



Medical Group
Management
Association

MGMA

Colorado
A State Affiliate

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CMGMA Members Share Information to Create the Synergy of Success!

By Jan Jordan Krause, MA, CMPE

Over the past six weeks, many CMGMA members have individually contributed their employee salary information to boost the participation level of the annual CMGMA Employee Salary Survey to a level nearly double that of last year! Compared to 2003 responses from 57 practices representing 2,355 employees, this year 90 practices representing over 850 Colorado physicians and 4,227 employees have contributed to this successful effort now in progress.

Mike Rohr, CMGMA executive committee member and administrator at Colorado Mountain Medical Clinic in Vail, has infused significant energy to the survey activities in his role as member advisor and consultant for the project. Mike and his volunteers embraced response enhancement activities by initiating reminder calls to the members.

Krause & Company staff is compiling the data and the survey report will be printed by mid-July.

The objective of this survey is to provide managers with a useful resource to set salary and benefit levels within their practices. Having a report at your fingertips that contains salary and benefit benchmarks is a critical tool in each successful administrator's toolbox. This survey is designed specifically for Colorado medical practices, and each year it has grown in prominence.

Thanks to all of you that contributed to the survey!

President's Column **By James Knight, President**

The location for my column for this edition of our newsletter is Mummy Mountain. It is very windy today on this 13,425-foot mountain located northeast of Estes Park. There are even scattered snow showers that occasionally make the visibility difficult. I had two motivations for this climb: 1) to write this column and 2) to get some conditioning at altitude for the rest of the summer outings. Both have been accomplished but it's not really a good day for enjoying this mountain and the views (if I could see them). I'll make a mental note to come back and climb this mountain again so I can enjoy what must be a great view. It is a good conditioning hike and a good preparation for the summer.

So what's the management analogy? Preparation! Getting in shape! Obligation! By the time you receive this newsletter in your mail, we will be at the beginning of our summer conference. You will recall that we are co-hosting our summer conference with the joint national MGMA Midwestern and Western section meeting, July 25-28, 2004, at the Adams Mark Hotel in Denver. As I remove my president's hat for a moment, I ask myself, "Would I attend if I were not involved in this position?" It's a quick and easy answer, "Yes!" It prepares me to lead my group in the future. It keeps my mind in shape with updates and insights into a variety of different topics. It is an obligation for my professional well being, for the more learned leadership I can provide for our practice, and for the benefit of the Colorado MGMA. If I did not attend I would not be as strong in these aspects of management. For those of you who have still not registered, I encourage you to do so even at this late time and get or keep your minds in shape.

As I'm composing this article, I'm contemplating all that's going on around our professional association. We held a successful spring conference with some good ideas to carry forward to the future, we are working more closely with our Western Section leadership, we are getting some programs to areas other than Denver, we are exploring relationships that are good for the future, the salary survey project is exceeding projections, we are in a good financial condition, and our members are being recognized in their professional lives. These good things are happening because of good people doing their specific leadership tasks. Our board of directors and committee chairs are making this work. The number of our members participating and volunteering their time and talents is increasing, making that time commitment for volunteering less per person.

(cont'd on page 2)

2004 Conference Schedule at a Glance

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

November 5, 2004
Sheraton Denver West
Lakewood, CO

Visit www.cmgma.com
or call
303-756-8380
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CMGMA Board of Directors

James Knight, President

Rocky Mountain Oral & Maxillofacial Surgery
7889 S. Lincoln Ct. #201
Littleton, CO 80122
303-563-6126 fax 303-798-2208
jknight@rmoms.com

President-Elect

Position Vacant

Susan Young, FACMPE, Secretary

Rocky Mountain Primary Care
8753 Yates Dr. #110
Westminster, CO 80030
303-205-0113 fax 303-205-0124
rmpcmso@idcomm.com

Ellen L. Boyd, Immediate Past President

Rocky Mountain Surgical Associates, PC
4545 E. 9th Ave. Ste. 460
Denver, CO 80220
303-388-2922 fax 303-388-2962
ellenb1987@aol.com

Michael Rohr, CMPE, Member-At-Large

Colorado Mountain Medical, PC
181 W. Meadow Dr. #200
Vail, CO 81657
970-476-1800 fax 970-476-8976
miker@colmtmed.com

Gina Johnson, Legislative Liaison

South Denver Anesthesiologists, PC
333 W. Hampden Ave. #600
Englewood, CO 80110
303-761-5646 fax 303-761-7989
gjohnson@sdapc.com

Julie M. Kjack, FACMPE, College Forum Rep.

