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QuarterlyCommunicator

The Official Newsletter of Colorado MGMA

Past President's Column

By Ellen Boyd, Immediate Past President

We are beginning our search for a secretary for the CMGMA board for year 2005. We hope you will approach any of the board members at the Spring Conference with any questions you have as to time commitments, perks, etc. Please see the CMGMA website's Members section for further details and download a nomination form. We will be planning this summer, which isn't far away, so get your name in soon.

We wish for all members to participate in some way and hope that you are rewarded many times over for your efforts. Participation comes in the form of committees, special projects, participating in the yearly salary survey, and just calling to help out. You'll get a first hand feeling for what it takes to be on the board, if you're thinking that way, without having to COMMIT first.

Good things come from being active within CMGMA. People recognize you and you're asked to participate outside of the CMGMA organization, ie. teaching, sitting on other boards, giving talks, consulting, or just giving your opinion. We don't really pursue these outlets, they just come from our activities. If you're looking to increase the length of your resume, or are considering networking for the future, join in.

Please send us referrals for corporate affiliates. Tell us to whom you give your business, why you'd recommend them, and how to reach them. OR, refer them to us. We're growing the corporate affiliate base, and need to add the ones you use. We're trying to recruit from a referral basis, as that helps put the stamp of approval on

(*cont'd on page 2*)

President's Column

By Jim Knight, President

I have selected a good day and location to write my column for this edition of our newsletter. I'm at the top of Hammerhead Rock — a part of the Flatirons near Boulder. This rock has a small perch that affords me a nice view. It's not windy, the temperature is mild and I'm all alone up here. Honestly, I should have climbed this with someone but the pleasure of solitude outweighed the risk of climbing it myself.

Is there a management analogy here? I think there are several. There are numerous times in our careers and personal lives when it is good to be alone. We can think, move, and relax unencumbered by the distractions and influences of others. The din created by others distracts many managers and it is difficult to escape to do some good work. If we attempt to do good work within this environment of distraction, a fast and superfluous overview is often substituted for critical thinking. If I had a branch office right here where I'm at now, I would get a lot done with those types of tasks that require concentration.

Another analogy may be that leaders at times need to go forth and scout the route others will travel to see if its safe and prudent for passage. That's the risk leaders take — venturing into sometimes unknown areas. Our April educational conference is slanted to looking into the future to enable us to more clearly see what is coming in healthcare. When we get this clearer vision, we also acquire a responsibility to do what we can to help correct and improve our healthcare system. Leaders must take up this responsibility, use it and apply it.

I now have the responsibility to my family, friends, and colleagues to safely descend from this perch. Man, I wish I had brought my climbing rope!

Online Membership Directory Updated Monthly

You are now able to access the most current CMGMA Membership Directory monthly. The online membership directory will be updated each month with the newest members of CMGMA. This information will be continually updated and available in the Members Only section of the CMGMA website by the 5th of each month. As always, if you have a question regarding the directory, contact the Conference Office at 303-756-8380.

2004 Conference Schedule at a Glance

April 16, 2004
Sheraton Denver West
Lakewood, CO

July 25 - 28, 2004
MGMA Midwest-Western Section
Joint Conference

Visit www.cmgma.com or call 303-756-8380 for more information

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Legislative Liaison's Column
By Gina Johnson

Colorado State Legislative Update
SB04-163 Prohibits a physician from referring to, or treating a patient in, a limited service hospital where that physician or the physician's immediate family member has an investment or ownership interest in the hospital. CMGMA — Opposes. Status: Senate Committee on State Veterans & Military Affairs, tabled, 2/10/04.

SB04-166 Concerning a one-time adjustment for inflation to the one million dollar damages limitation. CMGMA — Supports. Status: Senate amended during second reading to allow the overall cap to be adjusted for past economic damages. This was a compromise between proponents and opponents. Introduced in the House 2/27/04.

HB04-1349 Concerning the certificate of review requirement in actions brought against professionals. CMGMA — Supports. Status: House Committee on Business Affairs & Labor postponed indefinitely, 2/19/04.

