

# TENNESSEE HOSPITALS & HEALTH SYSTEMS

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## Hospitals Urged to Respond to Request for Provider Application

Hospitals that participate in the TennCare program are strongly urged to revalidate their provider enrollment application within 45 days of the postmark date of the letter each hospital should have received from the state.

The TennCare bureau recently sent hospitals a provider enrollment application packet. Failure to submit the complete enrollment application and all supporting documentation within the 45 calendar days of the postmark date of the letter may result in the hospital's Medicaid billing privileges being revoked.

THA strongly urges hospitals to respond to the state's request by the deadline because of the potential impact on their status

as a TennCare provider. It also is an opportunity for hospitals to ensure the TennCare system has accurate information to use for communications with providers, as well as making sure payments go to the correct addresses.

Questions regarding the state's letter should be directed to the provider enrollment line at 800-852-2683 or by going to the web site at <http://www.tn.gov/tenncare/pro-forms2.html>. Provider enrollment application forms also are available on this web site. For more information, contact Dennis Elliott at 615-507-6772, [dennis.elliott@tn.gov](mailto:dennis.elliott@tn.gov).

## Red Flags Rule Delayed Again Until December 31

At the request of several members of congress, the Federal Trade Commission (FTC) once again is delaying enforcement of the "red flags" rule through Dec. 31, 2010, while congress considers legislation that would affect the scope of entities covered by the rule.

This announcement and the release of an enforcement policy statement do not affect other federal agencies' enforcement of the original Nov. 1, 2008, deadline for institutions subject to their oversight to be in compliance.

The rule was developed under the Fair and Accurate Credit

Transactions Act, in which congress directed the FTC and other agencies to develop regulations requiring "creditors" and "financial institutions" to address the risk of identity theft. The resulting red flags rule requires all such entities that have "covered accounts" to develop and implement written identity theft prevention programs to help identify, detect and respond to patterns, practices or specific activities – known as "red flags" – that could indicate identity theft.

The rule went into effect Jan. 1, 2008, with full compliance for all covered entities originally required by Nov. 1, 2008. The FTC

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## THA PAC Contributions Still Needed to Reach Goal

Contributions are still needed for *Friends of THA*, the association's political action committee (PAC).

Tennessee will select a new governor, nine U.S. congressional members, 99 members of the state House of Representatives and half of the state Senate this year. Legislators who support hospitals and their healthcare communities will be counting on financial help from the *Friends of THA* PAC during the elections this year.

**In order to help legislators who support THA's advocacy efforts, the 2010 PAC fundraising goal is \$100,000**, the highest goal ever set by the association. To date, *Friends of THA*

has raised over \$82,200 in contributions and pledges, which includes \$10,245 in THA staff donations and pledges.

The association can accept personal checks, credit cards, deductions from bank accounts and contributions can be made online on THA's web site at [www.tha.com](http://www.tha.com). Checks should be made payable to *Friends of THA* and mailed to the Tennessee Hospital Association, 500 Interstate Blvd. South, Nashville, TN 37210. PLEASE DO NOT SEND CASH CONTRIBUTIONS IN THE MAIL.

For more information about the campaign, contact Jill Talbert at THA, 615-256-8240, [jtalbert@tha.com](mailto:jtalbert@tha.com).



## Report Issued on Medicaid Expansion Under New Health Reform Law

The expansion of Medicaid under the new health reform law significantly will increase the number of people covered by the program and markedly reduce the uninsured in states

across the country, with the federal government picking up the overwhelming majority of the cost, according to a state-by-state analysis recently released by the Kaiser Family Foundation's Commission on Medicaid and the Uninsured (KCMU).

The analysis, performed for the foundation by John Holahan and Irene Headen of the Urban Institute, is among the first to show for all 50 states and the District of Columbia the distribution of new Medicaid enrollees and costs, as well as the impact on the uninsured. Health reform will offer Medicaid coverage to millions of low-income adults for the first time and help establish a national floor for Medicaid eligibility that contrasts sharply with the wide variation in eligibility across state Medicaid programs.

