Dear HFMA Colleagues,

I hope you had a wonderful Holiday season and I wish each of you a very Happy New Year! The time is flying by and it is hard to believe that I am already halfway through my term as President. As the NENY Chapter year moves along, we have many exciting opportunities for education and networking through our planned chapter events, as well as regional and national webinars. I hope you are able to take advantage of these opportunities to connect with your peers and keep up to date on the many changes in the healthcare finance world.

At the time of this newsletter, we are busily putting the finishing touches on our Second Annual “Women in Leadership” Conference to be held at the Vista at Van Patten Golf Club in Clifton Park on February 9th. We have approximately 145 attendees, which is our biggest event ever! We have numerous vendors and excellent speakers lined up, as well as a photo booth to create some memories, networking with cocktails and a comedian! This event has become a passion for many of us involved in the planning and we look so forward to seeing you there. If you are unable to make it, there is always the 3rd Annual event next year! A special thanks to Mike Ostrander, Deb Trumbull and Jade Litchfield for all the hard work that went into this. It has been such fun working with you on this conference.

On April 5th we will be having our Annual Institute and ICR Road show at the new “Rivers Casino & Resort” in Schenectady New York. We thought it would be a fun place for the conference this year. Please save the date on your calendars and plan on joining us. Also, let us know if there are any specific topics you would be interested in hearing at this event. Please keep an eye out for additional details on the conference that will be forthcoming over the next month.

EDITORIAL POLICY
Submission of material for publication is strongly encouraged. Articles should be typewritten. The editor reserves the right to edit material and accept or reject contributions whether solicited or not. All correspondence is assumed to be a release for publication unless otherwise indicated. Send all correspondence, or materials for publication, to:

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Opinions expressed in articles or features are those of the author and do not necessarily reflect the views of the Healthcare Financial Management Association, Northeastern New York Chapter or the editor.

We just received our chapter member satisfaction survey results which are conducted by HFMA National on our behalf. Our NENY chapter’s overall high satisfaction rate came in at 82%, up from 74% last year and from 61% five years ago. We appreciate you taking the survey and your recommendations, such as having more coverage of state and regional issues and different educational topics, which is very helpful to us as we plan out our upcoming programs.

I would like to give special thanks to the Officers, Board of Directors, Committee members and Sponsors for their continued efforts and contributions that drive the success of our chapter.

During March we will be resuming our Certification Study group webinar classes that are put on by volunteer facilitators from different chapters. If you’re interested in learning more about becoming a Certified Healthcare Financial Professional please go to [http://www.hfma.org/certification/](http://www.hfma.org/certification/). We will be sending out information on the classes soon.

Lastly, I want to thank all of the volunteers that work so hard for our chapter. Because of their ongoing commitment, they continue to provide all of our members with up-to-date educational sessions and engaging networking opportunities.

We are always looking for volunteers so if you are interested in helping out with an event, developing better leadership skills or possibly becoming a future leader in the track, please let one of us know. We have a great team of people and would welcome you! If you have any questions, concerns or suggestions, please email or call me at any time.

Sincerely yours,

Karen Richards, CPA, FHFMA
richardsk@ellismedicine.org

Karen is the Director of Financial Planning and Service Line Reporting for Ellis Medicine

HFMA’s Member-Get-A-Member Program
Recruit new HFMA members and you could win:

- HFMA apparel item, duffel bag, or smartphone accessory
- $25, $100 or $150 Visa Prepaid Cards
- Cash prizes of $1,000 or $2,500
- Apple iPad Mini
- Grand Prize of $5,000*

Find out how

Recruit a HFMA Member Today!

HFMA helps finance leaders create and maintain fiscally sound healthcare organizations in order to provide excellent patient care.

Benefits of membership!
February 16th, 2017 from 1:00-2:00pm EST

HCC Risk Adjustment - Revenue Concepts

This webinar will provide an overview of CMS/Medicare Hierarchical Condition Categories Risk Adjustment and an in-depth analysis of its concepts and will discuss its importance for payers, providers, and patients.

Register: https://attendee.gotowebinar.com/register/2736496805274248449

February 21st, 2017 from 1:00-2:00pm EST

MIPS: Preparing for Physician Payment Changes

Participants of this webinar will learn: How MIPS is scored; How to assess your physician enterprise’s readiness for MIPS; MIPS payment methodologies and how to evaluate the financial implications and impact of MIPS; Strategic considerations for deciding whether to pursue an advanced APM model or remain in MIPS

Register: https://attendee.gotowebinar.com/register/6420227994809582339

February 22nd, 2017 from 1:00-2:00pm EST

OCR and HIPAA Updates 2017

The webinar will provide information on OCR and HIPAA Updates for 2017. Specifically it will discuss OCR Phase 2 Audits for 2017; Proposed SAMHSA changes to 42 CFR Part 2 pertaining to release of records concerning substance abuse; Texting and HIPAA compliance; Recent HIPAA enforcement actions by OCR; and other HIPAA related issues.

