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May/2008

President's Message



As I write my last message, I wonder if anyone really reads this, what does my message matter, and if it has an impact on anyone. I don't expect to have some significant impact on the membership at large; I don't think that is the purpose of this message. I do hope to have an impact on one or two members, the one or two of you who have a moment to read this between everything else you have going on in your day.

If I have your attention (whoever you might be) I would like to let you know how fulfilling my two terms as President have been. That old saying about getting out of it what you put into it couldn't be any truer for me. I have made great friends and great professional contacts. I have had the opportunity to travel around the country representing the New Mexico Chapter on HFMA business. Last year at ANI, I accepted three awards on behalf of our chapter and expect to do the same this year.

As I began my volunteer career as a leader of the chapter, I was challenged with accepting the status quo or trying to make a difference in how we conducted ourselves. It was this opportunity that I have cherished the most. Where else can you have such an impact as an individual in such a short period of time? To me that has been the best part of volunteering as a leader. If you are not happy with the direction of the chapter or you think we could do more in certain areas, get involved. It is amazing the influence you have.

I would like to congratulate our new officers and board members. Our new slate of officers are not new to you; they should be familiar faces to you. I welcome our newest board members;

- Terri Chinn, Lovelace Health Systems Division Controller
- Julie Nickerson, CFO New Mexico Cancer Center
- Brandon Fryar, Principal, Moss Adams
- Deb Mohesky, Principal, Healthstar Partners, LLC

Featured Article Steve Cogan, Principal REDW The Rogoff Firm



Managing the Business Risk of Fraud: A Practical Guide

Congratulations to Our New 2008/2009 Officers and Directors

President
Kevin Nowell, CPA,
HFMA

President Elect

Renee Ennis

Vice President

Chris Tyhurst, CPA

Secretary

Steve Figge

Treasurer

Roger Senn

Directors

Eric Burgmaier, CPA

Terri Chinn

Brandon Fryar, CPA

Deb Mohesky

Mike Nelson

Julie Nickerson

**Board Strategic
Planning Meeting****May 16, 2008****Location**Tricore Reference
Laboratories
1001 Woodward Pl NE
Albuquerque, NM**Time**

8:00 AM - 12:00 PM

**Upcoming Board
Meetings****August 22, 2008****November 21, 2008****February 20, 2009****Location**Tricore Reference
Laboratories
1001 Woodward Pl NE
Albuquerque, NM**Time**

11:00 AM - 1:00 PM

**Managing the Business Risk of Fraud: A Practical
Guide**

Whether you are responsible for a billing and collections department, serve on a board, or manage a hospital system, fraud presents risks to you and your organization. Not only are there significant financial and operational risks, but fraud can damage the external and internal impression of your organization—reputation risk. The Association of

Certified Fraud Examiners' 2006 *Report to the Nation on Occupational Fraud & Abuse* found health care organizations are frequently the victim of billing, cash skimming, expense reimbursement, inventory, check tampering, and payroll frauds. Participants in the study estimate U.S. organizations lose 5% of their annual revenues to fraud.

Are you looking for a practical starting point for addressing fraud risks in your organization? Consider reading the soon to be published, *Managing the Business Risk of Fraud: A Practical Guide*, a joint project of the Association of Certified Fraud Examiners, The American Institute of Certified Public Accountants, and The Institute of Internal Auditors. An exposure draft is already available at www.aicpa.org (search for the article name).

The guide summarizes the current best practices to fraud risk management, including:

- A written [fraud risk policy](#) to convey expectations regarding fraud
- A [risk assessment](#) to identify specific potential fraud events that the organization needs to mitigate
- [Prevention techniques](#) to avoid potential fraud or reduce the impact
- [Detection methods](#) to uncover fraud when preventative measures fail or unmitigated risks are realized
- A [fraud reporting process](#) and a coordinated approach to dealing with fraud events in an appropriate and timely manner.

The guide suggests that fraud risk assessments begin with a list of identified fraud schemes, which are then assessed for relative significance and likelihood of occurrence. Those risks should be mapped to the relevant controls, which are evaluated for design effectiveness and tested to validate operating effectiveness. Next, the organization should develop a response to residual fraud risks.

