AVOIDING MEDICAL DATA BREACH

By Bruce Nelson, Vice President at SearchAmerica®, a part of Experian

More than 30 health care networks of all sizes recently have been victimized by identity thieves and data breaches, and more are expected in 2010. These events are extremely costly to the organization. In the short term, the reparations and notices to patients and the fines imposed by government entities are quite costly. However, the greater risk is the long-term negative impact on the hospital’s credibility and reputation in the community.

Unfortunately, experts predict this trend to continue well into 2010 and beyond, and hospitals want to mitigate their risk as well as protect their patients’ medical information and their network from this potential financial and public relations disaster.

Health care is well-suited for breaches

Most data breaches can be attributed to employee theft or mismanaged data practices, often initiated by disgruntled or departing staff. This is bad news for hospitals. Health care organizations experience a high churn rate of employees annually — 6.5 percent — almost double the general turnover average of 3.6 percent, according to the Ponemon Institute. With more employees entering and exiting the hospitals’ payroll, the risk of breaches increases.

Additionally, health care is expensive, and identity thieves see it as a business opportunity. With more individuals out of work or underinsured, the market for health information is more lucrative, which draws even more attention from identity thieves.

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Greetings to All:

As I began to write this letter to you I realize the time as your President for chapter year 2009-2010 is coming to an end. Thinking back over the year, I ponder the opportunities and challenges we faced and how most of them turned into accomplishments for the chapter and the chapter’s history book. Through my volunteering over the years in different capacities in HFMA, I always had an apprehension if I had the ability to serve as chapter president if the time ever came. When it did come time, I still had that reservation in my heart. Thanks to a number of friends encouraging me and offering support and assistance I accepted the challenge.

Now looking back, I realize how much fun it was and how it stretched my comfort zone, but most of all seeing the great team at work to take the pressure off the President’s role. I won’t try to mention everyone’s name for fear of missing someone, but each of you knows who you are, Thank You for helping me as we worked together! Also I want to thank the membership for the support showed through your attendance to the Institutes and workshops, plus the Tri-Chapter conference. Please know it was an honor and privilege to serve you. With everyone pulling together the chapter had another successful year.

During each Spring Institute we induct new officers for the upcoming chapter year. Please join me in welcoming our new President – Andy Strausbaugh and the other officers for year 2010-2011. There is a list of the offices and office holders on page 8 of this newsletter. There are still volunteer opportunities for you to get involved in the Chapter which can be found on our website www.hfmaky.org. I encourage you; please consider it.

Andy and selected officers will be attending the Leadership Training Conference (LTC) in Phoenix. They will no doubt bring back new ideas to help our chapter and membership work toward another rewarding year. In June the Annual National Institute (ANI) will be in Nashville, TN at the Opryland Hotel. Since it is right in our back door, if at all possible don’t miss this great opportunity. There are so many education sessions you will have a hard time deciding which ones to attend.

In conclusion, please ponder this quote by an unknown author -- A few succeed because they are destined to, but most succeed because they are determined to”. Which are you?

Again Thank You for allowing me to serve,

Bill Jones, FHFMA
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The government responds with the HITECH Act

Proactive protection of health information is now mandated under the Health Information Technology for Economic and Clinical Health (HITECH) Act — which requires health care institutions to develop notification and prebreach programs — as well as state laws in California and Missouri. This 2009 legislation expands current federal privacy and security protections of health information.

According to the Energy and Commerce, Ways and Means, and Science and Technology committees, the HITECH Act strengthens the enforcement of federal privacy and security laws by increasing penalties and providing greater resources for enforcement and oversight.

Among other mandates, the HITECH Act outlines how hospitals notify their patients and community of a breach through the following notice types:

**Actual notice:** Affected individuals, guardians or next of kin must receive written notice at their last known mail or email address.

**Substitute notice:** If contact information is not available, the health care network must provide substitute notice, usually in the form of a conspicuous posting on the network’s Website or other location and/or a media notice, as soon as reasonably possible.

**Media notice:** For breaches affecting 500 or more residents of a single state or jurisdiction, the hospital is required to provide notice to prominent media outlets in that area.

**Secretary notice:** Hospitals must notify the U.S. Department of Health & Human Services in all instances of breach. The format and timing of the notice vary based on the number of affected individuals.

Given these guidelines and penalties, a hospital’s best choice is to proactively curb medical data breaches before they occur.

