

Healthcare Organizations: [Financial Management Strategies]

Volume 3 – Number 4



HEALTHCARE ORGANIZATIONS

[FINANCIAL MANAGEMENT STRATEGIES]

Release 108

November 2008

IN THIS UPDATE

- Tab III Chapter 4, “Analyzing and Negotiating Cost-Volume-Profits Contracts” was updated to include new material on standard cost profiles [SCPs], standard treatment protocols [STPs], capitation and micro-capitation reimbursement and HMO contract queries. Negotiation checklist 7 is also new, as is Appendix 2, 3 and 4; and illustrative Case Models 3, 4 and 5.
- Tab VI Chapter 2, “County Mental Health Programs: Preparing for the Future” was updated with new material on revenue sources and legislative proposals. Appendix 3 and 4 on the Diagnostic and Statistical Manual of Mental Disorders [DSM-IV] is also new; as is Checklist 4 with additional references on support groups, professional organizations and publications.

DID YOU KNOW?

In February 2008, the California legislature passed “Welfare and Institutions” Code Section 14105.19. It required a 10% fee-for-service payment reduction to Medi-Cal physicians and mental healthcare providers. The new law took effect on July 1, 2008 and the rush to managed care fixed-rate capitated contracts was on. CMS will select 15 sites in Colorado, New Mexico, Oklahoma and Texas for related Acute Care Episode [ACE] demonstration projects set to begin January 1, 2009.

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NEW AND NOTEWORTHY

- Mental Health:** The Senate adopted HR.-6049 with mental-health parity. Bipartisan lawmakers are working to make the bill law before 2009.
- Regulations:** Doctors, with a financial stake in hospitals, must tell referred patients about ownership links, under new Medicare regulations.
- Compliance:** CMS proposed Oct. 1, 2011 for full implementation of the International Classification of Diseases, Tenth Revision (ICD-10), code sets.
- Policy:** Congress [S. 2041 and HR 4854] is considering changes to the False Claims Act that could lead to more vigorous *qui tam* litigation.
- Accreditation:** CMS approved Norwegian company *Det Norske Veritas* [DNV] to accredit hospitals for Conditions of Participation [COP] standards. Authority to also certify ISO 9001 compliance runs, through 2012.
- Bankruptcy:** Hospitals filing bankruptcy this quarter include: a two-hospital system in Honolulu; one in Pontiac, MI; Trinity Hospital in Erin, Tennessee; Century City Doctors Hospital in Beverly Hills, Lincoln Park Hospital in Chicago, and four hospital system Hospital Partners of America, in Charlotte.
- Insurance:** First Professionals Insurance Company told the SEC that it held securities with an amortized *cost* of \$4.1 million in Lehman Brothers, \$2.1M in American International Group, \$2.5M in Morgan Stanley, \$2.1M in Washington Mutual and \$300,000 in Fannie Mae.
- Business:** Emdeon, a developer of revenue and payment cycle health management products, acquired the patient statement business of GE HIT.
- Finance:** Minnesota's HealthPartners new Web tool provides prices for 83 procedures in its primary care and radiology network.

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Contact the Editors and Contributors

In, *Healthcare Organizations [Financial Management Strategies]*, STP wants you to have a publication that meets your needs and covers material that you consider most important and interesting. Therefore, if you would like to see additional topics covered in this guide, feel free to send them to this email address: MarcinkoAdvisors@msn.com. Kindly include "Healthcare Organizations" in your subject line and as much information as possible in your request.

We will read each topic and consider all suggestions for material in future updates. Due to the volume of emails, we will not be able to acknowledge or respond to every one. But, we look forward to your suggestions and will make every reasonable request to accommodate them.

Thus, we hope you will find this publication an invaluable and practical resource for creating and maintaining financial and economic success for your own medical practice, clinic, hospital or healthcare organization.

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Fraternally,

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