States with large uninsured populations are expected to see the biggest increases in the numbers of people who obtain health coverage through Medicaid. California and Texas, for example, two states with considerable numbers of uninsured residents, are each projected to see 1.4 million fewer uninsured adults in 2019 due to the Medicaid expansion, with the federal government covering 95 percent of the cost in Texas and 94 percent in California.

The report estimates that Tennessee will see an increase of 331,000 by 2019, or 29.9 percent, with 246,000 of those being previously uninsured. The amount of new spending for the state is estimated to be \$716 million on the low side and \$1.5 billion on the high side.

Nationally, the analysis projects that Medicaid enrollment will climb by 15.9 million more people by 2019 than it otherwise would have, and the number of uninsured will fall by more than 11 million. The cost of the Medicaid expansion between 2014 and 2019 would be jointly financed, with the federal government paying \$443.5 billion (or 95.4 percent of the total cost) and the states contributing \$21.2 billion.

## Beneficiaries To Receive Information on Medicare Benefits

Medicare beneficiaries soon will receive important information in the mail about the immediate benefits they may see from the enactment of the Affordable Care Act.

The first benefit that several million Medicare beneficiaries will receive as a result of the passage of the new law is a one-time check for \$250, if they enter the Part D donut hole and are not eligible for Medicare Extra Help. The donut hole is the period in the prescription drug benefit in which the beneficiary pays 100 percent of the cost of their drugs until they hit the catastrophic coverage.

Next year, all beneficiaries who enter the gap will get a 50

percent discount for covered brand name Part D drugs, and by 2020 will no longer have a gap in coverage.

Beginning next year, Medicare beneficiaries will get preventive care services like colorectal cancer screening and mammograms without cost-sharing, in addition to an annual wellness visit. The law also includes new tools to help fight fraud by helping Medicare crack down on criminals who are seeking to scam seniors and steal taxpayer dollars.

The mailing encourages beneficiaries to log on to [www.medicare.gov](http://www.medicare.gov) or call 1-800-MEDICARE to get answers to their questions about Medicare or the Affordable Care Act.

## Healthcare Fraud Tools Part of New Affordable Care Act

The U.S. Department of Health and Human Services (HHS) and Department of Justice (DOJ) now have new tools in the Affordable Care Act that will help fight fraud.

In addition to strengthening law enforcement capabilities, the new law will help shift the emphasis from the old model of "pay and chase" to a new model that puts a premium on fraud prevention and program integrity. HHS will be working with DOJ and the newly created Center for Program Integrity (CPI) at the Centers for Medicare and Medicaid Services (CMS) to build on the success of the Health Care Fraud Prevention and Enforcement Action Team (HEAT) Task Force and aggressively fight fraud. The new law also coordinates and consolidates fraud-fighting efforts across Medicare and Medicaid.

The recently released Health Care Fraud and Abuse Control

Program (HCFAC) annual report showed significant progress in fighting fraud. In fiscal year 2009, anti-fraud efforts resulted in \$2.51 billion being deposited to the Medicare Trust Fund, a \$569 million, or 29 percent, increase over FY 2008. In addition, over \$441 million in federal Medicaid money was returned to the Treasury, a 28 percent increase from FY 2008.

The expanded law enforcement efforts will be supported by the newly established Center for Program Integrity at CMS, which will use state-of-the-art methods to implement provisions of the Affordable Care Act that detect fraud and prevent improper payments. The center also will work with the private healthcare sector to better target fraud and abuse.

For more information on the 2009 HCFAC report, go to <http://www.justice.gov/dag/pubdoc/hcfacreport2009.pdf>



## THA Webinar Provided Compliance Aspects of PPACA

THA recently conducted a webinar on the compliance (fraud and abuse) aspects of the Patient Protection and Affordable Care Act (PPACA).

The powerpoint from this webinar is posted on

the home page of the THA web site at [www.tha.com](http://www.tha.com).

There are many fraud and abuse provisions in the PPACA that should be incorporated by hospitals into their compliance programs. The new 60-day window for repayment of overpayments is in effect now.

