



MetroLines

September 2005

Hospitals Take ‘Corporate Finance’ Approach to Balance Margin and Mission - Effective Financial Management Enables Robust Patient Care

August 8, 2005; Chicago (BUSINESS WIRE) – Balancing community needs and business growth are top challenges for many not-for-profit hospitals and health systems today. According to a new report, the quality of a hospital’s capital structure can cost or save an organization millions of dollars, a crucial factor for many hospitals struggling to survive in an era of slim operating margins. The need to wisely manage capital structures is driving many hospitals and health systems to better balance their missions with their margins.

The report, Financing the Future II, was developed by the Healthcare Financial Management Association (HFMA) in partnership with two healthcare industry leaders, GE Commercial Finance Healthcare Financial Services and Kaufman, Hall & Associates, Inc. The second report in the series, Strategies for Effective Capital Structure Management, outlines eight strategies that healthcare organizations can use to increase their access to capital and gain a strategic financial competitive advantage.

For more than four in ten (41%) hospitals, capital spending still lags behind depreciation, according to data from the first Financing the Future I series. “During this difficult financial environment, healthcare organizations cannot afford to neglect any aspect of the capital management cycle, particularly in which capital structure assumes a major role,” said Richard Clarke, president and CEO of HFMA. “The eight strategies outlined in this report will help organizations establish a sound financial approach.”

(Continued on page 11)

Inside this issue:

Hospitals Take Corp. Finance Approach	1
Industry News	1
The Internet is a Fad	3
President’s Letter	4
Officers & Directors	5
Certification	6
Pay for Performance	7
Sponsorship Program	8
Educational Opportunities	9
Tribute To Floyd & Healthcare 101	12

Industry News

ACTS sews up S.C. deal

ACTS Retirement-Life Communities Inc., a nonprofit owner, manager and builder of continuing-care retirement communities, has completed its acquisition of Carolina Village, a continuing care retirement community in Rock Hill, S.C. The acquisition means that the West Point, Pa., company now has 18 communities in its portfolio. For more information, go to <http://www.bizjournals.com/philadelphia/stories/2005/08/08/daily37.html>

Horizon Blue Cross providing broadband Net access

Horizon Blue Cross Blue Shield of New Jersey plans to enhance and streamline interactions with select network physicians, who previously were without Internet access, by providing them with broadband Internet access. The effort is designed to increase the number of physicians using Horizon’s online provider services for verifying a patient’s insurance eligibility, co-payment and benefits; checking the

status of claims and authorizations; submitting referrals and reviewing medical policies and drug formularies. For more information, go to:

<http://www.bizjournals.com/philadelphia/stories/2005/08/08/daily34.html>

Tenet settlement approved

A federal judge in Los Angeles approved a settlement between [Tenet Healthcare Corp.](#)

(Continued on page 2)

Membership Committee News

Welcome to our new members!

John Neary, Jr., Deloitte & Touche

Thomas Morse, Wills Eye Hospital

Victoria Ingles, HCA Rockford Center

Richard Parris, Crozer-Keystone Health System

Edward Jastrzebsk, Temple University Health System

Margaret Horan, Crozer-Keystone Health System

Patrick Blewitt, Webmd Business Services

Michael Cieri, Independence Blue Cross

Dylan Horn, Childrens Hospital of Philadelphia

Michael Kessler, Carbis Walker & Associates, LLP

Kelly Nord, Carbis Walker & Associates, LLP

Edward Klik, Carbis Walker & Associates, LLP

Lisa Machado, United Health Services

Maxine Robin, Temple University

Mindy Nicoletti, Kindred Healthcare

Lafrenchie S Jones, Cooper University Hospital

Elaine Shupp, Chandler Hall Health Services

Sean A. O'Hara, PriceWaterhouseCoopers LLP

William Oliver, Childrens Hospital of Philadelphia

Anne DelPizzo, PATHS, LLC

Andy Bronstein, Abramson Center

Suzanne Gorman-Batot, Seimens Health Services

Steven DelPizzo, PATHS, LLC

Margaret Outler, Cooper University Hospital

Kevin Gosselin

Mark Piccirillo, Aramark Healthcare Mgmt Svc-Food

Heather Auld, Aim Healthcare Services

Patricia Hewitt, Siemens Medical Solutions USA

Industry News *(continued)*

(Continued from page 1)