Register: https://attendee.gotowebinar.com/register/4294096862554839554

March 8th, 2017 from 1:00-2:00pm EST

How to Build the Business Case for AP Automation

This webinar will teach you what an AP Automation solution can do for you and your...
organization. Build the business case and ROI your C level executives will believe.

Register: https://attendee.gotowebinar.com/register/1403791955236959489

March 23rd, 2017 from 1:00-2:00pm EST

Transforming CDI- The New Paradigm for Value Based Performance

The webinar will provide an encompassing overview of current affairs of Clinical Documentation Improvement programs, highlight the relevant theories of constraints, and outline the transformational process CDI must embrace and incorporate as an integral part of a new paradigm in the revenue cycle under value based performance healthcare delivery models.

Register: https://attendee.gotowebinar.com/register/8782998218066574850

April 13th, 2017 from 1:00-2:00pm EST

How to Turn AP Into a Profit Center

This webinar will detail a comprehensive payment strategy to capitalize on discounts, reduce costs, and maximize revenue, using each payment type to its utmost potential.

Register: https://attendee.gotowebinar.com/register/4814095494063387137

Save the Date of April 5th, 2017 for the “Annual Institute” and “ICR Roadshow” to be held at the new “Rivers Casino and Resort” in Schenectady, NY!

Additional details to come...stay tuned!
Opportunities Abound: Health Care Tax-Exempt Capital Markets Update

In an increasingly regulated health care industry with its fair share of challenges, organizations are always on the lookout for opportunities to access low-cost capital to improve and/or expand their facilities.

Over the past decade, we have gone through one of the nation’s worst financial crises, revamped our health insurance system, and watched the massive silver tsunami of seniors in need of care steadily approach. Although the implications of these developments for operating hospitals and senior housing facilities continue to evolve, the impact on the capital markets has created a number of opportunities. Foremost is a historically low interest rate environment and a change in the types of bond structures available for financing. For nonprofits that have maintained strong credit profiles, these changes offer opportunities to save significant interest expense, as well as craft covenants and terms that better fit the future of their organizations.

Historic Times
The biggest impact of the financial crisis has been a paradigm shift in global economic growth expectations, and as a result interest rate levels that continue to set new record lows. It began with the Federal Reserve taking short-term interest rates to near zero in an attempt to flood the markets with low-cost funds. While the United States has demonstrated growth the past several years, much of the rest of the world has continued to face a combination of financial challenges. Although the Fed began raising short-term rates in 2016, the capital markets have actually seen the 10-year U.S. Treasury hit a new all-time low in July 2016.

While the low interest rates are wreaking havoc on investors that rely on fixed income, for capital intensive businesses the borrowing opportunities are excellent. Refinancing numbers are a good indication of this and nonprofit hospitals and seniors housing and care providers have reacted accordingly. While in 2008, health care bond issues involving...
some form of refinancing totaled approximately 54% of the volume, in 2015 it reached 74% of total volume. It’s not surprising considering that the Bond Buyer Revenue Index, a leading industry benchmark for tax-exempt levels, has fallen to nearly three percent, a 44% drop compared to the 2008 average for the index.

Options Changing

While interest rates are published and continually updated, less visible are the changes that continue to impact investors in health care related tax-exempt bonds. Perhaps the best example is letter-of-credit (LOC) and bond insured structures that have become practically extinct due to changing banking regulations that significantly increased their costs. For comparison, in 2008 $22.4 billion of nonprofit health care issuance involved a LOC or bond insurance. In 2015, that market was only a fraction of its previous size, with volume of approximately $268 million (Figure 1).
More surprising is the downward trend in overall issuance. Despite robust demand for construction and refinancing, the Bond Buyer’s volume statistics for health care issuance remains a fraction of pre-crisis levels. Figure 2 compares average issuance from 2004 to 2006 as compared to 2013 to 2015. The total volume is down nearly 20%.

So where are hospitals and senior housing organizations getting their funds? The answer is the rise of private placement structures with commercial banks and other institutional investors. Rather than pursuing bond ratings and/or LOCs and issuing bonds through offering statements, organizations are directly placing mortgages and debt. Benefits of the structure have included:

![Sponsor Highlight!](image)
Opportunities for variable rates, as well as up to 20-year fixed rates
- Less cumbersome issuance and ongoing compliance
- Ability to avoid unnecessary debt service reserves and structure draw-down construction loans; this feature alone has the potential to save a project several million dollars

Commercial banks in particular need to fill the revenue hole that was provided by LOCs. As a result, the same health care teams that underwrote the LOCs are now spearheading lending through the private placement structures.

