

Fine Print



THE OFFICIAL NEWSLETTER OF THE WESTERN NEW YORK
CHAPTER OF HFMA

President's Message

Ryan Caster

2016 - 2017 Chapter President

It is hard to believe my term as President of the WNY Chapter is coming to an end. It feels like only yesterday I was preparing my first message as the Chapter's President. Recently, on the Region 2 President and President-Elect monthly update call, I had the opportunity to share the successes of our Chapter from this past year. In my last President's message, I would like to take a few moments to recap some of those achievements and thank a number of individuals and organizations that have made this a successful Chapter year.

As many of you know, HFMA Chapters are measured on an annual basis through the Chapter Balanced Scorecard. Of a possible 100 points, the Chapter achieved 80 points and is once again considered to be in good standing. This is a testament to all of the hard work and efforts put in by Board members, committee chairs, volunteers and sponsors of the Chapter. This Chapter would not be what it is without you, so thank you!

One of the new requirements on the Chapter Balanced Scorecard this past year was Innovation, specifically related to Education. Steve Chizuk, President-Elect and Education Committee Chair, along with the assistance of the Education and Social Committees, put on a dynamic program targeted at early careerists. The program was both educational and fun and even introduced some new folks to HFMA. Additionally, I would like to thank everyone involved in putting on our traditional education events and webinars this year. We have a handful of staple programs that are well attended year over year. A lot of time goes into planning and putting on these programs for the membership!

I would like to thank Bruce Liebel and Vanessa Hinderliter, our Membership Committee co-chairs, who do an exceptional job welcoming new members to the Chapter and providing input on how to keep the membership engaged.

I would like to thank Chelsey Kelchlin and her Social Committee, who brought some new ideas to the table and introduced some new networking events to the Chapter. I look forward to seeing what you come up with for next year!

(continued next page)



Spring 2017

Welcome New Members!

KELLY BUSH

HEATHER

KOWALEWSKI

BARRY

STELMACH



President's Message (con't)

Our Chapter also embarked on the process of updating our Strategic Plan. While not completely finished as of the publication of this Newsletter, significant headway has been made towards a finished product. I want to thank everyone who has been involved in this process and would specifically like to mention Bob Levesque for spearheading this effort.

Our Revenue Cycle and Reimbursement Committees once again provided valuable information and idea exchange opportunities to our members. These Committees do not always get the headlines, per se, but I would be remiss not to acknowledge the value these committees bring to our Chapter.

Thank you to Jill Johnson for once again serving as our Newsletter Chair and Webmaster. Particular thanks for remaining patient and keeping me somewhat timely in submitting my articles for the quarterly Newsletter.

Finally, there are a number of other behind-the-scenes committee chairs and volunteers who also deserve recognition. Thank you to David Bonk and Stephanie Bottomley for your work on the Certification Committee. Thank you to Larry Nowak for handling all of our Davis Chapter Management submissions and thank you to Eric Reeners for keeping track of the Founders points.

I would once again like to close the Chapter year with a gathering and celebration of the Chapter's achievements. As such, please save the date for our Annual Banquet on Thursday, June 8 at 5:30 PM at Russell's. More information to follow.

In closing, I want to extend one last thank you to all of our volunteers, sponsors and members for your support this past year. The people are the foundation for this Chapter and it has been an honor and a pleasure serving this past year as the Chapter's President. Thank you!

Ryan E. Caster
President

Save the Date!

Annual Banquet - June 8, 2017, Russell's, 6675 Transit Road, Buffalo, NY 14221

Golf Tournament - June 19, 2017, Terry Hills Golf Course, 5122 Clinton Street Road, Batavia, NY 14020

Annual Region 2 Fall Institute - October 18 - 20, 2017, Turning Stone Resort

Details coming soon!

Justin Reid Promoted to Partner

Robert P. Levesque, FHFMA, CPA

The WNY Chapter of HFMA is pleased to announce that Justin N. Reid, CPA, CHFP, a current member of the Board of Directors, was promoted in December to Partner, Healthcare Tax Exempt Team at Bonadio & Co., LLP. An announcement appeared in the February 19, 2017 edition of The Buffalo News in the Business News section. Justin was promoted from Principal, Health Care Tax Exempt West Division. He has been with Bonadio since November 2010. He previously was a Senior Manager with Freed Maxick & Battaglia, CPAs. In his position, he provides audit and consulting services to health care and tax-exempt clients. Justin graduated from Saint Bonaventure University in 1995 with a BA in Accounting.



Justin has been a member of HFMA since 2010. Besides being a Board member, Justin has been active with the Educational Program Committee. He has also served on the Webinar Committee. Along with David Bonk, he was responsible for the Long Term Care Institute that was held this past November.

Justin resides in Lancaster with his wife, Lori and two children, Thomas and Leah. During the summer, he can be found watching his son play travel baseball and his daughter's dance recitals. Justin enjoys golf and home-brewing. In addition to his HFMA board membership, he is the Treasurer of Susan G. Komen Upstate and has chaired the Komen Pink Tie Guy Campaign. Our sincere congratulations to Justin on his promotion!

Euchre Tournament

Stephanie Bottomley, CPA

This year's Annual Euchre Tournament was held on February 3, 2017. It was an evening full of fun, mingling and intense competition. After the 44 participants competed in 6 20 minute max rounds of cards, the winners were crowned. Congratulations go to Andy Johnson (first place), Jason Tolsma (second place) and Bruce Liebel (third place).