From my experience, most organizations have some level of fraud policy, prevention techniques, detection methods and fraud reporting process in place, but most have not systematically assessed risks. As a result, many prevention and detection procedures are inefficient or miss significant risks.

Using *Managing the Business Risk of Fraud: A Practical Guide* and other tools available at www.aicpa.org, www.theiia.org, or www.acfe.org can be a cost-effective way to reduce fraud risk in your organization.

Website Updated

Be sure to visit our new and improved website at www.nmhfma.org

Upcoming Education Programs

Summer Seminar June 13, 2008

Hot topics in PFS and Finance/Accounting, and the latest on Medicare Recovery Audit Contractors (RAC)

September 18, 2008 New Mexico Hospital Association Conference

November 13-14, 2008 New Mexico HFMA/MGMA Conference

All programs will be at the Albuquerque Embassy Suites

Look for updates on www.nmhfma.org

Commentary: Non-Profit Hospitals Need to Toot Their Own Charity Horn

- Tina Eller, Senior Revenue Cycle Strategist, SearchAmerica

In 2008 you are hearing much about healthcare's failures from the politicians, media, and others. In their minds, the healthcare community is doing a poor job and needs to be dramatically reformed. I couldn't agree more. We have failed, but not where Americans may think we have.

Our 'F' belongs in our lack of public relations showing Americans the billions spent in charity care programs, and the associated belief that even non-profit hospitals are more focused on margin than mission.

Hospitals today do an outstanding job serving all of their patients. Most people don't realize how exceptional our healthcare is until they receive medical care outside of the United States. These experiences, even in the most civilized nations, usually include lengthy waits for services (sometimes more than a year!), unclean or archaic facilities, and almost always bureaucratic staff with no hint of a smile.

We need to remind the United States that we should be proud of our independent healthcare services. In 2008, don't just watch the news and let the politicians speak on healthcare. We have a responsibility to join in the discussion.

Who should the leading spokesperson be? Surprisingly, it may not be the hospital president or award-winning doctor, but its CFO and their revenue cycle staff. For who else could speak authoritatively on the dollar value of uncompensated care given by the hospital in recent years?

Charity Program - Huh?

If you ask the average American if non-profit hospitals in their area provide services at no charge to the indigent population, they would most often look confused at the question and certainly lay all credit for serving the uninsured/underinsured community at the foot of government - 'isn't that what Medicaid is for?' Unfortunately, few people know about the billions of dollars that hospitals, especially non-profits, give back each year to their community in the form of free or discounted services.

It is like the saying if a tree falls in the forest with no one around, did it actually happen. If hospitals provide care on their own dime, and no one hears about it....did it actually happen?

Thus, in this year where healthcare and Iraq will dominate most discussions and debates, I urge you and your colleagues to make the billions spent on hospitals' charity care programs a point a topic of discussion at your next social gathering, kids' soccer match or class reunion.

Rumblings from Congress & the IRS

You are no doubt aware of the increased scrutiny rising from Washington. The updated IRS Form 990 and public statements by members of the Senate Finance Committee are just several examples of the government's increasing monitoring of the nation's healthcare providers. For the past year or more Senate Finance Committee Chairman Max Baucus, D-Mont and Sen. Charles Grassley, R-Iowa

have spoken of the 'magical' 5% of annual revenues that non-profit hospitals should be required to allocate to free care for those unable to pay.

The bottom line is that the government is following poor public perception of healthcare and adding fuel to it with its current activities. Unfortunately, good news doesn't sell...so we must do our part to comply with their new regulations but not lose focus of the bigger issue -- public opinion.

Choose More Than One

Just as doctors take an oath to serve those in need, healthcare organizations have a shared passion, or mission, to deliver quality care to its patients, to make a difference in their lives.

For non-profits, it's not just about margin. Unfortunately the public, and to be honest sometimes our staff, forget that it is not the balance sheet alone that steers the organization.

More than ever, hospital CFOs need to picture themselves at a buffet, not a wedding reception. They can freely choose multiple desserts in whatever quantity, not just a single piece of cake.