and a group of uninsured patients who filed a class action suit against the hospital management company. The settlement, first announced in March, requires Tenet to provide discounts to the uninsured in nine states, including Pennsylvania. The company is also required to pay restitution and provide some financial counseling to uninsured patients treated at its hospitals between June 15, 1999, and Dec. 31, 2004. For more information, go to

<http://www.bizjournals.com/philadelphia/stories/2005/08/08/daily23.html>

Hospital Charity Care May Be Underreported, Survey Finds

Hospitals are absorbing higher levels of charity care and bad debt and may be providing far more free care than the \$25 billion they report annually, according to a report released by PricewaterhouseCoopers. Although no one knows the exact value of charity care, the

survey showed that hospitals provide an average of 5 percent of net operating income in charity care, though some provide a substantially higher amount. Charity care amounts may be underestimated because of the “burdensome and expensive process that hospitals must go through to classify a patient as charity care,” the report concludes, noting that 92 percent of the hospitals surveyed said at least part of their bad debt could be classified as charity care.

Access the report Acts of Charity: Charity Care Strategies for Hospitals in a Changing Landscape at:

<http://healthcare.pwc.com/cgi-local/hcregister.cgi?link=pdf/charitycare.pdf>

Medical Costs Exceed \$12K for Typical Family

The total medical costs paid by a typical American family of four, with insurance benefits provided by a preferred provider organization, are estimated to be \$12,214 in

2005, according to the Milliman Medical Index, an annual medical costs study by Milliman, Inc. The study excluded premium payments, focusing instead on the costs paid by an employer’s benefit plan and the portion paid by the consumer in the form of cost-sharing—in other words, the amounts paid to providers by, and on behalf of, the covered family. Inpatient and outpatient hospital services represent 45 percent of a family’s total annual medical costs; physician services represent about 37 percent; prescription drugs about 15 percent, and other miscellaneous services represent 3 percent. Download the 2005 Milliman Medical Index report at: www.milliman.com/mmi/Milliman_Medical_Index_Final.pdf

Shrinking Number of Emergency Departments Handle More Visits

Fewer emergency departments are handling an increased number of visits, according to a new report released by the Centers for

(Continued on page 6)

The Internet is a Fad!

We all know that is not true. It's hard to believe that the ubiquitous Internet was barely available just 10 years ago. Our Chapter's web site, available for six years now, has increasingly become a central channel for communication with our membership, and we see this trend continuing. With that in mind, last year the Board looked at our current website and felt that it was perhaps a little dated. Like clothing, a website's design instantly says something about the owner. Our web site screamed "1998" and reminded one of the era of go-go stock markets, dress-down Fridays, and Seinfeld episodes. These

were not bad times of course, after all this was also the era of "rate optimization reviews," but we needed a website that reflected our Chapter's maturity with online communication. So the Chapter's Officers and Board of Directors are pleased to announce the opening of the new and improved Chapter web site at www.hfmaphila.org. You will find the new website to be not only attractive, but also well structured and easy to understand and navigate. On the website you will find information on our Chapter, upcoming seminars, local job opportunities, our sponsors, the certification program, as well

as links to HFMA national's website where you can download the membership directory, or update your membership information. The goal of the new website is to expand the visibility of our organization and improve our information sharing efforts. We hope you find this website to be a useful resource. Please also consider placing a link to the Chapter's website on your company or hospital website as a resource for industry information.