HB04-1354 Concerning enactment of the "Health Care Credentials Uniform Application Act." Declares that the current system of credentialing health care professionals is duplicative and costly and that a single, uniform credentials application will make the credentialing process more efficient. CMGMA — Supports. Status: Passed House, Passed Senate second reading, 3/12/04.

News from CMS News (Center for Medicare & Medicaid Services)
CMS adopts national provider identifier (NPI) as the standard identifier for health care provider use for filing and processing health care claims and other transactions. This rule is mandated as part of the Health Insurance Portability and Accountability Act (HIPAA) of 1996, with an effective date of May 23, 2005, and a compliance date of May 23, 2007. Implementation of the NPI will improve efficiency by eliminating multiple identification numbers. This new number — which replaces current numbers, including the unique physician identification number (UPIN) - will be disseminated through the national provider system database being developed by CMS.

CMS announced that it has dropped a proposal requiring providers to revalidate Medicare enrollment information every three years. CMS officials indicated that they will delay implementation of the revalidation process until they have developed an electronic procedure for enrollment.

CMS declares that the 90-day grace period granted for providers to use old codes in Medicare billing will be eliminated for the 2005 update cycle. Officials explained that the change is due to a HIPAA mandate that all medical codes sets used in HIPAA-compliant transactions be current as of the date of service. Medicare claims received with discontinued ICD-9 codes will be rejected for dates of service after Oct. 1. Claims with discontinued HCPCS or CPT-4 codes will be rejected for dates of service after Jan. 1, 2005.

CMS states that beginning July 6, 2004, Medicare will delay payments on non-compliant electronic claims. Claims submitted electronically in a non-HIPAA compliant format will be eligible for payment after the 27th day, 13 days later than compliant electronic claims. This modification is designed to provide incentive for medical practices and other providers to move forward with HIPAA implementation efforts. Currently, approximately 67 percent of Medicare claims are submitted in a compliant format.

Past President's Column cont'd

the affiliate. We hope to add more Colorado companies, because we're trying to promote business within our state.

We need Corporate Affiliate Sponsors. Let me say it again. We need Corporate Affiliate Sponsors. Yes, we need to have you sponsor our newsletter, the conferences, the salary survey, and the membership list, and…. and….. and…. and……….. If you want to get your name out in front of us, with minimal advertising costs, these are the ways to do so. Please consider becoming a sponsor. You'll be glad you did.

Notice **from Jim Knight, President**

President Elect, Pat Hansen has accepted a position in Utah and has resigned his CMGMA officer position. After seeking the council of recent Past Presidents, the Board of Directors decided to leave the President Elect position vacant at this time. In November, a new Secretary will be elected and at that time Secretary Susan Young will become the President Elect. This also means that the President and Immediate Past President will serve longer in those positions. Ellen Boyd and I have agreed to this.

Pat has been an asset to CMGMA. We will miss him here but Utah will gain from his presence there. It is encouraging to see a person accept professional leadership such as Pat did here in Colorado. We wish Pat the best of success in his new position and will look forward to working with him as a good neighbor to the west in the future.

Corporate Affiliate Corner

Changes on the Horizon for Healthcare

By Rick Ellis, COPIC Financial Service Group

As the cost of purchasing health insurance for physicians and employees continues to increase at a rapid rate, practices and individuals alike are looking for alternatives. Possible solutions may be to implement a Health Savings Account (HSA) for individuals, or a Health Reimbursement Arrangement (HRA) for your group. Group HSAs will be available later this year.

Health Savings Accounts were established by Congress as part of the "Medicare Prescription Drug, Improvement and Modernization Act of 2003" and are the successor to Medical Savings Accounts and have fewer restrictions. An HSA combines a high-deductible health insurance policy with a medical savings account. There are some very important differences between Medical Savings Accounts and Health Savings Accounts:

1. HSAs must be coupled with a health insurance policy with a minimum deductible of $1,000 for an individual, $2,000 for the family deductible, with a total annual out-of-pocket expense of $5,000 for individual coverage and $10,000 for family coverage. The underlying health insurance policy cannot have any co-pays and prescription drugs must be subject to the deductible.

