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AHA TRACKING RAC IMPACT

The American Hospital Association has developed a new tool that seeks to bulk up its lobbying power in proposing any changes to Medicare's controversial Recovery Audit Contractor, or RAC, program.

The AHA in the fall plans to launch the first of an ongoing quarterly survey to track and summarize the impact of recovery audit contractors on individual hospitals nationwide.

One goal in collecting all of this information "is to track increases in administrative costs for hospitals because of the RACs," said Don May, vice president for policy with the American Hospital Association. "We want to communicate to hospitals—to

educate them on what the RACs are reviewing and where hospitals should be looking at claims to identify vulnerabilities," May said. He acknowledged the survey data could also be used for advocacy purposes.

The controversial new audit program allows third-party auditors hired by the CMS to keep 9% to 12.5% of payments they identify as improper and then collect from providers (Feb. 16, p. 10). The CMS, which pilot-tested the RAC program in several states, believes it will cut down on fraud and save the government money. Hospitals, however, remain concerned that they will stand to lose financially under

the scrutiny of the RACs, despite some changes the agency made between the pilot and final versions of the program.

"What we found during the demo is there were lots of good stories from hospitals on how difficult this program was and how much burden it added to their billing or medical records departments," May said.

The problem is the industry had never previously collected data on how many appeals or payment denials were taking place in the RAC demonstration, May said. The CMS had released its own statistics on the program's

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MOTHER'S DAY

The modern **Mother's Day** holiday was created by Anna Jarvis as a day for each family to honor its mother, and it's now celebrated on various days in many places around the world. It complements Father's Day, the celebration honoring fathers.

This holiday is relatively modern, being created at the start of the 20th century, and should not be confused with the early pagan and Christian traditions honoring mothers, or with the 16th century celebration of Mothering Sunday, which is also known as Mother's Day in the UK.

In most countries the Mother's Day celebration is a recent holiday derived from the original US celebration. Exceptions are, for example, the Mothering Sunday holiday in the UK.



## RETAINING THE RIGHT TALENT

In today's economy, every business executive, owner, CEO and president should be asking themselves one important question: "Do I have the talent to take this business to the next level?"

If the answer is no, you probably want to begin looking, but if the answer is yes, then employee retention should be at the top of your list. With employee retention statistics that prove your best employees may be sitting on your payroll while patiently waiting for the "right" job, you need to be sure that you are

managing employee retention with specific individuals in mind and long-term goals in place.

### Employees Are Not All Alike

A good manager knows the strengths and weaknesses of their employees. But do they know what motivates them? In employee retention studies, TTI has found that money is NOT the reason most employees leave a job, which seems contrary to popular belief. In our latest study of over 19,000 job seekers, only 19% said money was the reason they

were looking for a new job. Instead, more popular reasons included stress, mismanagement, lack of room for advancement and lack of employee development.

In order to effectively manage employee retention, it is important to determine the core values of each individual. What drives them to take action? What keeps them engaged and motivated?

**Continued on pg. 3—Talent**



## AHA...CONTINUED FROM PAGE 1

demonstration, "but that was always put out from the agency's perspective." In producing its own data from hospitals, "we're trying to get a good transparent look at what's happening with RAC and hospitals," May said.

So far, hospitals have expressed an interest in participating in the survey. "Everyone's very concerned about the RAC program, and there's a lot of interest in tracking problems with the RAC," May said.

Two-hospital Palomar Pomerado Health, San Diego, plans to participate in the AHA survey, "and we encourage other healthcare organizations to do the

same," said Monica Phillips, RAC project manager with Palomar, in an e-mail. "The final rules with RAC are unclear; therefore it's difficult to proactively prepare for the audits. We hope the AHA survey will guide RAC to be more thoughtful, clear and reasonable in their requests," Phillips said.

Palomar in late March had filed a lawsuit against HHS, challenging procedures used by the RACs to reopen claims (March 30, p. 4). Many experts agree that the AHA is doing this is to accumulate any tangible evidence that the RAC program may be having a negative financial impact on the industry. "They're going to need the cold, hard facts to lobby to Congress and the CMS to make any changes to the program," said Joan Lowes, a partner with the Hall, Render,

Killian Health & Lyman law firm.

The CMS for now doesn't appear to be concerned about the AHA's effort to track the RAC. "The CMS works very closely with the AHA as it relates to the Recovery Audit Contractor program and values the insights received from the AHA and its members," said Connie Leonard, director of CMS' Division of Recovery Audit Operations, in an e-mail.

May acknowledged that it could be a while before substantive results come in from the quarterly surveys. The first set of results likely will come out in December, though meaningful analysis may require multiple sets of the data, he said.

