

# THE REVIEW

Winter 2009

## PHARMACOGENETICS — THE NEXT STEP IN BEHAVIORAL HEALTHCARE



In the United States, 78 million people, about 26% of the population, have a Neuro-psychiatric condition consisting of anxiety, mood, impulse control, or substance disorder according to the National Comorbidity Survey and Kessler et al.

Those seeking treatment have varying reactions to drug therapy because of differing

lifestyle factors, levels of adherence to medical regimens and their specific genetic makeup and how their body metabolizes medications.

According to The Journal of the American Medical Association, these uncontrollable factors contribute to approximately 2.2 million serious adverse drug reactions per year and more than 100,000 deaths.

The economic impact to healthcare systems for adverse drug reaction morbidity and mortality totaled more than \$177 billion in 2000 according to the Ernst et al., cost-of-illness model.

### Why Pharmacogenetic Testing

If physicians could unlock genetic differences hidden in human DNA, they could make better medication choices for each individual patient. Pharmacogenetic testing could drastically help lower the morbidity and mortality rate from adverse drug reactions and lessen the financial burden on healthcare systems. If individual patients received the right drug at the right dose, side effects would be reduced or eliminated and patient hospitalization and inpatient stays would decrease.

Diamond Healthcare Corporation is excited to be part of this revolutionary technology. As a strategic business partner with AssureRx, LLC, a personalized

medicine company, Diamond will help bring this technology to the behavioral healthcare marketplace.

### How Pharmacogenetic Testing Works

The diagnostic test enables the clinician of a patient with a Neuro-psychiatric condition to send the patient's DNA to an AssureRx lab. At the lab it is analyzed, set in an algorithm and translated into a report. The clinician receives a report within 48 hours that is easy to read and helps the clinician select the right drug at the right dose, drastically reducing the trial and error period.

### Who is AssureRx

AssureRx, LLC, is a personalized medicine company dedicated to helping physicians determine the right drug at the right dose for individual patients suffering from a range of medical conditions. The company was founded in June 2006 to license and commercialize the industry-leading personalized medicine technology of Cincinnati Children's Hospital and the Mayo Clinic. The proprietary technology is based on pharmacogenetics – the study of the genetic factors that influence an individual's response to drug treatments – as well as evidence-based medicine and clinical pharmacology.

AssureRx

Right Drug. Right Dose. Right Now.

DIAMOND MEANS QUALITY.

ALWAYS DO THE RIGHT THING • KEEP ALL COMMITMENTS • CO  
TAKE RESPONSIBILITY FOR YOUR ACTIONS • ESTABLISH PROFESSION

## VHA SELECTS DIAMOND AS SERVICE PARTNER

VHA, Inc. has signed an agreement with Diamond to provide behavioral healthcare services for VHA members. VHA serves 1,400 not-for-profit hospitals and more than 21,000 non-acute care healthcare organizations nationwide.

VHA's primary goal is to help its members become the nation's best performers. The company achieves this by providing a platform that brings members together to network and collaborate to identify solutions to common challenges.

"Being selected as a contracted provider for VHA is a great compliment to Diamond. While we work with numerous individual VHA member hospitals, we are excited to now be able to create new opportunities to benefit from our services for the entire VHA membership group and to help them meet the needs of their communities," said James Free, Executive Director for Business Development. "Diamond looks forward to helping these hospitals and healthcare organizations become the nation's best providers of behavioral health services."

"Diamond will provide our members with resources that will help patients and their families," said Amy Anthony, Senior Vice President of Supply Chain Services, at VHA. "By adding Diamond to our services portfolio, we're giving member hospitals an outsourcing option that can meet an important patient need."

**About VHA Inc.** - Based in Irving, Texas, VHA is a national alliance of leading not-for-profit health care organizations that work together to improve the health of the communities they serve. VHA delivers industry-leading supply chain management services and enables regional and national member networks to improve clinical and operational performance, and drive sustainable results.

## A MESSAGE FROM JACK BEHNKE, EXECUTIVE VICE PRESIDENT FOR STRATEGIC GROWTH



**NEW INITIATIVES - NEW CONCEPTS - NEW PEOPLE...** all were presented at Diamond's Annual Conference in Richmond, VA in October. The annual conference brings together new and seasoned employees and colleagues from 29 states to learn and share

knowledge and ideas.