**Best practices for hospitals**

Deterring and detecting data breach threats don’t happen by chance. Leading health care companies are taking advantage of new processes and proven solutions used in other industries, namely financial and credit card markets, to prevent breaches from occurring. The following are a few best practices that hospitals should consider implementing in 2010:

Appoint a responsible party. Hospitals should make data breach avoidance part of an individual’s or a team’s job description. Naming an accountable resource will initiate process improvements, direct noncompliance inquiries to a centralized area, determine who would perform any investigations, and lead all legal and notification efforts in the event of a breach.

Expand compliance training. A variety of individuals need access to patient health information to perform their job. They may be staff, contractors, third parties or temporary workers. Hospitals need a process to ensure that all these individuals participate in annual compliance training. No exceptions.

Build a compliance culture. The entire hospital community should value the privacy of patients’ data as part of the organization’s mission. This includes offering trusted avenues to report noncompliance activities. All individuals — staff, contractors and partners — should be diligent in their compliance and alert the responsible party to processes and/or individuals who may be operating outside of privacy policies.

Monitor information. Automated monitoring of employee and patient information will alert hospitals of possible data breaches, often before they impact hundreds of individuals. Used by thousands of corporations across the United States, third-party products and services are available to monitor credit reporting agencies and proactively alert organizations of fraudulent events. Equipped with this unbiased information, hospitals can take appropriate action.

Medical data breaches are problematic for hospitals. Progressive health care professionals are looking at new means to protect themselves, and they are finding their answers from colleagues in other industries. To provide maximized results, hospitals need to advance their culture, training and systems to encourage compliance in every activity and have planned responses to potential threats.

The articles in *Financial Scene* often contain summaries of complex legal or accounting issues and may not cover all the “fine points” related to specific situations. Accordingly, they are not intended to be legal or accounting advice, which should always be obtained in direct consultation with a legal or accounting professional.
TOP 10 WAYS TO MAXIMIZE COLLECTIONS THROUGH EFFICIENT BILLING PROCESSES

By Lee Matricaria, Data Management, Inc.

Efficient billing and collections processes are critical components to a successful and profitable medical practice. Any efforts you make to improve efficiencies can help better capture the money you earn. Most practices leave anywhere from 5 to 30% of their reimbursement on the table because they either lack the proper processes, staffing, training or technologies. By following this Top 10 list, you can regain control of your billing operations and be on the road to increased revenues.

Verification of Benefits and Patient Registration. A step frequently overlooked in establishing best practices in billing is verification of benefits. It is increasingly important to take the time to verify the patient’s benefits prior to the date of service. Determining if the patient has coverage for the upcoming procedure can decrease the cost of collections, as well as minimize the risk of having to write-off a balance. This is also when a practice should address outstanding patient balances and co-pays. An efficient registration process can significantly improve your cash flow.

Medical Coding. Insist that AAPC Certified Professional Coders perform your coding. This step is critical in ensuring that all codes are billed correctly the first time. Missed or improper codes could equate to thousands of unbilled dollars, as well as expose you to potential liability and compliance issues. Consider hiring an auditing consultant or firm annually to ensure that claims are being coded correctly and completely. This can either confirm that your coding processes are correct or serve to help rectify any problems.

Charge Validation. Prior to submission, claims should be scrubbed via an industry specific tool which utilizes both standard and custom edits. This system should automatically detect coding combinations related to unbundling, modifier appropriateness, and mutually exclusive procedures. Medical necessity concerns can be discovered, and proper channels are exercised to improve or amend documentation.

Remittance Management & Payment Posting. The retrieval and processing of claims should be done with electronic remittances from government and large commercial payers whenever possible. Automating this process reduces human error and highlights claims that need additional follow-up. The ERA/EFT combination puts money into your account quicker, and allows for timely billing of secondary claims.

Denials Management. Understanding the issues surrounding a denial is critical to know what course of action to take to rectify the situation and obtain payment. Denials management is often a neglected area of the billing cycle due the labor involved and intrinsic knowledge needed to work outstanding claims. A dedicated team should be assigned to the posting and follow-up of denials. Trends in payer

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Ten Ways... CONTINUED FROM PAGE 4

reimbursement can be identified and addressed. Appeals and reviews to combat payer tactics should be submitted and followed through to conclusion. Try and target problem areas that affect the bottom line in order to obtain the maximum reimbursement for all the services you provide. Managing the process can be time consuming and sometimes difficult, but it is essential in optimizing cash collections. Having a team of individuals who understand this process is the number one factor in maximizing cash collections.