Northwest Neurology, PC
8461 Turnpike Drive, Ste. 200
Westminster, CO 80031
303-426-5449 fax 303-426-4003
j.kjack@nwneuro.net

Wendy Heckman, Corporate Affiliate Rep.

COPIC Financial Services
7351 Lowry Blvd.
Denver, CO 80230
720-858-6285 fax 720-858-6281
wheckman@copic.com

Colorado MGMA Office
Kornelsen Associates, Inc.
90 Madison Street, Suite 502
Denver, CO 80206-5414
303-756-8380 fax 303-759-8861
cmgma@conferenceoffice.com

Membership Committee

By Julie Conroy

Starbucks Promotion is Back!

If you refer someone and they complete a membership application and get it to the CMGMA office by August 31, 2004, you will receive a **\$5.00 gift card for Starbucks Coffee**. A few rules apply in order to qualify for the free gift card. First, renewal memberships do not qualify. Second, your name must appear on the application. So if you know a medical manager who could benefit from a CMGMA membership, direct them to the CMGMA web site and have them click on the "Join CMGMA Online" link on the home page. You can also have them contact the CMGMA office at:

COLORADO MGMA OFFICE
90 Madison Street, Suite 502
Denver, CO 80206
phone 303-756-8380 fax 303-759-8861
e-mail cmgma@conferenceoffice.com

Thanks for your participation in this promotion.

Join the Membership Committee

Looking for a way to get more involved with CMGMA? Consider joining the membership committee. 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.

CMGMA has a tremendous amount to offer healthcare managers and we 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 Julie Conroy, membership committee chair, via email: jconroy@backofficemd.com or by phone at 303-475-9727 to join the membership committee.

President's Column Cont'd

We knew we had good members and we are beginning to discover you. If you have not been discovered yet, communicate with us and let us know you are there and that you want to participate. Colorado MGMA has a number of projects and initiatives that are underway or that are being considered. If we get more of you involved, these will occur more quickly and we will enjoy ourselves in the process.

Until next edition, happy trails!

The College Corner

By Julie Kjack, FACMPE

Today's article comes from "The Guide to the Body of Knowledge for Medical Practice Management." The guide and the Body of Knowledge can be downloaded free at www.acmpe.com.

The guide is a professional resource and tool like no other. It provides practical ways to use the Body of Knowledge in your job and professional development. Save it and use as your source for job skills and professional knowledge. Whether you are a group practice administrator, a physician, a human resource manager, an educator or student you will find this guide useful. By using the guide you will understand the general competencies that form the foundation of success for medical practice executives. You will learn the eight domains of performance that make up the technical/professional knowledge and skill set of a medical practice executive.

There are five general competencies for Medical Practice Management in the Body of Knowledge.

- ♦ Professionalism – achieving and preserving professional standards
- ♦ Leadership – supporting the organization's strategic direction
- ♦ Communication Skills – interacting and presenting information clearly and concisely
- ♦ Organizational & Analytical Skills – solving problems, making decisions and developing systems
- ♦ Technical/Professional Knowledge and Skills – developing the knowledge base and skill set necessary to perform activities unique to the job, role or task within the eight performance domains or areas of responsibility:
 1. Financial Management
 2. Human Resource Management
 3. Planning and Marketing
 4. Information Management
 5. Risk Management
 6. Governance and Organizational Dynamics
 7. Business and Clinical Operations
 8. Professional Responsibility

I recommend that you download your free copies of The Guide and the Body of Knowledge. The information in both will better enable you to do your complex and ever changing job as a medical manager. I also recommend that you join the American College of Medical Practice Executives if you have not already done so. Those of you who are members of the college are encouraged to advance to Fellowship status. If you need assistance, Julie Kjack can be reached at j.kjack@nwneuro.net or 303-435-4444.