The Art of Communication in the Information Age was the conference theme and focused on the flow of communications among Diamond employees, our hospitals and the communities we serve. It seemed every session had great new ideas on better patient care, new ways to share the story of behavioral health with the community, and tools to aid our employees in understanding the complex world of compliance, documentation, and personnel management.

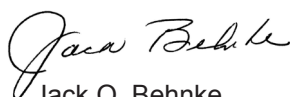
The company's progress report on our new behavioral health pavilions, growth of our management business and the introduction of the AssureRx service line were all very promising.

Mark Byrne, CEO of AssureRx, created company-wide excitement over the announcement of Diamond's initiative with AssureRx and the rollout of pharmacogenetics to the behavioral healthcare marketplace. AssureRx is a personalized medicine company dedicated to helping physicians determine the right drug at the right dose for individual patients suffering from a range of medical conditions.

It is my hope that our clients, employees and the rest of the behavioral health community hear the AssureRx story and utilize this advanced technology to help behavioral health patients eliminate the trial and error period of drug treatment.

To the more than 50 new employees who attended the meeting, "WELCOME"! Your energy, ideas, and dedication to superb patient care are the elements we need to continue to grow in 2009 and beyond.

**NEW SERVICES - NEW IDEAS - NEW ENERGY.** As the Executive Vice President for Strategic Growth, my vision for our future is bright, both as a company and as a partner with our clients in the 29 states served by Diamond.



Jack O. Behnke  
Executive Vice President for Strategic Growth

## ACCOLADES

### SENTARA OPENS NEW SENIOR OUTPATIENT BEHAVIORAL HEALTH PROGRAM

Sentara of Williamsburg, VA has partnered with Diamond to introduce a new medically supervised outpatient program to meet the individual needs of the older adult community who require behavioral health support. The focus of the Senior Outpatient Behavioral Health Program is to enhance the patient's skills and resources to foster independence, self-confidence and self-reliance.

"Our program is able to offer quick access to mental health services for seniors who might otherwise be suffering needlessly," says Michael Verano, Sentara's Senior Outpatient Behavior Health Program Director. "One of our goals is to use the intensity of our services to decrease the need for inpatient hospitalizations thereby allowing our clients to continue to live in their home environments."

### ACHIEVEMENTS: HOLMAN, LOEBS, MANEJWALA

Tom Holman M.A., Director of Behavioral Health Programs at Natchez Regional Medical Center, was nominated by the Mississippi Chapter of the NAMI (National Alliance of Mental Illness) as a "Hero" in Eli Lilly and Company's "Heroes in the Fight Program". The program celebrates dignity, courage, hope and recovery in the ongoing treatment of people with severe and persistent mental illness. Tom has also been elected to serve on the State Board of Directors for the Mississippi Chapter of the Alzheimer's Association.

Stephanie Loeb, Executive Director of Williamsburg Place and the William J. Farley Center was elected to the National Association of Children of Alcoholics (NACoA) Board of Directors. NACoA advocates for all children and families affected by alcoholism and other drug dependencies.

Omar S. Manejwala, M.D., Associate Medical Director for the Farley Center at Williamsburg Place was recently appointed a fellow with the American Psychiatric Association. Omar, a board-certified psychiatrist, treats individuals with substance use disorders.

### JAMES J. FREE, EXECUTIVE DIRECTOR FOR BUSINESS DEVELOPMENT

Mr. Free has more than 30 years of healthcare industry experience including key leadership positions in hospital



management, consulting organizations, home health and sub-acute hospital organizations. Most recently he served as President of the QHR Consulting Division responsible for consulting, service group purchasing relationships including HealthTrust Purchasing Group and Strategic Service Partners, as well as other key contractual relationships.

He received his Masters of Business Administration from Bryant College in Rhode Island and his Bachelors in Accounting from Stonehill College in Massachusetts.

### DAVID B. ELLIOTT, JR., CORPORATE EXECUTIVE DIRECTOR OF HUMAN RESOURCES



Mr. Elliott possesses over 22 years of leadership experience in the field of human resources, with 17 years specific to healthcare services. The scope of his work has included investor owned and not-for-profit employers; government and state contracts; legal, healthcare delivery and healthcare consulting; and professional office and industrial service environments.