2. HSAs allow both employers and individuals to contribute to the account. If the employer contributes to the employee's account, the contribution must be the same for all employees, and the employer receives a tax deduction as a normal business expense. The amounts contributed belong to the individual and are completely portable.

3. Eligible expenses that qualify for tax-free reimbursement include all IRS-qualified expenses under section 213(d), including premiums for **long-term care insurance**, COBRA continuation costs, and health insurance while unemployed. Medicare and Medicare Supplement premiums are not eligible.

With group health insurance costs skyrocketing, a Health Reimbursement Arrangement (HRA), may be the answer for both the employer and employees. HRAs are 100% employer-funded and have benefits for both the employer and employee. The benefits are as follows:

1. The employer can raise deductibles and co-insurance, essentially lowering their premiums, while at the same time giving the employer flexibility in the design of their plan's provisions for reimbursement. The employer decides how the employees may use these funds (e.g., to pay their portion of the health insurance premium, deductibles, co-insurance, or supplemental insurance premiums).

2. These expense reimbursements **are tax deductible for the employer,** and **are not considered to be taxable income to the employee**.

3. Employees can carry forward unused dollars from year-to-year. The employer can limit the carry forward amount per account.

4. There is no pre-funding required — employer pays only when the expense is incurred.

5. Health Reimbursement Accounts are not for everyone — owners and spouses of S-Corp, LLC/LLP, Sole Proprietors, and Partnerships **are not eligible**.

Call Andrea Levine of COPIC Financial Service Group at 720-858-6287 to evaluate if an HSA or HRA is right for you.

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The College Corner

By Julie Kjack, FACMPE

My article for our newsletter is a quote from an article that was written by Bob Harvey, FACMPE, Lawrence, Kansas. He has put into words what many of us feel about membership in ACMPE and Fellowship status.

"Joining the American College of Medical Practice Executives was the best thing I have ever done. How often have we heard that phrase? For all the rewards and benefits we receive from our work, how could being a member of the college be best? Seems a bit over the top, don't you think?

Well, let me tell you it is the best! From my own experience the College has brought validation and fulfillment to me in my chosen profession. Being certified and a Fellow in the College has allowed me to stand out as a recognized leader with proven competence in the medical practice management field. It has given me increased self-confidence and a sense of personal achievement. So what, you say? Is membership in the College necessary to feel as I do? Maybe not, but only someone who has accepted the challenge to become a certified member or a Fellow can know the excitement and feeling of pride that comes with membership.

Everyone knows the value of education and the need to keep learning long after formal schooling is completed. Things happen so fast in medical practice management that without a means to continue your education it is easy to be left behind.

Members of the College are nationally recognized as leaders with proven competence in medical group practice management. They manage some of the best-performing group practices in the nation. Perhaps even more important, they are among the best-compensated for their positions.

So what's stopping you? Haven't you put if off just once too often? You know your stuff! You will find hundreds of colleagues ready to assist you in many ways."

I want to encourage all of you to join the college, become certified and then become a Fellow. It is a goal of our CMGMA Board of Directors to have a minimum of one Colorado MGMA member become a Fellow at the annual conference every year. I am challenging those of you who are currently certified to make the move and become a Fellow in 2004!

Physician Employment Application

By Michael R. Rohr, CMPE
Chief Administrative Officer,
Colorado Mountain Medical, P.C., Vail, CO

As we medical group managers all know, it is important to have a good thorough (and legal) employment application for prospective employees. Basic information is needed as well as specific employment history with references.

But how many of us have a written employment application for prospective physicians? It is just as important to obtain basic information (full name, address, phone number, Social Security #, education, certifications, who to contact in case of emergency, etc.) from our prospective physicians, as it is for prospective lay staff. Most of this info is on the applicant's C-V. However, what is also important to obtain from the prospective physician that may not be on the standard C-V or on the standard employment application, but is important to know about your physician applicant, is the following. (Our practice has this typed and presented to the physician at the time of their first interview along with other group info.)

Who is your current malpractice insurance carrier? Who can we contact to find out about your history?

