000 ext. 321  
[sraberge@pfccollects.com](mailto:sraberge@pfccollects.com)**

**To register for the golf outing, please visit the CMGMA website. Registration will open in Mid-May.**

## Red Flag Rules Update

### "Red Flags" Rule Enforcement Begins May 1st

The Federal Trade Commission's Final Rule on "Identity Theft Red Flags and Address Discrepancies Under the Fair and Accurate Credit Transactions Act of 2003" can be found at <http://www.mgma.com/WorkArea/showcontent.aspx?id=26880>

There are CMGMA corporate affiliates providing Red Flags Rule compliance assessment, education and solutions. The following summary is not meant to be comprehensive.

#### Questions to Ask

##### Creditor?

A medical practice is a creditor if it does not regularly demand payment in full for services at the time of service.

##### What does the 'Red Flags' rule require?

Medical practices are required to **develop an identity theft prevention program** containing "reasonable policies and procedures" (which may incorporate existing policies and procedures) to:

1. Identify relevant indicators of a possible risk of identity theft ("Red Flags")
2. Detect Red Flags
3. Prevent and mitigate identity theft
4. Update the identity theft prevention program

### FTC Maintains Stance on 'Red Flags' Rule

*Reprinted from the March 3, 2009 MGMA Washington Connexion. Used with permission.*

The Medical Group Management Association (MGMA) and a number of other health care associations have expressed concerns to the Federal Trade Commission (FTC) about the application of the agency's "Red Flags" rule to health care providers. The Red Flags rule regulates "creditors" and is part of the FTC's implementation of the Fair and Accurate Credit Transactions (FACT) Act of 2003. It requires creditors who maintain "covered accounts" to implement an identity-theft prevention program that uses Red Flags, which the FTC defines as indicators of a possible risk of identity theft.

The FTC said last fall that it considers health care providers to be creditors within the meaning of the rule if they do not require a patient to make payment in full at the time of service. This would include, for example, practices that bill insurance companies before requesting payment from the patient. While the rule was originally scheduled to take effect on Nov. 1, 2008, advocacy efforts by MGMA and other medical associations resulted in a six-month delay in enforcement until May 1, 2009.

In a letter responding to the health care community, the FTC maintained its stance that health care providers are creditors under the rule. It further stated that, "Given the risk-based nature of the Rule's requirements, as a practical matter, however, we do not believe that the Rule would impose significant burdens for most providers." As an example, it stated that in low-risk practices, an appropriate program might involve checking photo identification and having policies to deal with the theft of a patient's identity (including not trying to collect the debt from the patient and separating the medical records of the real patient from those of the identity thief).

MGMA and 99 other associations and medical societies objected to this interpretation and to the agency's rulemaking process. Because the FTC notification that providers are deemed "creditors" came so late, the health care community was not able to provide meaningful comments on the rule, as would normally be the case in a rulemaking process.

While we will continue to pursue these advocacy efforts, we have also prepared additional guidance, based on the FTC's rule and subsequent communications to help explain the rule's requirements.

## Solid Fiscal Management Key to Surviving Challenging Economic Times

In challenging economic times, it's more important than ever to follow proven financial and credit practices. There are many strategies to ensure the financial health of your business.

### Strong Fiscal Management

Financial health starts with strong, consistent fiscal management. Lenders look for owners who understand their businesses from a financial management perspective. Business owners who have proactively managed their business' finances, demonstrated profitability and maintained solid financial statements throughout their company's history often have an edge over business owners who haven't planned for their future credit needs.

When you request credit, solid financial statements are crucial evidence of your company's profitability, cost controls, management capabilities and overall stability.

Business owners should make finances a full-time priority. This commitment requires dedicated resources. A strong financial management team and robust accounting processes are critical assets for protecting your business. Incomplete and inaccurate reports and statements could delay the credit approval process and create questions about your business that might make a lender uncomfortable lending to you.

Bankers will review your profit and loss statements, cash flow analysis and projections, and balance sheets for the past three to five years, as well as your year-to-date interim report, for insight into your business' activities and ability to repay loans.