Before:



After:



Member-Get-A-Member Campaign

The 2005-06 *Strength in Numbers, Health in Numbers*, Member-Get-A-Member campaign has begun. Sponsor one or two new members to HFMA and you will win the HFMA apparel item of your choice. Sponsors who recruit three or four new or former members will get a \$100 gift certificate that can be redeemed at

hundreds of brand-name merchants. You will also be entered into a drawing to receive a \$1,000 cash prize. Sponsor more new members and the prizes increase! Also, for every new or former member that you sponsor, you will receive one entry for a \$5,000 travel gift certificate.

HFMA membership delivers practical tools and ideas that increase your performance.

President's Letter

I would like to take this opportunity to welcome back all of our HFMA friends and colleagues to another chapter year and introduce all of our new members to the benefits of being a part of HFMA. My goal and theme for this year is to enhance "Education & Involvement". Education, of course, has always been the driving force of our program year, but sometimes our jobs these days require much more than just education. That's where the invaluable aspect of HFMA comes into play. Making the friends and contacts to reach out to, who face similar challenges on a day-to-day basis, who have the expertise you need to get answers to your questions are the personal benefits that can never be replaced. Many of these relationships, which are now good friendships, began simply by being involved in HFMA. Being involved does not just mean serving on a committee, it could be just attending an educational program, hanging out at a networking

opportunity, going to a ball game as a group, sponsoring a social event, or attaining HFMA certification. I encourage everyone to take advantage of everything HFMA has to offer for both your personal and professional growth.

I believe our upcoming September 14th "Pay-for-Performance" program encompasses all of my thoughts towards enhanced "Education & Involvement". We have dynamic local and national speakers on a relevant topic followed by a nice BBQ tailgate party, and tickets to the Phillies game. My hope is to roll more of these networking opportunities and social events into our educational programs whenever we can. We work too hard not to have some fun along the way!

As always, please feel free to contact myself, or any of the Chapter Officers or Board of Directors with suggestions

for improvement throughout the year. We truly are here to serve you. I would also like to thank those members that have signed-up to serve on one of our committees. It is our responsibility as chapter leaders to help those willing to



be involved, actually get involved. In addition to the individual contact from your committee chairpersons, and in recognition of your volunteerism, you will be invited to our chapter board meeting and committee planning session which is to be held prior to our

September 14th kick-off program.

I hope to make this an enjoyable and worthwhile year for all of us.

Joe Cunningham

Chapter President, 2005 / 2006

HFMA's 2005 Fall Seminars Provide Tools and Ideas

Through 36 seminars in four great locations, HFMA's 2005 Fall Seminar Series will give you the tools and approaches you can use in your organization to achieve results now.



This season's seminar series, which will be held in Seattle, WA: September 26-29; Cambridge, MA: October 17-20; Phoenix, AZ: November 14-17; and Chicago, IL: December 5-8, offers sessions from the topic areas of financial management, the revenue cycle, managed care operations and reimbursement and long-term care/home health care.

For more information on this season's lineup or to register, visit hfma.org/seminars or call (800) 252-4362, extension 2.

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Make This the Year You Get Certified

HFMA's certification programs lead to the designation Certified Healthcare Financial Professional (CHFP) and Fellow of the Healthcare Financial Management Association (FHFMA). Meeting the HFMA certification requirements helps prepare you for increasingly responsible positions in the healthcare industry and demonstrates your dedication to professional development and a higher standing. Research indicates that there is a clear relationship between certification and career advancement. Certified members of HFMA earn a higher annual salary, are more likely to be hired for upper-level positions in healthcare finance, are promoted faster, and are respected members of the healthcare leadership team.

Through a partnership with Saint Joseph's University, the Professional Education Committee is pleased to offer HFMA members the opportunity to obtain these certification credentials locally. The certification examinations for the 2005-2006 Chapter Year will be

held on:

Sunday, September 25th, 2005

Jonathan S. Ketcham, FHFMA

Sunday, December 4th, 2005

Herbert White, FHFMA

Sunday, January 22nd, 2006

Paul Houle, FHFMA

Sunday, April 30th, 2006

Edward McKillip, CHFP

Registration for the examination must be done at least ten days in advance of the exam date with HFMA National office in order to take the test. To register for the examination, visit the National HFMA Website (<http://www.hfma.org/sitemap.htm>), and then click on the Exam Application link under the Careers section to access the online application. Applicants must provide the name of the proctor at the time of application or the application will be considered incomplete. Payment by credit card of \$100 for the Core Exam or \$70 for a specialty exam is also required at the time of registration and will be refunded

to the member after the exam is completed.

