

A Message from the President

Dear Colleagues,

On behalf of the entire EPAHEN board of directors, I'd like to extend to everyone our best wishes for a successful 2009!

I would like to give a special thanks to the members who have recently finished their tenure in office: **Andy Starr**, Immediate Past President; **Terri Martis**, Membership Chair; and **Mike Bonner**, Program Chair. They have given freely of their time in an effort to make EPAHEN an organization we can be proud of. They were instrumental in us making the transition to a fully accredited ACHE chapter and laid the foundation for the work we have this year. Thank you from all of us.

In similar manner, I'm grateful to be working with this year's Board: **Marie Clemens**, Secretary; **Deb Corcoran**, Treasurer; **Ruthann Brennan**, Program Chair; and **Sam Platia**, Membership Chair. New to the board is this year is **Lynn E. Bagnull**, winner of the DeLonga Award in December; having student input into our activities has been a goal of our chapter, and we welcome this opportunity to become an additional healthcare resource for students in our area. We are still looking for President-elect, so if anyone is interested in volunteering for the position, or knows of a good candidate, please contact me or another member of the board.

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EPAHEN Presents Emerging Leader and Lee/Haney Founders Awards

Each year, EPAHEN, in conjunction with DeSales University, presents the "DoLenga Emerging Leader Award," named in honor of Hal Dolenga, who was instrumental in the establishment of the MBA program at DeSales.

Recipient of the 2008 award was **Lynn E. Bagnull** of Doylestown (PA). A licensed physical therapist, Ms. Bagnull most recently served as Program Director with Aristacare at Meadowsprings (Plymouth Meeting, PA). She is a graduate of Edinboro University (PA) with a B.S. in Biology, and earned her post-graduate certification in Physical Therapy from the University of Pennsylvania. In January 2009, she graduated with her Masters Degree in Business Administration at DeSales University.



DOLENGA AWARD
CANDIDATES LYNN BAGNULL
AND ALEXANDRE WARMAN.

The two additional Dolenga candidates recognized during the awards process were **Dr. Howard Davis** of the Pocono Health System, and **Alexandre Warman** of the Lehigh Valley Health Network.

This year also marked the presentation of the first annual "Lee/Haney Founder's Award," named in honor of J. Michael Lee and John Haney, who were instrumental in the establishment of EPAHEN, the region's independently chartered chapter of the American College of Healthcare Executives.

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Calendar of Events

Eastern Pennsylvania Healthcare Executive Network (EPAHEN)

March 12, 2009 * 6:00pm

EPAHEN Membership Meeting

Lehigh Valley Hospital-Muhlenberg

Topic: Risk Management in the Era of "Never Events"

Speaker: Panel Discussion with area risk management experts

Final Day to RSVP: Friday, Feb. 27

April 15, 2009 * 6:00pm

EPAHEN Membership Meeting

St. Luke's Hospital

Topic: Update on SR1 and Joint Commission Changes

Speaker: VHA

June 3, 2009 * 6:00pm

EPAHEN Membership Meeting

Brookside Country Club

Topic: Board of Governors Update & Leadership Form

Speaker: Jack Lynch, MainLine Health

Healthcare Leadership Network of the Delaware Valley (HLNDV)

February 17, 2009 * 7:30am

Topic: Annual Breakfast with the ACHE Regents

Speaker: Joseph Frick, Independence Blue Cross

Association of Healthcare Executives of New Jersey (AHENJ)

February 24, 2009 * 5:30pm

AHENJ Networking Event

Marzullo's Restaurant, Montclair, NJ

American College of Healthcare Executives (ACHE)

February 18-21, 2008

Las Vegas, NV Cluster

Congress on Healthcare Leadership

March 10-13, 2008

Chicago, IL

March 31-April 3, 2008

New Orleans, LA

Information on these, and other upcoming local, regional and national events

is also available at the EPAHEN web site:

<http://epahen.ache.org>

Notes From ACHE

Rand Study Touts Benefits of Unique Patient Identification System. *Healthcare IT News Online (10/21/08)* According to a Rand Corp. study, which examined the advantages and disadvantages related to the implementation of a system of unique patient identification numbers for electronic medical records, a patient identification number system would cost the healthcare system \$11 billion but would reduce errors and repetitive and unnecessary care, streamline records sharing among providers, and improve quality of care. Rand Corp. study author Richard Hillestad says, "Establishing a system of unique patient identification numbers would help the nation to enjoy the full benefits of electronic medical records and improve the quality of medical care. The alternative is to rely on a system that produces too many errors and puts patients' privacy at risk." Currently, healthcare providers use a statistical matching system to search medical records by name, Social Security number, birth date, address and other factors, which can leave those records vulnerable and impair patient privacy. R and Corp. also estimates statistical matching turns up incomplete medical records 8 percent of the time. Using unique patient identifiers and adopting strict privacy regulations related to health ID numbers would reduce privacy violations under the proposed system, says Hillestad.