### Watch Your Key Financial Indicators

It's in your interest to know exactly what lenders are looking for in your records. Quality financial statements are the basis for deriving key financial indicators, which offer loan officers a quick look into a company's financial health. Even in situations involving real estate, responsible lenders will carefully assess whether a company has enough net operating income to cover debt.

Key financial ratios can show lenders that the business is strong enough to survive revenue ebbs and flows, and demonstrate whether the company compares favorably to businesses in its region and industry. For example, if lenders see you have a lot of debt on your balance sheet, they are less likely to extend credit because you pose greater risk of default.

Lenders commonly look at three financial ratios:

1. **Safety ratios** show your business' vulnerability to risk and its ability to pay loans during tough times. For example, your debt coverage ratio shows lenders the number of times your current business cash flow can cover your current debt payments, and how much cushion you have against a downturn.
2. **Liquidity ratios** measure your business' ability to meet upcoming obligations. Experts recommend operating at a high current ratio (current assets divided by current liabilities) to show that your business can pay the bills if things slow down.
3. **Profitability ratios** include gross profit and net profit percentages, which show your business' ability to make a profit. A profitable firm with consistent revenues and strong cost management over a period of time is viewed as creditworthy and predictable. Benchmarks vary by industry, but you'll need to show that your management team is using performance metrics to understand your business and its future.

Key financial ratios should be reviewed each time financial statements are prepared and at the very least, annually, yet more frequent reviews could prove helpful in making major policy decisions or improving the company's profitability. If a business owner finds the company's gross margin is low, he or she might need to speed up collections or reduce expenses.

An experienced business banker is an excellent resource to help you develop a plan to protect your creditworthiness so lenders see you as a good risk.

*By Jan Chase, Senior Vice President and Healthcare Market Manager for Wells Fargo in Denver Metro. Chase can be reached by phone at 303-863-6014 or [janette.w.chase@wellsfargo.com](mailto:janette.w.chase@wellsfargo.com).*

*\*Wells Fargo is a Gold Corporate Affiliate of the Colorado MGMA.*

## Medical Liability Insurance Policy Options. What are the best solutions for you?

### Medical liability insurance can be confusing. What questions should you ask? What do you need to know about your policy?

Because the relationship with your professional liability carrier is a long-term concern, you need to thoroughly understand how that relationship is defined. If you don't, you may sign up for a policy that isn't the best fit for your needs, or worse you may not understand your coverage or your rights.

First, you need to read the policy carefully. Ask the insurer if there are any other documents (such as an association's by-laws) that might impact your rights and obligations. Review this information with an attorney experienced in insurance and contract law.

Ask the following questions:

#### Is your premium guaranteed?

Typically, admitted professional liability carriers are "Advance Premium" companies. This means that the premiums paid by the policyholders are established at the beginning of the policy period and are guaranteed not to increase regardless of any adverse loss development experienced by the company for that policy year.

Other professional liability companies, such as Risk Retention Groups, are often referred to as "assessable" companies. This means that the premiums paid by policyholders at the beginning of a policy period are estimates only. If an assessable company has losses or expenses that exceed the premiums collected, they can collect extra premium (i.e. assessments) from policyholders—possibly even after your policy period ends or your policy is cancelled.

**\*Consent to settle required?** How much control does the policy allow an individual physician to have when making decisions regarding the settlement of a claim? After all, settlement of a claim involves more than money—it can impact your reputation, your practice and even future insurability. Who decides if the claim will be presented to a jury? The Insurer? An arbitration panel? If you object to settlement and the trial verdict is higher than what you could have settled for, will you be personally liable?

*Ask if you have a voice in your defense.* Know what rights, if any, the policy gives you if settlement is considered.

\* Except where prohibited by state law, or by policy type.

**What triggers coverage?** Whether you have a claims-made or occurrence policy, you need to understand what triggers coverage. Does the claims-made policy, for example, allow you to trigger coverage by reporting medical incidents you reasonably believe could result in a claim? If not, when can you trigger coverage? Do you have to wait for a formal demand for damages or lawsuit before the policy responds?

**What about policy cancellation or modification?** What if there is a change to the policy terms or conditions? Will you receive advance, written notice? Will you have the opportunity to examine your options and secure alternative coverage if necessary?

