



seminar announcement

HEALTHCARE ORGANIZATIONS AND THEIR MEDICAL GROUPS & PHYSICIANS: COMPETITORS OR COLLABORATORS? WHY COLLABORATION IS GOOD BUSINESS AND MUTUALLY BENEFICIAL.

PRESENTED BY:
The Medical Groups & Physicians Committee
First Illinois Chapter HFMA

February 19, 2004
The Law Firm of
Gardner Carton & Douglas
37th Floor, Conference Room A
191 N. Wacker Drive,
Chicago, Illinois 60606

meeting specifics

Date:
February 19, 2004

Location:
The Law Firm of Gardner
Carton & Douglas
191 N. Wacker Drive
Chicago, Illinois
60606-1698
Ph: 312-569-1000

For More Information:
Katherine Lenhart:
847-227-2279

Presented By:
The Medical Groups &
Physicians Committee,
The First Illinois Chapter
HFMA

Registration Fee:
HFMA Members \$125.00
Non-members \$175.00

For a pdf file of program:
www.firstillinoisfma.org

HEALTHCARE ORGANIZATIONS AND THEIR MEDICAL GROUPS & PHYSICIANS: COMPETITORS OR COLLABORATORS? WHY COLLABORATION IS GOOD BUSINESS AND MUTUALLY BENEFICIAL.

overview

Your "arms race" may not be the health system down the road but *your own physicians, your own medical staff* as they continue to explore physician owned entities. Amongst the chief reasons for this include: continued erosion to physician reimbursement, the exponential rise of medical malpractice premiums (Illinois is a "crisis state") and their dissatisfaction with most forms of employment. Today's program will illustrate through various case studies why it is good business to collaborate with your physicians and why in doing so, both parties have more to gain than lose through collaboration.

Hospitals are facing a growing struggle to access capital which is creating a number of serious challenges for providers to support growth. Today's program will deal with how organizations are dealing with these issues as we provide issues updates and case studies. **BE THE FIRST TO: Consider what the ramifications are for your organization as we present the 1st part of the 6 part HFMA/PWC LLP study, *How are Hospitals Financing the Future? Access to Capital in Healthcare Today.* Learn whether it may be strategically advantageous to consider leveraging your medical office buildings--*hear why* Catholic West Health System (41 hospitals in 3 states) sold 25 medical office buildings and how it enhanced their financial and strategic growth plans. **Gain a better understanding** of what the Federal Trade Commission considers to be anti-competitive behavior and how to prevent becoming a target of an investigation. **Learn about** the Conduit Issues Authority, effective Jan. 1, 2004 and how it will affect your access to the tax-exempt capital market in Illinois. **Get updated** on legal issues of merger & acquisition and valuation issues and corporate governance issues that affect financial managers. **Get an impact analysis** of Medicare Reforms on your organization and certain of your specialty care physicians. **Obtain an update** on medical malpractice issues nationally and locally. **Learn** what some organizations are doing to help their physicians deal with the exponential rise in medical malpractice insurance premiums. **Consider** the strategic use of insurance captives and Hospital Sponsored Physician programs being used to help deal with rising medical malpractice premiums in Cook County. **Finally, learn how to avoid** divisiveness and preserve physician good-will by structuring physician practice acquisitions at the onset to include divestiture terms when arrangements no longer are suitable to either or both parties.**

The First Illinois Chapter thanks our Sponsors for their generous support to the Chapter:

Platinum Sponsors:

RSM McGladrey and McGladrey & Pullen, LLP

Gold Sponsors:

Nebo Systems, Inc. • Healthcare Financial Resources, Inc. • CSI Staff

Silver Sponsors:

Zimmerman & Associates • Deloitte

Bronze Sponsors:

Pellettieri & Associates, P.C. • OSI Support Services, Inc.
Financial Resources Initiatives, Inc. • Van Ru Credit Corporation
Tri-County Accounts Bureau, Inc. • United Collection Bureau, Inc.
Ventrone, LTD. • Argent Healthcare Financial Services • H & R Accounts, Inc.

