



making connections

Tropical News july 2008

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From the President's Desk

Dear HFMA Members:

I started as President of this prestigious organization in June of the current year. Please, allow me to introduce our new Board of Directors; all of them very capable and professional in the health industry. They are: CPA Teresa Figueroa, CPA, President Elect, Mr. Rafael Rodríguez, Vice President, CPA Laura Solá, Treasurer, CPA Maribel Casillas, Secretary and as Directors, Mrs. Alba Cosme, CPA Ian Guillén, CPA Carmen Ana Literas, CPA Wanda Marrero, CPA Axel Ramírez, and CPA Héctor Vázquez, Thanks in advance to all of them for their commitment to serve with me in the HFMA.

I would like to mention some of our goals for the Puerto Rico Chapter.

-Comply with all the

National requirements and exceed expectations. We want to keep an excellent standing among the National Association.

-Provide our members with quality education through seminars and contact hours so they can use them toward their license renewals. Our first seminar was conducted on May 17, 2008 with the participation of the recognized speaker Dr. Manuel Morales. He addressed the teamwork topic and it was excellent.

-Work as a team to succeed the challenges we have in our Chapter. With God's help and working together, we can deal with the challenges and difficulties and make them good opportunities to learn, grow and exceed as professionals.

We are coordinating our next seminar on Medi-

care Update. It will be conducted on August 22, 2008. During the morning session, the four Resident Commissioner candidates will share with us their vision, agendas and goals on Medicare. I encourage you all to block the date and participate in this excellent seminar. The HFMA is an excellent association to make connections and keep you updated.

I'm looking forward to see you all.

Sincerely,

Homar Pérez, MHS
President



Mini- Leadership Training Conference Mini LTC 2008

The Mini LTC, as its name indicates is a series of conferences provided by the Healthcare Financial Management Association (HFMA) at the Regional level for all the leaders – present and incoming – at key positions in all the Region Chapters. The HFMA is composed of eleven Regions; each Region is comprised of a group of Chapters. The Puerto Rico Chapter belongs to Region 2, which is composed of six Chapters within the State of New York and Puerto Rico.

We attended the 2008 Mini-LTC as members of the Puerto Rico Chapter Board of Directors for 2008-09. It was offered at the Woodcliff Hotel & Spa in Rochester, New York, a peaceful and scenic city. During the Mini-LTC we attended various conferences related to HFMA membership, communications, sponsorship and the planning of educational activities. We also had the opportunity to share experiences and ideas with other Region 2 Chapters Leaders. The conferences started on Sunday, June 8, 2008, and were directed toward various Board leaders, including Membership

Chairs, Program Chairs, Newsletter Chairs, Treasurers, Presidents and President Elects. One of the sessions was presented by Mr. Bob Broadway, Chairman of the HFMA. During his session he emphasized on the benefits of being involved as a leader in the HFMA for many years. The experience has contributed him personally and the entity for which he has worked in many ways. As a leader of the HFMA you can make connections with a lot of people.

Another interesting session was a group exercise directed toward team building techniques. Following are some team building quotes provided at the session:

“Teamwork is the fuel that allows common people to attain uncommon results”

“A team is more than a collection of people. It is a process of give and take”

“None of us is smart as all of us”

“It is amazing how much you can accomplish when it doesn't matter

who gets the credit”

Being an HFMA leader carries many challenges, but represents a great personal and professional experience and a huge satisfaction. We invite you to participate as an HFMA leader and **make connections.**

Ian E. Guillen, CPA
Hector M. Vazquez,
CPA

Members of the
2008-2009
Board of Directors
of the HFMA Puerto
Rico Chapter

HFMA Annual Institute 2008

Once again, we had the opportunity to attend to another HFMA's great educational activity. This time was the HFMA's 2008 ANI Healthcare Finance Conference, which took place in Las Vegas Nevada from June 23 through 26. We had the opportunity to make a number of personal and professional connections with National and Regional's peers. We had the opportunity to attend to various interesting sessions. The following represents highlights of some of the sessions that we attended.

How to Gain and Retain the Benefits of Financial Benchmarking to Improve Hospital Bottom Lines

Benchmarking is a standard of excellence, achievement, etc. against which similar things must be measured or judged. Benchmarking is also a process, searching for a better way, learning about and evaluating differences and the starting point for solution development.

Why benchmarking?

