



# Gateway Gatherings

## President's Message

**Brian M. McCook, CPA**  
Chapter President



Greetings fellow HFMA members!

As hard as it is to believe, another HFMA fiscal year has come and gone... which means this will be my final newsletter as the chapter president. Although this comes with mixed emotions, I have comfort in knowing the Chapter will move forward in good hands.

Overall, our Chapter continues to grow and be recognized as a leader in the transformation of health care in the St. Louis community.

Through our partnerships with other health care organizations and the strong programming that is offered by our chapter, in conjunction with these other partnerships, our Chapter continues to provide education that will help individuals in their careers and ultimately the providers that take care and service our communities. This will only continue to expand and cover new topics and forge new alliances as we continue to be a part of the evolution of health care in the St. Louis community.

I would like to definitely take a moment to recognize all the Chapter leaders that have donated their time and expertise to making the Chapter a success over this past fiscal year. From Connie Stimpson and Kevin Bohnert running programs, to Jill Amos with membership, to Ann Grana with net-

working, to Craig Kalman with finance, as well as all of their committee members, THANK YOU for all of your hard work and dedication over the past year.....the successes we have experienced are 100% a credit to you and your leadership.....so a heartfelt thank you to each of you!

I would also like to recognize the other key chapter leaders, including the entire Board of Directors, Officers and Committee Chairs. Your dedication and passion is truly inspiring and is a key reason for the success and state of our chapter today. Please keep up the great work moving forward.

As I stated previously, it is hard to believe my tenure as President is coming to a close. I have truly been honored to meet and work with all of the aforementioned talented people over the past several years. I would challenge each and every one not currently involved to consider getting active in the Chapter.

You will meet amazing and talented people that will more than offset whatever volunteering commitment that may be involved. I have developed friendships over the years that will last a lifetime.

I truly wish each and every one of you success and prosperity in your health care careers. It has been an honor and pleasure serving as your President, and I hope to see everyone at an HFMA event soon!

Best Regards,

**Brian McCook**  
President 2015-2016  
Greater St. Louis Chapter of HFMA

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*From the Editor...*

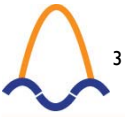
Thank you to everyone for submitting their articles to this Spring issue of the newsletter. You'll see on the upcoming events calendar we have several fun and educational events to attend. As always, I welcome any feedback or suggestions for the newsletter. Please don't hesitate to contact me. Thank you again to those that contributed to this issue of Gateway Gatherings! [lsuelmann@anderscpa.com](mailto:lsuelmann@anderscpa.com).

Publication Dates and Deadlines:

Summer Issue

**July 11**  
Deadline for Articles

**July 31**  
Publication Date



# Thank You to our 2015-2016 Chapter Sponsors

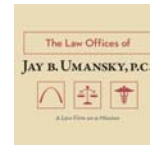
## Diamond



## Platinum



## Gold



## Silver



## Bronze



### Certification Corner

Theresa Kipper

With the new era in healthcare, Healthcare Financial Management Association (HFMA) has launched an improved Certified Healthcare Financial Professional (CHFP) program. This program is designed to provide the broad range of business and financial skills essential for succeeding in today's high-value healthcare environment.

The new CHFP is geared toward financial professionals, clinical and nonclinical leaders, and payers – all those whose jobs require a deep understanding of the new financial realities of health care. The CHFP course modules include:

**Module 1: HFMA's Business of Health Care** - Healthcare finance overview, risk mitigation, evolving payment models, healthcare accounting and cost analysis, strategic finance, and managing financial resources.

**Module 2: Operational Excellence** - Exercises and case studies on the application of business acumen in health care.

"HFMA's goal is to build a broad understanding of healthcare finance together with leadership skills, business acumen, practical knowledge, and a collaborative spirit – skills essential for succeeding in today's environment," said HFMA President and CEO Joseph J. Fifer, FHFMA, CPA. "Healthcare leaders in all sectors will require a deep understanding of the new financial realities of healthcare that reflect an integrated delivery system with the complexities of the provider, payor, and physician perspectives intertwined."

