

MISSISSIPPI

Headlines

HFMA President's Message



Mitch Beard

As the hurricane recovery efforts continue, our hearts go out to all HFMA members who were affected by Hurricane Katrina or Hurricane Rita. We are glad to hear that most hospitals in our state are functioning at 90% or better. This edition of *Mississippi Headlines* honors our members who are still coping with the aftereffects of these unprecedented catastrophes and who remain on the Gulf Coast, providing health care to the regions that were hardest hit by the hurricanes.

The October HFM magazine includes hurricane recovery financial information (see page 9). For more information on this subject, contact the CMS Region IV office in Atlanta at (404) 562-7390 or (404) 562-7374.

HFMA's Region 9 Conference, which was originally scheduled to take place in New Orleans, Louisiana, will instead be held at The Woodlands Waterway Marriott Hotel in Woodlands, Texas. The meeting will take place November 30 – December 2, 2005. **This meeting will count as one of our chapter meetings. Please try to attend.**

Hope to see you all at our next HFMA meeting in Texas.

Mitch Beard
President

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UPCOMING HFMA MEETINGS

HFMA Region 9 Conference
November 30 - December 2, 2005
The Woodlands Waterway Marriott Hotel, Resort & Convention Center
The Woodlands, TX

HFMA Tri-State Winter Institute
February 1 - 3, 2006
Gold Strike Casino
Tunica, MS

MS Chapter HFMA 2006 Spring Workshop
March 22-24, 2006
Hilton Hotel
Jackson, MS

MS Chapter HFMA 2006 Annual Institute
May 24-26, 2006
Imperial Palace Hotel & Casino Resort
Biloxi, MS



Please visit our Chapter's Web site often, as information changes frequently

www.mshfma.org

Mississippi Hospitals Reflect on the Effects of Hurricane Katrina

By: *Bryan Stevens, Chief Financial Officer, Crosby Memorial Hospital*

Wayne Landers, Director of Public Safety, Forrest General Hospital

Kimberly L. Cappleman, Phelps Dunbar LLP

Among the many unsung heroes who faced the aftermath of Hurricane Katrina, Mississippi's health care providers certainly stand near the top of the list. As Bryan Stevens, chief financial officer at Crosby Memorial Hospital in Picayune, says: "Certainly, all hospitals in south Mississippi, and even beyond, faced serious challenges from this unprecedented storm, and could write novels about what happened, what didn't happen and what needed to happen sooner rather than later." This article summarizes comments from Stevens and Wayne Landers of Forrest General Hospital in Hattiesburg concerning their experiences.

What were some of the biggest problems you faced in the immediate aftermath of the hurricane?

Loss of utilities. Stevens and Landers agree that the loss of utilities was a significant problem. Crosby Memorial had water but was without power other than an emergency generator and experienced serious water damage due to the loss of major portions of the roof. Forrest General lost water, electricity, phones and cable, and although it was able to switch to generators, three generators failed within the first week after the hurricane.

Loss of communications. A bigger challenge, however, was the lack of available communications. Neither hospital had immediate telephone capabilities. Crosby Memorial reports that the satellite phone did not become operational immediately. The hospital had difficulty getting communications through to other hospitals in order to transfer out its remaining dozen or so patients. The hospital received assistance from representatives of the State Department of Health in coordinating that activity via satellite phone. Forrest General reports that, because of lack of cable, it was also difficult to obtain information about what was happening outside of the hospital.

Transportation. Forrest General experienced difficulties in obtaining supplies due to debris in the roadways. At Crosby Memorial, the gasoline shortage

created problems for staff traveling back and forth to work. The hospital attempted to coordinate this activity with the city for use of emergency fuel, but kept running into snags. A local gas station finally set up a pump for hospital personnel's use only. Stevens stated that although the Federal Emergency Management Agency (FEMA) and other agencies promised help that was not always delivered, the Mississippi State Department of Health had representatives on hand who did a great job resolving some of the issues being faced, such as patient transfers.

What are some of the biggest long-term issues you are currently facing?

Crosby Memorial faces a huge increase in the area population, and Stevens expects that many of those who migrated to the area after the hurricane will remain permanently. With an aging hospital building that will likely be outgrown quickly, Stevens believes that access to capital for a replacement facility is key. Much of the federal money being provided for hurricane relief will not apply to Crosby Memorial because it is a for-profit organization. Because the hospital does not have the reserves or the debt capacity to take on such a project on its own, Stevens anticipates exploring partnerships and other creative ways of finding capital.