By Jennifer Lubell  
Posted: May 4, 2009 -  
ModernHealthcare



## CMS “NEVER EVENT” NONPAYMENT RULE

The CMS officially released three rules that halt Medicare payments when medical procedures are performed incorrectly, on the wrong patient or body part.

“The national coverage policies for certain types of surgical errors are important steps for Medicare in working to reduce or eliminate their occurrence and their associated payments,” acting

CMS Administrator Kerry Weems said in a written statement. “These policies have the potential to reduce causes of serious illness or deaths to beneficiaries and reduce unnecessary costs to Medicare.”

Additionally, the CMS said that for discharges since last October, Medicare would no longer pay hospitals a higher rate for an inpatient hospital stay if the reason for the

enhanced payment is one of a number of hospital-acquired conditions as outlined in recent hospital payment rules.

The past two federal payment guidelines identified a number of so-called “never events” of which the CMS said it would withhold payment. Some of those include injuries related to falls and traumatic events, foreign objects retained after surgeries and blood incompatibility.

In December 2008, both the American Hospital Association and the American Medical Association said that they were **opposed to the use of the national coverage determinations as a means to halt payments** for such medical errors. Both associations said that the CMS needed to clarify.

By [Matthew DoBias](#)  
Posted: January 15, 2009 - ModernHealthcare

## TALENT...CONTINUED FROM PAGE 2

What needs do they have that should be fulfilled on the job? For example, let's assume Steve is a salesman for a medical device company that sells new health care devices to hospitals. What motivates Steve to get out of bed each day, put on his suit and give a great sales pitch? Perhaps he knows that each time he introduces better technology to a hospital, he impacts the lives of many every day. Or, maybe Steve's personal goal is to be the top salesman in the company. Yet another

possibility is that Steve comes from a family of salesmen and takes pride in following in their footsteps. Whatever the case may be, the important thing is to know what motivates Steve and ensure that employee retention strategies cater to his unique, personal motivators.

### Employee Retention Must Fit Corporate Goals

Developing an employee retention strategy that is specific to each individual must start with an in-depth

look at the company's long-term goals and what it needs for success. What is the next level? What skills do you need to get there? Who has these skills and what skills are missing in the company? While it is not an easy task, it is an important step in the process of creating an employee retention strategy that will help you meet your long-term goals. Perhaps you will find that job roles should be re-organized, skills of certain employees are better utilized in another way, or certain employees are key to future success. Once you have determined how your workforce needs to adapt to meet company goals, you can implement an employee retention strategy that ensures your best talent is there to help you reach the top.

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## QUALITY ASSURANCE THROUGH AUDIT PROCESS

Clinical audit is defined as "a quality improvement process that seeks to improve patient care and outcomes through systematic review of care against explicit criteria and the implementation of change".

The key component of clinical audit is that performance is reviewed to ensure that what *should* be done is *being* done, and if not it provides a framework to enable improvements to be made.

History  
One of first ever clinical audits was undertaken by Florence Nightingale during the Crimean War of 1853-1855. On arrival at the medical barracks hospital in Scutari in 1854, Florence was appalled by the unsanitary conditions and high mortality rates among injured or ill soldiers. She and her team of 38 nurses applied strict sanitary routines and standards of

hygiene to the hospital and equipment, and with Florence's gift with mathematics and statistics, kept meticulous records of the mortality rates among the hospital patients. Following this change the mortality rates fell from 40% to 2%, and were instrumental in overcoming the resistance of the British doctors and officers to Florence's **Continued on pg. 4—  
Quality Assurance**



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- *Worker's Compensation Reviews*

**MAKING A DIFFERENCE WHERE IT COUNTS...**

**QUALITY ASSURANCE...CONTINUED FROM PAGE 3**

procedures. Her methodical approach, as well as the emphasis on uniformity and comparability of the results of health care, is recognized as one of the earliest programs of outcomes management. Another famous figure who advocated quality clinical audit was Ernest Codman (1869-1940). Codman became known as the first true medical auditor following his work in 1912 on monitoring surgical outcomes. Codman's "end result idea" was to follow every patient's case history after surgery to identify individual surgeon's errors on specific patients. Although his work is often neglected in the history of health care assessment, Codman's work

anticipated contemporary approaches to quality monitoring and assurance, establishing accountability, and allocating and managing resources efficiently. Whilst Codman's 'clinical' approach is in contrast with Nightingale's more 'epidemiological' audits, these two methods serve to highlight the different methodologies that can be used in the process of improvement to patient outcome. In addition to quality assurance audits, in today's healthcare environment, financial audits via the itemized bills and medical records have been perfected to improve providers services and payors reimbursement.