**Occurrence or Claims-Made?** Your policy will most likely provide professional liability coverage on either an occurrence or claims-made basis.

**Occurrence coverage** responds to claims based on when the medical incident occurred, regardless of when the claim is actually made against you. As long as the medical incident occurred during the policy period, your occurrence policy will respond—even if the claim is made after the policy period expires.

**Claims-Made coverage**, by contrast, responds to claims based on when the claim is first made against an insured. Given the length of time that can pass between a medical incident and a resulting claim, claims-made policies contain a retroactive (or "prior acts") date. This retroactive date allows the policy to look back in time and consider prior medical incidents. As long as the medical incident took place after the policy's retroactive date (or "prior acts date"), and the claim is first made during the policy period, your claims-made policy will respond.

If you renew your claims-made policy with the current carrier, your coverage will continue uninterrupted. However, if you move to another professional liability carrier, your claims-made coverage ends and you will have to either obtain a reporting endorsement from the prior carrier (often referred to as "tail" coverage), or purchase prior acts coverage from the new carrier. A reporting endorsement allows you to report claims based on medical incidents that took place between the retroactive date and policy termination date, but are first made after the policy coverage terminates. If your prior carrier is unable or unwilling to provide you with a reporting endorsement, you will have to seek coverage for these "prior acts" through your new carrier.

However, new carriers will consider the financial stability of your prior carrier. If the prior carrier is considered financially unstable or insolvent, the new carrier will be less willing to extend coverage for any prior acts. Since this could impact your insurability and create coverage gaps, it is important to purchase coverage from financially stable companies. Remember, coverage, including extended reporting endorsements, is only as good as the long-term financial health of your carrier.

As with the policy itself, you need to review the language of any reporting endorsement offered. Understand your right to obtain an offer of tail coverage, how the premium (if any) will be determined, and the length of time you are given to report claims.

**Beyond the Policy**—Risk Management Solutions. Does your professional liability carrier go beyond the policy to help you improve patient safety and reduce risk? Do you have access to the tools and resources necessary to support those efforts?

Effective risk management is critical for all health care professional. It requires extensive knowledge of the myriad of issues affecting today's providers, and helps you find creative answers and meet the most pressing challenges.

Understanding the relationship with your professional liability carrier is critical. Invest the time to examine your policy's benefits, coverage and costs.

Ask questions. Compare offerings.

For over a century, Medical Protective has provided the nation's finest healthcare providers with unparalleled medical malpractice liability insurance nationwide. As a member of the Berkshire Hathaway group of businesses, Medical Protective protects our doctors' reputation and assets with four levels of unmatched protection – strength, defense, solutions, since 1899. For more information visit us at [www.medpro.com](http://www.medpro.com) or 800-4MEDPRO.

*\*Medical Protective is a Gold Corporate Affiliate of the Colorado MGMA.*

## President-Elect Column by Jan Krause Accounting News

As CMGMA grows to meet member needs and new initiatives, additional financial transactions are required, along with more explicit reports. During this time of an unpredictable economy, your CMGMA board is maintaining a conservative financial strategy; every effort is being made to hold member dues and fees constant, not an easy task as association costs increase.

Nevertheless, your board recognizes the importance of bringing the best possible education, networking, legislative and benchmarking tools to members and is committed to "raising the bar" for quality services from the association.

The Sarbanes-Oxley Act (SOX), along with recent headlines regarding flagrant financial misrepresentation to customers, demand accountability and CMGMA has been quick to develop necessary steps for compliance. SOX was enacted on July 30, 2002 to improve the quality and transparency of financial reporting and increase corporate responsibility in public companies.

New IRS regulations for Form 990, the primary tax compliance tool for tax-exempt organizations, goes into effect for 2008. The IRS has a three-year phase-in period that allows many smaller non-profits to file the new Form 990-EZ. For 2008, non-profit with gross receipts of less than \$1 million and assets of less than \$2.5 million may file the less complicated Form 990-EZ. IRS requirements range into the governance side as well. The IRS believes a well-governed organization is going to comply with the rules. As these requirements evolve, CMGMA will stay abreast of necessary compliance.