Insurance Follow Up. An essential element to help you maximize collections is to have a timely, effective follow-up process in place. You should initiate follow-up efforts with insurance payers on unresolved claims at the right time based on their payment patterns. Your follow-up specialists can use a variety of tools including claim status websites and phone calls to achieve results in the shortest amount of time. Diligence in this area keeps patients out of the loop until the patient responsibility amount is fully determined.

Reporting Capabilities. Your end of month reports should be customized to provide you with the specific metrics that are most valuable to your practice. They should provide a comprehensive view of your practice’s financial performance and give you the insight to make smart business decisions. If you can’t measure it, you can’t manage it. Understanding these details and how they affect your business are the foundation of effective practice financial management.

Hold the Collection Agency Accountable. Your collection agency handles many accounts, so it can be easy for mistakes to occur. While the occasional error may not significantly harm the practice, if it happens repeatedly and is not detected in a timely manner, the impact could be significant.

Technology. To do medical billing right, your technology platform needs to be state-of-the-art. You should invest in the right billing platform, claim scrubber software, have the ability to submit claims electronically, have a robust document imaging system and use electronic remittance for posting. The use of outdated technology may prevent the practice from running its billing operations to maximum efficiency. The long-term benefits and savings of investing in the right technology can often easily surpass the costs.

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Choosing a Billing Company. It is important to understand that not all billing companies are the same. Some items to consider are experience in your specialty, technology platform, service offerings and the willingness to customize their services to your requirements. Be aware of the benchmarks and ranges for what billing companies charge for your specialty, and understand that not all operations are equal. Sometimes, a low price option can undercut the competition because the services offered may neglect some of the labor intensive practices that are required to capture every dollar. Make sure there are no hidden costs for items like billing secondary payers, patient statements, and postage fees that you will need to factor in. Saving a little money on the rate charged by the billing company is shortsighted if they skimp on the steps addressed above.

To collect all of the money you have worked for requires fully optimizing each of these billing functions to realize efficiencies. Each area might only be responsible for a small percentage of collections, but taken together you can quickly find your practice leaving a large amount of revenue on the table. The first 80% of your payments are relatively easy to collect, it’s the next 20% that is harder to obtain and more expensive for an office or a billing company to properly staff the functions that are required to collect your money. You need to efficiently manage each of these billing functions so as to not leave any money on the table. This is money you have earned, so it’s important that you have a team or a partner that is willing to go out and fight for every dollar.

HFMA, LEADERSHIP TRAINING CONFERENCE – PHOENIX, AZ

I had the pleasure of attending this year’s leadership training conference with incoming officers; Andy Strausbaugh (President), Chris Woosley (President-Elect), Theresa Scholl (Vice President/Education), Jeff Presser (Newsletter Chair), Jeanene Whittaker (Secretary) and Scott Reed (Treasurer).

HFMA does an outstanding job hosting a fun-filled conference. The location was priceless, but while the sun is beaming, there is still a lot of work to be done. The 2010-2011 National Chair, Debora Kuchka-Craig, delivered a standing-ovation speech. She shared her journey through several trials and tribulations in healthcare and the support of her family encouraging her to keep making a difference. Her theme this year is “Step Up” which is very bold yet appropriate. If you’re given lemons, make lemonade. There are always going to be challenges, especially in healthcare. If you don’t make the choice to “Step Up” then things will always be the same as before. This year Step Up your involvement, Step Up your attitude, Step Up to finding your passion and pursuing your goals.

Following Debora was Keynote Speaker, Pat Williams, Senior Vice President of the NBA’s Orlando Magic. Mr. Williams delivered a standing-ovation speech. He shared his insight to the Seven Keys to Leadership, after all, he has read more...
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than 600 leadership books and has authored over 40 books, including: “Go for the Magic, How to Be Like Jesus, The Paradox of Power, Coaching Your Kids to Be Leaders, The Warrior Within, The Pursuit, How to Be Like Walt Disney and What Are You Living For?”

With everyone attending different session tracks, we managed to gather a lot of really great ideas for the upcoming year. We are pumped, excited and promise to Step it Up this year. Get ready to be involved. Be sure to visit our website www.hfmaky.org and find photos and events on Facebook.