Once the member signs up for an exam with the national office, please contact the local chapter's study material committee member listed below to arrange for free study material. Because the number of examinees that can be accommodated by the chapter, admissions may be limited, therefore, you are encouraged to sign up early for the testing dates of your choice. According to the National Office, 24 to 30 hours of study time are required for the core and 16 to 20 hours for each specialty test.

Contact Name for Certification Information and Study Materials

Jonathan Ketcham, FHFMA

Mercy Hospital of Philadelphia

Telephone: 215-748-9321

email: jketcham@mercyhealth.org

Industry News

(Continued from page 2)

Disease Control and Prevention. From 1993 through 2003, the number of emergency department visits increased from 90.3 million to 113.9 million visits annually, representing an average increase of more than 2 million visits per year. Meanwhile, the number of U.S. hospital emergency departments decreased by about 12.3 percent during the same period. The report's authors say that the rise in utilization was driven by increased use among adults, particularly those 65 years and older. Read the CDC report at: www.cdc.gov/nchs/data/ad/ad358.pdf

Hearing Challenges Community Benefit Concept

The question of whether exempt hospitals provide adequate services to their

communities to justify their exempt status was the focus of the House Ways and Means Committee hearing, "A Review of the Tax-Exempt Hospital Sector." Several important insights emerged during the hearing. The Centers for Medicare and Medicaid Services administrator said that uncompensated care data will be captured through the Medicare cost reporting process. Some witnesses urged rolling back the 1969 IRS community benefit standard and re-establishing specific requirements of charity care for exempt hospitals. One important, widely agreed-upon theme was the need for standards to assess whether delivered community benefits are commensurate with a provider's favored tax status. In this environment of growing skepticism over whether exempt hospitals are delivering services commensurate with their exemptions, not-for-profit providers should strive to the best of their ability to document and report their full range of community benefits. To read the panel members' statements to the House Ways

and Means Committee, go to:

waysandmeans.house.gov/hearings.asp?formmode=detail&hearing=415

Also, download HFMA's statement on the attributes of tax-exempt hospitals at:

www.hfma.org/resource/400457.pdf

National Healthcare Expenditures Expected to Grow at 7 Percent Annually Through 2014

National healthcare expenditures are projected to reach \$3.6 trillion in 2014, growing at an average annual rate of 7.1 percent during the forecast period 2003-2014. As a share of gross domestic product, healthcare spending is projected to reach 18.7 percent by 2014, up from its 2003 level of 15.3 percent. Steady growth is projected to continue through 2006, with healthcare spending growth forecast to be 7.3 percent in 2005 and 2006. Read the report, go to:

www.cms.hhs.gov/statistics/nhe/projections-2004/proj2004.pdf

Pay For Performance, BBQ, and Phillies

The Program and Education Committee of the Metropolitan Philadelphia Chapter of the Healthcare Financial Management Association is pleased to announce that their first educational session of the 2005-2006 chapter year is scheduled for Wednesday September 14, 2005. This kick-off event promises to be unique in that it will provide a combination of education, tailgating and entertainment. The focus of the education will be on one of the hottest topics in healthcare.....**Pay-for-Performance.** This program will qualify for three (3) hours of “Other” CPE credits.

Pay-for-Performance represents the latest area of focus for many healthcare providers and will likely impact providers’ in their dealings with Medicare and other payors.

This event is designed to not only provide education on this issue but also provide valuable insight based on unique experience from the provider community. Providers who fail to be proactive may find it difficult to contract successfully because of a variety of issues not the least of which includes quality of care and reimbursement streams. Our presenters will share their experiences and creative (but practical) solutions to monitor the relevant quality of care indicators and prepare you for Pay-for-Performance.