Providers always have had a duty to return overpayments in governmental programs. The Fraud Enforcement and Recovery Act of 2009 (FERA) legislation elevated the mere retention of an overpayment to trigger False Claims Act (FCA) liability. (This does not require submission of a false record or statement, but simply the act of concealing or avoiding repayment of overpay-

ments.) The recently enacted PPACA defines the timeframe in which overpayments must be repaid to avoid triggering FCA liability. If an overpayment is received, the provider must:

- Report and return the overpayment to the payer; AND
- Provide written notification of the reason for the overpayment.

Overpayments must be reported and returned by the later of:

- 60 days after the date on which the overpayment was identified; OR
- The date any corresponding cost report is due, if applicable (N/A for Medicaid and physicians).

Therefore, under the TennCare program, overpayments must be returned within 60 days of identification.

Overpayment retained after the deadline can result in:

- Treble damages and penalties under the False Claims Act.
- Exclusion from the Medicaid program.
- Civil monetary penalties.

For more information, contact Gwyn Walters at THA, 615-256-8240, [gwalters@tha.com](mailto:gwalters@tha.com).

## Letter Sent to State Attorneys General on Medicare Fraud

U.S. Secretary of Health and Human Services (HHS) Kathleen Sebelius and U.S. Attorney General Eric Holder recently sent a letter to state attorneys general urging them to work with HHS and federal, state and local law enforcement officials to mount a substantial outreach campaign to educate seniors and other Medicare beneficiaries about how to prevent scams and fraud beginning this summer.

The outreach campaign is another step in the ongoing work of the Health Care Fraud Prevention Enforcement Action Team (HEAT), a cabinet-level initiative launch by HHS and the U.S. Department of Justice (DOJ) in May 2009.

In the letter, the officials outline education and outreach efforts where state attorneys general could make a big difference. These include:

- Efforts to cut the improper payment rate, which tracks

fraud, waste and abuse in the Medicare fee-for-service program, in half by 2012.

- A series of regional fraud prevention summits around the country over the next few months.
- Regular healthcare fraud task force meetings to facilitate the exchange of information with partners in the public and private sector and help coordinate the anti-fraud effort.
- HHS' plans to double the size of the Senior Medicare Patrol in the fight against Medicare fraud.
- A new educational media campaign this summer to educate Medicare beneficiaries about how to protect themselves against fraud.

For more information, contact Michelle Long at THA, 615-256-8240, [mlong@tha.com](mailto:mlong@tha.com).

## Medicare Fraud Prevention Education Campaign Launched

As eligible seniors who have entered the Medicare Part D donut hole this year begin to receive their tax-free, one-time rebate check for \$250, the U.S. Department of Health and Human Services (HHS) has launched a national education effort to ensure seniors have the information they need to protect themselves from potential scams or fraud when it comes to their Medicare benefits.

The national fraud prevention campaign will include radio, television and print advertising and outreach efforts.

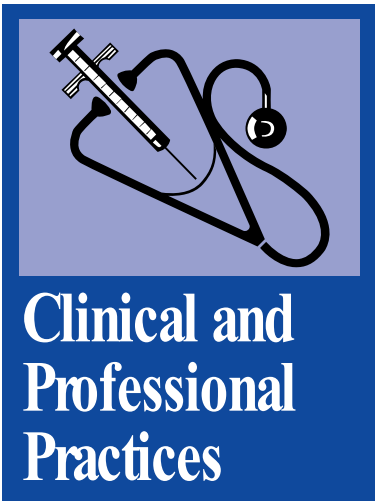
The effort will begin with a \$1 million national radio campaign that will run in June through August as the \$250 tax-free rebate checks get mailed to eligible seniors each month. CMS will purchase time in markets with high percentages of Medicare recipients who fall into the donut hole and time on ethnic radio to communicate with groups of seniors who have been particularly targeted by scam artists.

Thirty second and 60 second radio spots will be produced in English, Spanish, Korean and Armenian for the initial radio buy. English

language spots will begin running in a small number of markets by the end of this week. The number of markets will steadily increase and the national campaign will be completely in place by the end of June.

CMS has posted audio files of the English language and Spanish language 60 second spots at [www.cms.gov](http://www.cms.gov).