For Forrest General, long-term challenges include becoming self-sufficient with regard to water, power and communications, and developing pre-storm lockdown procedures. Landers explains: "We had 300-400 people sheltered in our building before the storm. Since they couldn't leave immediately after the storm, their presence caused our supply of resources intended for patients and staff (including food and water) to dwindle quickly."

With regard to your facility's emergency preparedness program, what measures were taken that worked well, that you would encourage other facilities to implement?

Crosby Memorial Hospital made sure that it had adequate staff available for a period of days, beginning the day before the storm, by asking personnel to come prepared to stay for several days. "Of course, the storm was much more severe than anyone could ever have imagined, and many replacement personnel were simply unable to return for quite some time, due to destroyed homes or impassable

(Katrina...continued from page 2)

roadways,” says Stevens. “We also made space available for families of these personnel during and after the storm. The usual plans (extra generator fuel, water, ice, discharging or transferring patients where possible) were in place.”

Forrest General’s Command Center was a success, according to Landers. He also praises the hospital’s use of radios for internal communication, its fuel plan for critical employees and its provision of alternative transportation for employees.

Is there anything that didn’t work well, either because of internal or external circumstances, that will be considered in future planning?

As discussed above, both hospitals will focus on plans for loss of utilities, transportation and communication capabilities. Crosby Memorial has already met with local emergency and city officials to ensure that it will have a backup plan in place. If another storm nearing the magnitude of Katrina threatens in the future, Stevens says the hospital will most likely evacuate all the inpatients, and keep only the emergency department, obstetrical department and surgery call team on site, along with appropriate support

personnel. In addition, the hospital will make prior arrangements for emergency generators that can power the entire facility, rather than just the critical areas that are currently being served, and have means in place to acquire gasoline for employees.

With regard to Forrest General, Landers states: “Plans are good, but we need more training and drills to implement and fine tune the plans. The three keys to effective plans are communication, communication and communication. Departmental decisions that impact other departments must be communicated to those departments.”

Stevens concludes: “By and large, the hospital’s greatest asset, our employees, stood tall in the face of a tremendous disaster. Many did not leave for several days, working and not even knowing if family members and personal property were safe and unharmed. We also thank the FEMA Disaster Medical Assistance Team that set up a temporary hospital the Friday after the storm and stayed for 12 days while we cleaned up the interior and worked on the roof. And we especially thank all those that sent supplies and other support in the days following the storm, from other facilities in the state and many places around the country.”

HFMA Issues Financial Management Checklist for Disaster Recovery

HFMA has posted a financial management checklist for disaster recovery to provide guidelines for the recovery of healthcare facilities’ financial functions once a disaster situation is stabilized. Some of the immediate steps that financial managers must take to address employee needs and business continuity include:

* Address payroll, employee benefit, and other HR issues that could affect employees’ state of mind and distract them from the important recovery work at hand.

* Project cash flow and needs, and make an action plan for getting necessary funding assistance. Key considerations include evaluating whether collection activities should be suspended, if banking relationships are intact, and if the facility can communicate with key payers.

* Ensure there is documentation in patient financial or clinical records to facilitate the reporting of the care and claims for disaster relief funding.

The checklist was developed by HFMA’s Hurricane Relief Task Force and will be revised as HFMA members share their recovery experiences.

To download the checklist, go to www.hfma.org/hurricane. The site includes other hurricane relief resources and information, including:

* A complementary resume bank for members affected by Hurricane Katrina;

* Checklists compiled by other organizations, including DSP Networks, Inc., American Health Lawyers Association,

(continued on page 4)

Loss of Income May Be Covered by Insurance

By: Robert H. Alexander, Jr. CPA/ABV, ASA, Horne LLP, Partner

On August 29, 2005, Hurricane Katrina leveled the Mississippi Gulf Coast, caused massive flooding in New Orleans, and left hundreds of thousands homeless. The impact to health care providers was immediate. Hospitals ran on emergency power while their emergency rooms were overrun with the injured. Physicians and clinics lost power, lost their facilities, and lost their patients.

As soon as the storm passed, insurance quickly became a focus of the industry. While everyone is aware of coverage for property damage, many are not as familiar with coverage for business interruption. For many in the health care industry, business interruption coverage can bridge the income gap created while their practice recovers.

Most hospitals, clinics, and physicians have business interruption insurance. It can be a part of the general business insurance policy or can be a separate policy. The specifics of coverage vary widely, but some general observations can be made.