Performance Improvement: Appreciate Your Results in Advance

By Tim Wright, President, Wright Results

One critical factor of performance improvement is appreciation. Once you know what you want to improve, it certainly helps to quantify what those improvements will mean, what benefits they will generate, and so, why you want to achieve them. When you specify what will come from improving how you perform a function of your job, you increase the likelihood that you will achieve those results.

Appreciating what can come from performance improvement can cause your performance to appreciate.

Let's define "appreciation." From Random House Webster's College Dictionary:

"2. The act of estimating the qualities of things and giving them their proper value. 4. An increase in the value of property, goods, etc."

If we fit that definition to performance improvement, we get: "The act of estimating the qualities of PERFORMANCE IMPROVEMENT and giving it its proper value (can result in) an increase in the value of PERFORMANCE."

Here are three ways of seeing just how appreciation can lead to improvement:

1. When one knows where one wants to be, it is easier — even pleasurable — to get there.
2. Recognizing positive results motivates the person to realize those results.
3. Achievement is fulfilling. Humans crave fulfillment. Appreciating potential achievement sparks that craving.

The remainder of this article outlines four actions you (your team, your unit, your department, your organization) can take to appreciate what performance improvement will bring.

1. Define Performance Improvement Increments.

In addition to the target end result, you also want to specify milestones you will pass along the way. Example: Streamline billing process to reduce denials and improve collections. Milestone 1: Assemble team and define improvement points. Milestone 2: Document most frequent input errors. Milestone 3: Distribute "error check guidelines" throughout organization. Milestone 4: Document and analyze results (30 days, 60 days, etc.).

These markers indicate progress toward the objective. As you consider these milestones, pay attention to the benefits that come from reaching each one. The final result generates cumulative benefits, but achieving each milestone also produces achievement, value, and success.

2. Look Back To See Forward.

Goals are always set in the future. You can, however, make your goals easier to achieve by recalling previous achievements and the benefits they provided. Think back to specific performance improvements accomplished. Example: Defined process for "JCAHO survey readiness" to reduce overtime and stress in preparation. Example: Improved communications between nursing and technician staffs to reduce errors, esp. effort-duplication.

What efforts were required? What did you have to put forth in terms of time, energy, and resources? What did you feel and experience from the improvement? Use the answers to these questions to streamline your current performance improvement.

3. Ask and Answer, "So What?"

Look clearly at your potential performance improvement and qualify/quantify what difference it will make. Example: What difference will it make to improve recruitment and retention efforts, specifically for nurses and technicians?

To deal thoroughly with this question, also ask what the improvement will require: time? energy? resources? Ask what it will "cost" you in terms of personal/team effort, sacrifice, stress? Ask what you can gain from the improvement. In effect, you are looking at the degree of (personal) investment and the return you will take from that investment.

4. Gather Objective Input.

Ask friends and associates (whom you know will give you candid responses) what benefits they see from your projected performance improvement. Example: What will be the advantages and disadvantages to constructing an immediate-response patient feedback form?

Be sure you include in the context the estimated costs and efforts required to achieve the improvement. You want your associates' input to reflect raw benefits from improvement and net gains in light of what must be spent to achieve the improvement.

Here's a key fact: the concept and the steps can be applied with equal value to your quest for individual performance improvement or to your team, your department or your entire organization.

Tim Wright, President
Wright Results

For more information visit www.WrightResults.com

Contact Tim Wright at 512-733-6453 or tim@wrightresults.com

Tips On Performance Improvement Appreciation

1. Appreciate Performance IMPROVEMENT.

Keep in mind appreciating performance improvement, not performance itself. Think ahead and appreciate what will result from your performance improvement effort.

2. Appreciate Improvement INCREMENTS.

As you focus on the desired end result, the ultimate improvement, pay attention to the steps you must accomplish to get you there. Recognition and celebration of those steps increases your incentive to improve.

3. Appreciate PAST Improvements.

Learn from what you have done and where you have been. While every performance improvement effort produces new results, not everything has to be done for the first time. Capitalize on experience from previous efforts.

4. Appreciate EXTERNAL OPINION.

Make the time to summarize what improvements you hope to achieve and what you are willing to do to achieve them. Present that summary to candid associates and invite their responses.