Our sincere thanks go out to our generous hosts at the South Line Fire Hall for their hospitality again this year! Thanks to all who participated this year – we hope to see you again next year!



Booming Demand: How Urgent Care Centers are Impacting Hospital Operations

Conner Girdley & Keith Jones, Lancaster Pollard

The construction and use of urgent care centers in the health care industry has steadily increased over recent years. The growing popularity of urgent care centers presents an opportunity for hospitals to extend networks or expand partnerships in order to reach new clientele. Further, it offers an opportunity to enhance brand recognition in new and existing markets.

According to the Urgent Care Association of America (UCAOA), urgent care dates back to the late 1970s and was created with the intention of meeting a community's immediate health care needs. It was a slow but steady start for urgent care in the beginning, but the concept of seeing a physician without an appointment eventually began to gain popularity among patients. Over the past 20 years, the urgent care industry has continued to expand and earn the trust of those seeking a safe and affordable place to receive medical attention.

Today, urgent care centers are physician-staffed and typically offer extended hours (evenings and weekends), providing quality care without the costs and wait times associated with the average emergency room (ER) visit. Urgent care centers are best suited for situations that require more immediate attention; often times, this serves to be more practical than seeing a primary care provider, who can be challenged with offering consumers the hours or immediacy an illness or accident can demand.

Why the Increase in Popularity?

There are various drivers behind the recent growth of urgent care. The UCAOA estimates that growth has been steady the last several years, as between 300 to 600 urgent care centers are added per year, resulting in the current population of around 7,400 centers. Challenges on the supply side, such as difficulty in finding a primary care provider and the increase in costs associated with ER visits, are a factor in the increase. A larger demand by consumers for convenience, both in terms of proximity and hours, has also resulted in a need for more urgent care centers. More recently, lenders and investors have recognized the success of the urgent care model and have begun to look for opportunities to participate in the ongoing growth.

The business model is based on low-margin, high-volume care, as the average visit costs \$150 with a total visit time of under 60 minutes in 84% of cases, compared to an ER visit that averages \$1,354 and consumes four hours of wait time. Costs are much lower in an urgent care setting, as detailed with some of the more commonly treated ailments shown in the chart below:

Condition	ER Cost	Urgent Care Cost
Sore Throat	\$525	\$94
Sinusitis	\$617	\$112
Urinary Tract Infection	\$665	\$112
Strep Throat	\$531	\$112

Booming Demand (con't)

An easy conclusion to reach would be that an urgent care center would draw lower-acuity patients away from emergency rooms, resulting in less overcrowding of the ER and improved efficiency. However, a [study](#) presented in April, 2016 by Grant Martsof, et al, found that retail clinics opened near emergency departments are not associated with a material reduction in low-acuity emergency department visits. This data supports the notion that urgent care centers prompt patients to seek care for conditions that might have been treated at home or at a primary care office. Thus, urgent care centers may not be an avenue for reducing ER overcrowding, but may provide an opportunity for accretive revenue through partnership or expansion. This widening of a hospital network may increase referrals and retention of patients who will seek care through urgent care centers and might find themselves referred to physicians or testing facilities within the network. If a hospital invests in quality care and branding, the uniformity of care provided in an urgent care setting will enhance a patient's overall experience and may engender confidence in the entire health care system, prompting patients to utilize other services of the hospital.

How Hospitals are Getting Involved

For hospitals interested in expanding their network to include urgent care centers there are several options. Some hospitals have pursued partnerships with an existing provider of urgent care services. This allows the hospital to step into a relationship with an existing provider that has experience in managing the low-margin environment that demands a unique staffing approach. This partnership has benefits for both the urgent care provider and the hospital because the provider receives benefits from the local hospital's brand recognition and gains access to physicians employed by the hospital. In return, the hospital benefits from a reduction in initial investment requirements and receives another referral source. It is estimated that the majority of urgent care centers in the U.S. continue to be operated as free-standing facilities, while 20% are owned solely by hospitals and another 15% are structured as joint ventures. Hospitals that pursue the partnership model must be aware of the challenges that come with information sharing beyond their existing network.

Hospitals that opt to open urgent care centers have the ability to target neighborhoods and demographics that are either underserved or have a potentially advantageous payor mix. The hospital's brand recognition can provide immediate legitimacy to the start-up centers and these centers have the ability to share complete patient information, ensuring a seamless patient experience. Hospitals pursuing this path must ensure that staffing and the scope of care provided do not tarnish the hospital's brand in the initial stages of the learning process. Traditional sources of financing for nonprofit hospitals, such as tax-exempt bonds, the U.S. Department of Housing and Urban Development (HUD)/Federal Housing Administration (FHA) Sec. 242 program, the U.S. Department of Agriculture (USDA) Business & Industry or Community Facilities program, or bank direct purchase financing, are typical options for financing these assets on a standalone basis, or as part of a larger strategic plan.

As demand for lower-cost alternatives to care that do not sacrifice quality continues to grow, opportunities for hospitals to expand into the urgent care center environment will continue to present themselves. Hospitals can act on these opportunities to grow market share and expand brand recognition, while simultaneously meeting patients' needs and providing quicker, lower-cost care than that offered in a typical ER setting.

2016/2017 Chapter Leaders

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Allison Spara
Class of 2017

Bruce Liebel
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Chirico Rozsa
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James Stabel
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Congratulations to our incoming leaders!

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For information on committee chairs and co-chairs, please visit our website at <http://hfmawny.org/Directory.aspx>

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