There has to be a “trigger” that activates the business interruption coverage in the policy. For example, assume a physician experiences a business interruption resulting from general economic conditions following the disaster. Gas shortages, general chaos and changing priorities have dropped patient encounters by 90%. The clinic suffers no physical damage or utility outage. The physician has certainly had a business interruption, but it is not likely to be covered under the business interruption policy because there was no “triggering” event, as defined by the policy.

To be covered, the business interruption has to be the result of a covered event, such as property damage. Depending on the policy, other covered events could include utility outages or acts of civil authorities. Once a covered business interruption occurs, loss of income is covered for the reasonable period it takes to restore the business to operation, as it existed prior to the storm. However, policies may have waiting periods before coverage starts and other special provisions.

A few additional policy enhancements can be very beneficial if they are contained in the policy. Extended business interruption coverage allows an additional period after the operations are fully restored to allow profitability to return to “normal.” A second enhancement is coverage referred to as “contingent business interruption.” This can provide business coverage when there is a business interruption at a key partner, such as a hospital, that in turn affects the insured’s practice.

Policies also cover “excess expenses” that are incurred in the process of accelerating and enabling the reopening of your business. These expenses can be quite broad and often quite large. Examples include generators, employee overtime, and temporary quarters.

Developing a business interruption claim is not a “do-it-yourself” project. Before any claims are filed, including property damage claims, the overall insurance coverage should be examined in conjunction with an assessment of damage and losses. The insurance company will be backed by experienced adjusters, consultants, attorneys, and accountants. Your team should have the same depth to even the playing field and maximize your recovery.

(Checklist...continued from page 3)

National Association of Insurance Commissioners, and the Agency for Healthcare Research and Quality;

* Links to hurricane related information provided by government agencies including the Department of Health and Human Services, the Centers for Medicare and Medicaid

Services, the Health Resources and Services Administration, the Internal Revenue Service, the Centers for Disease Control and Prevention and the Federal Emergency Management Association; and

* A link to HFMA's Hurricane Relief ListServe.

Department of Health and Human Services Enters Into Agreements to Support Digital Health Recovery For the Gulf Coast

On Thursday, November 17, 2005, the Department of Health and Human Services ("HHS") issued the following press release.

Partnerships will Accelerate Electronic Health Records in Gulf States

HHS Secretary Mike Leavitt announced that the department has entered into two agreements today with organizations that will plan and promote the widespread use of electronic health records in the Gulf Coast regions affected by recent hurricanes.

Hurricane Katrina destroyed a large number of paper medical records maintained by physicians, hospitals, nursing homes and other health care facilities in the Gulf Coast region. Providers and payers using electronic medical records, however, were largely able to preserve their systems and patient information, despite the devastation.

"Recent hurricanes in the Gulf Coast exposed up-close the real vulnerabilities of the American health care system - system based upon paper which in an instant was destroyed," Secretary Leavitt said. "The effect of these hurricanes has been to demonstrate the real need for health records that are both electronic and interoperable."

As physicians, hospitals and other facilities return to operation, they will have to rebuild medical records for their patients. The agreements announced today will establish a task force of local and national experts to help area providers turn to electronic medical records as they rebuild. This task force will help to implement, support and disseminate state-of-the-art information technology that will contribute to

an infrastructure that supports interoperable healthcare data exchange. The agreements are with:

"The Southern Governors' Association, to host the Gulf Coast Health Information Task Force, which will bring together local and national resources and coordinate the planning for a digital health information recovery.

"The State of Louisiana Department of Health and Hospitals, to develop a prototype of health information sharing and electronic health record (EHR) support that can be replicated throughout the region.

"The initiatives announced today align with national efforts to advance the use of electronic health records and accelerate secure sharing of health information among providers," said National Coordinator for Health Information Technology, Dr. David Brailer. "Making patient data accessible to authorized physicians, whether it is following a hurricane or as part of routine care, remains a challenge that must be addressed."

The agreements announced today complement recently announced efforts in the HHS Office of the National Coordinator for Health Information Technology pertaining to certification of electronic health records, development of interoperability standards, design of a national-scale data sharing architecture and an effort designed to address existing variations among privacy and security requirements across the country.

More information about HHS health information technology activities is located at <http://www.hhs.gov/healthit>.

