

FRONT LINES

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Thoughts and Things

Welcome to THA Solutions Group's quarterly newsletter. This new publication is being developed to keep you informed about THA Solutions Group and how we can help the membership through our consulting services, managed care resources and vendor relationships.

For those unfamiliar with this division of THA, the Solutions Group is the for-profit division of the association that is responsible for providing consulting services to members, managed care resources, and developing contractual relationships with companies that provide various services to THA members.

Each issue of the newsletter will highlight several current vendors, announce new vendor relationships, and provide relevant information on managed care and other topics of interest.

In this issue, we want to introduce you to the THA Solutions Group staff. Our staff is comprised of a number of very talented and dedicated people who are at your service. Please feel free to call any of us with questions, concerns or issues with which you need assistance. We are here to serve you as members of THA and to bring value to your organization.

I hope you enjoy our new publication and look forward to working with you through THA Solutions Group.

Jeff Whitton
Senior Vice President

THA Solutions Group Staff Is Ready To Assist Members

<p><i>Craig Becker</i> President</p>	<p><i>Jeff Whitton</i> Sr. Vice President</p>	<p><i>David McClure</i> Asst. V. P. – Finance</p>
<p><i>Jim Byrd</i> Director of Contract Services</p>	<p><i>Vickie Bilbrey</i> Staff Assistant</p>	<p><i>Tammy Kemp</i> Admin. Assistant</p>

The mission of THA Solutions Group, Inc. is to assist members to successfully determine their direction by providing brokered products and services and consulting serv-

ices to hospitals and integrated delivery systems.

To accomplish this mission, THA Solutions Group has employed a diverse group of individuals to help

institutions determine the best ways to meet their business needs.

Jeff Whitton, senior vice president, provides consulting services for strategic planning, operations and managed care, as well as the development of new vendor relationships.

David McClure, assistant vice president, finance, specializes in managed care and finance issues. Jim Byrd, director of contract services, specializes in contract services and consulting services for management engineering and operations.

Vickie Bilbrey, staff assistant and Tammy Kemp, administrative assistant, provide support for these executives and the membership.

Anyone with questions or needing additional information may contact any staff member at 1-800-258-9541 or 615- 256-8240 or visit the THA Web page at www.tha.com.

Solutions Group Has A New Vendor

THA Solutions Group has selected NationsBank as the preferred vendor for bond issues.

NationsBank is the largest lender to the healthcare industry and has over 600 relationships with healthcare clients throughout the NationBank's franchise.

NationsBank has approximately \$10.5 billion in binding credit commitments and \$4.7 billion in loans outstanding.

In addition to the bond issues, there are other financial services that are offered by NationsBank that will be considered for endorsement

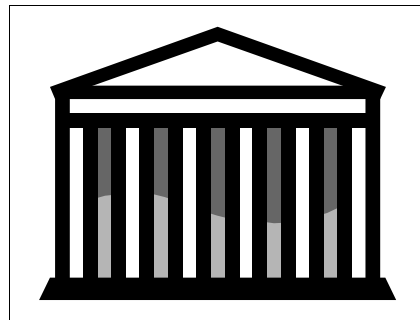
by THA Solutions Group.

For more information, contact Elizabeth Knox at NationsBank at 615-749-3918 or Jim Byrd at THA Solutions Group at 1-800-258-9541 or 615-256-8240.

Inspector General Puts Hospitals On Notice

The U. S. Department of Health and Human Services' (HHS) Office of Inspector General's (OIG) June 1998 semi-annual report provided an update on the priority of the department's enforcement activities.

Currently, more than 100 hospitals nationwide are under investigation to determine if there has been inappropriate use of a



OIG investigation still ongoing

bacterial pneumonia diagnosis code. Known as the pneumonia upcoding investigation, the OIG alleges hospitals have coded cases in DRG 79 as respiratory infections and inflammation with complications for individuals older than age 17 that should have been coded in DRG 89 as simple pneumonia and pleurisy for individuals older than age 17.

The reimbursement difference in the DRGs is approximately \$3,500. The OIG report indicates one hospital already has paid \$600,000 and agreed to implement compliance measures to prevent future coding problems to settle allegations of improper coding.

The report also provided updates on other active investigations, including:

- Physicians at Teaching Hospitals (PATH): Settle-

ments have resulted in the government's recovery of approximately \$67 million.

- Outpatient Lab Unbundling, known as Operation Bad Bundle: Thus far, 114 hospitals have entered settlements totaling more than \$26.3 million.
 - DRG 3-Day Window Project: As of the reporting period, settlements have included approximately 2,300 hospitals with about \$57 million in recoveries.
- Copies of the semi-annual report are available on the OIG Web site at : <http://dhhs.gov/progorg/oig>.

Corporate Compliance

During fiscal year 1997, the OIG report notes HHS excluded more than 2,700 individuals and entities from doing business with Medicare, Medicaid and other federal and state healthcare programs for engaging in fraud or other professional misconduct.

In the February 1998 *OIG Compliance Program Guidance for Hospitals*, the OIG lists one of the compliance officer's primary responsibilities as the assurance the "Cumulative Sanctions Reports" have been checked with respect to all employees, medical staff and independent contractors. The 1997

Balanced Budget Act also specifies the imposition of civil money penalties for a facility that arranges or con-

tracts with an individual or entity that has been excluded from a federal healthcare program.

THA has developed the **THA Sanctions Data Bank Service** to assist healthcare providers in identifying an excluded individual or entity. The Sanctions Data Bank provides a convenient Internet access and database query to the monthly OIG published "Cumulative Sanctions" paper reports. This service may be assessed through the THA web page at <http://www.tha.com>.