Do you understand and agree that our group practice is not responsible for any of your previous errors, omissions or malpractice issues? Please initial here to confirm this understanding ________.

Have you had any involvement in any fraudulent activities? If so, please explain on a separate piece of paper.

Are you board certified in your specialty? Please give dates of certification and any re-certification.

Do you understand that our group practice has a restrictive covenant with liquidated damages which will apply if you leave our employ and practice within ___ miles of any office operated by us? Please initial here to confirm your understanding and agreement of this covenant ________.

Do you understand that any errors or incorrect information provided to our group practice by you in applying for employment will be grounds for immediate termination from employment? Please initial here to confirm this understanding ________.

While all of these questions/statements listed above appear to be negative, it should be reassuring to your potential physician that all existing physicians in the practice have been asked the same questions and have put their initials to these items....meaning they will be joining a group practice where physicians have given honest statements about their past (once the administrator has checked these items out, of course), understand the restrictive covenant of the practice, and understand that the question of fraudulent activities has been asked of each member.

In my experience with over 27 years of managing 3 medical group practices, the above statements have been insulting to 3 physicians whom we tried to recruit and the existing physicians in the group felt they did not want to employ someone who would not agree to answer these questions. In one incident this past year, a doctor left our employ, set-up practice within 3 miles of one of our offices, and after we sent that person a letter she hired an attorney to say that she was not aware of such a restriction before she joined our group (that the restriction was "slipped in" the employment agreement at the time she signed). After copying our physician employment application showing the above statements initialed by her, that physician is now practicing in Florida ... and we collected the cost of our attorney's fee.

This may not be of interest to all administrators , but I can attest to its effectiveness.

Committee Reports

Rural Health Committee

By Greg Dyson

The primary goal of the Rural Health Committee is to identify the educational needs of clinics in the rural areas of Colorado. Staffing a small clinic is hard enough and allowing this staff to attend educational opportunities that can require two or three hours of travel time is even harder. Educational opportunities need to be more accessible, closer to the rural clinics, timely and at opportune times.

The companion question to the above goal is ... How can CMGMA help? As the chairman of the Rural Health Committee, I am looking for interested and enthusiastic members in the far reaches of Colorado to help with this project. Please e-mail me at **greg.dyson@bannerhealth.com** if you are interested! I hope to see you at the Spring Conference!

Membership Committee

By Julie Conroy, Chairperson

The membership committee has many responsibilities that include:

- Strive to increase CMGMA membership.
- Contact past members who have not renewed.
- Make contact with medical practices that are not currently members of CMGMA.

As the only member of the membership committee, I need assistance with these responsibilities. CMGMA has a tremendous amount to offer healthcare managers and I need your help in making contact with those who may not have heard about CMGMA. We need five or six members to join the committee so the above goals can be accomplished. Please contact me via email: **jconroy@backofficemd.com** or by phone at 303-475-9727 to join the membership committee.

Third-Party Payer Committee

By Todd Welter

Colorado MGMA's current president Jim Knight has organized a new committee. Our goals this year are to help the CMGMA membership identify and deal with the various payers in Colorado.

The medical insurance marketplace in Colorado has been very rapidly transforming towards open PPO networks with higher deductibles and co-payments replacing the "Mother may I?" referral and pre-authorization system of HMO managed care. In doing so may practices have begun to suffer from cash flow problems. There may be many reasons for this, two of the larger reasons have been:

1. More of your patient's bill is now held up in the deductible and co-payment amounts as specified by the patient's plan design. Premiums have risen sharply over the past several years. This, combined with a soft economy, has forced many employers to re-design their healthcare insurance and pass along more of the cost burden to the employees through higher co-payments and deductibles. For this reason it is vital that your front desk is trained and knowledgeable on collecting patient's deductibles and co-payments.

2. Health plans are making mistakes and/or intentionally mis-loading contract parameters causing an increasing amount of reimbursement mistakes. If your practice has any IPA or PHO agreements, this multiplies the possibility of a health plan loading mistake. Please very carefully monitor your reimbursements to be sure they remain accurate.

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