Related Links

- HHS announces award of NHIN prototype contacts - <http://www.hhs.gov/news/press/2005pres/20051110.html>
- HHS announces new regulations that support e-prescribing and EHR adoption - <http://www.hhs.gov/healthit/e-prescribing.html>
- Health IT adoption initiative announced - <http://www.hhs.gov/healthit/measuring.html>
- Secretary Leavitt names American Health Information Community Members - <http://www.hhs.gov/healthit/ahic.html>

MS HFMA Welcomes New and Returning Members

<u>NAME</u>	<u>COMPANY</u>	<u>TITLE</u>	<u>ADDRESS</u>
NEW:			
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Khalilah Dawuda	Trispan Health Services	Outreach Partner	1066 Flynt Drive, Flowood, MS 39232-9572
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Brandy L. Hales	Rankin Medical Center	Controller	350 Crossgates Boulevard, Brandon, MS 39042-2601
Kristie Holland	Forrest General Hospital	Lead Accountant	P.O. Box 16389, Hattisburg, MS 39404-6389
Debroah Lea	Greenwood Leflore Hospital	Revenue Cycle Accountant	P.O. Box 1410, Greenwood, MS 38935-1410
Angela Moak	Horne LLP	Assurance Supervisor	P.O. Box 22964, Jackson, MS 39225-2964
Lorrie Morgan	Forrest General Hospital	Senior Accountant	P.O. Box 16389, Hattisburg, MS 39404-6389
Debroah Murphree	Trispan Health Services	Outreach Partner	1064 Flynt Drive, Flowood, MS 39232-9570
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RETURNING:			
Jeffery Bedford	River Oaks Health System	Chief Financial Officer	1030 River Oaks Drive, Jackson, MS 39232-9553

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BRONZE SPONSORS

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- Shared Services Healthcare, Inc.

HFMA Certification Program

Have you considered participating in HFMA's certification program? HFMA has programs leading to the designations of Certified Healthcare Financial Professional (CHFP) and Fellow of the Healthcare Financial Management Association (FHFMA). Meeting the HFMA certification requirements helps prepare members for increasingly responsible positions in the health care industry. Certification demonstrates dedication to professional development in health care financial management.

The benefits of certification are clear. According to the HFMA website, www.hfma.org, survey results indicate a correlation between certification and career advancement.

Members of HFMA who achieve certification tend to earn higher annual salaries and are more likely to be hired for upper-level positions in health care finance.

David Williams, Mississippi HFMA's certification contact, was pleased with the attendance at the workshop coaching session at the 2005 Summer Workshop in Philadelphia. He is available to proctor the certification exam for any interested candidates. If you are interested in pursuing certification, you may contact David at Horne LLP, P.O. Box 22964, Jackson, Mississippi 39225-2964 or call him at (601) 948-0940 ext. 218.

HFMA Summer Workshop, August 18-19, Philadelphia, Mississippi



Pam Wallace and Kathy Monk



Tony Grove leads the discussion on "The Healthcare Triangle: The Patient, The Provider, The Patient"



Janice Ridling opened the session with a presentation entitled "Extreme Makeover"



Rusty Lacy and Martha Hemphill



Neal Smith discusses "Making a Difference Through Technology"



Mitch Beard, Jan Englert, Marjorie McNeil and Athena Adams



Mike Ernst



hfma region 9

healthcare financial management association
arkansas • louisiana • mississippi • oklahoma • texas

hfma region 9 2005 Annual Meeting & Conference

November 30 - December 2, 2005

The Woodlands Waterway

Marriott Hotel & Convention Center

The Woodlands, Texas

- Ten Ways to Improve Medicare Profitability in Acute Care Hospitals
- Leading & Managing for Superior Results
- Best Practices in Key Financial Metrics
- Chief Financial Officer Panel Discussion
- A Multi-Phase Approach to Revenue Cycle Performance Improvement
- Charge Capture - How to Get the Charges on the Bill
- Uninsured/Charity Care Policies and Procedures
- Planning Your Career Success
- Legal Issues in Denial Management
- Joint Ventures - Practical Items Financial Professionals Need to Know
- Implementing the Electronic Health Record
- Internal Auditing of the Revenue Cycle
- IRS Issues in Non-Profits: Audits, Compensation & More
- The Impact of the Treasury Function
- Certification Coaching Course
- and....up to 16 hours CPE credit

Meeting Partners:

CalMed Consulting, Inc. ■ The MASH Program

2005-2006 MISSISSIPPI CHAPTER HFMA ADMINISTRATION

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