The first \$250 checks were mailed June 10 to those Medicare beneficiaries who entered the Medicare Part D donut hole, also known as the coverage gap, in the first quarter of 2010. Beneficiaries are not eligible for the \$250 payment if they receive Medicare Extra Help (also known as the low-income subsidy or LIS). The donut hole is the period in the prescription drug benefit in which the beneficiary pays 100 percent of the cost of their drugs until they hit the catastrophic coverage. People in the Extra Help program already have assistance with the cost of prescription drugs. Beneficiaries should contact the Social Security Administration at [www.ssa.gov](http://www.ssa.gov) for information about Extra Help.



## Leadership Summit Issues Call for Proposals

The Nursing Partners Collaborative, THA and the Tennessee Association for Healthcare Quality (TAHQ) are pleased to announce plans for the 5th annual leadership conference, which will be held October 5, in conjunction with THA's annual meeting at the Renaissance Nashville Hotel.

This year's conference, *Creating a Culture for Performance Excellence*, will

focus on implementing evidence-based practices to improve quality and achieve clinical excellence. Marlon Priest, MD, and

Andrea Mazzocoli, PhD, chief medical officer and chief nursing officer at Bon Secours Health System, will be the keynote speakers and discuss their health system's clinical transformation journey to high performance.

Like last year's leadership conference, a call for presentation proposals from hospitals across Tennessee demonstrating their quality improvement successes has been issued. This is a great opportunity to network and share successful strategies among hospitals, as well as recognize and reward staffs' hard work on improving care for patients.

Hospitals are strongly encouraged to apply for either a presentation or poster. **Applications are due by July 16.**

For additional information about the application process or conference, contact Chris Clarke at THA, 615-256-8240, [cclarke@tha.com](mailto:cclarke@tha.com).

## Sentinel Alert Focuses on Violence at Healthcare Facilities

A new Joint Commission sentinel event alert warns that healthcare facilities are being confronted with steadily increasing rates of crime, including assault, rape and murder.

The alert urges greater attention to the issue of violence and controlling access to facilities to protect patients, staff and visitors, noting that assault, rape and homicide are consistently in the top 10 types of serious events reported to the Joint Commission. The alert also cautions that the actual number of violent incidents is significantly under-reported and advises organizations to mandate the reporting of all real or perceived threats.

To prevent violence in healthcare facilities, the Joint Commission suggests that facilities take a series of 13 specific steps, including the following:

- Evaluate the facility's risk for violence by examining the campus, reviewing crime rates and surveying employees

about their perceptions of risk.

- Take extra security precautions in the emergency department, especially if the facility is in an area with a high crime rate or gang activity. Precautions might include uniformed security guards, scanning people entering the building for weapons and inspecting bags.
- Conduct thorough background checks of prospective employees and staff.
- Report crime to law enforcement.

In addition to the specific recommendations contained in the alert, the Joint Commission urges hospitals to comply with the requirements described in its accreditation standards to prevent violence. The standards require accredited healthcare facilities to have a security plan, as well as conduct violence risk assessments, develop strategies to prevent violence and have a response plan when a violent episode occurs.

## FEMA Encourages All Flood Victims to Register for Assistance

The Federal Emergency Management Agency (FEMA) is encouraging everyone in Tennessee affected by the floods to register immediately for federal assistance.

CEOs at hospitals and health systems are strongly urged to route the information below to all of their employees and other individuals who may need help.

For those affected by the recent floods, register for federal assistance by calling 1-800-621-FEMA (3362) or visiting [www.DisasterAssistance.gov](http://www.DisasterAssistance.gov).

Individuals also can visit [m.fema.gov](http://m.fema.gov) from their mobile device for information or visit the FEMA-TEMA Facebook page, [www.facebook.com/TNDisasterInfo](http://www.facebook.com/TNDisasterInfo).