THA recommends all hospitals establish a compliance plan and prepare for potential OIG investigations. Compliance Concepts, Inc. (CCI), THA Solutions Group's preferred vendor for compliance consulting services, offers a variety of services for the design, development and implementation of effective compliance programs. For more information on Compliance Concepts, Inc., including information on their new reduced fees for THA member small and rural hospitals, contact Steve Spargo at CCI, 412/390-4001.

Hospitals and health systems that need assistance with compliance software may contact THA Solutions Group's *Recommended Solution* Envoy DSS. For more information about these companies and services, contact David McClure at THA, 615/401-7465.

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Meet The THA Solutions Group Vendors

THA Solutions Group has developed contractual relationships with a variety of vendors for members to access. Vendors partner with THA in one of three ways.

Strategic Partners (SP) are selected vendors who offer services that are targeted at the entire range of hospitals and health systems in Tennessee. The exclusive nature of a strategic partnership recognizes both the importance of the product and the leadership provided by the vendor. Strategic partners are also strong supporters of the advocacy and education efforts of THA through their significant annual contributions.

Preferred Vendors (PV) are recognized leaders in their fields and have an exclusive relationship with THA for their specific products.

Recommended Solutions (RS) allow for the endorsement of a limited number of vendors in the same product category. THA Solutions Group will work with member institutions to identify specific needs that match the appropriate vendor to the situation

COMPANY	SERVICE PROVIDED	CONTACT PERSON	TELEPHONE	TYPE
HCIA, Inc.	Develops healthcare information systems.	Jamey Motter	919-677-4121	SP
Health Services Corporation of America	Group purchasing.	Tom Jamison	573-334-7711	SP
IPN Network	Outsourcing business office functions.	David Dingler	615-401-7835	SP
The Reciprocal Group	Insurance captive (TCIP).	Thomas F. Smith	800-284-8847	SP
Willis Corroon Administrative Services Corporation	Third party administrators.	Rich Ford	615-360-4560	SP
Compliance Concepts, Inc.	Compliance training & consultative services regarding the 72-hour rule.	Stephen Spargo	412-390-4001	PV
Envoy Corporation	Electronic patient verification.	Chris Cronin	615-885-3700	PV
Federation of Associated Health Systems	Tracking for operator assisted calls by patients and pay phones.	Alexander Benningfield	800-976-0130	PV
LDDS World Com	Long distance telephone service.	Paula Buxton	803-736-9723	PV
The MHA Group	Physician search, physician needs analysis, consulting services & medical recruitment.	James Merritt	800-876-0500	PV
Miller and Martin	Legal assistance.	Frank Williams	423-756-6600	PV
NationsBank Bond Pool	Funds available at preferred interest rates for less than normal borrowing.	Elizabeth Knox	615-749-3918	PV
National Business Products	Printing services.	Craig Hodges	615-771-6622	PV
Russell, Montgomery & Associates	Outplacement services.	Dennis Russell	615-377-9603	PV
Safety and Security Solutions, LLC	Safety and security management, risk assessment and contract management opportunities for healthcare facilities.	B. Page Gravely, Jr.	804-649-8855	PV
SESCO Management Consultants	Professional human resource and employee relations consulting.	J. W. R. Lawson, II	423-764-4127	PV
Staff Care, Inc.	Temporary physician staffing services.	Joseph Caldwell	972-868-2273	PV
The Ramsey Group	Coding compliance.	Sam Ramsey	615-327-4252	PV
Tyler and Company	Executive placement.	Charles Nagle	770-396-3939	PV
Valic	Retirement products.	James Garrison	615-254-4822	PV
Envoy-DDS	Offers solutions for compliance issues.	Stephen Taylor	814-838-2369	RS
Passport Health Communications	Comprehensive Internet technology & web page development.	Jim Lackey	615-661-5657	RS
ROI Healthcare	Provides rapid operations improvement through technology.	Roger Hendry	615-376-5300	RS

*Your Source For
Brokered Healthcare
Products and Services*

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615-256-8240
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615-242-4803

We're on the Web!
www.tha.com

"I wish I'd said that..."
THASG Quotable Quips

"Some people dream of
success, others stay awake
and make it happen."
Unknown

"Scientists failed their
way to success - Edison
tried hundreds of times
before developing the
light bulb; Salk failed
countless times before
finding the polio virus.
Failure can point you to
success." Unknown

THA Solutions Group Board Meeting Highlights

Highlights of the THA Solutions Group Board of Directors meeting held at THA's 1998 Summer Conference in San Destin, FL earlier this month include:

- ◆ NationsBank was approved as a new preferred vendor for bond financing services.
- ◆ Contracts currently under negotiation include:
 - 1) Natural gas.
 - 2) Telephonic computerized pre-certification and pre-authorization service.
 - 3) Owner's agent / construction project management services.
- ◆ Amendment to the bylaws of THA Solutions

Group, which now will provide for three-year rotating board terms. Every year, one-third of the board will rotate off. This will provide more THA members an opportunity to serve on the THA Solutions Group board.

- ◆ Joe Dawson, administrator of Blount Memorial Hospital, Maryville, was elected to fill a vacant seat on the board of directors.

The next board of directors meeting for THA Solutions Group will be held in December. For more information about the THA Solutions Group board of



The THA Solutions Group board meeting was held during THA's Summer Conference in San Destin, FL.

directors, please contact Jeff Whitton at 1-800-258-9541 or 615-256-8240.

500 Interstate Boulevard, South
Nashville, Tennessee 37210-4634

-Address correction requested-

Jeff Whitton, Senior Vice President
Vickie Bilbrey, Staff Assistant