Registration for this event will begin at 12:00 PM. Following the education will be a 2 hour “Tailgate Party” designed for networking with other HFMA members.

Thanks to our gold corporate sponsors,

immediately following the “Tailgate Party”, attendees are encouraged to join us in cheering our Philadelphia Phillies on to victory over the Atlanta Braves. On behalf of HFMA, we would like to thank our gold sponsors.

Attendees are requested to dress casual for this event. The agenda, registration form, and request for Phillies tickets are attached for your use. Please FAX your registration form to (610) 964-7987 at your earliest convenience. We hope to see you on September 14, 2005.

**Program Committee Meeting
“Pay-for-Performance”
Wednesday, September 14, 2005
Holiday Inn Philadelphia Stadium Hotel
900 Packer Ave, Philadelphia, PA**

12:00 - 1:00	Registration
1:00 - 1:10	Opening Remarks Joseph Cunningham, President
1:10 - 2:30	Pay-for-Performance 101 What do you need to know? William J. DeMarco President & CFO, DeMarco & Associates, Inc.
2:30 - 2:45	Break
2:45 - 4:00	Pay-for-Performance, One Provider’s Prospective R. Alan Larson, President & CFO Mercy Fitzgerald Hospital Mary Ann Holt, RN, MSN Practice Manager, IMA Consulting
4:00 - 6:00	Tailgate Party and BBQ Dinner
7:05	Phillies game - Sponsored by Gold Sponsors Philadelphia Phillies Vs Atlanta Braves

Registration form can be found on page 13.

Gold Sponsors:



Implementation Management Assistance, Inc.

Helping organizations implement change, cost-effectively

Merit Healthcare Consulting, Inc



Obtain practical solutions and breakthrough approaches from healthcare’s leading finance professionals.

The Chapter's New Sponsorship Program

We have always relied upon the support from various vendors to underwrite our numerous education programs. For this coming year we have developed a comprehensive corporate sponsorship program to provide maximum benefit and consistent recognition throughout the year. Sponsorship funds are vital to ensuring that we can continue to provide quality programming for our members at affordable rates. Corporate sponsor participation in our activities enables leading and innovative industry experts to contribute to the depth of our programs.

Our sponsorship program enables your organization to put your message in front of the healthcare industry's most important decision makers. You can gain visibility, establish vital relationships, and position your products and services with the finance professionals who control spending in the local healthcare industry. The purchasing authority of our executive members include influence over the selection of consulting services, audit and accounting services, billing and collections services, reimbursement services, software/hardware products and services, equipment and asset management, electronic data exchange, insurance products, databases, and more.

Not only will you extend your networking with industry leaders, your participation at our chapter's educational programs will also provide opportunities for expanding your knowledge of the industry. Your participation will also align your company with the HFMA brand, which is widely recognized for value, quality and innovation.

GOLD LEVEL \$4,000

The Gold Level offers a premium "Branding" opportunity for your company. As a Gold Level Sponsor your organization will receive consistent and very prominent recognition with all Chapter resources throughout the year. Your company's name will be associated with all Chapter activities and you and the limited number of other Gold Level Sponsors will be the

exclusive sponsors of our annual golf outing. The outstanding and unique benefits associated with this level will enable you to establish or deepen a relationship with our loyal HFMA members.

Here are all of the benefits of the Gold Level Sponsorship:

GOLD LEVEL BENEFITS

- Opportunity to set up an exhibit table at one (1) education event
- Recognition as a Sponsor of our Annual Golf Outing
- Four (4) passes to the Annual Golf Outing
- Recognition as a Sponsor at all education events on "poster boards"
- Full page ad in chapter directory
- Recognition on education event mailing, handouts, and at the registration desk for all events
- Three (3) Complimentary meeting registrations (can be given to clients or prospective clients)
- Company spotlight article in chapter newsletter
- Premium recognition as a Sponsor on web site with company's logo on our home page
- Opportunity to place promotional materials in seminar handouts for one (1) event
- Recognition as a Sponsor in quarterly newsletter

SILVER LEVEL \$2,500

The Silver Level provides an opportunity for your company to establish a strong presence with the financial decision-makers in our membership base. As a Silver Level Sponsor your organization's name will be associated with numerous education sessions and you will have the opportunity to directly network with our membership at two of those sessions. This level of sponsorship offers a leading opportunity to make contact with our membership base and to align your products and services with the quality name recognition of HFMA.

