



HOSPITAL REGULATORY AGENCIES Scenario

Scenario

A local hospital, which serves a population of approximately 250,000 citizens, has 400 beds for various levels of patient acuity, along with an emergency room, testing labs, operating rooms, and the usual ancillary services for a typical hospital of this size. The hospital administrator has met with the hospital's Vice President of Human Resources regarding some concerns regarding the recent Patient Protection and Affordable Care Act (ACA) and its impact on the hospital.

The Vice President of Human Resources has briefed you on the employee-related provisions of the new law. Although there are very few provisions that require the hospital to make significant changes to policies and procedures, there is a concern about the number of agencies that now have an added emphasis on the hospital providing high quality health care to the patients.

Vice President of Human Resources has also provided some additional information regarding how the Department of Health and Human Services, Medicare, and Medicaid have increased their oversight of all hospital operations, especially regarding the receipt of all due reimbursements. In fact, the hospital is now required to demonstrate, qualitatively and quantitatively, that the hospital is spending at least 80% of all reimbursements on patient treatments, etc., with the remaining 20% accounted for by administrative costs and profits, if any. In addition, the hospital must show it is increasing the quality of patient outcomes, along with demonstrating cost containment measures.

Considering the evolvement of the new government regulatory agency requirements for the hospital, the hospital administrator has decided to add the new role of Vice President of Risk Management to the Vice President of Human Resources' existing job title and responsibilities.

As a result of this change, the Vice President of Human Resources now has to consider the following questions:

Questions:

1. How does the Vice President of Human Resources stay abreast of current and future government agency rulings that affect the hospital?
2. How are the medical coding and billing functions affected? What training and development are needed?
3. How and where does the Vice President of Human Resources find methodologies for remaining in compliance with the agencies?
4. Why did the hospital administrator choose the Vice President of Human Resources to perform these new duties? Why not the Vice President of Accounting?