This is how they should view their hospital's margins and charity programs. Hospitals can place both on their plate side-by-side, and neither is of more or less importance. In fact, just like ice cream and apple pie, both are better when served together.

How, you ask? When non-profit hospitals focus their collections on only those patients who are able to pay (removing those who qualify for charity and Medicaid in advance), their collections rates and margins dramatically improve while their bad debt decreases.

The revenue cycle is an important way to support a non-profit hospital's mission. It needs to develop processes and use technology to identify and enroll all qualified patients for charity care, and focus 100% of its collection efforts on patients with the means to pay for services. Tax-exempt hospitals are not asked to give away the "farm" but to simply serve those who need assistance.

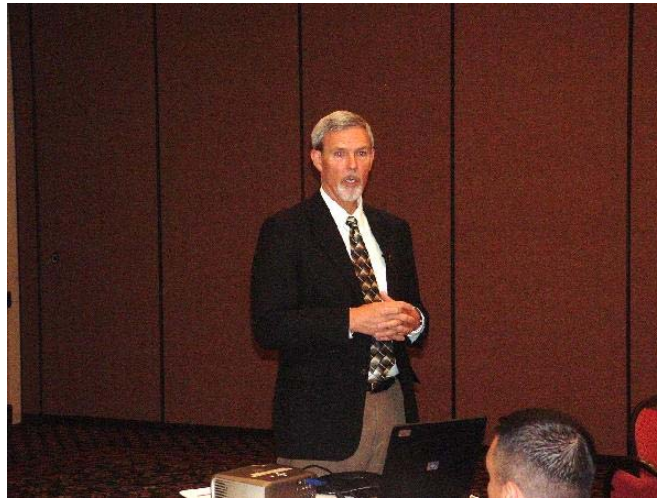
The bottom line is that hospitals need to be proud of the services they bring to everyone, whether they can afford them or not. In 2008, I challenge you to be more vocal about the positive aspects of our healthcare systems. After all, if we don't toot our own horns it is clear that the politicians and media won't.

Tina Eller is a Senior Revenue Cycle Strategist, SearchAmerica, and has worked in healthcare, both physician and provider spaces, for 15 years. Ms. Eller's expertise is in helping organizations drive initiatives within the Revenue Cycle focusing on the self pay population and Consumer Driven Healthcare. She is a frequent speaker at healthcare forums as well as contributor to a number of healthcare publications on the topics of Revenue Cycle best practice, challenges in the industry, etc.

Legislative Update Breakfast Seminar and Webcast

Jeff Dye, President of the New Mexico Hospital Association, gave an informative presentation in April on recent legislative events at the state and national levels. An audience of over 60 HFMA members and friends

attended the presentation in person at the Albuquerque Marriott Pyramid and from their offices throughout the state, via the web.



HFMA's 2008 Annual National Institute

At HFMA's 2008 Annual National Institute (ANI) -- to be held this year at the **Mandalay Bay Resort and Casino in Las Vegas on June 23-26** -- you'll get the ideas and tools you need to achieve outstanding results in your career and organization.

ANI is the premiere education and networking event for healthcare financial professionals! ANI offers you:

Inspiring Keynotes

Tuesday, June 24: The Consumer's Role in Healthcare Transformation, presented by Steve Case

Wednesday, June 25: All's Fair: Love, War and Healthcare Policy, presented by James Carville and Mary Matalin

Wednesday, June 25: Healthcare Policy in the Election Year, Richard J. Umbdenstock

Thursday, June 26: The Road to Excellence in Health Care, presented by Tom Peters

Breakout Sessions

There are 83 Breakout Sessions offered at ANI that address topics in the areas of financial management, patient financial services/revenue cycle, payment/reimbursement/managed care and compliance/legislative. You'll walk away from these Breakout Sessions with ideas and tools you can use throughout your organization. Attendees also receive a comprehensive CD-ROM that contains every handout and tool from all four topic areas - that's complete information from all 83 sessions!

Preconference Programs

Gain access to more ideas and tools when you sign up for Preconference Workshops or a Preconference Seminar. All Preconference Programs will be held Monday, June 23.