CONGRATULATIONS to **Andrew Born, George Blake Buchert, Michael Capizzi, Collin Cannella, Josh Hoffmann, Nicholas Moliterno, Chrissi Tarantola and Daniel Welch**, our latest members to pass the CHFP exam!

Over 250 healthcare professionals have already pre-registered for this program. Find out what the excitement is all about. For more information, contact Theresa Kipper – Certification Chair at [Theresa\\_kipper@ssmhc.com](mailto:Theresa_kipper@ssmhc.com)

#### Have you already obtained your CHFP?

Turn it into a FHFMA by getting active in our chapter!

You can earn points towards one item of criteria by doing so. Join a committee, become a board member, write an article, or help out at an event. It all counts and is a great way to network!

**Looking for more from your membership?  
Get Involved! Have your opinions heard!**

**We could use your help at many of our events with hospitality, speaker and new member outreach, certification follow-ups, social media, etc.**

Interested parties can email [Information@hfmastlouis.org](mailto:Information@hfmastlouis.org) for more info.

## Sponsorship Update

Becky Kinsella

One of the most important goals of HFMA is to be an educational resource for healthcare finance professionals. We strive to do this by providing continuing educational programs that include live events, webinars, leadership training, certification and networking opportunities. These programs provide useful information that helps our members to be more successful at their jobs. Providing these educational opportunities is costly. We could not do this without our wonderful volunteers and our generous corporate sponsors. The Greater St. Louis chapter sponsorship year runs from June 1 to May 31. We are nearing the start of the 2016-2017 sponsorship year. Our corporate sponsors benefit by having access to healthcare professionals in one of the largest HFMA chapters in the country. Additionally, a chapter sponsorship can help a company gain exposure to its products and services and help them to stand out as a leader in recognizing the importance of education in the healthcare finance industry. Our chapter cannot exist without our members, sponsors and our volunteers. Reciprocally, our sponsors want access to decision makers who are in a position to purchase their products. It is a mutually beneficial relationship. Please consider supporting the Greater St. Louis Chapter for the 2016-2017 year. Providers, please help the chapter to identify and solicit sponsorships from firms who provide products and services to healthcare finance professionals.

To receive information on becoming a corporate sponsor, please go to our website at <http://www.hfmastlouis.org/HFMA-StLouis-Sponsors.htm> or email one of our sponsorship chairs: Becky Kinsella at [b.kinsella@craneware.com](mailto:b.kinsella@craneware.com) or Tami Knobbe at [Tami.Knobbe@adreima.com](mailto:Tami.Knobbe@adreima.com).

## LTC Wrap-Up Ft. Lauderdale, FL

Theresa Kipper

On April 18-19, key leaders of the Greater St. Louis HFMA Chapter participated in the Leadership Training Conference (LTC) in Fort Lauderdale, FL. This conference is held annually by HFMA National. LTC offers an opportunity for your chapter leaders to meet with other HFMA leaders throughout Region 8 and across the country. The conference holds sessions for key chapter positions with an emphasis on sharing of best practices. These are busy days filled with learning, networking, and fun. During our Regional Planning Session, we share new ideas and make plans for the coming year.

We appreciate the support of the chapter allowing us the opportunity to attend LTC. This is a valuable learning experience which helps your leaders to grow in their HFMA positions and bring back new ideas for our chapter's success. We look forward to another successful year.