To your success,
Vanessa Pennoyer, Chapter Assistant
vpennoyer@blueandco.com

CHAPTER ADVANCEMENT INITIATIVE

The Kentucky Chapter officers held a spring planning retreat on Wednesday, March 24, 2010 at Norton Brownsboro Hospital in Louisville. The retreat was facilitated by Steve Hand. Steve Hand is a member of the Texas Gulf Coast Chapter and is a System Executive – Government Reporting with Memorial Hermann Healthcare System in Houston, Texas. Steve has over 23 years experience in the healthcare industry, and has held a number of volunteer positions at the local, regional and national levels of HFMA. The focus of the retreat was volunteerism and certification within the Chapter.

Volunteerism - The success of the Kentucky Chapter is driven by the commitment and support of the Chapter’s volunteers. Attendees began the retreat by reviewing general chapter information, including member retention and certification percentages, member satisfaction survey, and chapter demographics (by organization type, level, and generation). This was a great way to kick off the conversation around volunteerism by identifying the composition of the Chapter and ensuring that the Chapter’s offerings align with the desires of its members. The attendees also discussed a new electronic PDF volunteer form developed by Vanessa Pennoyer this year. Several key takeaways from the meeting included reaching out to professors, universities and graduate students to engage student members in the Chapter, consideration of Chapter generational demographics in committee composition, and consideration of a “speed networking” session at an upcoming Institute to give members an opportunity to meet with each Committee Chair to learn more about each committee’s goals and objectives. Committee responsibilities may also be found on our chapter website (www.hfmaky.org) under “Chapter Information” tab.

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Chapter Advancement... CONTINUED FROM PAGE 7

Certification - The attendees reviewed the guidelines for Certified Healthcare Financial Professional (CHFP) and Fellow of the Healthcare Financial Management Association (FHFMA) designations. The attendees also explored ways to increase awareness and interest of the designations within the Chapter, including recognition of certifications at Chapter events, offering certification study sessions, and having a separate educational track focused on certification at an upcoming Educational Institute.

All of the spring retreat attendees left the event with a renewed focus on opportunities for the Kentucky Chapter for 2010-2011!

WELCOME NEW OFFICERS!!

At the Spring Institute, the new officers were installed. Please welcome the 2010-2011 Kentucky Chapter HFMA officers!!

President – Andy Strausbaugh
President – Elect – Chris Woosley
Chapter Assistant – Vanessa Pennoyer
VP Education – Theresa Scholl
VP Communications – Elaine Younce
VP Membership – Mike Yadav
Secretary/Founders Awards – Jeanene Whitaker
Treasurer – Scott Reed
KHA Liaison – Steve Miller
Director – Rob Moore
Director – Autumn McFann
Director – Shawn Adams
Director – Carl Herde
Past President – Bill Jones

SPRING EDUCATIONAL INSTITUTE

On March 18 and 19, the Kentucky Chapter of HFMA held their spring educational institute in Lexington, Kentucky at the Embassy Suites. The session included an outstanding keynote speaker, Dr. Steve Bedwell, who taught the audience how to flex their Perspective Power. We were fortunate to have five general sessions ranging from Lean and Emerging Trends in Supply Chain to Health Reform. We also installed the new officers for 2010 – 2011. The meeting was very well attended. Stay tuned for upcoming educational sessions!
WELCOME NEW MEMBERS!

The Kentucky Chapter of HFMA would like to welcome our new members since our January newsletter:

March 2010
Stephanie Bunch, Myers & Stauffer LC
Cathy Shepard, Norton Healthcare Pavilion
Daphny A. Jacquet, Student

February 2010
Patty A. Daniels, King’s Daughters Medical Center
Ivan D Cagle, South Western Communications
Jim Spears, Harrison Memorial Hospital
Lynn Jones, Blue & Co LLC

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Editorial Mission

Financial Scene supports the mission of the Kentucky Chapter by serving as a key resource for individuals involved or interested in the financial management of health care.

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Opinions expressed in articles or features are those of the author and do not necessarily reflect the view of the Kentucky Chapter, the Healthcare Financial Management Association, or the Editor. The editor reserves the right to edit material and accept or reject contributions whether solicited or not. All correspondence is assumed to be a release for publication unless otherwise indicated.

Publication Objective

Financial Scene is the official publication of the Kentucky Chapter HFMA and is written and edited principally to provide members with information regarding Chapter and national activities, current and useful news of both national and local significance, information about seminars and conferences and networking with colleagues, as to serve as a forum for the exchange of ideas and information.

Article Submission

Financial Scene encourages submission of material for publication. Articles should be type-written and submitted electronically to the Editor by the deadlines listed below. The Editor reserves the right to edit accept or reject materials whether solicited or not. HFMA Founder Points are granted for any articles published in Financial Scene.