



Quick Links

To see chapter event photos, Spring Conference posted!
http://www.azhfma.org/events_gallery.cfm



Sponsorship Update

Alan Newberg FHFMA
Sponsorship Co-Chair

Value – in mathematical terms can be described as benefit minus cost. From people we come in contact with every day we hear: "I got my monies worth", "It was worth what I paid", and "It was worth every penny."

The AZ HFMA sponsorship committee – led this year by Matt Cox – is focused on providing our

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July 2015

Cactus Clarion

1/2015-16

President's Message

Mike Kennedy



As we kick off the new 2015/2016 year for the Arizona Chapter of Healthcare Financial Management Association (HFMA), I want to take a moment to thank all the Past Presidents who have helped shape this chapter. Without their efforts and the amazing support from our members, our chapter would not have achieved the level of excellence we currently enjoy. As many of you know, we are officially on our 5th year Quest for the Shelton. Simply put, the Shelton Award is given annually to one chapter that has shown sustained excellence for 5 consecutive years. Our Quest started with Connie

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**The Hertel Report State-of-the-State Meetings
a Great Success**

Jim Hammond, The Hertel Report

On Tuesday June 9th in Tucson and Friday June 12th in Phoenix, The Hertel Report (THR), in cooperation with the AZ chapter of HFMA, presented the twice-annual State of the State (SOS) meetings. The breakfast meetings were moderated by Jim Hammond, consultant and publisher of THR, and Steve Rees, benefits consultant. The audience consisted of leaders in the healthcare field in Arizona. More than 35 attended the Tucson meeting at the Arizona Inn and the Phoenix session was standing room only with over 150 people join-

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(President's Message continued from page 1)

Perez (Past President 2011/2012) who's vision was "The Road to the Shelton". Her goal, simply stated, was to excel in all areas for the benefit our members. The next president, Greg Wojtal (Past President 2012-2013), then picked up the baton. His goal was "Focus the Chapter on the Key Pillars", which emphasized: Leadership Development, Fiscal Responsibility, Collaboration / Innovation, and Education / Networking. By focusing on these pillars, the chapter was and continues to be better able to serve the members. Next, Tim Robertson (Past President 2013/2014) implemented metrics to help our Arizona Chapter stay on target and "Develop a 5 Year Plan" to achieve even greater value for our members. Finally, Jeff O'Malley (current Past President) set his goal, "Leveraging the Key Pillars to Build Value". Under Jeff's presidency, we stretched our goals, leveraged our members for innovative ideas, and executed those ideas. Consequently, last year the Arizona Chapter had very high satisfaction scores and more people than ever before completed the member satisfaction survey. This year, our goal is "Sustaining the Excellence". We will continue to provide exciting education opportunities, fun networking events, and the resources our valued members need for professional growth.

I am honored and humbled to serve as your 2015/2016 Arizona Chapter HFMA President. During this year, our industry will continue to evolve and change; processes that worked in the past may no longer apply. With this in mind, the Arizona Chapter makes a promise to you, our valued members, that we will always be on the cutting edge. We will provide educational opportunities designed to help you navigate the stormy waters ahead. I believe the quote below accurately portrays the way many of us feel about healthcare today:

*I can't change the direction of the wind,
but I can adjust my sails
to always reach my destination.*
- Jimmy Dean -

Our goal is to help you adjust your sails and hopefully have some fun along the way. I look forward to the upcoming year and hope to see everyone at our Fall And Spring Conferences.

Sincerely,

Mike Kennedy
President-Arizona Chapter HFMA

Events

Visit www.azhfma.org for more details

August 4th

Craneware co-sponsor:

Webinar: How to Combat Denials From Admission to Claim Submission

[Register](#)

August 26th

AzHHA co-sponsor:

Webinar: Chargemaster: Transparent Pricing

[Register](#)

August 13th

AHE co-sponsor:
Networking Event

[Register](#)

September 23-25

Catch the Wave of Change
Fall Conference

[Register](#)

*Hilton El Conquistador Resort
Tucson*

Communications Update

All The Chapter News That's Fit to Print-and Post-and Blast-and "Like"

Kelly Ryan, Communications Chair

Hopefully you have noticed some positive changes in how the Chapter is communicating with our membership in the last few months. Az HFMA is offering expanded, relevant and timely content with more avenues to garner information about the chapter. Just in case you haven't had a chance to explore, let me share!