### Pictured Left to Right:

Connie Stimpson, Craig Kalman, Kathleen Meatte, Kevin Bohnert, Tony Ganousis, Theresa Kipper, Drew Deptola, Jeff Morgan, Robert Royer, and Silas Goldman



JOINT SPRING CONFERENCE  
PUTTING  
THE PIECES  
TOGETHER



MAY 11-13, 2016

PLAN TO JOIN US FOR THE WOMEN  
IN LEADERSHIP PRECONFERENCE  
ON WEDNESDAY, MAY 11, 2016



## Save the Date!

### Region 8 Mid-America Summer Institute

August 24-26, 2016 - Minneapolis, MN

Marriott Minneapolis City Center, 30 South 7<sup>th</sup> Street, Minneapolis, MN

Keynote Speaker – Dr. Jonathan Burroughs, MD, MBA, FACHE, FACPE

Dr. Burroughs has over 35 years of healthcare experience as an emergency physician, manager and leader. Industry leading topics in Finance and Revenue Cycle will be provided in two tracks on Wednesday afternoon and Thursday. Friday morning will provide a look at the healthcare political landscape.

Thursday night join us for the Minnesota Twins game!

## Region 8 Connection



### Stephanie Hultman, CHFP

It's hard to believe this is my final Regional Executive message and another HFMA year is almost complete. I would like to take this opportunity to say "Thank You" to all of the Region 8 Presidents – Kara Dunham, Brian McCook, Tom Hogan, Paul Knudtson, Dan Schonlau, Paul Gerhart, Cindy Fischer, Bill Lane and Susan Duncan. It has been a privilege to work with and get to know each of you. As a region we have had a phenomenal year. Every chapter in the region has worked hard to meet or exceeded this year's goals and I look forward to seeing those rewards presented with National Awards at ANI this June in Las Vegas. It takes a TEAM to reach those goals and each of our chapters have an amazing group of dedicated individuals that are 'Going Beyond' to make it happen. CONGRATULATIONS to each of you!

Bill Fenske and his TEAM have been working hard to bring yet another fantastic year in 2016/2017. Thank you Bill for all your support through this year; the region is in good hands with you and Kyle Lee! Best of luck to the 2016-2017 incoming Region 8 Presidents – Chad Tysdahl, Theresa Kipper, Jackie Hinderks, Michelle Narayan, Joe Harnish, Jamie Schaefer, Cindy Fischer, Josh Honn and Joshua Wilks.

Thank you to the members of the Region 8 Chapters – Greater St. Louis, Iowa, Minnesota, Heart of America, Nebraska, South Dakota, North Dakota, Sunflower, and Show Me of Missouri for the opportunity to serve as your Region 8 Regional Executive. This has been a fabulous and rewarding experience. For those of you not currently involved talk to your chapter's officers, directors, and committee chairs – your volunteerism will make this next chapter year even better!

Lastly, I would like to take a moment and recognize all of the chapter leaders and volunteers, you know who you are, that have made the past Region 8 Mid America Summer Institutes a success. Things are taking shaping for another exceptional conference this year – mark your calendars, August 24 – 26 in Minneapolis, MN. Hope to see everyone there!

In closing, my telephone number is 319-240-5306 and my email address is [sjhultman@mediacombb.net](mailto:sjhultman@mediacombb.net). I welcome your questions and comments at any time!!!

Stephanie Hultman, CHFP  
HFMA Region 8 Regional Executive 2015-2016



**Join Us on LinkedIn!**

**Search St. Louis HFMA in the Groups search bar and join the conversation!**

# Educational Corner

## A Shift in Care: Protecting Access to Medicare Act

Jessica Rosenberg, Associate, Lancaster Pollard

The Protecting Access to Medicare Act (PAMA), like a lot of legislation, is based on a noble intention and is full of trade-offs, benefits and drawbacks. Overall, the Act aims to move the health care industry toward one that pays for results as opposed to services. Getting there, of course, is the tricky part.

