January 2015

FACTS & FEATURES

AHA SERVICES
Guiding Healthcare Solutions
A for-profit subsidiary of the Arkansas Hospital Association

Winter Edition

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Workforce Solution

HEALTHCARE STAFFING SERVICES

Healthcare Staffing Services, now available to Arkansas Hospital Association members and administered by SCHA Solutions, a subsidiary of the South Carolina Hospital Association (SCHA), was developed as a collaborative effort among multiple state hospital associations to meet the temporary staffing needs of member hospitals and health systems.

This unique cooperative program serves as the best way to:

- Improve the quality and consistency of temporary personnel available to Arkansas Hospital Association members
- Provide greater efficiencies with managing the recruiting process
- Reduce costs on an ongoing basis

Serving as a third-party administrator between the healthcare facilities and healthcare staffing firms, SCHA Solutions selects only healthcare staffing firms that have been scrutinized and meet the highest standards of performance including Joint Commission certification. Individual on-site audits are also conducted with approved firms to ensure credential compliance and quality consistency.

The program is open to all Arkansas Hospital Association members and offers user friendly web-based software for posting and confirming orders, scheduling, housing credentials and timecards, and invoicing, all at no cost to participating hospital. Every participant is able to tailor the program to meet its specific needs and receive free training and support on an ongoing basis. Members benefit from the increased candidate pool of clinical and non-clinical healthcare professionals, one cohesive contract for all pre-screened staffing firms, and decreased administrative burdens.

Additional Benefits:

- Entire program is a complimentary member service
- Vendor neutral
- No hiring fees after on contract
- Up to 16 hours of credited orientation
- All inclusive competitive rates
- Ability to cancel candidates and no guaranteed hours
- No call back pay or shift/weekend differentials
- Compensation for no-shows or incomplete assignments
- Favorable hospital terms for early terminations and non-qualified staff

The collaborative efforts between participating state hospital associations have continued to raise the staffing industry standard in healthcare. The program was created by hospital personnel, is administered by your hospital association, and will always keep hospital needs as a main priority. Healthcare Staffing Services understands hospitals.

For more information about joining Healthcare Staffing Services, please contact Tina Creel at tcreel@arkhospitals.org or (501) 224-7878.

What's inside:

How to Digitally Archive Your Home

By Coletta Teske
A message from Liberty Mutual Insurance

You never know when disaster might strike. Within minutes, cherished or valuable goods could be ruined. Keeping an archive of your belongings will accelerate the process of replacing damaged property. It will also help you make better decisions about the insurance coverage you need before a disaster strikes.

Follow these three simple steps to archive your home:

- Make a list of your possessions. Some people prefer a low-tech approach to list-making—index cards or a notebook, for example—while others are comfortable with spreadsheets on a CD or USB drive. The method doesn't matter, as long as the list is thorough, well-organized, and kept in a safe place. You should also remember to adjust your files periodically, deleting items you've gotten rid of and adding any new purchases.

- Photograph your living space and possessions. Use a digital camera or a smartphone to capture rare, important, and expensive items, both in close-up shots and in wider pictures that show their position in the room. You should also photograph each wall, as well as closets and drawers. And be sure to label your photographs clearly, so you can correctly identify which numbers or details belong to which item.

- Store digital photos and inventory in a safe place. Once you're finished, find a safe place to store your records. Make a copy of everything and store it away from your home. For hard copies or a USB drive or CD, it's often best to use a bank's safe deposit box. For digital archives, Internet-based providers offer digital storage, online backups, or cloud technology to easily access or change your records.

To learn how you may be able to offer the Liberty Mutual Auto & Home Voluntary Benefits Program to your employees, please contact Liberty Mutual Account Manager, Sarah Fry, at 972-556-2339 x87018 or Sarah.Fry@LibertyMutual.com.