Weekly Email Blasts – once a week you are getting an email from the Chapter detailing upcoming events, and other pertinent information that are of interest to members. Watch for the latest update every Tuesday!

Social Media – we have added two new platforms to our communications strategy – Facebook and LinkedIn. Feel free to share comments, feedback, your favorite event photos or just "Like" us on Facebook at:

<https://facebook.com/profile.php?id=943111692418933&tsid=0.24963632738217711&source=typeahead>

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(The Hertel Report State-of-the-State Meetings continued from page 1)

ing together at the Pointe Squaw Peak Resort. Networking over breakfast was a big hit in both locations with many in attendance meeting new colleagues and reminiscing with old friends.

Jim and Steve began the meeting by going over the top news stories both nationally and locally, which included the impact of the King vs. Burwell decision and the newly passed Medicare Access and CHIP Restoration Act. Jim updated the audience on the recent Medicare Advantage enrollment changes and AHCCCS issues.

Next up was a special guest speaker, Jennifer Sommers, director of network management and contracting for Mercy Care Plan/Mercy Maricopa Integrated Care (MMIC). Jenn gave a report on the progress made so far by MMIC, the new Regional Behavioral Health Authority (RBHA). MMIC was awarded the Maricopa County RBHA contract in October of 2013 and began serving the unique population in April of 2014.

Steve and Jim then updated the group on the progress of the ACA in reducing the uninsured, both nationally and in Arizona. The national figure is around 11 million that have signed up for insurance through the federal and state exchanges. In Arizona, over 205,000 individuals have signed up.

The second half of the meeting was very well received as Jim moderated a panel discussion between leaders of six of Arizona's 12 Medicare ACO's. Representatives from Arizona Connected Care, Arizona Care Network, Banner Health Network, Commonwealth Primary Care ACO, North Central Arizona Accountable Care and Scottsdale Health Partners all participated in very open, thoughtful and revealing discussions about their ownership, structure, size, network affiliations, struggles and successes. The work these organizations are doing is benefitting all of us as taxpayers, by reducing costs for CMS and improving quality of care and patient satisfaction.

The Summer SOS meetings were considered a great success. Feedback was very positive and many ideas were proposed for future topics. THR will incorporate audience feedback into future events. The next meetings will be held in January 2016 and AZHFMA members are encouraged to attend and receive a member discount on their registration fees. Watch the Cactus Clarion for announcements of the dates and locations of future SOS meetings.

Jim Hammond
Publisher
The Hertel Report
www.thehertelreport.com

Hospitals Financial Condition

Jim Haynes, Arizona Hospital and Healthcare Association

For the twelve months ending April 30, 2015, hospital operating margins have declined from prior years, despite a large decrease in uncompensated care costs. This is somewhat of a surprise given the decrease in the number of uninsured. The three-year trends in the operating margin and uncompensated care for hospitals, responding to a survey conducted by the Arizona Hospital and Healthcare Association (AzHHA) shows the following:

Twelve months ending April 30	2015	2014	2013
Average operating margin	1.6%	3.6%	2.8%
Average uncompensated care percentage	4.5%	7.3%	7.6%