Here are all of the benefits of the Silver Level Sponsorship:

SILVER LEVEL BENEFITS

- Opportunity to set up an exhibit table at two (2) education events
- Recognition as a Sponsor at four (4) education events on "poster boards"
- Recognition on education event mailing, handouts, and at the registration desk for two (2) events
- Half page ad in chapter directory
- Two (2) Complimentary meeting registrations (can be given to clients or prospective clients)
- Recognition as a Sponsor on web site with a link to company's web site

BRONZE LEVEL \$1,000

The Bronze Level offers you an opportunity to introduce your organization to our membership and provides an excellent venue to make our membership aware of your company's products and services. In addition to the opportunity to have an exhibit table at one of our seminars, this sponsorship level provides the benefit of recognition at two additional seminars and positioning on our chapter's web site.

Here are all of the benefits of the Bronze Level Sponsorship:

BRONZE LEVEL BENEFITS

- Opportunity to set up an exhibit table at one (1) education event
- Recognition as a Sponsor at one (1) education event on "poster board"
- Recognition on education event mailing, handouts, and at the registration desk for one (1) event
- One (1) Complimentary meeting registration (can be given to client or prospective client)
- Recognition as a Sponsor on web site with a link to company's web site

Committee Coordinators

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Chapter Year Offers Plenty of Educational Opportunities

The Program Committee is well into planning for the coming year. The schedule includes many important topics, and the programs promise to be educational and informative. We'll keep you posted as the dates are set. If you are interested in speaking or sponsoring a program, contact any of the Co-chairs of the Program & Education Committee. For more information on sponsoring a program see page 8 or contact the Program Committee.

HFMA Member ID numbers are required on all registration forms. Your member ID number, can be found on your membership card, or adjacent to your name on the HFMA mailings, or you may call HFMA member services at 1-800-252-4362, extension 2. Please provide your HFMA

member number to ensure the member discount on all events.

Throughout the year we conduct numerous education seminars. These programs are widely attended by our members as well as by non-members in the healthcare financial management field. Each program is directed at a certain topical area and as such it attracts attendees from particular niches in the field. The programs are hosted by various local hospitals or are held at hotels. Listed below is the tentative program schedule for our upcoming year.

For more information contact the Program Committee:

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Month	Program Title	Location	Contact
Sept. 14, 2005	Chapter Kick-off Session	Holiday Inn – Stadium	Ann Saputelli annms@mail.med.upenn.edu
October	Cost Report Workshop	TBD	Michael Rossi rossim@uphs.upenn.edu
November	Revenue Cycle Mgt. Seminar	Holiday Inn, Center City	Guy Hoffman ghoffman@holyredeemer.com
December	Tax Seminar	Thomas Jefferson University Hospital	Ann Saputelli annms@mail.med.upenn.edu
January	Legislative Dinner	TBD	P. Douglas Maier dmaier@nphs.com
February	Capital Financing Seminar	TBD	Ann Saputelli annms@mail.med.upenn.edu
March	Reimbursement Seminar	La Salle University	Michael Rossi rossim@uphs.upenn.edu
April	Decision Support Seminar	Crozer-Chester Medical Center	Regina D. Truxell truxellre@uphs.upenn.edu
May	A&A Update and Annual Golf Outing	Paxon Hollow Country Club	Ann Saputelli annms@mail.med.upenn.edu



Golf Outing & Seminar - May 26, 2005

The Program and Education Committee of the Metropolitan Philadelphia Chapter of the Healthcare Financial Management Association held their Accounting and Auditing Update followed by an afternoon of golf, refreshments, and networking opportunities.