Benchmarking provides:

- A common framework for discussion and decision making.
 - Helps organizations to make better-informed decisions.
 - Exposes organizations to innovations and breakthroughs.
 - Allows organizations to see beyond the barriers, embrace change, and think "outside the box".
- Provides organizations with a methodology and a plan for accelerating, implementing, and managing change.

Successful Benchmarking Traits

- Compare to similar, not identical organizations. There is no such thing as an identical organization.
- Compare to "better" performers.
- Focus on the process, not the numbers.
- Focus on areas of true opportunity. Always ask why outcomes are different and do something about it. Learn and adapt, don't copy. Use what works for your organization in your culture.

What kinds of healthcare benchmarks exist?

Benchmarks exist within all phases of the industry- Hospitals, Physician Practices, Skilled Nursing Facilities, Home Health Agencies.

Different kinds of benchmarks are:

- Financial
 - Key Performance Indicators (Ratios)
 - Expense/Revenue per Units Volumes
- Operational
 - Productivity
 - Patient Satisfaction
- Quality Indicators
 - HCAHPS (Hospital Consumer Assessment of Healthcare Providers and Systems)
- Clinical Outcomes
 - Mortality Rates

The Benchmarking Process

1. Use a standard set of definitions/metrics.
2. Compare results with similar organizations units
3. Identify the gap
4. Perform an internal analysis
5. Identify a process to improve
6. Generate alternatives and action plans
7. Implement change
8. Monitor performance

Benchmarking Process Not "To-Do's"

- Not having executive support
 - Not linking benchmarks to organizational goals
 - Lack of training
 - Setting unrealistic expectations
 - Not trusting the data results
 - Unwilling to change based on the results
 - Lack of accountability
- "....But I'm different"

Types of financial Ratios/ Metrics commonly benchmarked

- Income Statement
 - Operating margin
 - Net Margin
 - Capital Expenses
- Balance Sheet
 - Days Cash on Hand
 - Days of Revenue in Accounts Receivable
 - Average age of plan
- Operational
 - Salaries, Benefits and Contract

HFMA Annual Institute 2008

- Labor as a Percentage of Total revenue
- Productivity (Hours Per Workload Unit)
- Supplies Expense as a Percentage of Total Revenue
- Supplies Expense as a Percentage of Total Expense

National Sources of Comparative Data

American Hospital Association

www.aha.org

Thomson

www.solucient.com

Premier, Inc.

www.premierinc.com

Ingenix

www.ingenix.com

Mapping the Revenue Cycle (Process Mapping)

Process Mapping enables the entity to create simple, effective, dynamic process maps of any healthcare process. Through mapping the entity can:

- Identify and highlight bottlenecks, timing issues, redundancies and other process deficiencies
- Evaluate resource allocation and identify opportunities for process improvement
- Improve quality and how tasks are done

- Drive change or preserve effective processes
 - Make roles and responsibilities more clear
 - Design better process documentation to increase compliance with regulations
 - Simplify best practices by creating a well-documented and well-understood process
- Document internal controls

Additional information regarding process mapping techniques and benefits will be provided as part of one of the sessions of the 2008 HFMA- Puerto Rico Chapter Healthcare Integration Medicare Update that will take place on August 22, 2008 at the Hotel San Juan & Casino.

Fraud and Embezzlement: Lessons Learned in the Trenches

Fraud and embezzlement in the healthcare industry is more common and happens more often, than we know and expect. During this presentation fraud prevention tips such as, best practices for hotlines, most common types of frauds in hospitals, anti-fraud programs and controls, were discussed as well as how to recognize red flags associated with embezzlement and fraud and how to develop an action plan if fraud is suspected or discovered.

Most fraud embezzlement perpetrators are long term employees, well educated with college degrees and at a managerial or supervisory level. Usually it involves employees that for some reason believe that the company owes them because they are not properly compensated or their efforts are not being recognized. They usually have financial pressure; and have the means and some source of personal justification to commit fraud.