CMGMA maintains an insurance liability policy which covers the actions of board members in financial responsibility as well as other areas. In addition, a financial management policy encompassing sound accounting policies and procedures has been developed this year.

Last year CMGMA moved to online banking transactions to create greater board member efficiency and to allow multiple users to view live transactions for better internal control. In an ideal world, segregation of duties requires that one individual should not have responsibility for more than one of the three primary transaction components. Duties of handling and reconciling funds should always be segregated, with one party responsible for approving disbursements, another for physically receiving and distributing funds, and a third for receiving bank statements and performing the cash and bank reconciliations. There is a documented system now in place that accommodates this balanced process. This system should also catch errors. The error of sending the wrong amount by EFT can be reasonably controlled through control procedures and does not require additional steps.

Is "profit" a dirty word?

In order to maintain the viability of any organization, it is important to operate with some net revenue at the end of a year, even if very small. What distinguishes non-profits from a for-profit business is not whether they can make a profit, but what happens to profits. Non-profits are prohibited from distributing profits in the same way for-profit corporations can. All revenue must be earmarked for the organization's mission. Any profits made must go back to the organization and be used to fulfill its tax-exempt purpose. Profits cannot be distributed to staff (other than in the form of their regular pay), board members, or any individuals affiliated with the organization. Non-profits can have no owner shareholders who benefit from surplus revenues.

The CMGMA board is committed to maintain a sound financial house that has been building over the past several years. Financial reports are always available at the Spring and Fall Conferences, and questions and comments are welcome!

## Membership Spotlight

Jennifer Burnet  
Montrose Surgical Associates



Jennifer Burnet and her sister, Sheila

Jennifer has been in practice management for roughly 10 years. Prior to working with Montrose Surgical Associates, Jennifer worked in other industries, gaining experience in accounting, marketing and customer relations that has served her well in her medical practice.

What does Jennifer like most about her job? "Almost everything, but above all I would have to say the patient interaction and working with other professionals as well as my staff and doctor. There is always something new to learn and when you get a thank you in person or by note from a patient or a family member, there is no better feeling."

Jennifer spends much of her free time following her kids' sporting activities in gymnastics and basketball. She also enjoys traveling to places that have family and historical ties such as Ireland and Germany.

One of Jennifer's passions is the Avon Walk for Breast Cancer. This will be her 4th consecutive year of participating in this life giving event. Jennifer became involved in this venture following her sister-in-law's death from breast cancer at age 37.

To support Jennifer in this year's walk, go to [avonwalk.org](http://www.avonwalk.org) or [http://info.avonfoundation.org/site/TR/Walk2009/Denver?px=2403470&pg=personal&fr\\_id=1810](http://info.avonfoundation.org/site/TR/Walk2009/Denver?px=2403470&pg=personal&fr_id=1810)

## Salary Survey Report By Eric Chappell

**Salary Survey Deadline is April 20, 2009!**

I want to thank all of you that have already participated in this year's survey. I am calling on those of you who have not returned your survey yet! Time is running out! Without your participation, this year's survey will not be the valuable resource it is to many of your fellow physicians, administrators, and managers. Plus, there are still a few chances to win a \$100 Visa Gift Card.

You can easily download the survey by accessing it on the CMGMA website at [www.cmgma.com](http://www.cmgma.com), and click on [Download Colorado Physician and Healthcare Staff Compensation Survey](#).

Again, I would like to say thank you to this year's sponsors of the survey: **Compass Bank** and **Copic**.



**Bob's Back!**  
**Quality Is Job One**  
CMGMA Spring Conference  
May 7-8, 2009  
Colorado Springs, CO  
**Register Now and Save**  
[www.cmgma.com](http://www.cmgma.com)

## Spring Conference Survey Special!

As you know, we've invited Bob Vosburgh to share his Organizational Evolution Workshop on May 8th in Colorado Springs. As part of that event, he's offered, at no additional cost, a Patient and Employee Satisfaction Survey. Bob is offering, for the first time, a really spectacular deal for just CO MGMA members.