agenda

- 8:30am-8:35am** **WELCOME-ELAINE S. SCHEYE, CHAIR, MEDICAL GROUPS & PHYSICIANS COMMITTEE, FIRST ILLINOIS HFMA**
- 8:35am-9:30am** **HOW ARE HOSPITALS FINANCING THE FUTURE? ACCESS TO CAPITAL IN HEALTHCARE TODAY-THE 1ST PART OF A SIX PART HFMA/PWC LLP STUDY--**The findings and implications for healthcare organizations seeking to access capital will be discussed. Both of our speakers worked on this study. Ann Filiault, Director, Pricewaterhousecoopers LLP, New York, New York, Scott James, Cain Brothers, New York, New York
- 9:30am-10:30am** **LEVERAGING YOUR MEDICAL OFFICE BUILDINGS FOR STRATEGIC AND FINANCIAL BENEFIT.** MOB ownership models and options, existing and new benefits and challenges will be discussed. Catholic Healthcare West (41 hospitals in 3 states) recently sold 25 MOB. Learn why they employed this strategy and how it helped them achieved their long-term objectives. Transaction process, transition issues such as control and competition, tenant satisfaction, lease rate and Fair Market Value issues will be discussed. Jim Moloney, Sr. V.P., Cain Brothers, San Francisco, CA, Sydney Scarborough, Executive Vice President, Lillibridge Health Trust, Chicago, IL.
- 10:30am-10:40am** **BREAK**
- 10:40am-12:10pm** **SPECIALTY CARE HOSPITALS-THEIR GROWTH-TREATS THEY POSE TO FULL SERVICE COMMUNITY HOSPITALS-ARE THE THREATS REAL?** PANEL MODERATOR: Jim Unland, Editor, Journal of Health Care Finance and President, The Health Capital Group, Chicago, Illinois; RATING AGENCY: Adam Kaplan, FitchRatings, New York, New York; INVESTMENT BANKER: Jim Moloney, Cain Brothers, San Francisco, California; PHYSICIAN: Mark Goodwin, M.D., Midwest Heart Institute, Naperville, Ill.; PROVIDER: William Devoney, Edward Health System, Naperville, Illinois
- 12:10pm-1:00pm** **LUNCH -- WE GRATEFULLY ACKNOWLEDGE THE PARTIAL UNDERWRITING SUPPORT OF TODAY'S LUNCH BY LILLIBRIDGE HEALTH TRUST AND MARSH USA, CHICAGO OFFICE.**
- 1:00pm-1:45pm** **COMPETITION IN HEALTH CARE: DEVELOPMENTS AT THE FTC.** Jeffery Brennan, J.D. will discuss recent Commission law enforcement actions concerning price-fixing and other anticompetitive practices by physicians and hospitals -- sometimes in conjunction with non-physician agents or messengers -- in contracting with health plans and other payers. Representative Commission cases include the Maine Health Alliance, South Georgia Health Partners, and Physician Network Consulting consent orders. Jeffery Brennan, J.D., FTC, Assistant Director, Healthcare Division, Washington, D.C.
- 1:45pm-2:45pm** **THE CONDUIT ISSUES AUTHORITY AND MERGER & ACQUISITION AND CORPORATE GOVERNANCE ISSUES UPDATE.** With the consolidation of the Illinois Health Facilities Authority and several other conduit issuers into the new Illinois Finance Authority, effective January 1, 2004, health care providers in Illinois will be subject to new rules and procedures, some not particularly favorable, in order to access the tax exempt capital market. An update of recent merger & acquisition and valuation issues and corporate governance issues that affect financial managers. Steve Kite, J.D. Partner, Gardner Carton & Douglas, Chicago, Illinois; Mike Peregrine, J.D., Partner, Gardner Carton & Douglas, CHICAGO, ILLINOIS
- 2:45pm-2:55pm** **BREAK**
- 2:55pm-4:15pm** **UPDATE & PHYSICIAN IMPACT ANALYSIS OF THE MEDICARE PRESCRIPTION DRUG, IMPROVEMENT, AND MODERNIZATION ACT OF 2003 AND MEDICAL MALPRACTICE UPDATE.** Ms. Simpkin will provide us with an update of the 2004 Medicare Fee Schedule and an impact analysis of how it will affect your organization and certain physician specialties reimbursement and practice expenses. Ms. Meidl will discuss the state of the Medical Malpractice Marketplace providing a National View and that of Cook and Collar Counties, Strategic Use of Captives, Hospital Sponsored Physician Programs, Goals, Critical Elements, Structures, Other Considerations. Elizabeth Simpkin, President, The Lowell Group, Chicago, Illinois and Hollis Meidl, Healthcare Practice Leader for Marsh USA in Chicago USA, Chicago, Illinois
- 4:15pm-5:00pm** **PHYSICIAN PRACTICE DIVESTITURES-STRUCTURING DEALS TO ACCOMMODATE MARKET CHANGES.** Trying to divest certain non-performing physician practices but don't want to risk incurring ill-will in the process. Learn how to structure transactions at the onset of a practice acquisition that includes divestiture provisions to help retain physician good will and prevent divisiveness between your organization and physicians. Louis Glaser, J.D. Partner, Chair, Health Law Practice, Gardner Carton & Douglas, Chicago, Illinois

