

PLEASE ROUTE:

- Physician
- Office Manager
- Other _____



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FROM THE EXECUTIVE MEDICAL DIRECTOR

Care Management Continues as LVPHO Priority

The Lehigh Valley Physician Hospital Organization, Inc. has become increasingly involved in care management. There has long been a need to carry out care management activities for our Valley Preferred enrollees, now totaling approximately 115,000. While many of these are self-insured clients, they still have a strong need for outside oversight of the care provided through our network. This is often done on a contracted basis, either with us through Spectrum Administrators, or at times with other commercial companies.

We continue to need the participation and cooperation of our IPA and medical staff to ensure the quality of our inpatient and outpatient care.

The LVPHO's interest in care management has extended to the inpatient arena as well. The need for these services was pressing during the PennCARE era, when we were "at risk" for a large number of insureds. At present, the hospital continues to be responsible for its own employees through the wholly-owned Choice Plus Health Plan, and many of the patients admitted to the hospital are reimbursed on a DRG or an episode-of-care basis. This includes Medicare and other large payers, requiring the hospital to provide all necessary services for a fixed payment.

We have attempted to use our experience in these various programs as learning laboratories in order to find the most cost-effective care for all of our patients. There is ample evidence throughout the medical literature confirming that cost-effective health care is also generally associated with high quality performance. Although there is often resistance among practitioners to the prescription of pathways, guidelines and protocols, it has become clear in time that adherence to such standardized consensus-based regimens produces less variation in health care delivery and usually improves health care quality significantly.

While the LVPHO has its own Care Management Committee, we are also charged with co-managing the hospital's Care Management Council, which oversees all of Lehigh Valley Hospital's care management activities, both inpatient and outpatient. Members include leadership of major clinical departments, nursing, hospital quality care management and home care. We contribute the practicing physician's perspective in the care management process, as well as experience with Valley Preferred.

The LVPHO also oversees the Care Management Committee, composed of medical staff members interested in improving overall quality of care. This body serves as a two-way conduit, both to receive the latest information and recommendations from the Care Management Council, as well as to provide useful input back from their experiences in patient care. It has been a very valuable sounding board, both to transmit the latest in care management activities to the physicians, and in turn to learn what is working and what isn't in everyday practice. Topics recently discussed include pharmacy management, length of stay, palliative and end-of-life issues, as well as the current throughput and capacity problems in the hospital.

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New Meetings

GLVIPA Board, 7 a.m.

March 27 - Classroom 1
(Cedar Crest & I-78)

April 24 - Classroom 1
(Cedar Crest & I-78)

May 22 - Classroom 1
(Cedar Crest & I-78)

June 26 - Classroom 1
(Cedar Crest & I-78)

LVPHO Board, 7 a.m.

March 18 - Board Room
(Cedar Crest & I-78)

April 8 - Board Room
(Cedar Crest & I-78)

May 13 - Board Room
(Cedar Crest & I-78)

June 10 - Board Room
(Cedar Crest & I-78)

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The LVPHO also sponsors an Information Services Committee, which has been active in promoting CAPOE (computer assisted physician order entry) through its chair, Donald Levick, M.D. This committee has also reviewed issues such as electronic transcribing, prescription writing and medical records, and has a special focus on the outpatient information needs of physicians in their offices and how they can become better integrated electronically with the hospital's systems.

Results and updates on these activities are reported regularly at GLVIPA and LVPHO meetings, as well as to the general medical staff and Medical Executive Committee. We continue to need the participation and cooperation of our IPA and medical staff to ensure the quality of our inpatient and outpatient care. This is critical both to Valley Preferred as a high-quality, comprehensive provider-led network, and to maintaining our hospital's position as the regional leader in providing superior, cost-effective care.



John Jaffe, M.D.



HIPAA Privacy & Security Deadline Approaching

The Health Insurance Portability and Accountability Act mandates that on April 14, 2003, all health care providers/plans are HIPAA compliant. By this date, physician practices must have policies, procedures and processes in place to comply with HIPAA privacy and security regulations. To accomplish this goal, practices should compare their current privacy and security policies to those mandated by HIPAA, update their policies and procedures to conform to the standards and then train office staff to comply with the new and updated HIPAA compliant confidentiality and security regulations.



HIPAA Resources

If you have questions regarding HIPAA compliancy, please contact the LVPHO at 610-402-2090, the American Hospital Association, the Medical Group Management Association (MGMA) or visit the following web sites:

- www.cms.gov/hipaa
- www.claredi.com/
- www.hipaa.org
- www.hhs.gov/ocr/hipaa/
- www.hipaadvisory.com/
- www.mgma.com/hipaa.cfm



LVPHO HIPAA Survey

In mid-December, the LVPHO's Provider Relations Department distributed HIPAA surveys to more than 1,000 Valley Preferred physician practices to determine the status of HIPAA efforts and identify issues and questions that practices are facing. More than 400 survey responses were received.

One of the key survey results is that 75% of physician practices reported they submit at least some claims to payers electronically. According to the survey, many practices said they believe their physician office management software is HIPAA compliant, yet a visit to the web sites for some of these vendors confirms they are not yet compliant with electronic data interchange (EDI) transaction standards.

After October 16, 2003, Medicare will not accept paper claims or non-compliant electronic claims from practices covered by the HIPAA EDI requirements. It is imperative that each practice understands the HIPAA EDI status of its software vendor. To do this, either contact the office management software vendor or visit the vendor's web site to check HIPAA compliancy. If the vendor is compliant, a "HIPAA certification" icon (i.e., from Claredi or another certification organization) should be displayed on the web site.