A few highlights:

- This survey process was recently presented to two other State MGMA groups. The workshop reviews were nearly perfect. Bob had offered those attendees one Employee Satisfaction Questionnaire and the Patient Satisfaction Questionnaire for one provider.
- **Here's our deal: Bob tells me that if you promise to engage, run the surveys, and use this information to improve your organization...his team will go the extra mile and provide surveys for your entire list of providers and managers, all at zero cost you. You'll have to sign up by April 15th, Both of these survey pieces are critical to Bob's workshop and, more importantly, the continuous improvement of your practice.**
- Your employee and patient satisfaction results will be available via a custom portal sign-in.
- On the portal, the results are shared via three levels of detail.
  1. When you first log in, you'll see a dashboard which shares your percentile ranking in key areas derived from the two surveys.
  2. Via a reports tab, you can slice and dice your data at least a dozen different ways. This then provides a second, custom, level of detail in the major survey areas.
  3. Finally, you can select a detailed report that provides the data for every question in the survey.
  4. Also, there is a list of best practices, for your reference.
- If you'd like to have a look at a simple demo site, please use the user ID and password below:

**Link:** <http://portal.9gs.org/org>  
**User ID:** COclinic  
**Password:** winner123
- We plan to have a round table discussion of the process and member experiences while in Colorado Springs. Bob has also offered to provide over-the-phone debriefs/coaching for those of you who fully engage in the survey process.

To engage in the opportunity to run these surveys through May 31st, you'll need to contact Bob, Cindy or Heather no later than Wednesday April 15th.

**Phone: 940.323.1484, email: [heather@9gs.org](mailto:heather@9gs.org)**

## MGMA's Project SwipeIT By Janet McIntyre, FACMPE CMGMA Immediate Past-President



In January 2009, the Medical Group Management Association (MGMA) launched an aggressive industry wide effort calling on health insurers, vendors and health care providers to initiate processes to adopt standardized, machine-readable patient ID cards by Jan. 1, 2010. The potential saving to providers is estimated at \$ 1 billion per year!

"We're launching Project SwipeIT because the adoption of this technology is long overdue," said William F. Jessee, MD, FACMPE, President and CEO of MGMA. "Our health care system wastes billions each year on redundant, wasteful administrative tasks—such as manually entering patient ID information—and the cumulative effects of that waste are staggering. We're challenging the industry to help us save \$1 billion a year by making standardized, machine-readable cards a priority."

Most patient ID cards currently in use have no machine-readable elements. Health care providers must typically photocopy the cards for their records. This process is prone to human error, since employees in a doctor's office or hospital must re-enter demographic and insurance information into their computer systems. Many cards are inconsistently designed and feature photos, illustrations and dark backgrounds that make legible photocopying difficult. Machine-readable cards, linked to providers' computer systems via a card reader, would lead to the automatic population of patient information correctly and cost-effectively with the simple swipe of a card.

MGMA estimates that machine-readable patient ID cards could save physician offices and hospitals as much as \$1 billion a year by eliminating unnecessary administrative efforts and denied claims. A machine-readable card compliant with the mandates of the Workgroup for Electronic Data Interchange costs about 50 cents—just a fraction more than the non-standardized, plastic or paper cards that most insurers now use. The savings that insurers will see from reduced provider inquiries, claims reprocessing and labor will far exceed this expense. Insurance companies (Humana, United and Cox Plans) and other organizations have signed on to tackle this waste.

Please visit [www.SwipeIT.org](http://www.SwipeIT.org) for more information and to pledge commitment to helping advance the use of this technology. We at CMGMA have adopted this cause and project. We have the SwipeIT badge on our website under "What's New". Check it out for more information on the project and to make the pledge yourself. Thanks!

## Advertise in the CMGMA 2009 Membership Directory

New this year:

Full page advertisements will be included in both the printed and online versions of the CMGMA Directory!

**Deadline is April 15, 2009**

### Rates

Business Card—\$100

1/4 Page Ad—\$250

1/2 Page Ad—\$400

Full Page Ad—\$750

Inside Back Cover—\$1200

Outside Back Cover—\$1500

For more details, call Aimee Madison  
at 303-756-8380.