meeting location

Location:

The Law Firm of Gardner Carton & Douglas, 37TH Floor, Conference Room A 191 N. Wacker Drive, Chicago, Illinois 60606



speakers

BRENNAN, JEFFREY, J.D., Assistant Director, Federal Trade Commission's Bureau of Competition is in charge of the Bureau's Health Care Services and Products Division, which is responsible for antitrust law enforcement to redress anticompetitive conduct and mergers in health care markets. Industries within the Division's jurisdiction include pharmaceuticals, hospitals, physicians and other health care professions, and health insurance, among others. Mr. Brennan received his J.D. in 1985 from Georgetown University Law Center He is a former trial attorney in the FTC's Bureau of Competition.

DEVONEY, WILLIAM, Jr., CPA, Sr. V.P. & CFO, Edward Health System, Naperville, Illinois joined the staff of the Edward Health Services Corporation in 1990. He holds a B.S. in Accounting from John Carroll University, Cleveland, Ohio and an M.B.A. from DePaul University, Chicago, Illinois, and is a Certified Public Accountant. Mr. Devoney is a member of the American Institute of Certified Public Accountants, the Illinois Certified Public Accountants Society, the American College of Healthcare Executives, and holds a fellowship in the Healthcare Financial Management Association.

FILIAULT, ANN, Director, Healthcare Consulting Practice, PWC LLP, New York City is responsible for the financial and strategic analysis in the New York metro regions, as well as the coordination of resources, client liaison, and day-to-day management of individual health care engagements providing financial and market consulting services to health care systems, hospitals, physician groups, etc. across New York and New Jersey. Highlights of Ann's recent experiences includes research on capital access for hospitals as lead researcher, culminating in the publication of six journal articles.

GLASER, LOUIS, J.D., Partner, Chair, Health Law Practice, Gardner Carton & Douglas, Chicago, Illinois. He concentrates his practice in the areas of health industry joint ventures; mergers and acquisitions; integrated delivery systems; federal taxation of exempt organizations; Medicare and Medicaid anti-fraud and abuse and other regulatory compliance; managed care; and other general corporate issues.

GOODWIN, MARK, MD, has been Medical Director of the Catheterization Lab at Edward Hospital and Edward Cardiovascular Institute since 1990. He is co-developer and on the Board of Directors of the Edward Cardiovascular Institute, the first licensed Illinois outpatient cardiac Cath Lab. In his clinical practice, he is executive vice president of Midwest Heart Specialists, a premiere 50-person cardiology practice.

JAMES, SCOTT, Cain Brothers, New York, New York, is Senior Vice President, has been with Cain Brothers since 1996. Over the past ten years Mr. James has been the senior banker on over 50 hospital and long term care transactions totaling over \$1 Billion. This experience includes work for a wide variety of health care. Mr. James received a BS in Business Administration with a major in Finance from the State University of New York at Albany in 1982.

KAPLAN, ADAM joined the Health Care and Higher Education Group at FitchRatings in 2001. Adam is responsible for researching, analyzing, and rating acute care hospitals, multi-site hospital systems, continuing care retirement communities, colleges and universities, and other not-for-profit entities. Adam has an MA in Business Administration with a concentration in International Business. He is a member of the Healthcare Financial Management Association.