Access to Capital

In 2016 and 2017, we will continue to see the implementation of finance reform laws intended to curtail the excesses and mistakes of the mid-2000’s. A prime example of this is the new regulations governing high volatility commercial real estate (HVCRE) that went into effect recently. The HVCRE rules require lenders to assign a higher risk weighting to loans for the acquisition, development or construction of commercial real estate. For hospitals and senior housing organizations, it reinforces the need to maintain a strong credit profile and prudent capital strategy.

Commercial banks, as well as other investors, routinely review both quantitative and qualitative factors when assessing an organization’s credit strength. A borrower’s ability to repay debt will place them in a broad credit range, depending on several financial yardsticks. More qualitative measures then refine that credit range and place an organization within a more specific context that includes leadership and ongoing strategic viability.

Financial ratios that demonstrate financial performance are used in quantitative analyses. These ratios can be generally grouped into three categories: capital structure, liquidity, and profitability. The following ratios tend to be relied upon most frequently when assessing creditworthiness:

- Debt service coverage
- Days cash on hand
- Operating margin
- Debt to capitalization
- Cash to debt

A credit assessment that considers only quantitative financial ratios, however, is inadequate. Thorough credit analysis should go well beyond the organization’s financial statements. Qualitative
factors such as management, local economic factors, demographic changes, competition, and technological capabilities are important aspects of the credit profile. Particular attention will be given to board members’ involvement and independence as well as management’s experience and proven skill sets.

Ignorance of any of these factors can produce an incomplete analysis of an organization’s credit profile and financial options. For example, an organization with strong financial ratios located in a highly competitive or struggling metropolitan area may find accessing capital more difficult than its financial ratios suggest. Conversely, a well-articulated qualitative analysis of an organization’s market position or area demographics may allow it to access capital at a lower cost than its quantitative profile might suggest.

**Green Country Village**

An excellent recent example of an organization’s leadership using the current environment to their advantage is Green Country Village Seniors Housing Community, located in Bartlesville, Oklahoma. During the early 2000s, the community experienced financial difficulties which necessitated a restructuring of its debt at the beginning of 2005. Although Green Country Village retained its independence, its interest rate on the restructured debt was significantly higher and required several cash escrows. As such, it sought to refinance its debt into a more cost-effective structure as soon as possible.

Ultimately, they settled on a privately placed $6.7 million tax-exempt note with a regional bank. The final fixed interest rate was below 4% and generated more than $70,000 a year in annual savings. In addition, because the final negotiated terms included no cash escrows, approximately $250,000 was released at closing to Green Country Village.

However, this would not have been possible had Green Country not taken significant steps to strengthen its credit profile and underlying financial infrastructure. Key successes included achieving a stable operating income as well as the implementation of the fiscal discipline necessary to build cash reserves from its profits.

**Path Ahead**

Green Country Village provides an example of how staying aware of market conditions can
produce tangible results in an organization’s bottom line. During a time of many cost pressures – IT requirements and nurse shortages to name just two – it’s critical for management to be cognizant of an opportunity to realize expense savings and cost-effectively fund positive present value capital projects. There is a very real window of opportunity for organizations with high-interest rate debt that will be callable, and for those with project opportunities in the near future. As the markets change, staying aware of market conditions and potential opportunities will be of paramount importance for health care providers, allowing them to best position their facilities financially in both the near- and long-term.

By: Bill Wilson

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Potential Perks (and Pitfalls) Beyond Your Paycheck: 4 Things You Must Consider When Changing Jobs

Provided By: Barry J. Rings Jr, Northwestern Mutual

The days of staying at one job for your entire adult life are largely gone. According to the Bureau of Labor Statistics, the average worker stays at each of his or her jobs for around four and a half years, with young employees staying in their jobs about half that amount of time.

Not all job changes are bad, but even if you have just landed your dream job, negotiating what you want and keeping track of all of the changes can be complex. Here are four considerations that can help you evaluate that new job offer or make the most of a recent change.

Consideration 1: Evaluate the major insurance benefits.

Health, Dental and Vision: These three types of insurance can vary a lot in what is covered and in what they cost you. Some employers even offer more than one option. If you have a unique medical need or providers you like, you should find out in advance what your potential coverage will be.
Disability Income Insurance: Does your new employer offer short- or long-term group disability income insurance? Most employer-sponsored plans will replace up to 60 percent of your pretax income if you are ill or injured. If you want to supplement this, you can get individual disability income insurance.

Life Insurance: Many employers offer a group life insurance program with a few coverage options to choose from. If you decide you need more protection than what’s offered by your employer’s life insurance option—either a different amount of insurance or a different type of insurance—you will want to evaluate purchasing your own life insurance policy.

Consideration 2: Understand your new employer-sponsored retirement plan.

