



MASAGRAM

NOVEMBER / DECEMBER 2007

PLANNING CALENDAR

 **December 6th**
2007 Holiday Lunch

2008 General
Membership Meetings:

March 13th

June 19th

SEPTEMBER ED Day
Date/Location TBD

December 11th

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President's Message

I am very pleased with the growing participation level of our member ASCs. It is crucial to our survival in the Michigan healthcare marketplace that the ASC community provides unified responses to the lawmakers and commercial payers in our state.

As you know, there are some that vilify and downplay the significance of ASCs in the delivery of surgical services (on closer inspection they are usually politically motivated or under informed). However, few can deny that ASCs provide high quality services at significantly reduced prices in comparison to other surgical venues.



Jim Stilley, President
MASA
CEO Northwest Michigan
Surgery Center

MASA has grown with the addition of 6 new centers and 3 vendor members in the last year. We have 41 out of the 58 ASCs in Michigan as members. MASA has been working closely with Senator Roger Kahn adding language to the Department of Commu-

nity Health Budget that allows ASCs to participate with the Medicaid payment authority (possibly as early as Aug 2008). We also met with Blue Cross Blue Shield of Michigan on October 31, 2007, in an attempt to help Blue Cross payment analysts understand the cost involved in outpatient procedures in the hope that further knowledge translates to more appropriate payments from BSBSM on certain procedures.

Again, thank you for your participation in keeping MASA strong and relevant. I know the MASA board work very hard to promote all Michigan ASC issues.

Attendees at the 1st Annual MASA Education Day take advantage of numerous education and networking opportunities in Traverse City

by Charles Carson, First Vice President

Traverse City provided a fun background for the administrators, nurses, biller/coders and vendors who crowded into the Park Place Hotel to enjoy educational and networking opportunities during this two day event. Attendees had numerous opportunities to learn and renew their spirits starting Thursday evening with a panel discussion and cocktail reception with a beautiful panoramic view of the Traverse Bay area in the "Top of the Round" lounge on the top floor of the Park Place Hotel.

On Friday morning the event continued with Keynote Speaker, Kathy Bryant, President of FASA, who delivered a comprehensive presentation on **ASCs &**

Medicare, outlining many details of the CMS changes that will be implemented in the coming months and years. The event then continued with concurrent breakout sessions with Administrative, Clinical and Billing/Coding tracks which offered workshops on such topics as ASC Legal Updates, Sleep Apnea Protocol, Contract Management and Negotiations, Pain Management, Chart Audits, Denial Follow Up and presentations on many other important industry concerns. The exhibit floor also offered attendees the opportunity to learn about new products and services related to the ASC industry from our vendors and sponsors.

The luncheon on Friday featured Keynote Speaker, Spencer Byrum, CEO of Convergent HealthCare and Senior Partner of Convergent Health Solutions, LLC. Mr. Byrum's presentation was a real "crowd pleaser" and was based on lessons learned from his vast experience in the aviation industry which he has now developed into process improvement plans designed to enhance individual and team performance in high risk industries. This presentation was very entertaining and educational for everyone!

On behalf of the MASA Board, we would like to thank all of the attendees, speakers and sponsors who made this 1st Annual MASA Education Day a great success! We look forward to continued growth for our organization and welcome all of you to attend the MASA General Sessions held in Lansing each quarter.

We also hope you will return to the 2nd Annual MASA Education Day in 2008.



**MASA 1st Annual
Education Event-2007**



Federal Update—*Jim Stilley, President*

As of January 1, 2008, AAASC and FASA will become one organization to be known as the Ambulatory Surgery Center Association (ASCA). The combination of the two organizations provides a unified voice supporting ASCs as ASCA attempts to influence Medicare policy and national legislative initiatives that support ASCs.

CMS released the finalized fee schedule and added codes sometime in early November. All centers should be ready for 2008 billing transitions, delay in the processing and payment of claims as CMS has a poor imple-

mentation track record with major system changes.

Member centers should also be prepared to renegotiate with commercial payers who base their fee schedule on the Medicare grouper system. The January 2008 CMS change will also make their 9 grouper system obsolete. Additionally, the addition of 790 procedures to the CMS approved list will need to be priced and added to these companies payment schedule. Any center needing further clarification or strategies in negotiating with these payers please contact me, I will be glad to help where I can.

Chapter 1—Kris Kilgore, 2nd Vice President

What is the Accreditation Association for Ambulatory Health Care?