Most common fraud within the healthcare industry is committed in the following areas when there is lack of adequate internal controls or segregation of duties:

- Accounts receivable schemes includes:
 - Lapping
 - Forging checks received
 - Altering credit cards receipts
 - Granting bogus credit
 - Bogus bad debts write offs or accounts adjustments
- Accounts payable schemes includes:
 - Personal bills
 - Fictitious supplies
 - Kickbacks
 - Ordering personal items using company's funds
 - Petty cash funds
 - Employees expense accounts
 - Credit cards
- Payroll schemes includes:
 - Ghost employees
 - Manipulated time records
 - Unclaimed payroll checks
 - Writing extra payroll or bonus checks
 - Withholding fraud
 - W-2 fraud

Most common symptoms of fraud:

- Unusual bank statements items
- Increases in refunds or write offs
- Missing documentation

HFMA Annual Institute 2008

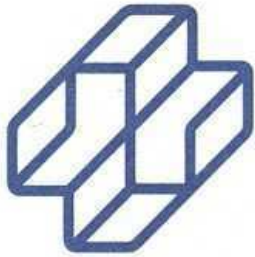
- Things that don't make sense
- Complaints
- Employee tips
- Out-of-balance conditions
- Large adjustments

If fraud has occurred, it is recommended that you:

- Act swiftly and quietly
- Gather documentation
- Consult your attorney
- Get a fraud specialist involved
- Interview the subject
- Report to corresponding authorities
- Terminate employment

Ian E. Guillen, CPA
Hector M. Vazquez, CPA





hfma™ Puerto Rico Chapter
healthcare financial management association

WELCOME NEW MEMBERS

Héctor Feliciano – Director of Compliance, SDM Healthcare Management
Antonia Aponte Orta – Provider Network Director, Salud Dorada Con Medicare
José E. León Cruz – Auditor Interno Staff, Servicios De Salud Episcopales, Inc
Jorge L. Avilés – Audit Supervisor, FPV Galíndez CPA, PSC
Cecilie Hernández – Assistant Vice President Finance, Hospital Metropolitano
Arnaldo L. Rivera – Chief Financial Officer, SDM Healthcare Management

Upcoming Events

JOIN US FOR THE

**HFMA
Region 2
Institute**

Helping You Make Connections

making
connections

**October 22-24, 2008
The Turning Stone Casino
Verona, NY**



Presented By The HFMA, Region 2 Chapters:

**Central New York • Hudson Valley NY
Metropolitan New York • Northeastern New York
Puerto Rico • Rochester Regional
Western New York**

Who Should Attend:

**CFOs, VPs of Finance, Controllers, Department Heads,
Administrators, Revenue Cycle Coordinators,
Chargemaster Coordinators, Director of Finance,
Budget Analysts, Managed Care Contractors,
Reimbursement Specialists, Denial Management
Specialists, Patient Financial Service Managers and
Supervisors, Accountants and Compliance Staff**

Session Levels:

**Operational: Nuts and Bolts sessions to help solve
specific problems to improve the bottom line**

13 CPE Credits

Healthcare Integration Medicare Update 2008

August 22, 2008
El San Juan Hotel & Casino
Isla Verde, PR

**In Road to Washington—The Position on
Healthcare from the Candidates to
Puerto Rico Resident Commissioner:**

Jessica Martínez, PIP
Pedro Pierluisi, PNP
Alfredo Salazar, PPD
Carlos Alberto Velázquez, PPR

*Mark your calendar
and invite others to attend*

**making
connections**

CAREER

opportunities



SCHNEIDER REGIONAL
MEDICAL CENTER

ROY LESTER SCHNEIDER
HOSPITAL

MYRAH KEATING SMITH
COMMUNITY HEALTH CENTER

CHARLOTTE KIMELMAN
CANCER INSTITUTE

Something You'd Like to Prove?

Are you a Hospital Accounting or Finance Professional who is trained, equipped, and ready to show that you have the leadership talent to be a Hospital Director of Finance? Looking for an opportunity, but have no realistic chance to quickly move up where you are? Do you know in your heart that you can to manage 3 supervisors and 10 people in Accounting, AP, Payroll, Financial Planning, Budget, and more for a 175 bed hospital and our newly completed Cancer Center? Just 30 minutes east of Muñoz Marín Airport on the island of St. Thomas, Schneider Regional Medical Center could be the place to supercharge your career and show yourself that you are ready for the next step in your professional growth.

Can you see yourself living on a beautiful island and working in a newly JCAHO accredited facility that overlooks a stunningly scenic tropical harbor? If you have 3-4 years of hospital management experience in Accounting or Finance and would like to inquire about the opportunity to become Schneider Regional Medical Center's Director of Finance, please visit vcmsSearch.com or contact:

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