E-Prescribing Poised for Growth, But Challenges Remain. *Employee Benefits News (10/08)* eHealth Initiative's "Electronic Prescribing Becoming Mainstream Practice" report reveals that less than 20 percent of physicians use an e-prescribing system, even though more than 35 million medication transactions were transmitted electronically in 2007--up 170 percent from the previous year. eHealth Initiative CEO Janet Marchibroda says, "[The study] reflects a broad consensus among consumers, physicians, pharmacies, employers, insurers and others that e-prescribing can offer significant benefits in terms of patient safety, improved outcomes and cost savings, especially if remaining challenges are addressed." Some of the challenges impacting e-prescribing adoption include transitioning workflow, the absence of adequate technology infrastructure and incomplete patient records. The report recommends that healthcare providers expand successful incentive programs, engage in a dialogue with regulators about the ban on e-prescribing of controlled substances, perform due diligence when selecting an appropriate e-prescribing infrastructure and foster the development of e-prescribing standards.

Planning During Turmoil. *Healthcare Financial Management (11/08)* The financial market turmoil could impact hospitals even though the federal government passed the Emergency Economic Stabilization Act of 2008, and healthcare financial experts think the effect of the credit mess on healthcare facilities will vary based on their individual risk tolerance levels. These financial experts believe healthcare facilities with self-funded pension and benefit plans will be impacted by investment losses, while other hospitals are likely to be impacted in their revenue streams as the number of uninsured patients rises given hikes in unemployment. Moreover, state healthcare programs are adversely impacted by the credit crunch, which could translate into revenue declines. Hospitals also will see capital costs increase, a scenario that has occurred in other sectors of the economy due to the liquidity shortfall. Healthcare financial experts report that hospitals must conduct cash-flow forecasting to determine their revenue streams and discover new sources of liquidity as well as align their investment portfolio strategy with their operational strategy. As with any investment risks, experts agree that both the upside and downside of each investment should be understood before hospitals engage in those investment strategies. Some indicate that hospitals must adopt more conservative financial structures to offset their operational risks.

Legal Experts: Immediate Access to Digital Records Crucial in Litigation. *Hospitals & Health Networks (10/08)* Legal experts point out that hospitals and other healthcare entities must comply with the Federal Rules of Civil Procedure, requiring that they disclose the location of information that could be relevant to litigation and how they are preserving such data in a timely manner. They would be wise to implement comprehensive electronic storage policies that cover data retention and destruction as well as the types of data located on IT systems, the location of the data and the parties in control of the information. Hospitals should arrange documents according to content and balance the need to make information available with the costs of data retention. Daniel Ditto, senior counsel at Salt Lake City-based Intermountain Health Care, says hospitals will not face penalties for getting rid of evidence "in accordance with a reasonable and well-established organizational policy." Metadata also should be

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AWARDS *continued*

Recipient of the inaugural Lee-Haney Founders Award is **James Geiger** of Bethlehem (PA). Mr. Geiger is a Fellow in the American College of Healthcare Executives. He currently serves as Senior Vice President of Operations at Lehigh Valley Hospital and Health Network (Allentown, PA). Mr. Geiger has served as ACHE Regent for Northeastern Pennsylvania, and also on the ACHE Eastern Pennsylvania Regents Advisory Council. A retired Air Force Officer with 26 years of active-duty service, he has also served on the board of YMCA/YWCA of Allentown and the Chamber of Commerce, and been a member of the Neighborhood Health Centers of the Lehigh Valley.



DOLENGA AWARD CANDIDATES MARIE CLEMENS, JIM GEIGER AND BEN NEGLEY, PICTURED WITH J. MICHAEL LEE (LEFT) AND JOHN HANEY (RIGHT).

The two additional Lee/Haney candidates recognized during the awards process were **Marie Clemens** of Hospital Central Services Inc., and **Benjamin Negley** of the St. Luke's Hospital and Health Network.