The Accreditation Association for Ambulatory Health Care, also known as AAAHC, was formed in 1979 to assist ambulatory health care organizations to improve the quality of care provided to patients. There are seven core chapters of standards relating to all aspects of ambulatory care: Rights of Patients, Governance, Administration, Quality of Care, Quality Management and Improvement, Clinical Records and Health Information, and Facilities and Environment. In addition there are 16 chapters of adjunct standards, each

of which may or may not apply to a particular organization, depending on the services it provides.

In each newsletter, we will feature one chapter and the highlights of that chapter through the eyes of a surveyor.

Chapter 1: Rights of Patients

Patients need to be treated with dignity and respect, paying close attention to patient privacy and HIPPA Compliance. Patients Rights and Responsibilities need to be written and available to patients. Most organizations post them in the reception area and place them in the patient's pre-op

information packet. Patients also need to be able to file a grievance. Be sure you have a policy in place for this process. Patient satisfaction surveys are a good way for patients to communicate with an organization both the positives and their concerns. When a patient expresses their concerns, it is extremely important that the organization follow-up with the patient. Most patient concerns can be resolved by listening to the concern and communicating with the patient ways you will try to resolve the issue in the future. Remember, communication is key when dealing with patients!

Meet your board



**MASA 2007 Board with
Kathy Bryant, President FASA**

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MASA Treasurers Report - Kim Andry, Treasurer

MASA's 1st Annual Education Day was a huge success. Thanks goes to our registrants, sponsors and vendors! Plans to expand and improve are well under way for next year. I have listed below the summary for the Education Event. Discussion on 2008 dues will take place at our Holiday Luncheon on December 6th. If there are any questions, please feel free to contact me.

MASA ED Event Financials September 6-7, 2007 Traverse City, MI

| | |
|-------------------------------------|--------------------|
| Registration/Sponsor Fees Collected | \$15,450.00 |
| Expenses | \$12,586.64 |
| TOTAL | \$ 2,863.36 |



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MEDICAID Update-Julie Greene, Immediate Past President

Why do ASCs in Michigan want to take Medicaid? Our physician investors already do their fair share in the hospitals and in their offices? Why bring Medicaid into the ASC?

One would think everyone in the State of Michigan would be hoping to expand access to ASCs for the Medicaid population. However, obtaining the ability to care for the Medicaid population in the ASC environment has been an uphill battle. Years ago, when we first approached the State of Michigan regarding participation, we were denied, largely because of hospital association objections.

Over the last couple of years, when the Surgical Advisory Committee of the Certificate of Need Commission was meeting, the hospital association formally changed its opinion. The hospitals started complaining that the ASCs were not doing their fair share. As ludicrous as it may seem, the very organization and its constituents who created the barrier complained bitterly against our group as if we did not want to take Medicaid. The reality is that ASCs have had a lobbyist (Bill Kandler) for a few years who has been trying to affect change in the ASC status at MDCH and Medicaid.

During the SAC meetings, Senator Roger Kahn was misled into believing the ASCs did not want to contribute to our communities by taking Medicaid. Recently, members of the MASA Board had the honor of meeting directly with Senator Kahn regarding the ASC stance and our willingness to accept Medicaid. We were proud to say we have always wanted to take Medicaid. Senator Kahn is a key legislator on the Medicaid budget committee. After our meeting, we were able to develop language that was placed into the Medicaid budget requiring MDCH to have a system to allow Medicaid beneficiaries' access to ASCs by July 1, 2008. This language was approved all the way through the committee and the budget was signed by Governor Jennifer Granholm. The language also requires the MDCH staff to work with the industry representatives to develop a reimbursement schedule for services.

Now back to the "Why do we want it?" question.

Medicaid reimbursement is not as horrible as some may think. Hospitals are being paid at 63% of HOPD for their Medicaid business. It is likely the ASCs will be at a lower reimbursement, but very close to the 63%. Although the physician or ASC may lose a small amount of money on Medicaid reimbursement, the fact is, the physician can bring most cases to the ASC instead of having additional block at the hospital in order to provide for Medicaid patients. The value of this efficiency factor for the physician will, in many cases, outweigh the amount of losses incurred as a result of the Medicaid cases.

I can not stress how instrumental Bill Kandler, our MASA lobbyist, was in making this happen. There is no doubt that MASA would not have been able to approach Senator Kahn if Bill had not been able to explain our dilemma in a appropriate, eloquent manner. This is a wonderful example of the benefits a lobbyist can bring to our organization.