KITE, STEVEN, J.D., Partner, Gardner Carton & Douglas LLP, Chicago, Illinois and serves as vice chair of the firm's Health Law Department and Chair of the tax exempt finance practice group. His practice is concentrated in tax exempt financing and includes serving as bond counsel, underwriter's counsel, borrower's counsel and as counsel to creditor and liquidity providers. He has participated in more than 400 bond financings aggregate approximately \$13 billion. His practice focuses primarily on acute care hospitals and senior living facilities throughout the country. His undergraduate degree is from the University of Illinois (Urbana) where I was Phi Beta Kappa and his law degree is from Harvard Law School.

MOLONEY, JIM, Sr. V.P., joined Cain Brothers in 1995 and has been focused exclusively on investment banking experience to the health care industry since 1990. Mr. Moloney assists clients on a variety of mergers and acquisitions, real estate financings and divestitures, bond financings and capital planning engagements. Recently, Mr. Moloney has been advising several health care systems on the divestiture of portfolios of medical office buildings. Other engagements while with Cain Brothers include advising clients on hospital sales and joint ventures with not-for-profit and investor owned acquirors and capital planning analyses for health care systems.

MEIDL, HOLLY the Healthcare Practice Leader for Marsh USA in Chicago. In this capacity, she is responsible for the service oversight of many of the top healthcare institutions in Illinois. Holly assisted Alexian Brothers Health System with their captive-based program for non-employed physicians in Cook County. Holly holds a Masters in Finance and Corporate Banking from Golden Gate University in San Francisco.

PEREGRINE, MICHAEL, J.D. is a Partner in the Chicago office of Gardner Carton & Douglas and a member of the Firm's Health Law Department. Mr. Peregrine concentrates his practice in the representation of nonprofit health care facilities and systems and other charitable organizations, with particular focus on the representation of nonprofit health care corporations and other charitable organizations in connection with the organization and operation of health care systems, including related governance issues and parent/subsidiary relationships. Mr. Peregrine was cited by The National Law Journal as one of the "40 Health Care Lawyers Who Have Made Their Mark. He was named as one of the "Outstanding Healthcare Transactional Lawyers - 2003" by Nightingale's Healthcare News, and as among the "Best Lawyers in America 2003" in the specialty of health law

SCARBOROUGH, SYDNEY, Executive Vice President, Lillibridge Health Real Estate Trust, Chicago, Illinois, is responsible for business development and client relationships at Lillibridge Healthcare Real Estate Trust. She joined Lillibridge in 1997. She earned her MBA from the University of Pittsburgh and is a National Speaker for the ACHE, HFMA, and an Instructor in the Office of Executive Education at Harvard University.

SIMPKIN, ELIZABETH is President and a founder of The Lowell Group, Inc., Chicago, Illinois, that provides expert managed care strategy and performance improvement assistance to physician organizations, hospitals, integrated delivery systems, health plans, and managed care organizations. Ms. Simpkin has particular expertise in strategic planning, development, and business operations for provider organizations that includes physician reimbursement strategy, including design of incentive mechanisms and fee schedule development and implementation for variety of IPA, MSO and health plan clients She has a Master's degree in Healthcare Economics from Arizona State University.

UNLAND, JAMES is the President of The Health Capital Group, a firm that provides specialized transactional and compliance consulting to health care providers. In addition, since 1992 he has served as Editor of the Journal of Health Care Finance.

registration form

Please make _____ reservation(s) for the seminar and luncheon on Thursday, February 19, 2004.

Name	Title	HFMA Member
_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No

- HFMA Member (\$125)**
- Non-Member (\$175)**

Company _____
 Street _____
 City/State/Zip _____
 Phone _____

Participants earn 6 Continuing Professional Education (CPE) credit hours. Registration for CPE credit should be made when checking in at the program.

Cancellations must be made 72 hours in advance for refund.

Completed Registration Forms Should Be mailed to: Katherine Lenhart
 DNL Health Care Services, Inc.
 2350 E. Devon Ave., Ste 203
 Des Plaines, IL 60018
or faxed to: 847-227-2200

Method of Payment
 Check (made payable to First Illinois Chapter HFMA)
 VISA MasterCard
 Card # _____
 Expiration date _____
 Name as shown on card _____
 Signature _____

For information regarding registration, please call Katherine Lenhart at (847) 227-2279. Note: No registration confirmation will be sent prior to seminar.