The improvement in the uncompensated care percentage corresponds with the decline in the uninsured rate as a result of the restoration of the Prop. 204 program (the childless adult population), adult expansion to 133 percent of the federal poverty level, and the growth in enrollment in the insurance exchange products. As of May 1, 2015, there were 336,000 people enrolled in either the Prop 204 restoration group or adult expansion group. At the end of 2013, before the freeze was lifted, the Arizona Health Care Cost Containment System (AHCCCS) group membership stood at 68,000; so the growth has been substantial. The average uncompensated care percentage is still well above the levels hospitals incurred before the July 2011 freeze on the enrollment in the childless adult program, although it was down substantially the last two months. Hopefully this will be the start of a new positive trend. Among the major reasons for the decline in the hospital operating margins is the virtual elimination of the AHCCCS safety net care pool payments, totaling \$510 million in 2013, the cost of the provider assessment, which was \$270 million for state fiscal year 2015; the continuing underpayment to hospitals by the AHCCCS program as a result of prior year rate cuts; the elimination of rate increases since 2007, and changes by other payers including Medicare.

Jim Haynes
COO
Arizona Hospital and Healthcare Association

(Communications Update Continued from page 3)

Or, share relevant industry information with your peers on LinkedIn at:
<https://www.linkedin.com/grp/home?gid=2876498>

Newsletter – as a quarterly update to membership, the newsletter will continue to provide you with information from the Chapter leadership, ways to participate and current topics. Please do reach out to our Editor – Joan Goda – if you would like to provide relevant articles. Joan can be contacted at:
joan.goda@carondelet.org. Links to back copies of the newsletter are available on our webpage at:

www.azhfma.org

How can you help us continue to grow and improve our communications to membership?

- **Join** - take a minute to join both LinkedIn and Facebook.
- **Like** - Let us know you were there by commenting or "Liking" something that catches your eye.
- **Contribute** – share relevant articles and event photos with your peers

We look forward to hearing from you!

Kelly Ryan
Communications Committee Chair
AZ Chapter HFMA

5 Awards Presented to Chapter at ANI

Jeff O'Malley, President for the 2014-15 year, accepted 5 awards at the Chapter Awards Dinner held at the June Annual National Institute (ANI).

The awards were:

- Award for Excellence in Education: Bronze
- Award for Membership Growth and Retention: Bronze
- Helen M. Yerger Special Recognition Award for Quest for the Shelton
- Helen M. Yerger Special Recognition Award for Vendor Sponsorship Innovation with the Two-Fer
- Helen M. Yerger Special Recognition Award for Membership Satisfaction Improvement



Jeff accepts congratulations from (l) Melinda Hancock, FHFMA, HFMA National Chair, 2015-16 and (r) Kari Cornicelli, FHFMA, HFMA National Chair 2014-15.

At the Fall Conference Lunch on September 24th, Jeff will present these award to those volunteer leaders who were responsible for the chapter receiving the awards.

(Sponsorship Update continued from page 1)

sponsors value. Our committee is committed to constantly looking for creative sponsorship opportunities that will provide our vendor partners with maximum exposure, great "bang" for their buck, and alternatives that will be positively received by provider membership.

AZ HFMA sponsorship committee is currently gearing up for the Fall Conference. This year's conference slogan, Catch the Wave of Change, will be conveyed with a beach theme. (I'm sure there will be an ugly Hawaiian shirt or two in the mix!) Exhibitor and Sponsor brochures were sent out in early July.

Two popular programs are returning for this fall.

Thursday Night Group Dinner

Thursday night group dinner was launched last fall in Tucson with attendees and sponsors coming together to share a meal and a lively evening of entertainment that included "Dueling Pianos" and a fiercely competitive karaoke competition. The spring conference included a Thursday evening "Murder Mystery Dinner Theater". This fall's entertainment will focus on the islands as part of the beach theme and a good time will be had by all. Two sponsorship opportunities are available to host the event.

"2-fer"

Starting with the Spring Conference we offered another exciting and innovative sponsorship option we like to call the "2-fer", a bundled approach to annual sponsorship allowing for bulk purchasing with a discount – kind of like marketing Costco – but different. Vendors who commit to sponsoring both Spring and Fall Conferences receive a 10% discount for both events, and help the chapter with future planning. A win-win. Twelve sponsors purchased "2-fer" events in the spring. More are available this fall for the 2015 fall and 2016 spring conferences.