### Disaster Assistant Widgets

- Disaster Assistance Resources Widget: <http://www.fema.gov/help/widgets/#1>
- DisasterAssistance.Gov Widget: <http://www.fema.gov/help/widgets/#6>

### Additional Information

- Resources for Storm Survivors: <http://www.tennesseeanytime.org/gov/flood-help/>
- Disaster Assistance: [http://www.disasterassistance.gov/daip\\_en.portal](http://www.disasterassistance.gov/daip_en.portal)
- Disaster Unemployment Assistance Information: <http://www.fema.gov/assistance/process/additional.shtm#1>
- Additional Assistance: <http://www.fema.gov/assistance/process/additional.shtm>
- What to do After a Flood: [http://www.fema.gov/hazard/flood/fl\\_after.shtm](http://www.fema.gov/hazard/flood/fl_after.shtm)
- Rebuilding Resources: <http://www.fema.gov/rebuild/recover/resources.shtm>
- Fixing Flood Damage: <http://www.fema.gov/hazard/flood/coping.shtm>



## Register Now for THA Summer Conference

Hospital and health system CEOs, board members and other executives are strongly encouraged to register now to attend the 2010 THA Summer Leadership Conference, which will be

held July 28-31 at Village of Baytown Wharf in Sandestin, FL.

While THA is monitoring the oil spill news in the Gulf of Mexico, this situation should only have a minor impact on THA's summer conference.

The **golf tournament** will be held at 8 a.m. Wednesday morning, July 28, and the **THA board of directors meeting** will begin at 2:30 p.m. that afternoon. A **welcome reception** will be held that evening.

The **THA Solutions Group board of directors** will meet at 7 a.m. on Thursday morning, July 29. The education program will begin at 8:30 that day, featuring **Ian Morrison, PhD**, author, consultant and futurist, who will talk about *"The Future of the Healthcare Marketplace: Life in the Gap and Life in the Game."* Following Morrison's presentation, **Michael Rock, MD**, Mayo Clinic, will discuss *"Accountable Care Organizations: The Challenges, Expectations and Opportunities for Healthcare Providers."*

On Friday, July 30, **Vicky Gregg**, president, Blue Cross-Blue Shield of Tennessee, will be the breakfast speaker. Speakers at

the education session will include **Richard Umbdenstock**, president, American Hospital Association, who will talk about *"Healthcare Reform: Changes, Challenges and Opportunities"* and a panel discussion moderated by Umbdenstock featuring **Jim Brexler**, THA chairman, Erlanger Health System; **Larry Kloess**, THA chairman-elect, HCA TriStar Health System; and **Charlotte Burns**, CEO, Hardin Medical Center.

On Saturday, July 31, **Aaron Beam**, former chief financial officer, HealthSouth, will talk about *"Lessons Learned from a Corporate Healthcare Disaster."*

**The deadline to make hotel reservations is June 21.** Contact the resort directly at 800-320-8115 and refer to the THA 2010 summer conference or book rooms online at [www.sandestin.com](http://www.sandestin.com) and enter group code 2255DZ when making reservations. **As a special gift with each reservation upon arrival, guests will receive two passes to the resort's new, updated Dunes putting course.**

**NOTE: Southwest Airlines** has added new service to and from Panama City, FL, featuring reasonable rates and a short driving distance to Sandestin. A **beach cam** also is available on the front of the online summer conference brochure and the resort web site at [www.sandestin.com](http://www.sandestin.com) for individuals to check the status of the beaches in Sandestin.

For a copy of the conference brochure and registration information, go to <https://www.SignUp4.net/Public/ap.aspx?EID=20101935E>. For additional details, contact Lisa Wright at THA, 615-401-7433, [lwright@tha.com](mailto:lwright@tha.com).

## Insurance Web Portal Requirements Added to THA Web Site

The Patient Protection and Affordable Care Act (PPACA) requires the U.S. Department of Health and Human Services to establish an internet web site through which residents and small businesses in any state may receive information about affordable health insurance options.

An interim final rule was published in the May 5 *Federal Register*, entitled "Health Care Reform Insurance Web Portal Requirements."

**Regulations went into effect May 10**, although comments were accepted until June 4. A memorandum summarizing the requirements in the interim final rule by Alston & Bird is available in the new health reform section located at the top of the THA home page at [www.tha.com](http://www.tha.com).

For more information, contact David McClure at THA, 615-256-8240, [dmcclure@tha.com](mailto:dmcclure@tha.com).

