

Glossary of Terms and Acronyms in Board Documents

Updated July 7, 2017

AP: Accounts Payable: The department and process for paying for services and goods provided to EPMC.

AR: Accounts Receivable: The department and process for collecting reimbursement for billed services.

CFO: Chief Financial Officer, in charge of AP, AR, billing, and other components of the revenue management processes.

Days Cash on Hand: A measure of financial health that shows how many days EPMC could pay for staff, supplies, and services if all income ceased today.

Debt Coverage Ratio: This is a measure of the strength of an organization to cover its debt service. Covenants with Lenders/Investors typically requires a greater than 1.0. The formula is Income from Operations with Depreciation added back in (a non-cash item) divided by Net Revenues.

Days in Accounts Receivable (AR): Days in AR indicate how well the billing cycle performs, meaning how long does a patient account take to get paid, on the average. The lower the better. Typical Critical Access Hospitals are between 45 and 70. This is inclusive of all Payer types.

Payer Mix: This is a term to denote who is paying for the healthcare delivery. Typically those include: Medicare; Medicaid; Commercial (ie Blue Cross, United, CIGNA, etc); Self Pay (Uninsured); Government Other (Tricare, Work Comp).

Contractual Adjustments: This is noted on the Income Statement under Gross Revenues. Contractuals are what we must write-off due to agreements with Payers for discounting payments. Medicare and Medicaid will pay only according to the government Regulations. Commercial Insurance Carriers will pay according to an agreed upon Contract, in writing. Self-Pay/Uninsured are also recorded here for any discounting or write-offs. Hospitals typically will have a 30-50% Contractual.

Critical Access Hospital (CAH): A Medicare approved designation for rural hospitals 25 beds and under and no less than 35 miles from nearest hospital (unless deemed mountain roads). This allows the CAH to be paid by Medicare at “Cost” plus 1%, as determined by an annual “Cost Report”. This is considered very favorable in healthcare terms, as Medicare reimbursement is typically less than cost. CAH’s represent approximately 2% of hospitals in the nation.

Accountable Care Organization (ACO): An ACO is an approved independently formed organization for the purposes of coordinating care to a specified geographic area, typically by a group of Medical Providers and Hospitals, using metrics and statistics to gather information, coordinate care and establish a formal reimbursement methodology.

AHA: American Hospital Association. Lobbying group, nationally.

CHA: Colorado Hospital Association. Very helpful to Colorado Hospitals in areas of Databank statistical and financial comparative information, State-wide lobbying, and Legislative engagement; Work Comp Trust, etc.

AMA: American Medical Association. Physician national Association. Also very active with lobbying efforts.

CDC: Centers for Disease Control.

CNO: Chief Nursing Officer.

DHCPF: Colorado Department Health Care Policy & Financing. Essentially, this is Medicaid.

DSH: Disproportionate Share Hospital (referred to as “dish”). For hospitals that have more Medicaid business than most hospitals in the State, which is good for EPMC. There is added funding from the State.

EMS: Emergency Medical Services – ie the Ambulance service.

EMTALA: Emergency Medical Treatment and Active Labor Act. Established in federal law in 1986 COBRA Act. Requires all Hospitals to provide a medical evaluation upon presentation to an Emergency Department (ED), prior to financial determination. Does not make requirement to treat, unless deemed medical emergency.

HICS: Hospital Incident Command Center. Activated when in the event of a very large or community emergency. Typically involved EMS, Fire, Police and entire staff. Training happens several times per year. This is a formal procedure that is proven and effective for wide-scale emergency management.

HHA: Home Health Agency. EPMC does have Home Health and Hospice services.

HIPAA: Health Information Portability and Accountability Act. Established in 1996, to allow for insurance portability between carriers without delay for pre-existing conditions. Also, set up massive new regulations for Protected Health Information (PHI), including Privacy and Security standards, requirements and reporting for any potential breach of PHI. Also established the **HITECH** regulations, from the Affordable Care Act (ACH-ie Obamacare) for computer system enhancements.

IT: Hospital Information Technology. We have an excellent team dedicated to uptime, stable and secure computer software and hardware systems.

SNF: Skilled Nursing Facility – a Medicare approved Nursing Home, such as our PPLC.

Swing Bed (SWB): Allowable service and favorable reimbursement from Medicare for Critical Access Hospitals (CAH). Provides for a patient to be discharged from Inpatient and remain in the same bed as sub-acute care, principally for Rehab and transition time. Good source of revenue for the hospital.

QIO: Quality Improvement Organization

RAC: Recovery Audit Contractor. Medicare will contract with outside vendors to review claims from Providers for accuracy, fraud and/or potential recovery of funds paid “incorrectly”.