To our vendor partners – thank you. Without your support, AZ HFMA could not provide such wonderful programming and networking value to our members. And to our provider members – thank you for networking with exhibitors and sponsors at events such as our fall conference, and being open to learn about their services and offerings. Together we all make AZ HFMA a strong value-added organization.

*Alan Newberg, FHFMA
Sponsorship Committee Co-Chair
AZ Chapter HFMA*

MA Plans Jockey for Position in Crowded Arizona Market

The Hertel Report

Membership reports from the Centers for Medicare and Medicaid (CMS) from April 2013, 2014 and 2015 show Blue Advantage pushing its way up from sixth to third place in the top 10 list of Arizona's largest MA plans by membership.

Blue Advantage, now operated by BCBSAZ and formerly operated by Banner and licensed as MediSun, has more than doubled its MA membership in just two years.

Continuing to defend the top two spots are UnitedHealthcare/Pacificare and Humana, which together reported 184,000 MA lives, or 43 percent of Arizona's MA population.

UnitedHealthcare/Pacificare's defense of its top position hasn't been without its challenges.

The insurer reported membership losses of more than 7,000 in the last two years, while Humana increased its membership 31 percent and now reports its MA enrollment at more than 61,500.

Cigna grew by about 13 percent to more than 42,000 members, and HealthNet dropped 7,000 members and falls to the fifth spot. Both Cigna and HealthNet inched down the list after being leapfrogged by Blue Advantage.

Two AHCCCS Dual plans, UHC Community Plan and Mercy Care, hold the 6th and 7th spots, respectively. CareMore remains flat in the eighth spot, and PHP added nearly 4,000 members and moved up to ninth. Health Choice makes the top ten with over 9,000 members. PHP and Health Choice have more than doubled membership since 2013. Falling off of the top 10 were SCAN and Aetna.

SCAN lost more than half its members and drops from No. 8 to No. 11. Aetna lost 1,000 members and is now ranked number 12.

Leaving the market were WellCare and Universal. The Hertel Report (THR) will continue to monitor all players in the market

MA PLAN GROWTH TRENDS

	2013	2015	
UHC/ PACIFICARE	130,054	122,569	-6.1%
HUMANA	46,917	61,533	+31%
BLUE ADVANTAGE	22,966	45,045	+95.8%
CIGNA	37,680	42,626	+13.3%
HEALTH NET	42,768	38,472	-10%
UHC COMMUNITY PLAN	28,603	35,682	+24.7%
MERCY CARE PLAN	17,409	17,538	-.07%
CAREMORE	15,729	15,941	-1.3%
PHP	5,702	12,897	+126%
HEALTH CHOICE	4,120	9,398	+128%
SCAN	12,942	8,830	-31.7%
AETNA	5,155	4,548	-11%

The Hertel Report
www.thehertelreport.com

Welcome New and Transferred Members

Since April 2015

Kimberly Black
Accounting Director
Tuba City Regional Healthcare Corporation

Chuck Bongiovanni
Chief Executive Officer
Community Integration Model

Robert Boos (*transfer from Florida chapter*)
Vice President

Sonny Clark
Board Member
Fort Defiance Indian Health Board, Inc.

Jonas Dahlen, CRCC (*transfer from Metro Philadelphia chapter*)
Vice President
Emdeon

Elaine Dunn
Vice President, Clinical Services Delivery
Adreima

Scott H. Everson
Vice President
PracticeMax

Riley M. Fitzgerald
Auditor
Ernst & Young LLP

Lee Forth
Director of Finance
Dignity Health Medical Group

Vickie E. Gallo (*transfer from Kansas chapter*)
Finance Director-Banner Surgery Centers
Banner Health System

Marjorie Green
Healthcare Excellence Institute

Brian Guerra (*transfer from Colorado chapter*)
Vice President Business Development, Western US
Financial Health Strategies

Apoorve Jain
Revenue Cycle Director
Integrated Medical Services

Dana M. James
Controller
La Paz Regional Hospital

Velyncia T Joe
Revenue Integrity Specialist & Credentialing
NACSHCD St Michaels & Sanders Clinic

Karen Leuppe
Board Member
Fort Defiance Indian Health Board, Inc.

