

# Healthcare Organizations: [Financial Management Strategies]

## Volume 4 – Number 3



## HEALTHCARE ORGANIZATIONS

### [FINANCIAL MANAGEMENT STRATEGIES]

Release 111

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#### IN THIS UPDATE

•Tab I Chapter 2, “Improving Operations Management to Achieve Strategic Objectives” was updated with material on healthcare competitiveness, direct reimbursement payment methods, concierge medicine and retail medical clinics, HDHCPs, comparative medical effectiveness research, non-profit community benefit laws, and the rise of medical homes with participatory health 2.0 culture.

Information on the Certification Committee for Healthcare Information Technology [CHIT], eHRs and physician-executive leadership in the modern era is included.

The chapter was originally written by Professor Gregory O. Ginn; PhD, CPA, MBA, MEd of the University of Nevada, Las Vegas. Update contributions are from Hope Rachel Hetico; RN, MHA, CMP™, Assistant Professor of Healthcare Policy and Administration, Institute of Medical Business Advisors Inc, and elsewhere.

Case Model 2, Appendix 2 [IRS Form 13709] and Checklist 2 are also all new.

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### DID YOU KNOW?

It's now just a few days before the "Red Flag Rule Compliance" deadline of August 1, 2009 is upon us.

According to Pamela Thompson, of <http://www.physicianredflagrule.com>, in a quick and dirty survey just completed, over 70% of physicians, dentists and chiropractors interviewed 1) still haven't heard of the rule, or 2) believe that if they download a sample policy and file it away that they are compliant; and that 3) verifying IDs constitutes compliance.

Nobody's talking about the fact that over 70% of medical identity theft is from insiders, like employees, family and friends ... of the patient. (See the World Privacy Forum's 2006 report on Identity and Medical Identity theft).

Verifying patient IDs is closing the barn door long after the horse is gone, doesn't prevent most of the theft that actually occurs and so is never going to protect doctors from the fallout of a theft. We're also now hearing that staff are turning patients away unnecessarily while verifying IDs, because they aren't properly trained on what the Rule actually mandates; *sheesh!*

Private medical practices are easy targets for theft. A social security number sells for \$1 on the street. Patient financial information sells for \$50. It costs a doctor about \$200 per record to repair a breach. Over 7 MILLION records were stolen in 2008. Small practices are sitting ducks.

The financial and public relations cost of a breach in a practice has shown to be in the many thousands of dollars without considering any fines due to non-compliance. And so, we're hoping that whatever docs do to comply, that they do it for real.

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### NEW AND NOTEWORTHY

- **Policy:** Ron Paul, Congressman from Texas, recently proposed two new pieces of healthcare legislation.

The *Protect Patients' and Physicians' Privacy Act*, HR 2630, allows patients and physicians to opt out of any federally mandated, created, or funded electronic medical records system. The bill also repeals sections of federal law establishing a "unique health identifier" number and requires patient consent before any electronic medical records can be released to a 3rd party.

The *Coercion is Not Health Care Act*, HR 2629, forbids the federal government from forcing any American to purchase health insurance, or conditioning participation in any federal program on the purchase of health insurance. Like-minded pundits believe that force-purchased government-approved health insurance is a back door approach to creating a government-controlled healthcare system.

- **Policy:** All hospitals reporting free medical care and other subsidized aid to the Internal Revenue Service seemingly must have formal charity-care policies and community needs assessments to do so in 2009.

### Contact the Editors and Contributors

In, *Healthcare Organizations [Financial Management Strategies]*, iMBA Inc 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](mailto: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.

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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.

And, be sure to follow us online, between quarterly updates, at our website and the *Medical Executive-Post*, blog forums.

*Subscribe today ... Blog online ... Succeed tomorrow!*

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**Fraternally,**

Dr. David Edward Marcinko; MBA

*Certified Medical Planner™*

Editor-in-Chief

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