

Corporate Affiliate Corner

Salary Survey Report

By Jan Krause

Did you know that over 60% of participating Colorado medical group practices define a full-time work week at less than 40 hours? And, that the median salary for Medical Assistants in 2003 was greatest (\$29,484) in practices with \$2 million and under in annual revenue-as opposed to larger practices?

These facts were published along with many others in the 2004 Colorado Medical Staff Salary Survey: Based on Salaries for 2003.

Now is your chance to participate in the CMGMA 2005 Healthcare Staff Salary Survey for 2004 Data!

The questionnaire has been sent to all member practices in our database. If you did not receive a copy, go to www.cmgma.com and download your questionnaire and guide. Follow the instructions inside to complete and return your questionnaire by May 15, 2005.

This year our knowledgeable and spirited survey committee comprised of Bill Tucker, CPA, Lance Goudzwaard, Ron DeVries, MSHA and Pam Knight updated job descriptions to bring you better options for defining your staff. Please be sure to give us feedback on these changes or anything else in the "Comments" section of the questionnaire. The committee will continue to be involved in all non-confidential aspects of the survey.

The yearly success of this survey is dependent on member participation-and we need you! Look for the finished report in July, 2005.

Please let me know if you have any questions as you complete the questionnaire.

Exhibitor Corporate Affiliate Update

By Scott Raberge

The Corporate Affiliate Committee has been reviewing and making decisions about new enrollees to the corporate affiliate membership; to date we have six (6) new corporate affiliates. The conference office has an updated account of new corporate affiliate members and their exhibiting status for the Spring Conference.

In the past few years we had been asked to accommodate larger exhibiting booths. The booths originally were designed for an 8 foot table to accommodate a table top display. The board recognized different sizes as a need for exhibitors and made some changes at the strategic planning meeting to accommodate this for future conferences. The board changed the exhibit fees to accommodate these larger sized booths. Exhibitors now have the option of having the traditional table top display, a full size floor display, or purchasing a double booth.

Collection Tips

By Scott Raberge

Increasing cash flow and decreasing customer delinquency are two worthy goals for most businesses. Achieving these goals is often a difficult proposition. Creditors frequently find themselves torn between their goal of reducing delinquency and their desire to maintain good customer relations. However, if sound internal collection policies and controls are in place, the prospects of decreasing delinquencies while maintaining good customer relations are enhanced.

The first step in achieving desired accounts receivables results is to ensure that the invoices your customers receive are clearly marked as such and plainly state when payment is due. Also, make certain your invoices clearly indicate how the total balance is calculated. Ambiguous invoices yield undesirable results and create additional work for your accounts receivable staff in answering avoidable billing questions.

When it comes to collecting, you must acknowledge that you will never have enough internal resources to collect all of your delinquencies. Unfortunately, customer delinquency is as much a part of doing business as ordering office supplies. However, the delinquency rate can be controlled by implementing internal collection efforts early on in the stages of delinquency. The single most important factor in determining an account's collectibility is its age. Typically, accounts less than 60 days past due are more than 80% collectible. Accounts more than 90 days past due are usually less than 50% collectible. Unlike fine wine, receivables do not get better with age. Needless to say, prompt and early action yields favorable results.

We recommend our clients develop and use an internal accounts aging system and review aging reports weekly. These reports should specify which accounts are current, which are over 30 days, 60 days and 90 days past due. Begin your internal collections early by firmly and professionally calling those customers that are more than 30 days past due on a weekly basis. Simply sending another invoice is insufficient. Prompt personal contact is the key. Set payment parameters with firm due dates and amounts to be paid. If promises of payment are broken, you should follow up on the broken promises immediately. If an account is delinquent by 90 days or more, it is generally time to place the account externally for collections. The longer a creditor waits in hopes the customer will pay on his own accord, the less likely the account will be collected after it is placed with a collection agency.

After you ensure your invoices are clear and concise, and after you have implemented an internal collection system based on the consistent review of aging reports and early follow up on slow paying customers, you will be well on your way to improving your cash flow and reducing delinquencies. Proactive planning and effective implementation of the above philosophies will pay sound dividends for years to come.