Lee R. Livin (*transfer from Indiana Pressler Memorial chapter*)
Chief Finance Officer
Yavapai Regional Medical Center

Lyle Logg
Supply Manager
Fort Defiance Indian Hospital Board, Inc.

Gregory A. Marshall
Budget Analyst
Kingman Regional Medical Center

Tony Montemurro (*transfer from Southern California chapter*)
Territory Director
Winthrop Technology Finance

Ryan Press (*transfer from Hawaii chapter*)
Audit Senior
Ernst & Young LLP

George Rasmussen
Regional Vice President of Operations
Integrated Health Management Services

Michelle Reidhead

Kerri Sanchez
Director Accounting

Jonilynn Scott
Senior Accountant
Tuba City Regional Health Care Corporation

Aaron Sieczkowski
Sales & Marketing Analyst
Healthcare Excellence Institute

Teresa Silentman
Accounting Manager
Fort Defiance Indian Health Board, Inc.

Jared Simpson
Banner Health

Stephen Spellman
Accounting Manager
Fort Defiance Indian Health Board, Inc.

Peter D. Sullivan (*transfer from Texas Lone Star chapter*)
Regional Vice Presidents
MedAssets

Maria Tamayo
Controller
Copper Queen Community Hospital

Nanette Tso
Finance Specialist
NACSHCD St Michaels & Sanders Clinic

Irene Yazzie
Revenue Integrity Specialist
Northern Apache County Special Healthcare District

Kenneth W. Yergey
Vice President, Network Development, Contracting
Bridgeway Health Solutions

Program Update

Jason Metcalf, FHFMA, Program Committee Chair

The Program Committee is working hard to deliver another great educational year to members. Save the date for the Fall Conference at the El Conquistador in Tucson September 23-25th. Join us at 'The Islands' on Thursday night of the conference.

We're looking at "Catching the Wave of Change" as a theme. We will be experiencing one of the biggest changes in healthcare in the last couple of decades with ICD-10 in October and the 501r rules in December. Major changes can be very disruptive. Local speaker Amy Van Dyken-Rouen will deliver a keynote address to discuss how she has learned to persevere through change. Of course, we will be delivering relevant educational content for our members with local and national updates.

The Spring Conference will be on April 20-22 in Scottsdale, so block your calendar for that as well to keep informed of the hot issues in healthcare today. See You at the conferences!!

As a chapter we are also working with other organizations to bring about a "Super Conference" in the Fall of 2016. The vision is to have more collaboration with AHIMA, AHE, HIMSS, MGMA, etc. Each of our organizations has educational content that is helpful for all of us to share, so we will be scheduling collaborative conferences to meet that need.

Jason Metcalf, FHFMA
Program Committee Chair

your TURN

Whether you work at a hospital, health system, physician practice, or payer, HFMA keeps you informed on fast-moving developments in healthcare finance. Member events, publications, seminars, and online tools identify best practices, and help you manage change.

With more than 40,000 members, HFMA is the leading membership organization for financial management executives and leaders across the healthcare industry.

NEW MEMBERS
SAVE

YOUR INDUSTRY,
YOUR FUTURE,
YOUR VOICE

== HFMA.ORG/JOIN ==

Benefits of MEMBERSHIP

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- DISCOUNTS ON PRODUCTS, SERVICES, AND EVENTS
- HFMA.ORG MEMBER SECTION
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- ONLINE FORUMS
- VIRTUAL CONFERENCE
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- CERTIFICATIONS
- THE SHORT LIST
- BUYER'S RESOURCE GUIDE