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February 17 Beyond ICD-10: Are You Ready for What's Next?
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February 27 Provider Panel Discussion: Implementing Successful Clinical Documentation Improvement Strategies

View all upcoming live webinars
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HFMA provides webinars available one calendar year following the live webinar date and year. Most On-Demand webinars are free for HFMA members and $99 for non-members, unless otherwise noted.

View all On-Demand webinars
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SAVE THE DATE:
HFMA 2015 Arkansas Chapter Spring Conference
Wednesday 04/15/2015—04/17/2015
Embassy Convention Center in Hot Springs

Mining for Lost Dollars in your Managed Care Contracts

When was the last time you quantified the impact of the contractual clauses within your managed care portfolio? For many hospitals, the answer is highly correlated with their contract negotiation timeline or may be considered too daunting with their existing modeling tools. This is an unfortunate reality because there are many clauses within every managed care contract that can adversely impact your revenue and jeopardize future negotiation strategies.

While there is great variation in contracts across markets and payors, one of the most common terms that consistently has hospitals leaving reimbursement dollars on the table is a lesser of language provision.

Many contracts have language that stipulates reimbursement for services delivered will be at a rate that is "lesser of" or equal to billed charges. This standard little clause, while well intended to ensure consumers are not paying more for services than the actual price, can end up costing hospitals a tremendous amount of money if not actively analyzed. For example, if you negotiate a $1200 rate for a CT scan with a payor but only charge $1000 for that service, you're effectively providing a $200 discount for each procedure. **While $200 doesn't** sound particularly troubling, the fact that it equates to a 17% discount and is performed thousands of times a year makes this a compelling area to investigate.

Analyzing the impact of "lesser of" language is not a daunting task per say, but it does require building a few models and evaluating cases for similar charge codes to identify where to make repairs. In order to quantify the dollars lost and potential future opportunity, here are some key steps to take:

1. Select your largest commercial payor and a recent 12 month time period
2. Build (or refresh) an expected payment model according to the terms of the contract, but be sure to exclude charge reduction adjustments
3. Subtract total billed charges from total expected payments for each case
4. Separate those cases with a negative calculation result and group them into common service lines
5. Explore similarities within service lines and identify which charge items are common
6. Repeat above steps for 1-2 other payors and gauge consistency in services with negative results
7. Share the results with the Chargemaster team and collaborate on which charge items can be adjusted in order to capture revenue for the full contracted rates

It will be much easier to identify specific charge items to address in your outpatient services because of how those services are reimbursed, but don't let that deter you from investigating inpatient services as well. The iVantage advisory team has found hundreds of thousands to millions of dollars in lost revenue and worked to ensure hospitals are paid the rates they have already negotiated.

How much revenue is your hospital missing because of this contractual term?

*Sample quantification analysis completed for current iVantage Client

PAYOR	TOTAL CASES	TOTAL CHARGES	EXPECTED PAYMENT	LESSER OF CASES	LESSER OF ADJUSTMENTS	% CASES IMPACTED	% DISCOUNT
BCBS	14,492	$31,207,672	$14,335,961	498	($1,015,199)	3.44%	(7.08%)
Inpatient	664	$9,103,844	$6,791,263	183	($741,184)	27.56%	(10.91%)
Outpatient	13,828	$22,103,828	$7,544,698	315	($274,016)	2.28%	(3.63%)
United	6,674	$13,005,848	$5,677,188	110	($528,800)	1.65%	(9.31%)
Inpatient	261	$3,516,688	$2,574,992	66	($361,771)	25.29%	(14.05%)
Outpatient	6,413	$9,489,160	$3,102,196	144	($167,029)	2.25%	(5.38%)
Grand Total	21,166	$44,213,520	$20,013,149	608	($1,543,999)	2.87%	(7.71%)

If you have any questions or would like more information, please contact Randy Bury at rbury@ivantagehealth.com

Arkansas HFMA Conference Speakers Detail the Upcoming Changes in Medical Practice

Little Rock, AR, December 5, 2014 — The HFMA Arkansas Chapter Fall 2014 Conference provided attendees the opportunity to hear from a wide variety of speakers covering topics from legislative and regulatory updates to ICD-10.