Mr. Elliott received his Masters of Business Administration degree with a concentration in Human Resources Management/Industrial Relations from Virginia Commonwealth University and his Bachelors in Business Administration from Gettysburg College. He holds the certification of Senior Professional in Human Resources (SPHR) from the Society for Human Resources Management.

TO SERVICE • COMMUNICATE & DISCLOSE • HEAR & LISTEN •  
PRODUCTIVE, TAKE PRIDE IN YOUR WORK • BE HAPPY IN WHAT YOU DO

## WELCOME

(7/1/08 - 9/30/08)



**Verona Bowen**  
*Program Director*  
Florida Hospital  
Zephyrhills  
Zephyrhills, FL  
verona.bowen@ahss.org



**Joyce Ruff-Delgado**  
*Program Director*  
Toppenish Community  
Hospital, Toppenish, WA  
Joyce.Delgado@hma.com



**Michael Verano**  
*Program Director*  
Sentara Williamsburg  
Regional Medical Center  
Williamsburg, VA  
mjverano@sentara.com



**Bud Megargee**  
*VP Behavioral Health*  
Bon Secours Richmond  
Richmond, VA  
patterson\_megargee@bshsi.org



**Al Lucas**  
*Vice President Sales  
and Marketing*  
AssureRx, Maineville, OH  
alucas@assurerx.health.com



**Don Wright**  
*Vice President of Operations  
and Technology*  
AssureRx, Maineville, OH  
dwright@assurerx.health.com

Photos not available for:

**Tamara Brown**  
*Program Director*  
Hunt Regional Healthcare  
Commerce, TX  
tbrown@hmd.org

**Colleen Warner, Psy.D.**  
*Program Director*  
Amery Regional Medical Center  
Amery, WI  
ColleenW@amerymedical.com

**Randolph Reed**  
*Program Director*  
Bon Secours Baltimore  
Baltimore, MD  
Randy\_Reed@bshsi.org

**Twila Kay Pickrell-Cox**  
*Program Director*  
Lincoln County Medical Center  
Ruidoso, NM  
tpickrell@phs.org

## EMPLOYEE SELF SERVICE (ESS) PORTAL

The Employee Self Service (ESS) webpage provides access to benefits information, electronic timesheets (Enterprise system), retirement services, and travel services (Axiom), etc. The Diamond Employee section of our website will be changed so there will be one portal for entrance to these services. The ESS portal can be used now. Diamond employees may still access the Enterprise website connection link through January 24, 2009. After that date, all staff will be required to use the ESS portal to access these services. Please contact Cathy Dancy in Human Resources at 1-800-443-9346, if you require assistance with your ESS password.

## GROWTH GAUGE

(as of 9/30/08)

Management and consulting  
contracts: **29 states**

Diamond employees: **654**  
**47** hired since July 1, 2008

## WELCOME NEW HOSPITALS

Amery Regional Medical Center,  
Amery, WI

CoreCare Systems, Inc.  
(The Kirkbride Center)  
Philadelphia, PA

## LOOK FOR US!

### ARTICLES:

From a Place of Fire and Weeping,  
Lessons on Memory, Aging and  
Hope: Marc Agronin, MD, Director of  
Mental Health Services at the Miami  
Jewish Home & Hospital for the Aged.  
View article online at <http://www.nytimes.com/2008/12/23/health/23case.html>  
or link from [www.diamondhealth.com](http://www.diamondhealth.com).

### CONFERENCES:

VHA Supplier Forum:  
February 25-27, Las Vegas, NV

AIAMC 2008 Annual Meeting  
March 26-28, Tucson, AZ

# COMPLIANCE UPDATE

by: Sharon M. Dajon, MHA, CCAM, CHC, Senior Vice President and Corporate Compliance Officer

The Office of Inspector General (OIG) of the Department of Health and Human Services has updated its Work Plan for Fiscal Year 2009. The purpose of the OIG's Work Plan is to provide an overview of their focus for conducting audits and investigations, preventing and detecting fraud and abuse and recommending policies to promote effectiveness and efficiency of the administration of government funded programs. The OIG allocates approximately eighty percent (80%) of its resources to work related to CMS which administers Medicare, Medicaid and the State Children's Health Insurance Program. The 2009 Work Plan includes nine new audit areas for hospitals that demonstrate that the quality of care is a top priority for the OIG.