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Legislative News

Legislative Liaison Report

By Gina Johnson

MEDICARE PHYSICIAN PAYMENT REFORM

The Medicare program's trustees have announced that physician payment rates will be cut 31% from 2006-2013. Physician payment updates are driven by a flawed formula called the Sustainable Growth Rate, or SGR. Instead of the SGR, payment updates should be based on increases in practice costs. Other Medicare providers are not subject to the SGR. In fact, hospital payments are slated to rise by more than 3% a year. What does this mean to Colorado physicians? Over the 8-year period, Medicare payments in Colorado will be cut by \$940 million. For physicians in Colorado, the cuts over this 8-year period will average \$10,000 per year for each physician in the state. The first of the annual Medicare pay cuts is slated to occur on January 1, 2006. Medicare physician payment rates in Colorado will be cut by \$21 million dollars in 2006. These figures represent the impacts on Medicare Physician Payment Schedule services only and do not include effects from private, Medicaid and other plans that tie payments to Medicare rates. These figures are derived from the 2004 Medicare Trustees' Report. The source of the impact analysis is the AMA Division of Economic and Statistical Research, October 2004.

MedPAC

The US Medicare Advisory Committee (MedPAC) has recommended a 2.7% increase in Medicare physician payments for 2006. The current formula would cut payments by 5.2% in 2006.

UNPROCESSABLE MEDICARE CLAIMS

CMS has announced that claims that have incomplete or invalid data will be returned as unprocessable. CMS previously denied these claims with appeal rights. Beginning July 1, 2005 CMS will return these claims as unprocessable, without appeal rights.

MEDICAL LIABILITY REFORM

Colorado currently has a \$300,000 cap on noneconomic damages. States in crisis have no caps on these sorts of damages. President Bush has proposed a federal \$250,000 cap on noneconomic damages. That would be an improvement to Colorado's current cap.

However, if Congress proposes a higher cap this would be a step backwards for Colorado. We need to urge Colorado congressional delegates to help to ensure that Federal legislation will 1) have caps on noneconomic damages that are the same or lower than Colorado's or 2) include provisions that the federal cap will not pre-empt stronger state caps.

COLORADO STATE LEGISLATION

HB1101

Removes the requirement that an unmarried child under 24 years of age be enrolled as a full-time student in order to be considered a dependent for health benefits and increases the age to 25 years.

CMGMA supports

Status: 2/21/05 Passed the House

2/22/05 Introduced in the Senate. Assigned to Business, Labor and Technology

HB1165

Mandates that health insurance companies honor assignment of benefits.

CMGMA supports

Status: 2/15/05 Passed the House

2/17/05 Introduced in the Senate. Assigned to Health and Human Services

SB022

Preferred Drug List for Medicaid

CMGMA supports

Status: 1/12/05 Introduced in Senate. Assigned to Health and Human Services + Appropriations

SB036

Eliminates some of the privileges of minor drivers.

CMGMA supports

Status: 2/07/05 Passed the Senate

3/10/05 Passed the House

SB072

Allows a carrier to offer small group policies that include a premium discount of up to 10% for individuals who maintain a healthy weight.

CMGMA supports

Status: 2/22/05 Passed the Senate

2/23/05 Introduced in House. Assigned to Business Affairs and Labor

3/09/05 House committee postpone indefinitely.

Quarterly Communicator

The Official Newsletter of Colorado MGMA

Past President's Column By Ellen Boyd Immediate Past President

A lot of work is being done this year to bring you quality programs for learning and honing our craft. We hope to see you at all the conferences this year, including the conference this summer in Fort Collins. The education this year will be on par with national MGMA speakers.

As always, we need quality people on board with all meeting planning, positions on the board and committees. Please contact any board person with any interest you might have. We have a need to fill the legislative liaison and secretarial positions this fall for board year 2006. If you have an interest, please let us know. The board positions don't require extensive training to allow you to contribute. You must be a working medical manager and have participated in CMGMA for two years.

Thank you to all this year that are participating in planning committees. The work you do is invaluable, especially planning the lunches. For all of you that aren't in on this joke, if it were up to Jim Knight, we'd all have power bars and Gatorade. I think he deserves cases of the stuff when he leaves his board position in year 2006. Really though, your help is invaluable both in time and efforts. We, the membership, appreciate you.