At the conference's closing session, Kurt Mosley, vice president of strategic alliances for Merritt Hawkins, discussed the prevailing characteristics of medical practice today and where medical practice is headed in the future.

The presentation examined current and historical physician supply and demand trends, training, compensation patterns and practice types.

Mosley also projected how healthcare reform and related changes will reshape the way physicians practice and are paid. In particular, the presentation looked at value based compensation, the team-based approach to care, medical homes, "complexivists," and concierge practice.

Drawing upon information from a recent national survey, *The Physicians Foundation's 2014 Survey of America's Physicians*, Mosley discussed the growing challenges U.S. patients are likely to face in access to care if shifting patterns in medical practice configurations and physician workforce trends continue. The presentation detailed data points reflecting current physician morale, practice metrics, and practice plans for the United States and in the state of Arkansas.

According to the research, 81 percent of physicians describe themselves as either over-extended or at full capacity, while only 19 percent indicate they have time to see more patients. Survey responses from physicians in Arkansas indicate that 85% of physicians in the state are overextended or at full capacity.

Forty-four percent of physicians surveyed plan to take steps that would reduce patient access to their services, including cutting back on patients seen, retiring, working part-time, closing their practice to new patients or seeking non-clinical jobs, leading to the potential loss of tens of thousands of full-time-equivalents (FTEs). In Arkansas, 46% of physicians plan to take such steps.

"America's physician workforce is undergoing significant changes," said Mosley. "Physicians are younger, more are working in employed practice settings and more are leaving private practice. This new guard of physicians report having less capacity to take on additional patients. These trends carry significant implications for patient access to care. With more physicians retiring and an increasing number of doctors, particularly younger physicians, planning to switch in whole or in part to concierge medicine, we could see a limiting effect on physician supply and, ultimately, on the ability of the U.S. healthcare system to properly care for millions of new patients."

When asked about the switch in physician compensation formulas from volume to value, Mosley responded, "It is physicians who must adapt to payment systems turned upside down in which value of services is rewarded instead of volume. For employers, the key is to find the 'Goldilocks zone' – physician comp plans that include enough quality metrics to change physician behavior but also include enough volume-based incentives to keep physicians productive."

Those who would like a copy of *The Physicians Foundation Survey of America's Physicians*, which was conducted by Merritt Hawkins, may contact Mr. Mosley at kurt.mosley@amnhealthcare.com.

Report Shows Healthcare IT Industry Exploding

Opportunities in healthcare IT are on the rise, with recent increases in both position hiring and venture capital investment. And as the Affordable Care Act and the 2009 HITECH Act continue to place technological demands on the healthcare system, we can expect to see investment and opportunities in healthcare IT continue to grow.

Healthcare IT Jobs on the Rise

According to the *HEALTH*e**CAREERS** Network Q3 2014 Healthcare Jobs Snapshot report, that quarter saw 592 new healthcare IT positions posted – a 5 percent increase over the same period the previous year. The number of health information administrator and quality assurance positions increased by 24 percent and 42 percent respectively, while database management job postings grew by a whopping 54 percent!

But new job postings are just part of the picture when it comes to the changes happening in healthcare IT.

Venture Capital for Healthcare IT Increasing

Venture capital funding for healthcare IT companies reached more than $4.1 billion in 2014. That's nearly the same amount as the prior three years combined, and a 125 percent increase from 2013.

Almost half of that $4.1 billion was invested in six key areas: analytics/big data, healthcare consumer engagement, digital medical devices, telemedicine, personalized medicine, and population health management. The number of VC investors in 2014 was nearly triple that of 2011, and the average VC deal size also significantly increased to $14.1 million, up from $10 million the previous year.*

www.healthecareers.com/aha

* Source: http://rockhealth.com/2015/01/digital-health-funding-tops-4-1b-2014-year-review/#more-24590

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