The Program was held on Thursday, May 26, 2005 in the main ballroom at Paxon Hollow Country Club.



Pete DeAngelis presents the Benjamin Franklin Award to Angelo Savelloni for his significant contributions to fostering the Chapter's goals.



Pete DeAngelis presents the Annual Achievement Award to Richard Bennett for his outstanding contributions in the healthcare field.



Out-going president Pete DeAngelis hands the reins over to in-coming president Joe Cunningham.



Officers and Directors. From Left to Right: Joe Cunningham, Roger Bjorkquist, Ann Saputelli, Tony Scarcelli, Doug Maier, Frank Smith, Mike Rossi, Kevin McPoyle, Tony Di Luca, Michael Bradley, Jonathan Ketchum

Hospitals Take ‘Corporate Finance’ (continued)

(Continued from page 1)

These strategies are:

- Organizing for effective capital structure management
- Determining the appropriate level of debt capacity
- Determining the optimal mix of debt-to-equity financing and traditional to non-traditional financing
- Selecting and achieving the “right” relationship between fixed-rate and variable-rate debt
- Diversifying variable-rate debt and avoiding exposure to any one form of risk
- Using “swaps” and other derivatives to manage the cost of capital and the capital structure
- Pursuing a level debt structure with the longest possible final maturity
- Monitoring and continuously adjusting the debt portfolio

Some “best-in-class” examples of how not-for-profit healthcare organizations have embraced these corporate finance principles include:

Ascension Health, the largest not-for-profit healthcare system in the US, assigns and centralizes its capital structure management through its treasury function so that decision making and implementation are coordinated.

Catholic Health East, a multi-institutional

Catholic health system comprised of over 100 healthcare facilities, recently completed a thorough review of its capital formation and debt structure to help increase cash flow and future debt capacity.

Swedish Covenant Hospital, an independent, non-profit hospital in Chicago, evaluates its mix of fixed-rate and variable-rate debts weekly with its investment banker to positively impact its credit ratio.

“Capital structure is not something you can create and then become passive about,” said Anthony Speranzo, senior vice president and CFO of Ascension, the nation’s largest not-for-profit healthcare system headquartered in St. Louis.

“Healthcare faces a dilemma. The industry expects hospitals to operate as a charity, while Wall Street expects them to deliver profitable growth,” said Jeffrey A. Malehorn, president and CEO of GE Commercial Finance Healthcare Financial Services. “To effectively serve their communities and fulfill their missions, hospitals must fully embrace the best financial practices knowing the change may be difficult.”

“Proper and strategic management of capital structure can be a competitive advantage for hospitals,” said Kenneth Kaufman, managing partner, Kaufman Hall. “It is vital to helping hospitals and health systems access the capital necessary to fund growth and enhance financial

performance.”

About Financing the Future II

Led by HFMA in partnership with GE Commercial Finance Healthcare Financial Services – with research conducted by HFMA and PricewaterhouseCooper, the second Financing the Future series seeks to help healthcare organizations of all sizes improve their financial performance.

Financing the Future II includes six reports published over 18 months, for healthcare financial leaders, their staffs and healthcare executive board members. Each report illustrates how actual hospitals and health systems have applied corporate finance principles to achieve successful financial performance and capital access. The first report published in May 2005 covered key principles of better practice financial management, and this second report focuses on one of those principles – the “right” capital structure. Future reports will address: strategic financial planning, as well as capital planning and allocation (Report 3); joint ventures with physicians and other partners (Report 4); strategies for financially struggling hospitals (Report 5); and the outlook for capital access (Report 6).

The next report in the series will be issued in November 2005.

For More Information

To order this report, or previous reports, contact HFMA at (800) 252-4362, and select option 2, or visit

www.financingthefuture.org.