President's Column By Jim Knight President

Mt. Morrison is a small mountain just above Red Rocks. It's a good training hike for just staying in shape. I learned of this local jewel from a fellow Colorado Mountain Club member who has the impressive credential of having reached the summit of Everest. I casually asked him one time how he trained for an Everest climb and he said he just routinely went to the summit of Mt. Morrison. Its close, its steep, and you can do it in a short time. I usually climb it after work since it is close to where I live.

The trail can start at the lower part of the amphitheater at Red Rocks or at the top. Today, I start at the top as I have less time. A small pack with a bit of weight to make it a little harder is all I carry. From the start to the top I time myself and go at a brisk pace, so when I reach the top my legs and lungs are burning. No breaks are permitted because this is training. I sit on a flat rock at the summit that looks out over the Denver metro area. Boulder and Long's Peak are to the north, the continental divide to the west, and Castle Rock and Pikes Peak are visible to the south. Kansas is somewhere to the east. Today is sunny and windy and tomorrow the forecast is snow. You can get a sense of that from the mountain wave (lenticular) clouds.

This seemingly unimportant climb is actually very important for me because it sets the stage for the "big" ones. Keeping fit is paramount. As healthcare executives, there are seemingly unimportant tasks and projects we accomplish daily, weekly, monthly, quarterly, and yearly. These keep us fit mentally and physically for the "big" things that will come our way. If we were not in shape then I wager we would not do well when we take on the "big" ones.

Our conferences this year are focusing on fundamental issues to keep us in good shape. Even us old salts will profit by revisiting fundamental issues. Its important to make the mind and spirit burn a bit from strenuous endeavors about the basics. Our members have many levels of experience and training -- and our conferences, our networking, and our member values all intend to make healthcare better by making us better. Be sure to stay in shape and stay healthy!

PLEASE NOTE: The Colorado MGMA Conference and Association Management office has moved to a new suite. All contact information remains the same, with the exception of the suite number. Please note the new address:
CMGMA
90 Madison Street, Suite 403
Denver, CO 80206

2005 Conference Schedule at a Glance

**Summer Conference
July 8, 2005**
Hilton Hotel
Ft. Collins, CO

**Fall Conference
November 4, 2005**
Sheraton Denver West
Lakewood, CO

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

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

Susan Young, FACMPE, President-Elect

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

Michael Bergerson, Secretary

Ft. Collins Youth Clinic, PC
1214 Oak Park Dr.
Ft. Collins, CO 80525
970-267-6701 fax 970-267-9507
mbergerson@youthclinic.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
3550 Lutheran Pkwy., #200
Wheat Ridge, CO 80033
303-597-4444 fax 303-577-1444
j.kjack@nwneuro.net

Scott Raberge, Corporate Affiliate Rep.

Professional Finance Co., Inc.
5754 W. 11th St., #100
Greeley, CO 80634
970-352-5000 x321 fax 970-352-7972
scott@pfccollects.com

**The College Corner
By Julie Kjack, FACMPE**

It is the time of year to be working on your outline if you are planning to achieve Fellowship status at the MGMA annual conference in October. The professional paper outline deadline is May 6, 2005 and the final professional paper manuscript deadline is August 26, 2005. In order to be recognized as a new Fellow at the MGMA 2005 Annual Conference you must meet these deadlines. I urge all CMPE's to please consider making 2005 your year! In our last newsletter I made an offer and will make the same offer again. If you become a Fellow and walk the stage at the MGMA conference in October I will personally take you to dinner while we are in Nashville. If anyone needs help or encouragement please contact me at the numbers listed below.

All Certified Medical Practice Executives received a series of communications from the ACMPE inviting them to become a Fellow in 2005. Topics included: getting organized; developing the topic; researching the topic; writing the paper; and staying on track. For more information, CMPE's can view the steps toward Fellowship in the ACMPE Advancement Manual and on the ACMPE web site.

For those of you who are not at the certified (CMPE) level and wish to do so, the following testing dates are scheduled for 2005.