We sometimes are so concerned with the operations of our entities that we forget to consider the significant manpower other health-care organizations unleash on Lansing. We should continue to be acutely aware that not everyone likes ASCs (I know...what is not to like???) and be ever mindful of the fact we have to build relationships with our legislators in Michigan and at the federal level.

I can guarantee you, your competition is!



Lansing Update

**William Kandler,
Lansing Lobbyist**

By now, you are probably tired of reading about the state budget.

As the result of a decade of tax cuts in the 90's that were not matched with corresponding expenditure reductions, along with an economy that is dragging due to the restructuring of the auto industry, Michigan found itself facing a \$1.75 billion "structural deficit" (out of a \$9 billion general fund budget). Legislative Republicans demanded that the shortfall be met with expenditure cuts and governmental reforms. Democrats argued for more revenue. Although the Michigan legislature has traditionally completed its budget work by the 4th of July, this year's process ran up to, and beyond, the midnight Sept 30 deadline.

After months of public bantering, the legislature found itself well into the month of September without even a hint of an agreement. The culmination of this battle was a marathon weekend session which began Friday, September 28, and ran pretty much continuously through about 4:30 a.m. on Monday, October 1.

On the table during the final weekend were proposals to raise revenues by: 1) increasing the income tax rate; 2) closing several "tax loopholes; and 3) expanding the sales tax to some or all services. The income tax increase was considered a done deal. The unanswered question was: At what rate? Senate Republicans stood firm that they wanted more cuts and reforms that would save money in the future. The Democratically lead House and the Governor would not agree to the magnitude of cuts that the Senate was demanding. All the while the clock moved toward the Sunday, September 30 deadline of midnight. Without an agreement on revenues and at least a continuation budget, Michigan government would shut down.

The House had tried for a couple of weeks to pass an increase in the income tax. The voting board was left open for hours at a time. Still, the House leadership could not muster the votes. There was widespread doubt that the House could deliver the tax increase. Then, late Sunday night, the House surprised everyone by sending to the Senate an elaborate package that tied a continuation of state spending (for 30 days) to an increase of the income tax to 4.35% (from 3.9%). The remainder of the revenue to fund the continuation budget would be covered by the Senate enacting EITHER a \$500 million list of loophole closings that the House had passed earlier in the week OR an expansion of the sales tax to a list of certain services.

The Senate was put into a corner. Time was running out to avert a government shutdown. No one knew exactly what was impacted by the proposed expansion of the sales tax on services (HB 5198). This bill was written behind closed doors by a conference committee. Copies of the conference report were withheld until the members of the House were locked in the chamber under a Call of the House. Lobbyists, legislators and staff scrambled to figure out who was impacted by the bill.

The Senate did not like either of its choices, the sales tax nor the loophole closings. With the deadline for a shutdown about an hour away, there was an effort to negotiate with the House to forgo both of these tax items and opt instead for a larger increase in the income tax. Those discussions were not successful. The Senate chose to go with the service tax expansion, the continuation budget was passed and (except for a couple of hours in the middle of the night) the shutdown of government was averted.

The aftermath of all of this activity has been quite ugly. Citizen groups are organizing to recall legislators who voted for the tax increases. Several groups are stunned to find out that they are impacted by the expansion of the sales tax. Add to that the fact that in spite of these new revenues, the legislature still needed to cut about \$450 million from the fiscal year 2007-08 budget—and complete that work by December 1.

That work was, to the surprise of most Capitol watchers, completed. However, the outcry over the service tax has not died down. As the December 1 implementation date approaches (as of this writing), efforts to repeal the service tax and replace it with an alternative source continue.

Stay tuned!



The Michigan Ambulatory Surgery Association
cordially invites you to

MASA Member Holiday Luncheon/Meeting

*Thursday, December 6th
11:00 a.m. — 2:00 p.m.*

*Lansing Country Club
2200 Moores River Drive - Lansing
\$20.00 per person (member)*

Checks made payable to "MASA"

Lunch will be served promptly at 11:15 a.m. Following lunch,
we will have a full general membership meeting, followed by our breakout sessions.

RSVP by December 3rd to:
laym@ckronline.com state facility name and person(s)
attending or call 517-485-4044 ask for Marcy

**Wishing you a safe
and happy holiday season**