Legislative Liaison's Column

By Gina Johnson

House Passed Medical Liability Reform Legislation

On Wednesday, May 12, 2004, the House passed H.R. 4280, The HEALTH Act of 2004. It includes a \$250,000 limit on non-economic damages, a fair-share rule that allocates damage awards proportionally to fault, and a sliding scale for attorneys' contingency fees. The President has said that he would sign a medical liability reform bill into law if it came to his desk. It is now up to the Senate to pass similar comprehensive legislation and work towards resolving the medical liability crisis in America.

HIPAA Claims Deadline Approaches

Medical practices that do not submit electronic claims in the HIPAA format to Medicare after July 1, 2004, will face a thirteen-day reimbursement delay. CMS implemented a contingency plan temporarily permitting the submission of electronic claims that were not in a HIPAA compliant format after the October 16, 2003 deadline. After July 1, claims submitted electronically in a HIPAA compliant format will be eligible for payment on the 14th day after receipt. Non-compliant claims will not be eligible for payment before 27 days. CMS is reporting that 83% of claims are in the HIPAA format.

Office Of Civil Rights Highlights Guidance on Privacy Rule Implementation

Just over a year has passed since the implementation of the HIPAA privacy rule. The Office for Civil Rights (OCR) marked the anniversary by sending a letter to all health care providers. The letter offers guidance with privacy compliance and includes the following clarifications:

- ♦ HIPAA does not require patients to sign consent forms before doctors, hospitals or ambulances can share information for treatment purposes;
- ♦ HIPAA does not require providers to eliminate all incidental disclosures; and
- ♦ HIPAA does not cut off all communications between providers and the families and friends of patients.

Third-Party Payer Committee

By Todd Welter

Billing and Coding, Medical Records and Managing Healthcare

I am in Beijing China, a city of over 10 million. I was invited by a Swiss company to attend The Chinese Orthopedic Association's National Congress. Over 2,500 Chinese physicians will attend to hear discussions on the latest surgical procedures, new products, and new ideas on patient care. I have traveled with my friend Dr. Michael Janssen, an internationally known and well-respected orthopedic spine surgeon. Dr. Janssen has an orthopedic spine surgery practice in Thornton, Colorado.

In addition to our official duties, the obvious tourist opportunities, and the many complex social events we are invited to, I am determined to learn as much as I can about the Chinese healthcare system, how it is financed, how records are kept, and how the physicians are compensated (who said healthcare business consulting is boring?)

The Chinese system for coding is not as specific as ours. Even though they perform essentially the same services and procedures, they record very basic, general service descriptions. They then have a fixed fee schedule for all services. The patient pays for medical care, many times in advance. If it is not paid for, it is simply not done.

The Chinese people, those living in the larger cities at least, have insurance. In China, employers pay for the insurance. Most of the time the insurance pays very minimally and the remainder is paid by the patient or their family or outright by their employer.

I am visiting the Beijing General Military Hospital, a sprawling 1,100 bed facility in the heart of Beijing, a few minutes from Tiananmen Square. Our hosts tell me that this is the best hospital in all of Beijing. I find the facility to be very "1950's Institutional." Stark white tiled walls and floors. No patient amenities (televisions, bathrooms in the rooms, etc.). Other than that, the set up is very similar with one very notable exception. In China, the patient's family is expected to play a big part in the patient's care. The patient's family does a lot of what we call nursing care (food, patient comfort, even moderate physical therapy). Every patient room I saw had at least one extra bed in it for a family member.

I was very privileged to be able to discuss the Chinese systems of record keeping, coding, charges, and reimbursement with the hospital's Vice President of Finance who is also a gastroenterologist. All the physicians at this hospital are employed by the hospital. Many have apartments on the grounds of the massive complex. Physicians are paid a salary and then receive bonus pay based on their productivity (number of cases, patients seen, etc.). Physicians are also able to receive additional compensation for a wide variety of other efforts, some officially frowned upon but openly accepted.

The hospital and physicians use a single electronic medical record. Computers throughout the facility are able to access a patient's record, charges, physician notes, nursing notes, etc.