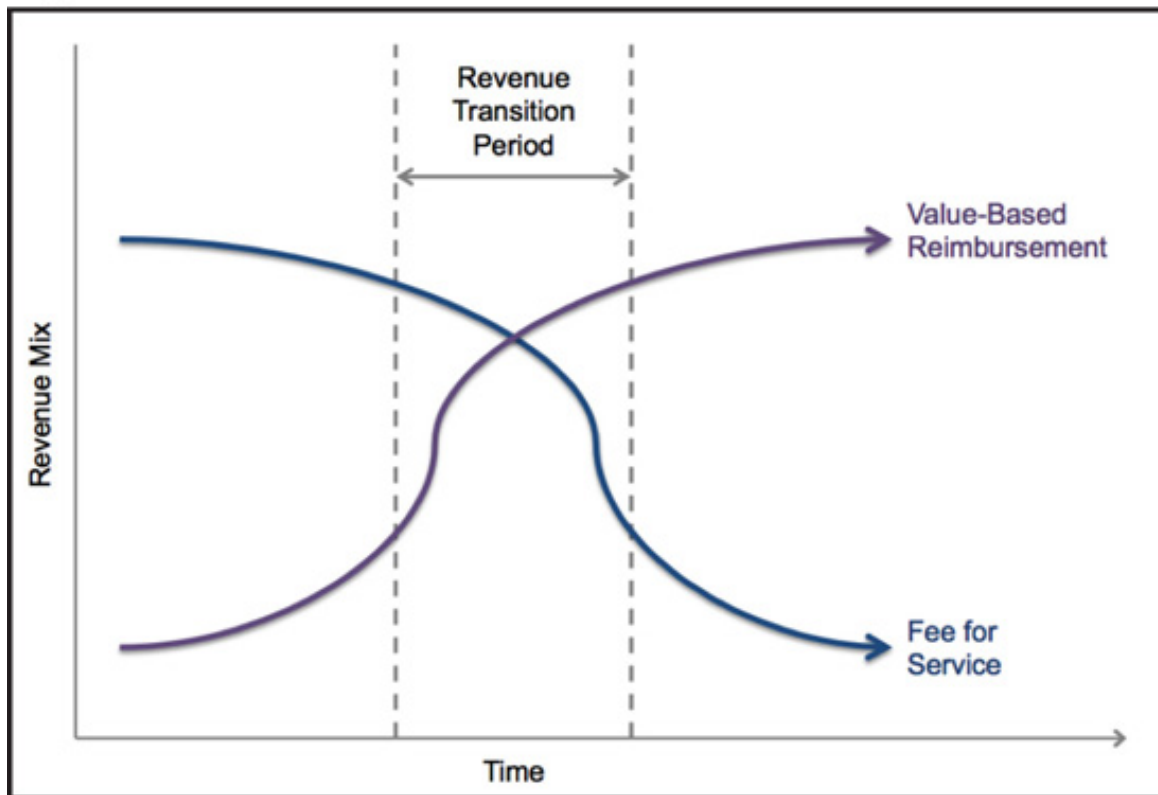
Since the PAMA was signed into law on April 1, 2014, it has been a source of conversation among health care providers, lenders and beneficiaries. While there are many important components to this multifaceted legislation, this article will focus on the key components pertinent to senior living and health care providers. Perhaps most noteworthy for providers is the introduction of a value-based payment system for skilled nursing facilities (SNFs) that is based on individual SNF performance on a hospital readmission measure.

In the spirit of transparency and clarity, the goal of PAMA is to further define the terms, expectations and limitations of the Medicare Act pertaining to Medicare providers, beneficiaries and legislative branches. When it was signed into law in 2014, one of the key provisions was a delay in any cuts in the Medicare reimbursement rate until 2015. These cuts were originally scheduled to go into effect April 1, 2014, and have traditionally been delayed each year for more than a decade. This time, the cuts went into effect with no legislation in sight to change that. Many groups, such as the American Medical Association (AMA), were disappointed in this aspect of PAMA and continue to push for a permanent fix to the Medicare cuts. It remains to be seen whether those efforts will prove to be fruitful. For now, PAMA is garnering attention not for the highly discussed Medicare cuts, rather for other provisions that are beginning implementation.