New areas that are of particular interest to Diamond include:

- Hospital ownership of physician practices
  - Focus on whether hospitals have met the Federal requirement to obtain provider based designation and assess the impact of the increased cost to Medicare as a result of reimbursement under the OPSS for physician services in provider based practices.
- Inpatient psychiatric facility emergency department adjustments
  - Focus on payments made to IPF to determine whether appropriate adjustments were made for facilities that operate emergency departments.
- Reliability of hospital reported quality measure data
  - Focus on hospitals' controls for ensuring accuracy of data related to quality of care that they submit to CMS for Medicare reimbursement.
- Oversight of hospitals' compliance with EMTALA
  - Focus on CMS's oversight of hospital's compliance with EMTALA, specifically regarding long delays to investigate complaints and inadequate feedback provided to hospitals on alleged violations.
- Coding and documentation changes under the Medicare severity DRG system
  - Focus on coding trends and patterns under the new system and determine whether specific MS-DRGs are vulnerable to potential upcoding.
- Serious medical errors (never events)
  - Focus on incidences and payments for serious medical errors, known as "never events" in the Medicare population.

There are several items in the 2009 Work Plan that are from previous years that include:

- Provider based status for inpatient and outpatient facilities
  - Focus on the potential impact on both the Medicare program and its beneficiaries of hospitals improperly claiming provider based status for inpatient and outpatient facilities.

- Interrupted stays at inpatient psychiatric facilities payments
  - Focus on the extent to which coding errors for claims that should have been paid as transfers have resulted in IPFs submitting improper claims under the IPF PPS.
- Provider bad debts
  - Focus on whether the bad debt payments were appropriate under Medicare regulations and whether recoveries of prior year write offs were properly used to reduce the cost of beneficiary services for the period in which the recoveries were made.
- Medicare secondary payer
  - Focus on Medicare payments for beneficiaries who have other insurance.
- Services performed by clinical social workers
  - Focus on Medicare Part A and Part B claims with overlapping dates of services to determine whether services performed by clinical social workers in inpatient facilities were separately billed to Medicare Part B.
- Physician Medicare services performed by non physicians ("incident to")
  - Focus on the qualifications of non physician staff that perform "incident to" services and assess whether the qualifications are consistent with professionally recognized standards of care.

The areas of focus mentioned here are a small part of the OIG's Work Plan for fiscal year 2009. However, it is important that the internal audits of documentation to substantiate the care provided is medically necessary and that the services are coded and billed appropriately and conducted routinely. This will assist in determining what changes are needed and to examine whether the systems in place are effective.

#### BOARD OF DIRECTORS

Thomas F. Hancock III, Esquire, Chairman  
George K. White  
Richard V. Woodard  
James M. Stevenson, M.D.  
Stuart C. Yudofsky, M.D.

#### DIAMOND CORPORATE OFFICERS

George K. White, President  
Jack O. Behnke, Executive VP  
for Strategic Growth  
William A. Carpenter, Senior VP & CFO  
Paul S. Altovilla, Senior VP  
Robert N. Cuyler, Ph.D., Senior VP  
James J. Free, Executive Director for  
Business Development  
David B. Elliott, Jr., MBA, SPHR  
Corporate Executive Director of  
Human Resources

#### OPERATING DIVISION OFFICERS

Richard V. Woodard, Executive VP  
Richard L. Shrum, Senior VP  
Sharon M. Dajon, Senior VP and CCO  
John P. McNaught, Senior VP  
Teresa J. Rauschuber, Senior VP

#### EDITORIAL REVIEW BOARD

Ann Belvin, Richmond  
Cheryle Lapsley, Houston  
Teresa J. Rauschuber, Houston  
Richard V. Woodard, Richmond

*If you have news that you would like to submit for review for the next issue, please contact Jane Odberg at (800) 443-9346 or contact a team member above.*



**DIAMOND WISHES  
OUR EMPLOYEES,  
HOSPITALS & FRIENDS  
A HAPPY NEW YEAR!**

**RICHMOND, VIRGINIA OFFICE: (800) 443-9346**

**HOUSTON, TEXAS OFFICE: (800) 295-6660**



Diamond Healthcare Corporation  
Federal Reserve Bank Building  
Post Office Box 85050  
Richmond, VA 23285-5050