4/16/05-4/17/05:

ACMPE tutorials at the MGMA Academic Practice Assembly Conference in New York

4/25/05-5/06/06:

ACMPE online board-certification tutorial

5/14/05:

ACMPE computerized exams

6/06/05-6/17/05:

ACMPE online board-certification tutorial

7/09/05-7/10/05:

ACMPE tutorials at the MGMA Eastern-Southern Section Conference in Savanna, GA

7/18/05-7/29/05:

ACMPE online board-certification tutorial

7/23/05-7/24/05:

ACMPE tutorials at the MGMA Midwest-Western Sections Conference in Reno, NV

As of January 2005, ACMPE was at 48% of the 2005 goal for new nominees, or 451 of 933. We were at 50% for new CMPE's, or 111 of 223. The 2005 goal for new Fellows was at 70% with 28 of 40. It looks like 2005 will be a great year for the college.

There are continuing education requirements after becoming a Fellow. Many ACMPE members still do not know that they can check their ACMPE transcript online.

Additionally, they often overlook the need to maintain their continuing education requirements. This is an excellent time to make sure ACMPE members get in the habit of checking their online transcripts to make sure all educational activities have been recorded and to check their statuses toward meeting the requirement on their next anniversary. Online transcripts can be accessed in the My Profile area of the MGMA Web site by selecting the My Transcript tab.

Please contact me if I can assist you in any way:

303-597-4444 (desk)

303-435-4444 (cell)

email: j.kjack@nwneuro.net

**Stark II and Physicians
Recruitment Expenses
By: Michael R. Rohr, CMPE**

The Stark II regulations over the past two years have put a damper on medical group practice efforts in obtaining help from hospitals regarding the costs incurred with bringing a new physician on board. Pay attention to these rules because they could be costly to you and your group if not properly followed and seek competent legal assistance to be sure you are compliant.

To summarize some history, years ago hospitals were willing to cover some/most of the costs of adding a new physician to an existing group practice, such as:

- ♦ Recruiters fee
- ♦ Relocation costs
- ♦ Malpractice insurance
- ♦ Part of the overhead costs (additional personnel, advertising, etc.)
- ♦ Guaranteed salary for first few years

The thinking many years ago was that the new physician would be bringing patients to the group and to the hospital where the group practice admits patients for inpatient care and therefore it was really a "no-brainer" for the hospital to pay some recruiting expenses and who would certainly have a big return on their investment, especially if the new physician was an orthopedic or general surgeon. Everyone benefited from this situation, but then over the years abuses occurred and the government stepped in to be sure the patients and community were first served (not the doctor or the group or the hospital). Like most other things in business, the money exchanging hands was getting bigger and bigger and it was felt by overseeing agencies that the incentive was for the doctor to do more and more procedures/surgeries in the hospital who helped the physician get started in his/her practice. (I personally believe this was not as big a deal as originally thought, but a few, and very creative, people have proven otherwise.) *continued on page 4*

Stark II and Physicians Recruitment Expenses continued

So today we have Stark Laws that are in place to be sure the patients and communities are the benefit of the dollars spent to recruit a physician to a hospital or group practice. Below are a few things to be aware of when requesting funds from a hospital for the sole purpose of adding a physician to your group practice.

The 5 costs listed previously are still legal for a hospital to pay on behalf of the physicians/groups; however, the physician being recruited by the group practice must adhere to these rules:

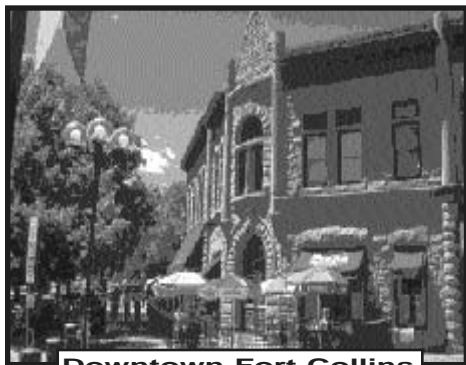
- 1) See all patients referred to him/her, regardless of status of financial concerns (ie: medicare, medicaid, uninsured, etc.).
- 2) Physician cannot have a signed employment agreement that contains any kind of a restriction covenant not to compete with your group practice, or the hospital.
- 3) Salary guarantees by the hospital must be paid back over a specified period of time.
- 4) All recruiting costs must be "reasonable" and appropriate "receipts" must accompany the request.
- 5) Physicians must agree to, comply with, and participate in the hospitals mission statement.