### Paying for Performance

One of the core sections to come from the PAMA is section 215 which discusses the shift to a value-based purchasing (VBP) system. VBP is a demand side strategy to measure, report and reward excellence in healthcare delivery. The transition to a VBP system typically occurs over many years with a transition period during which revenue decreases (Figure 1).

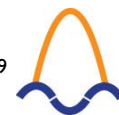
Figure 1:



Continued on Next Page

<https://www.healthcatalyst.com/hospital-transitioning-fee-for-service-value-based-reimbursements>





## Educational Corner

Beginning on Oct. 1, 2018, Medicare reimbursement for SNFs will be tied to performance and quality of care rather than the traditional “fee-for-service” model. The VBP program looks at one quality measure defined by Health and Human Services (HHS) to determine the Medicare reimbursement that the facility will receive. High performers will receive incentive payments and low performers will be subject to penalties.

In order to create the incentive pool, SNF’s Medicare per-diem payments will be reduced by 2%. Out of the money collected, 50-70% of it will be available for the incentive pool. Not all of the 2% reduction is going back to SNFs, as it is also a means to save Medicare money, a projected \$2 billion over 10 years. Top performing SNFs will see most, if not all, of their 2% withhold returned through incentive payments, and possibly more. SNFs that perform in the middle level are expected to see a portion of their 2% withhold returned, while bottom performers will receive less than their withholding or nothing.

To quantify a SNF’s performance in the VBP program, HHS will use one of two quality measures: a hospital readmissions measure based of all causes and conditions, or a “resource use” measure of “all-condition risk adjusted potentially preventable hospital readmissions” for SNFs. Initially, the VBP performance will be measured using the all-encompassing readmission measure, however, the PAMA requires that the more specific “resource use” measure be implemented as soon as possible. HHS will provide SNFs with confidential feedback on the initial results from both measures in 2016 and will publicly report data on both measures by Oct. 1, 2017. The proposed VBP rule will be published in 2018 and the first adjustments to a SNF’s payments will begin in 2019.

Ultimately, the VBP program should affect providers, beneficiaries and lenders in a positive way. The programs afford health care providers the opportunity to stand out from a quality of care, service and hospitality perspective by making global initiatives to enhance their operations. This methodology forces health care providers to refocus and reconsider their why statement (“why we are here and why are we doing this?”) Hospitals and other health programs were created to care for the sick by those who had a passion for helping others. Effectively implementing a VBP program within a health care organization returns to the original principals that guided the creation of health care in society today.

### Hospitals Feel the Effects

The changes in the PAMA affect hospitals in a variety of ways. Typically, Medicare sets annual beneficiary payment limits for outpatient therapy services. The PAMA allowed the temporary expansion of the cap on outpatient therapy services provided in Hospital Outpatient Departments (HOPDs) if the therapy is deemed medically necessary. The extension of the therapy cap was permanently extended by the Centers for Medicare & Medicaid Services (CMS) for Critical Access Hospitals (CAHs). From both an operational, beneficiary, and financial perspective, this is key as it drives additional patients to hospitals to supplement Medicare revenue and it allows patients to receive higher quality care for longer time periods through what is likely to be a better therapy program.

Concentrating more on rural hospitals, Section 106 details plans to spend \$100 million over 10 years, focusing on extending the Medicare-Dependent Hospital (MDH) program. Established in 1987, the MDH helps support small rural hospitals for which Medicare patients make up a majority of their inpatient days or discharges. To qualify as an MDH, the hospital must be located in a rural area, have 100 beds or less, not be classified as a sole community hospital, and have at least 60% of discharges or inpatient days covered by Medicare. These hospitals are able to receive the inpatient price per service (PPS) rate plus three-quarters of the amount by which their costs per discharge exceed the (PPS) rate. For example: ABC hospital discharges Patient X who had a one night stay. Patient X had a PPS rate of \$150. The cost to discharge Patient X is \$300. The hospital will receive \$262.50. This is determined by taking the difference between the PPS rate and the discharge cost (\$300-\$150), multiplying it by .75 and adding it to the PPS rate which amounts to \$112.50. This boost in rates is invaluable to operators as it helps to bridge the gap between costly discharges and low PPS rates. Additionally, MDH will help decrease expense margins and boost Medicare revenue.