HIPAA regulations provide the opportunity for many positive changes in the health care industry: greater protection of patient privacy rights, potential for reduced claims processing costs, faster claims payment turnaround and more accurate clinical reporting through wide-spread use of standard code sets. The costs for achieving these benefits include significant retraining of staff, major software investments by payer and practice management software organizations and the disruption and effort that always accompany major change in the health care industry.



Preferred Vendor Program Update

The Cardinal Group Responds Quickly to Safety Hazard

One of our preferred vendors, The Cardinal Group, Inc., recently provided emergency response services for one of the Lehigh Valley's premiere medical facilities that had experienced a potentially disastrous malfunction in its medical waste treatment processing unit.

Late on a Friday evening, the facility's waste treatment unit went down and waste that would normally be processed was put in storage areas. When the facility's primary medical waste services vendor did not respond to calls, the facility called The Cardinal Group's emergency number and received a response in just 10 minutes. The experts at The Cardinal Group assessed the situation, implemented a plan of action and avoided a potential health and safety hazard.

Valley Preferred is pleased to present this success story to our members to illustrate that when you call on companies that are represented in the Preferred Vendor Program, you can be assured of receiving the very best service. We're proud to bring value to your membership and we thank you for your continued participation in the Preferred Vendor Program.

The Cardinal Group's new phone number is 484-945-0575 and new address is 828 N. Hanover Street, Pottstown, PA 19464-4253.

Eastern Secured Data (ESD), an off-site record storage facility that has been a preferred vendor since Valley Preferred's inception, helps practices of all sizes throughout eastern Pennsylvania deal with records management. In fact, half the hospitals in the Valley Preferred provider network store records in the ESD warehouse.

ESD can help you economize on your storage and destruction expenses while still maintaining your records in a safe environment. The company makes it easy to retrieve files, conform to regulatory law and track files all the way down to an individual patient. Routine retrievals generally arrive within 24 hours. ESD also offers stat, after hour, fax and e-mail service.

ESD is HIPAA compliant and can help you enforce the new privacy rules with certified document destruction. You can either have the shredding service performed on-site or save money and have it picked up and destroyed at the record center. In addition to paper, the company can destroy packaging, microfilm, videos, computer tapes, etc. You can arrange service either on a schedule or as needed. ESD offers attractive collection containers that blend with your office. The service is economical and includes certificates of destruction.

Contact: Matthew Fay, Account Executive, One Pump Place, Allentown, PA 18102, 610-776-6300



About Our Staff

Selicia Chronister has been promoted to senior sales executive. She will provide oversight for all Valley Preferred sales activity, assist account executives in reaching their sales goals, and assist with product development and payer relationships.

Pamela Nederostek has joined Valley Preferred as a provider relations representative and will be responsible for recruiting, retaining and communicating with providers, and monitoring provider access to members. Previously, Pam served as a financial coordinator, and also has extensive insurance background.

LVPHO Contractual Lives

The LVPHO has approximately 180,334 covered lives through Valley Preferred and Capital Advantage Insurance Company:

Valley Preferred: As of February 1, 2003 Valley Preferred was serving 3,585 clients including 2,360 businesses, 1,213 individuals and 12 seniors, providing care for a total of 114,807 members.

CAIC: Currently, there are 65,527 covered lives through the LVPHO contract with Capital Advantage Insurance Company lives.

Valley Preferred Reaches 100,000 Members

Fueled by our new contract with UnitedHealthcare and significant growth in individual insurance, Valley Preferred has passed the 100,000-member milestone, reaching nearly 115,000 members by February 1. A special celebration will be held April 3, 2003, 11 a.m.-2 p.m. in Classroom 1 at Lehigh Valley Hospital-Cedar Crest & I-78.

Valley Preferred News is a publication designed to provide news to members of the Valley Preferred Network. Members are invited to submit items of interest or provide feedback on anything that appears in Valley Preferred News.

Write to Tina Werkheiser, at Valley Preferred News, Lehigh Valley Physician Hospital Organization, Inc., 2166 S. 12th Street, Suite 401, Allentown, PA 18103-4799, e-mail tina.werkheiser@lvh.com, or call 610-402-7485; fax 610-402-7439.

New Valley Preferred Physician Members

Anesthesiology

Teimouraz V. Vassilidze, M.D.

Cardiology

Mehdi Razavi, M.D.

Family Practice

Lisa J. Caffrey, D.O.

Jennifer A. Derr, D.O.

Jennifer L. Dupre, D.O.

William J. Liaw, D.O.

Robin B. Skrine, M.D.

Eliot L. Friedman, M.D.

Internal Medicine

Ludmila M. Kissi, M.D.

Judith A. McDonald, M.D.

Orthopedic Surgery

Wei-Shen W. Lin, M.D.

Psychiatry

Nick Garg, M.D.

Valley Preferred has initiated a direct mail campaign to encourage clients to use the Valley Preferred web site to find provider information, updates on Valley Preferred seminars and other information. The site receives about 60,000 hits per month.



Just a reminder that physicians and practice staff can access Valley Preferred at

www.valleypreferred.com

also visit these sites...

www.preferredcap.org • www.spectrumadministrators.com

Lehigh Valley Physician Hospital Organization, Inc. **610-402-7485 • FAX: 610-402-7439**

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