## Webcasts to Focus on New Schedule H Web Site

The American Hospital Association (AHA) town hall interactive webcasts will showcase a new, interactive online tool to help hospitals prepare to complete Schedule H, the new Internal Revenue Service (IRS) form for tax-exempt hospitals.

Developed with Ernst & Young and Hogan and Hartson, the educational tool presents questions in the order and format required by the IRS and offers explanations, guidance and links to the IRS instructions for each question. The tool also offers sample narrative responses.

The webcasts are open to all AHA member organizations, but registration is mandatory. If individuals are registered for AHA's health reform webcasts, there is no need to register again. Individuals only need to register once to attend all webcasts. A reminder and link to enter each session will be emailed the day of the town hall meeting.

**The town hall webcasts are scheduled for July 13 and July 27.** Individuals who would like to register for the town hall meetings should go to the AHA web site. If there are questions about the town hall meetings or their contents, call 1-800-424-4301.

## Access to Provisional UB Discharge Data Now Available

The THA Health Information Network (HIN) has made *provisional* January-December 2009 UB discharge data available via *THA MarketIQ (MIQ)*.

HIN member hospitals can use MIQ, the association's web-based market share tool, to generate market share reports using the most recent UB discharge data. Currently, MIQ users can create reports using 2006-2008 final data reported by hospitals,

as well as this provisional data for January-December 2009.

Users should be aware that when data for final 2009 is added to MIQ (around mid-August), the 2006 final data will be removed from the system and no longer will be available for reporting via MIQ.

For additional information, contact Jean Young at THA, 615-256-8240, [jyoung@tha.com](mailto:jyoung@tha.com).



### Appointments

**Bradley Nurkin** has been named CEO at Johnson City Medical Center. **Candace Jennings**, who previously served as CEO at this facility, will remain senior vice president-Tennessee operations at Mountain States Health Alliance.

**Margaret "Denny" DeNarvaez** has been named president and CEO at Wellmont Health System, Kingsport, effective August 1.

## THA Calendar of Events

- **July 13: Joint Commission 2010 Infection Control**
- **July 28-31: THA Summer Conference, Sandestin, FL.**
- **August 5: Medication Management Workshop**
- **August 10: Understanding the 2010 Joint Commission EC, EM and LS Chapters, Embassy Suites Cool Springs, Franklin.**
- **August 20: Prevent Falls**
- **September 20: Case Management**
- **October 5-7: THA Annual Meeting, Renaissance Nashville Hotel.**
- **November 11: EMTALA Workshop**

For more information, contact the THA education department at 615-256-8240, 800-258-9541.

## THA Webinars

- **Nurse-to-Patient Minimum Staffing Ratios: June 29**
- **Hospital Board Development: August 4**
- **Webinar Series: Using Electronic Medical Records**

To qualify for financial incentives under the HITECH Act, providers must adopt and use electronic health records. THA is offering a series of webinars for hospitals to learn how to qualify for the incentives. For a list of the webinars and additional program and registration information, go to <http://www.thima.org/HITECHOrientation.htm>.

For more information, contact the THA education department at 615-256-8240, 800-258-9541.

## 2010 THA Healthcare Acronym Guide Now Available

The 2010 THA Healthcare Acronym Guide now is available to association members on the THA web site at [www.tha.com](http://www.tha.com).

This guide would be helpful to board members, medical staff and other hospital and health system employees. Hospitals also

are welcome to personalize the guide with their logos and distribute it to other organizations and individuals in their communities, such as senior citizens centers.

## Red Flags Rule Delayed Again Until December 31 (continued from page 1)

has issued several policies delaying enforcement of the rule. Most recently, the commission announced in May 2010 that it was delaying enforcement of the rule until December 31, 2010, to allow congress time to finalize legislation that would limit the scope of business covered by the rule.

This enforcement delay is limited to the red flags rule and

does not extend to the rule regarding address discrepancies applicable to users of consumer reports (16 C.F.R. §641), or the rule regarding changes of address applicable to card issuers (16 C.F.R. §681.2).

For additional information, contact Michelle Long at THA, 615-256-8240, [milong@tha.com](mailto:milong@tha.com).



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