- Preconference Workshops are half-day programs led by facilitators that are designed to give you hands-on experience with tools and solutions that relate to a topic. Choose to attend one workshop in either the morning or afternoon or maximize your opportunity by attending both morning and afternoon workshops.
- Preconference Seminars are full-day programs led by speakers that include lunch and are held from 8:00 a.m. to 5:00 p.m. Seminars are taught in a classroom setting with techniques and approaches incorporated into the lecture.

Monday Opening Reception

Kick off ANI by greeting old friends and making new ones at this year's Opening Reception.

Idea Exchange Exhibit

Get up to speed with the latest ideas and newest solutions during the ANI Idea Exchange Exhibit! During Tuesday and Wednesday's lunch and evening receptions, you'll get a chance to meet and mingle with more than 400 healthcare financial management suppliers, as well as your fellow attendees.

Annual Chairman's Reception and Banquet

The Annual Chairman's Reception and Banquet is always one of the most memorable times at ANI. Enjoy dining and dancing and be a part of the installation of HFMA's new Board of Directors and the presentation of the Frederick C. Morgan Individual Achievement Award, the Association's highest honor for career-long contributions to healthcare financial management and HFMA.

And this is just a sample of what's going on at ANI! There's also Forum and Communities Networking Breakfasts, the ANI 2008 Run for the Health of It!, the Friday Golf Outing...the list goes on and on. For complete information on ANI and to register, visit www.hfma.org/ani or call (800) 252-4362, extension 2.

Welcome New Members

We would like to welcome the following new members to the New

Mexico chapter of HFMA:

- **Steve Cogan**, Principal
REDW The Rogoff Firm
- **Brian Bridges**, Financial Analyst
Presbyterian Healthcare Services
- **Stuart Garber**, Financial Planning Analyst
Presbyterian Healthcare Services
- **Maxwell Kagan**, Internal Audit Director
Presbyterian Healthcare Services
- **Heather Zundel**, Senior Internal Auditor
Presbyterian Healthcare Services
- **Michael Bickel**, SVP Manager Treasury
Bank of Albuquerque
- **Debra Colby**, Manager
McKesson Corporation
- **Julie Clover**, Senior Accountant
Moss Adams LLP
- **Larissa Heywood**
- **Cyndi Payne**, Analysis & Reporting Supervisor
- **David Johnson**, Attorney
Bannerman & Williams, PA
- **Karen Turrietta**, Senior Network Account Manager
United Healthcare

New Mexico HFMA

Balance Sheet as of March 31, 2008

ASSETS

Cash-Checking	\$52,864.80
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TOTAL ASSETS	<u>\$52,864.80</u>
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LIABILITIES & FUND BALANCE

ACCOUNTS PAYABLE

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FUND BALANCE

Beginning Fund Balance		\$35,556.41
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Net Income		<u>17,308.39</u>
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TOTAL FUND BALANCE	\$52,864.80
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TOTAL LIABILITIES AND FUND	<u>\$52,864.80</u>
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BALANCE			
New Mexico HFMA			
Income Statement FY 2008			
6/1/07 through 3/31/08			
	Actual Thru 3/31/08	Annual Budget	Actual vs. Budget Over/ (Under)
INCOME			
Total Program	\$ 46,841.95	\$ 7,800.00	\$ 39,041.95
Total Sponsorships & Other	25,702.15	21,700.00	4,002.15
TOTAL INCOME	\$ 72,544.10	\$ 29,500.00	\$ 43,044.10
EXPENSES			
			(Over)/Under
Total Program	41,831.24	\$ 8,575.00	\$ (33,256.24)
Total Leadership Conference	6,063.79	13,300.00	7,236.21
Total Newsletter	-	2,000.00	2,000.00
Total Other	7,340.68	5,625.00	(1,715.68)
TOTAL EXPENSES	\$ 55,235.71	\$ 29,500.00	\$ (25,735.71)
NET INCOME (EXPENSE)	\$ 17,308.39	-	\$ 17,308.39
New Mexico Chapter of HFMA			
P.O. Box 9723			
Albuquerque, NM 87119			
email: nmhfma@nmhfma.org			

Newsletter Produced by REDW_{LLC} The Rogoff Firm