



**The Education Committee of the
National Federation of Municipal Analysts**

**ADVANCED SEMINAR
on
HEALTH CARE**

**January 15 & 16, 2009
Disney's Grand Floridian
Orlando, Florida**

PROGRAM

Thursday, January 15

7:30-8:00 a.m. ***Registration and Continental Breakfast***

8:00-8:15 a.m. ***Opening Remarks***
Joseph Rosenblum, AllianceBernstein, Seminar Chairman

8:15-9:30 a.m. ***Washington Update***
With a new President and change in management at the Centers for Medicaid and Medicare Services, we are likely to see new initiatives. But the budget deficit remains a challenge. This panel will try to give us a sense of what we are likely to see coming out of Washington.

Speaker: Richard L. Clarke, DHA, FHFMA, President/CFO, Healthcare Financial Management Association (HFMA)

9:30 – 9:45 a.m. ***Break***

9:45 – 11:00 a.m. ***Accounting Changes***
New FASB rules covering pensions and OPEB and dealing with valuation and treatment of investments and earnings have changed the financial data we deal with. This session will try to help us better understand the accounting changes and what they mean.

Moderator: Rob Yolland, SVP, Franklin Templeton

Panelists: Jeffrey D. Mechanick, Project Manager, Not-for-Profit Organizations, Financial Accounting Standards Board; Sherman A. Myers, Director, Financial Reporting Analysis, Standard & Poor's Credit Market Services

- 11:00—11:15 am **Break**
- 11:15–12:30 pm **Turnaround Case Study**
Though not frequent, most analysts end up with some seriously deteriorating credit situations. There is always something to be learned from each. Representatives of Marquette (MI) General Hospital will describe the circumstances which led to the organization's financial decline, the decision by the governing board that aggressive action was needed, the steps taken by MGH, assisted by consultants from Wellspring Partners, to improve its financial condition, and the progress made by the organization thus far.
- Moderator: Shelley Aronson, First River Advisory L.L.C.*
Panelists: Tim Larson, Board Chairman, MGH; Gary Muller, CEO, MGH; Jerry Worden, CFO, MGH; Jay Alfirevic, Managing Director, Wellspring
- 12:30-2:15 p.m. **Luncheon Speaker – Holly Benson, Secretary, Florida Agency for Health Care**
- 2:15- 3:15 p.m. **IRS: A New ERA of Non-Profit Oversight**
The Internal Revenue Service has recently created a very significant new system of mandated self-compliance and self-reporting for non-profits, including hospitals. This represents a major policy shift by the IRS, which should result in more compliance activity by borrowers, more transparency and disclosure by borrowers, and possible fertile grounds for increased IRS audits of borrowers. This session will focus on what these new reporting requirements are, what borrowers need to be doing now to be compliant, and what analysts need to know about the implications of these new rules, both in terms of potential risks associated with borrowers flagging potential tax problems and opportunities for increased access to disclosure concerning the status of outstanding tax exempt obligations through this new IRS reporting system.
- Moderator: Jeremy Spector, Partner, Mintz Levin*
Panelists: Clifford J. Gannett, National Director, Tax-Exempt Bonds, Internal Revenue Service; Debra Sloan, Assistant Deputy Treasurer, Capital Markets, Partners HealthCare System
- 3:15-3:30 p.m. **Break**
- 3:30-4:45 p.m. **The VRDO Crisis: "...In the Unlikely Event of a Failed Remarketing..."**
The current turmoil in the short-term municipal debt market has driven up interest rates, exposed borrowers to term-out risk, and delayed needed borrowing. This session will provide an overview of variable rate financing with an emphasis on analytical approaches for assessing the

situation's short-term and long-term effects on hospital creditworthiness, as well as present evolving views on the optimal mix of variable- and fixed-rate debt.

Moderator: *Jeff Schaub, Senior Director/Sector Head Healthcare Ratings Group, Fitch Ratings*

Panelists: *Martin Arrick, Managing Director, Non-Profit Healthcare Ratings, Standard & Poor's; Lisa Goldstein, Senior Vice President/Team Leader, Healthcare Ratings, Moody's Investors Service; Grant Ostlund, Managing Director, Ponder & Co.*

5:00-6:00 p.m. ***Cocktail Reception sponsored by FTI Healthcare***

6:00 p.m. ***Dinner with Assured Guaranty (RSVPs were requested)***

Friday, January 16

8:00-8:30 a.m. ***Continental Breakfast***

8:30-9:45 a.m. ***Understanding the Technical Side of the Revenue Cycle***

For the analyst, the revenue cycle is recognized as a critical process to financial well being. It is also one that all too often ends up being less than optimally managed and contributes to financial problems. This presentation, relying on the experience of program administrators, will provide a more detailed overview of all the major steps that have to occur correctly in order to achieve sound financial outcomes from the revenue cycle. In addition, the presentation will highlight key differences and impacts for the different types of patients that come to the hospital including caring for those that have no insurance. The audience will leave with a better understanding of the complexities and dynamics of the revenue cycle, an appreciation for the management challenges, and the discipline required to achieve strong financial outcomes.

Moderator: *Joe Rothman, Vanguard*

Panelists: *William Robinson, SVP/CFO, Shands Healthcare; Iain Briggs, FTI Healthcare; Tim Reiner, Senior Revenue Officer and Lewis Seifert, Senior Vice President, Adventist/Florida Hospital*

9:45-10:00 a.m. ***Break***

10:00 – 11:30 a.m. ***Accounts Receivable: Getting Our Hands Around the Number***

More cases of audited accounts receivable line items needing to be adjusted and revenues restated. Given the frequency of this happening, how much confidence can an analyst have in what appears on the balance sheet? This panel will discuss factors leading to accounts receivable over-statements,

why adjustments occur, and tips for how to critically analyze this important line item in every hospital balance sheet.

Moderator: Ann-Ellen Hornidge, Mintz Levin

Panelists: Janice James, Managing Director, Hank Wells, Consultant, James Martin, M.D., Managing Director and John Hutchens, Managing Director, Wellspring/Huron

11:30 a.m. ***Seminar Adjourns***

The views expressed at the Advanced Seminar are those of the speakers alone and do not necessarily represent those of the National Federation of Municipal Analysts.

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