EPAHEN congratulates award recipients and all nominees on their outstanding academic and professional achievements, and wishes them continued success in their future endeavors!

PRESIDENTS MESSAGE *continued*

The year 2009 already looks like a challenging year for everyone. That's why I want to keep our goals simple and meaningful to you, the membership:

1. Produce at least one Category I educational program.
2. Meet membership and advancement goals.
3. Gain at least one sustaining corporate sponsor.

Our program committee has already mapped out a strong calendar, and I'm excited to watch these ideas become a reality. We want EPAHEN to be of value to you, so let us know your ideas and how we can build upon the strong legacy we have inherited.

Best wishes,

Steve Kaja, FACHE
President-EPAHEN

Have you submitted your 2009 EPAHEN Membership Form/Dues?

In November 2008, current and potential EPAHEN members/affiliates were sent information for this year's Membership Drive.

Please remember that if you are an ACHE member, you are no longer required to pay dues at the local level - your ACHE dues also cover your membership dues in your local chapter. **However, we would like you to submit an updated membership form.**

If you are not an ACHE member, you may continue to affiliate with the local chapter for an annual rate of \$70 (students \$25). Or you may simply choose to pay the non-member rate of \$25 per each event you attend.

For more information, contact Sam Platia, Vice President, Membership, at Samuel.Platia@trhmg.org.

Please Remember:

- *Non-members are permitted to attend one event free-of-charge as the guest of a member. After that time, they will be required to pay the non-member fee to attend any subsequent meetings. This policy will be strictly enforced.*
- *Please remember that our programs/meals are provided to members at no charge. However, if a member registers and does not attend, or does not call to cancel within a minimum of 48-hours prior to event, they will be charged for the cost of the dinner. In addition, our programs/meals are provided to non-members at a cost of \$25 per event. If a colleague registers and does not attend, or does not call to cancel within a minimum of 48-hours prior to event, they will not be refunded. This policy will be strictly enforced.*

ACHE *continued*

a concern, as it lists the person who created, edited or accessed a file. Hospitals need to prepare for e-discovery, according to Philadelphia attorney Edward Shay, as those that are unprepared and facing lawsuits will have only a month or two to compile the necessary data and could find that liability insurers will not cover the e-discovery aspect of their defense.

The Professional Ethics of Billing & Collections. *Journal of the American Medical Association (10/15/08)* At a time when patients are underinsured and consumer-directed health insurance is gaining ground, physicians must rely on professional ethics when developing and executing their billing and collections services. There are two models of professionalism in conflict when physicians seek payments from patients; transactional models dictate that patients pay for services rendered by providers at the price charged, while relational models find medical services intertwined with the therapeutic relationship between provider and patient. In today's system, physicians and other providers are forced to aggressively collect payments from under or uninsured patients, with providers requiring an upfront payment before procedures are performed. Most ethical guidelines for providers only stipulate that patient duties supersede compensation concerns, though no specific guidance is offered. Physicians have stopped offering discounts to uninsured patients, and others are less likely to offer appointments to uninsured patients. The American Medical Association urges providers to remain compassionate and waive co-payments for those seeking care. Ethically, providers should offer care to all patients in need, and only drop patients when alternative means of care are available. Experts suggest providers offer extended repayment terms and write off medical losses rather than hire a collection agency.

Leadership and Successful Financial Performance in Healthcare. *Bulletin of the National Center for Healthcare Leadership (11/08)* A survey of CEOs and CFOs at 10 nonprofit hospitals and three credit rating agency executives reveals a number of leadership activities that commonly occur at financially successful nonprofit healthcare organizations. One of the most important factors in a healthcare organization's success is a solid partnership between the board and hospital executives. While the board develops the hospital's mission and vision, the executives ensure that the organization fulfills those objectives. The board must collaborate with the executives as well as hold them accountable for meeting the hospital's goals. Board members should have expertise in areas that enable them to question the decisions of management. Experts agree that a diverse team of executives can improve efficiency, and board members must establish interdependent goals and performance-based incentives to motivate executive teams. Research shows that boards and executives need to work together to plan out a framework that allows healthcare organizations to achieve positive results. A long-term strategic plan should be driven by the organization's mission and linked to a financial plan and quality initiatives. Once the plan is in place, executives need to pay attention to the operating fundamentals to make sure the plan is executed well. To have a good relationship with the board, build a strong team and develop and execute a strategic plan, executives must foster credibility among all stakeholders, which can be accomplished through regular communication and transparency.

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