HFMA National’s On-line Membership Directory

Have you visited HFMA National’s On-line Membership Directory lately? Here’s the link:

http://www.hfma.org/dual_login.cfm.

When you select “HFMA Directory”, not only can you search for members of our chapter, you can also search for all of your HFMA colleagues by name, company, and location - regardless of chapter! Using an on-line directory instead of a printed

directory ensures that you always have the most up-to-date contact information.

While accessing HFMA National’s On-line Membership Directory, you may view your current contact information and make edits to your profile. You can also view any products you have ordered, events you have

registered for, your CPE credits, your Founders points, and more!

It is vital that HFMA has your correct information, so please take a moment to review your record now. By doing so, you will ensure that HFMA continues to provide you with valuable information and insights that further your success.



We are on the web
<http://www.hfmaphila.org/>

HFMA is the nation's leading membership organization for more than 34,000 healthcare financial management professionals employed by hospitals, integrated delivery systems, managed care organizations, ambulatory and long-term care facilities, physician practices, accounting and consulting firms, and insurance companies.

HFMA is guided by voluntary leaders, with each chapter having its own elected officers and committees. On the National level, there is an elected 17-member Board of Directors and 27 members who are appointed to serve on councils and committees that provide guidance on timely issues, review Association programs and collect feedback from other members across the country.

Get Published

We are always looking for articles from our members. Do you have an article on a current financial healthcare topic? Please send it to adelpizzo@hcupaths.com. Articles should be less than 800 words and submitted in a Microsoft Word document.

Photographers Wanted

Are you an amateur photographer, or maybe just someone with a camera phone? We would love to publish your exciting HFMA pics in the MetroLines. We are looking for pictures of our members at our events. So next time you go to an HFMA event, bring your digital camera and take some pictures. Email them to kemcp@msn.com.

Tribute to Floyd and Healthcare 101 win National Recognition

The Winter 2005 issue of MetroLines featured a special tribute to beloved Chapter member Floyd Kinkead. This special edition recently earned praise from HFMA National with the presentation to our Chapter of the Helen M. Yerger Special Recognition Award for member communications. So, again in tribute to Floyd Kinkead, it is perhaps fitting to say:

*We shall never forget the man's
iambic pentameter*

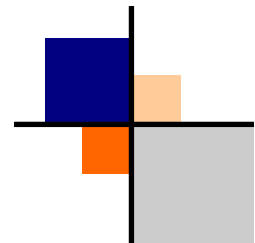
*His influence has reached our full
Chapter's diameter*

*An accountant with command of
language, a rare condition*

*Even his reprints go on to earn us
great recognition!*

Also, our Chapter, in conjunction with the other Region 3 Chapters, was granted a second Helen M. Yerger Special Recognition Award for our successful multi-chapter education program, **Healthcare 101**, held in April 2005.

The Chapter owes a great deal of gratitude to the following members whose efforts in these activities led to us earning these awards and recognition. Thank you to **Tom Heron** and **Tony Diluca** for their efforts with the Floyd Kinkead tribute. Thank you to **Tony Scarcelli** for his leadership in organizing the Region 3 conference.



Presents
“Pay-for-Performance”

Wednesday, September 14, 2005
Holiday Inn Philadelphia Stadium Hotel
900 Packer Ave, Philadelphia, PA

REGISTRATION

	Registrant's name Email address	Affiliation	HFMA Member ID *	Phillies Ticket (Yes/ No)
1				Yes/ No
				Yes/ No
2				Yes/ No
				Yes/ No
3				Yes/ No
				Yes/ No
4				Yes/ No
				Yes/ No

Registration Fee:	# individuals	Total
\$100 Members		\$
\$125 Non-Members		\$

Please send your check, made payable to "HFMA", and registration form to:

Ms. Peggy Smith
McBee Associates
997 Old Eagle School Rd. #205
Wayne, PA 19087

To fax your registration:
Attention: Peggy Smith
Fax: (610) 964-7987

All registrants are responsible for full payment unless notice of non-attendance is received 3 days prior to the program.