Section 212 has received a lot of attention due to its focus on technology and effect on monetary means of providers. HHS Secretary Sylvia Burwell delayed the adoption of ICD-10 as the standard code for medical data from Oct. 1, 2014 to Oct. 1, 2015. There was significant opposition regarding the delays in implementing the ICD-10 coding system. Many hospitals had incurred substantial financial obligations in implementing ICD-10. This delay ultimately slowed down the transition to value-based payment in the health system.

### A Clear Shift

The PAMA, like a lot of legislation, has noble goals but is imperfect. While some sections in the PAMA are steering health care in the direction of realizing a true value-based payment system, some components of the legislation such as the ICD-10 coding have slowed down this process. Overall, however, the trend is clear; health care is moving towards a pay-for-performance model and PAMA represents a significant step in that direction.

*Source: American Hospital Association, “Legislative Advisory, The Protecting Access to Medicare Act of 2014,” April 2014.*



## MHA Update

### Missouri Hospitals Provide Billions in Community Benefits and Economic Impact Andrew B. Wheeler, MBA, FHFMA, Missouri Hospital Association

The healthcare business is certainly in transition, due to legislative, regulatory and other outside pressures. Some of this transition is due to public outcry of hospital pricing and transparency. The call for transparency can carry a positive message about the hidden services that hospitals provide to both the patients that are served and the communities in which a hospital resides.

The Missouri Hospital Association has [published](#) an annual [Community Investment Report](#) for more than a decade. This report provides statewide details about the significant value that hospitals provide to the communities they serve. In 2014, hospitals provided \$2.75 billion in total community benefit, while employing nearly 148,000 workers and investing \$1.6 billion in capital projects.

The cost to treat charity care, bad debt and unreimbursed Medicare and Medicaid costs amounted to \$2.3 billion in 2014. Uncompensated care cost, defined as charity and bad debt, amounted to \$1.3 billion, up 17 percent or \$193 million from 2013. The total amount of charity care cost was approximately \$723 million and total amount of bad debt cost amounted to approximately \$593 million. Many hospitals do not receive enough in Medicare and Medicaid payments to cover the cost to treat their beneficiaries. The amount of those unpaid costs in 2014 amounted to \$1 billion in Missouri.

Hospitals also contribute to their communities by the amount of economic activity generated. Dan Mehan, President and CEO of the Missouri Chamber of Commerce and Industry stated that “Hospitals have become economic anchors in communities across the state. In fact, it’s hard to overestimate the impact Missouri hospitals have on the economy.” Hospitals provide a significant financial boost to the communities they serve, amounting to \$11.2 billion in 2014. This financial boost materializes as a result of employing 148,000 workers and the various capital improvement projects. Hospitals paid out \$9.6 billion in payroll expense and invested \$1.6 billion to improve their plant and equipment.

In addition to the uncompensated care and community economic impact, hospitals also contribute to local causes, healthcare education and by providing free medical clinics, amounting to \$446 million.

Hospitals are not only vital economic partners to the communities they serve, they also provide hundreds of millions in uncompensated care services and donate their resources based on community needs. As healthcare leaders, we need to be advocates for the healthcare community in Missouri. I hope these facts can be beneficial while visiting with your community leaders.



## Legal Lines

### OIG Issues New Guidance on Permissive Exclusion

Stuart J. Vogelsmeier, J.D., Lashly & Baer, P.C.