If your new employer offers a 401(k), Roth 401(k) or 403(b), take advantage of the opportunity to save for retirement. Many companies will match a fixed percentage of your contributions up to a certain maximum amount. Don’t know how much to contribute? Putting in enough to max out the company match is a good place to start.

What if an employer-sponsored plan is not available? You might be able to set aside retirement savings in an individual retirement account, such as a Roth IRA, a traditional IRA or an annuity. Note, however, that contributions to Roth IRAs and traditional IRAs might be subject to certain income limitations. Talk with a financial professional to create your own retirement savings account.

Consideration 3: Factor in additional perks.

Workplaces have increasingly become creative with the benefits they offer, from on-site sports to travel discounts. These benefits may seem small individually, but they can add up quickly. Here are some common employer perks that may help out your bottom line:

- Paid time off (PTO) or vacation days
- Telecommuting or working from home
- Paid maternity and paternity leave
- Wellness programs, such as an on-site gym and smoking cessation programs
- Education reimbursement and professional development options
- Technology – company phone, laptop or other tools
- Transportation allowances for mileage, parking or even fleet vehicles

Consideration 4: Decide what to do with your previous company’s retirement plans and company stock.

You may have cleaned out your old desk, but until you take care of these issues, you still...
have ties to your former job. When it comes to the assets you have invested in a past job’s retirement plan, you have four options:

**Do nothing:** You may be able to leave your assets in the existing account, but there will probably be a minimum balance you must maintain, and you won’t be able to contribute that plan.

**Roll over into your new job’s plan:** Your retirement funds will be combined with any contributions you make to your new employer’s plan, but there may be a waiting period before all of the funds are rolled over.

**Cash out:** You may need to pay taxes and potential penalties and include the amount you received on your tax returns.

**Roll it over into an individual IRA:** This option keeps your money in a tax-qualified status. This choice may offer you a wider range of investments than is available to you under an employer-sponsored plan.

Beyond your old retirement account, you may also have a pension and company stock. The options with both of these assets will vary based on your former company. Talk to your benefits department and a financial advisor or tax accountant to be sure you understand the choices available to you.

**Start a New Job with a New Financial Plan**
Starting a new job can be both exciting and overwhelming. Keep these four considerations in mind when considering a job change or negotiating a competitive offer. A few individual options can add up to make a big difference in your overall compensation.

**Article prepared by Northwestern Mutual with the cooperation of Barry J. Rings Jr – Associate Wealth Management Advisor.**

Barry J. Rings Jr is an Associate Insurance Agent of NM and registered representative of the NMIS based in Albany, NY. To contact Barry J. Rings Jr, please call 518.459.4665, email him at Barry.Rings@nm.com
NENY HFMA New Member Interview with Adam Leonello, Financial Analyst with M.S. Hall & Associates, LLC in Syracuse, NY

Interviewed by: Diane Seeley

**DS:** Please tell us about your current position, and how you came to a career in the healthcare arena?

*(Adam): As a recent graduate from the University at Buffalo I searched for a career in meaningful analytics. Raised by a nurse, it was only natural that I gravitated towards M.S. Hall & Associates, LLC. I knew that as a financial analyst with M.S. Hall I would be helping hospitals gain and maintain financial success. What could be a better start to a long, meaningful career?*

**DS:** How did you first learn about the Healthcare Financial Management Association (HFMA)? What would you say are the primary benefits of HFMA membership?

*(Adam): I learned about HFMA through my manager and mentor, Jason Allen. Although everyone at M.S. Hall and Associates is dedicated to leading the drive in healthcare financial wellness, it is common to see HFMA Magazines throughout the office.*

**DS:** What is the biggest challenge or change you expect to face in your job this coming year?

*(Adam): As a new hire learning just about everything in this massive and intricate field will be an enjoyable challenge; and being able to see the meaning and results of our hard work creates a drive to learn.*

**DS:** Please share with us some information about your personal life (interests, hobbies, family, etc…)

*(Adam): Everything from botany, woodworking, cycling, and hiking occupy my free time. It hasn’t quite been a ski worthy season, but spending time doing just about anything outdoors with friends and family is guaranteed to be an excellent use of time.*
Getting their smile on!

MGMA members unite!

Motley Crew! "Welcome to the Mixer"

Mixing it up...NENY-HFMA and MGMA style!
I knew that if I stayed long enough there would be Happy Hour!

Providing some vendor support from "MRI"!

Say "cheese" ....and crackers!

Deb, you are getting very, very sleeepyeey....
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2015 redesigned CHFP Certification Program
The new CHFP is structured into two parts:

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Earning the CHFP - The CHFP credential is awarded upon successful completion of module I end of course assessment and successful completion of module II case study exercises. For more details, updates and FAQs please go to the Certification area of the HFMA website. Questions? Please email careerservices@hfma.org.