One area of great difference is the concept of outpatient surgery. The Chinese do not perform "outpatient surgery." Part of our visit to the facility included a session with the Orthopedic Department to do case reviews. There was a kind of International Grand Rounds done with Dr. Janssen from Denver and a physician from Prague. The Chinese physicians discussed several cases and presented their x-ray results, including MRI. As it turns out, a procedure that could be done in Denver in 30 minutes with a 4-hour stay in an outpatient facility would result in at least a 2-day in-patient stay in China.

The Chinese system appeared to equal ours; in fact they perform the same complex procedures we perform (open heart surgery, complex spine and neuro surgery, transplants, etc.) in addition to all the more routine services. Their system was, however, remarkable for it being less efficient than ours. On the provider side, it appeared that their system is hospital-centered rather than physician-centered. They therefore, don't seem to be as concerned about seeing as many patients as possible, turning around O.R. rooms quickly and getting the patients out of the hospital as soon as possible. I was struck by this difference.

(cont'd on page 5)

Rural Health Committee Outreach Meeting Postponed

The Rural Health Committee's outreach meeting has been postponed until sometime in August 2004. CMGMA will notify the membership when the date is determined.



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Corporate Affiliate Corner

Update on Health Insurance: The Good News and the "Not So Good" News

By Wendy Heckman

House Bill 1164 (effective September 1, 2003) has given health insurance carriers the ability to rate for health status and industry – something they have not been able to do since January 3, 1998.

The Good News

To help make insurance coverage more affordable for individuals in a small health plan (i.e., businesses with 2-50 employees), HB 1164 enabled carriers to offer a less expensive (basic) plan by removing some costly state-mandated requirements.

To persuade healthy individuals to participate in employer-sponsored health plans, HB 1164 also enabled insurance carriers to provide discounts of up to 15% to new and renewal business for healthy groups. Effective October 1, 2004, the discount carriers are allowed to give healthy groups will increase from 15% to 25%.

The "Not-So-Good" News

Also effective October 1, 2004, small group carriers will be able to raise rates up to an additional 10% for unhealthy groups upon renewal. For new groups, individuals and family members will be required to complete a health statement at the time of application. The information obtained on these health statements allows the carriers to increase rates up to an additional 10%.

This means that two employers with identical demographics could see their health plan rates vary by as much as 35%, based entirely on the health status of their employees. (The healthy group could receive up to a 25% discount on their rates, while the unhealthy group could receive up to a 10% surcharge.)

In addition, carriers will again be able to set rates according to the group's industry. Some industries may see their rates increase, while others may receive a decrease.

We will keep you posted as to how legislative changes will affect you and your practice's health insurance plan.

If you have any questions about providing health insurance to your employees or if you'd like COPIC Financial to provide you with a quote, please call Andrea Levine at 720-858-6287.

Please remember – there is no longer a grace period for notifying a health plan carrier of employee terminations. Carriers can and will charge a full month's premium if they have not received notification by the end of the month in which the employee or dependent's coverage terminates.

Third Party Payer Committee Cont'd

Based on this trip, other international visits, and even many domestic observations, I am starting to conclude that the American system of healthcare, with all its apparent blemishes, owes its efficiency to American physicians playing such an important role in it. The concept of system efficiency is lost to the Chinese, because it is a hospital-centered system. The lesson in this may be to protect and, in fact, strengthen the physician's role in healthcare rather than allow it to continually erode. It appears, by observation, that when there is a system which does not allow the physician to initiate care, make decisions, order, admit and discharge while compensating him/her to do so in a way that values this expertise, the system suffers from inefficiencies, lack of creativity, and thus higher costs.

Being a coder at heart, I brought a 2004 CPT book with me and showed it to them. Its level of detail mesmerized them. We agreed to exchange pricing information and I was allowed to photograph much of the facility including patient rooms, patients, and even a medical record. (Something we could never do here.) The company who invited me to China is sending me a large package of information on the Chinese healthcare system for follow-up.

The President of the Beijing General Military Hospital presented us gifts. He gave Dr. Janssen the title of Honorary Chairman of the Orthopedic Department (a very high honor) and presented me with a traditional Chinese tea set (something we will cherish at my home). I plan to send him a copy of John Fielder's book of Colorado photographs and, of course, a CPT book.