On April 18, 2016, the Office of Inspector General (“OIG”) issued new guidance on “permissive exclusion” (the “Guidance”). Exclusion is a remedial measure designed to protect the Federal health care programs from any person whose continued participation in the programs constitutes a risk to the programs and their beneficiaries. Federal health care programs may not pay for any items or services furnished, ordered, or prescribed by an excluded person. The OIG has discretion as to whether to impose exclusion under section 1128(b)(7). In determining whether to exclude a person, the OIG presumes that some period of exclusion should be imposed against a person who has defrauded Medicare or any other Federal health care program. This presumption in favor of exclusion is rebuttable under certain circumstances. The Guidance indicates that the OIG will weigh various factors in its determination of where a person falls on the compliance risk spectrum. At the “High Risk” end of the spectrum, exclusion is pursued. At the “Low Risk” end of the spectrum, the OIG will provide an exclusion release without corporate integrity agreements. In evaluating a person’s place on the risk spectrum, the OIG considers the facts relevant to the following four factors:

#### Nature and Circumstances of Conduct:

- Conduct that causes or has the potential to cause adverse physical, mental, financial, or other impact to program patients would indicate a higher risk, but a lack of patient harm does not affect the risk assessment.
- The greater that actual or intended loss to Federal health care programs, the higher the risk.
- Conduct that occurs as part of a pattern of wrongdoing, occurs over a substantial period of time, or is repeated, indicates higher risk.
- Prior fraudulent conduct indicates a higher risk, but the absence of criminal sanctions does not affect the risk assessment.
- If leadership of an entity led or planned the unlawful activity, the risk is higher.

#### Conduct During the Investigation:

- Lack of cooperation indicates a higher risk.
- Initiation of an internal investigation before becoming aware of the government’s investigation indicates lower risk.
- Prompt response to a subpoena is expected and does not affect the risk assessment, but failure to comply with a subpoena indicates higher risk.
- Self-disclosure indicates lower risk.
- Cooperation with the government indicates lower risk.
- An adverse licensure action as a result of the conduct indicates higher risk.

#### Significant Ameliorative Efforts:

- Disciplinary action against responsible individual(s) indicates lower risk.
- Devoting significant resources to the compliance function indicates lower risk.
- Sale of the entity to a non-affiliated person with a history of compliance indicates lower risk.
- Obtaining additional training indicates lower risk.

#### History of Compliance:

- History of self-disclosures indicates lower risk.
- Although the existence of a compliance program will not affect the risk assessment, absence of a compliance program indicates higher risk.

While the criteria identified in the Guidance by the OIG are non-binding in individual circumstances, the Guidance gives providers with insight into the OIG’s views on exclusion.

+++++  
Stuart Vogelsmeier is a partner with the St. Louis law firm of Lashly & Baer, P.C. Mr. Vogelsmeier regularly counsels health care providers on issues such as Stark Law and Anti-Kickback Law compliance, corporate structure, employment agreements, joint ventures, adding ancillary services to practices, and compliance programs. He can be contacted at (314) 436-8349 or at [sjvogels@lashlybaer.com](mailto:sjvogels@lashlybaer.com). The firm’s website is [www.lashlybaer.com](http://www.lashlybaer.com).

This article is for informational and educational purposes only. Hospitals, individual physicians, and other providers should contact their advisors for assistance.

# Greater St. Louis HFMA Events



May 5 6:30 St.	A	Awards Celebration - 9:30 p.m. Louis Zoo
May 11		Women in Leadership Pre-Conference
May 11-13 Riv	Joint	Spring Conference River City Casino

Visit the [HFMA Calendar](#) for more information!

**GO BEYOND**

## Board Meeting Date

Friday, May 13, 2016  
River City Casino  
Following Joint Conference

All members are welcome to attend, but RSVP is required.  
Please RSVP to Brian McCook, [bmccook@anderscpa.com](mailto:bmccook@anderscpa.com)