Again, seek good legal counsel to be sure you are doing things within the law. It is the right way to proceed.

CMGMA Future Conferences

Please add these dates to your calendar!

The 2005 **Summer Conference** will be held on Friday, July 8, 2005 at the newly renovated Hilton in Fort Collins (formerly the Holiday Inn-University Park Hotel). The 2005 **Fall Conference** will be held on Friday, November 4, 2005 at the Denver Sheraton West. An opening reception will be held the Thursday evening prior to each Conference.



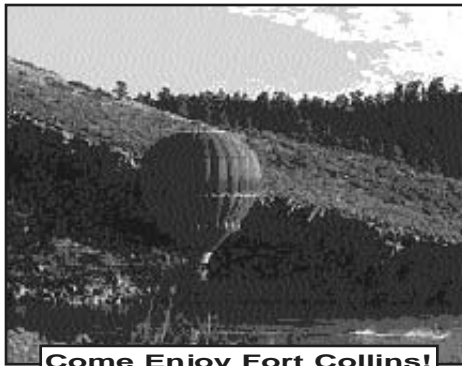
Downtown Fort Collins

We are excited to announce that the Summer Conference in Fort Collins will be a joint conference with the Wyoming MGMA. Several members from Wyoming are working with the Colorado MGMA leadership on

the planning of this meeting. This will be a great opportunity to work cooperatively with our neighbors to the north to promote our common state MGMA missions. Colorado and Wyoming have many similar challenges in healthcare and this conference will combine our resources to better serve the members of both states.

Plan on making a weekend of it and explore the Fort Collins area this July!

Area Attractions



Come Enjoy Fort Collins!

- ◆ Complimentary Area Shuttle within a 10 mile radius of the hotel
- ◆ Golf courses
- ◆ Shopping
- ◆ Tennis
- ◆ Old Town Square
- ◆ Rocky Mountain National Park and Estes Park
- ◆ The Ranch/Budweiser Event Center
- ◆ Cache La Poudre Canyon/Highway
- ◆ Rafting and Fishing
- ◆ Great restaurants
- ◆ Colorado State University
- ◆ Anheuser Busch Brewing Plant
- ◆ Local Breweries such as New Belgium and O'Dells
- ◆ Horsetooth Reservoir
- ◆ Prime Outlets Factory Outlet Mall in Loveland
- ◆ Lory State Park
- ◆ Lincoln Performing Arts Center
- ◆ Dinner Theaters
- ◆ Edora Pool and Ice Center
- ◆ Bike Trails
- ◆ Hiking
- ◆ Hot Air Balloons

CMGMA Committee Chair Persons

Wess Chambers, Dental Committee

Cody Dental Group
4301 E. Amherst Ave.
Denver, CO 80222
303-758-5858 fax: 303-758-6753
wess.chambers@codydental.com

Dennis Flint, Membership Committee

High Country Health Care
P.O. 1292
Frisco, CO 80443
970-668-1791 fax: 970-668-1792
dennis.flint@rmmso.com

Greg Dyson, Rural Health Committee

Family Care Clinic
615 Fairhurst
Sterling, CO 80751
970-521-3252 fax: 970-521-3266
greg.dyson@bannerhealth.com

Jan Krause, Salary Survey Committee

Krause & Company, P.C.
4155 E. Jewell Ave., #200
Denver, CO 80222
303-691-5090 fax: 303-753-1532
jkrause@krausecpa.com

Todd Welter, Third Party Payer Committee

R.T. Welter & Associates, Inc.
655 Broadway, #500
Denver, CO 80203
303-534-0388 fax: 534-0393
tw@rtwelter.com

FREE Salary Survey

One of the great benefits of being a Colorado MGMA member is receiving a yearly complementary salary survey. In order for this benefit to continue with great success, we must have your input!

Please visit the CMGMA website to download your questionnaire and guide. Deadline to complete and return questionnaires is May 15, 2005.

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