

The Education Committee of the  
National Federation of Municipal Analysts



**ADVANCED SEMINAR  
ON  
HEALTHCARE**

**November 2 – 3, 2006  
Westin Grand  
Washington, D.C.**

**PROGRAM**

**Thursday, November 2**

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

8:00-8:15 a.m.      ***Opening Remarks***  
*Bill Hogan*, Managing Director, Assured Guaranty Healthcare Group, and  
*Mark Stockwell*, Director of Municipal Research, PNC Advisors, NFMA  
Education Co-Chairs

8:15-9:30 a.m.      ***Washington Update***  
This panel will discuss developments in Washington both within the halls  
of Congress and the walls of CMS. The discussion will focus on future  
funding for Medicare including potential changes in payment  
methodologies, wage classifications, the critical access program, federally  
qualified health centers and an update on the Medicaid program. Speakers  
will also cover Medicare's further expansion into managed care and  
progress on Medicare Part D.

Moderator:      *Rob Yolland*, SVP, Franklin Funds

Speakers:      *Lambert van der Walde*, Capital Markets Advisor, CMS, ●  
*Laird Burnett*, VP Government Relations, Kaiser Health System ● *Eric  
Zimmerman*, Partner, McDermott, Will and Emery

9:30-9:45 a.m.      ***Break***

9:45-11:00 a.m.

***Competition From Within***

As healthcare delivery systems change hospitals are facing increasing competitive pressures from their own medical staffs. This panel will explore how changing reimbursement methodologies, new technology and consumer choice are driving hospitals and physicians to compete for service revenue in specialty areas such as cardiology, imaging and outpatient surgery. The discussion will consider the credit implications from this form of competition and examine strategies providers are employing, such as new joint ventures, to maintain their profitability.

Moderator: *Mike Quinn*, Director, Assured Guaranty Healthcare Group

Speakers: *Lisa Goldstein*, SVP, Moody's Healthcare Group • *Lawton Burns*, Professor of Healthcare Systems and Management, Wharton Center for Health Management and Economics • *Dr. Edward Murphy*, CEO, Carilion Health System

11:00-11:15 a.m.

***Break***

11:15 a.m. –  
12:30 p.m.

***Managed Care***

Managed care is a significant source of revenue for most providers but its workings largely remain hidden from hospital bond analysts. On this panel a health care economist will provide an overview of the managed care industry, including a discussion of some recent trends such as plans' ability to realize price discounts and manage care. A senior finance official from a major Texas health system will discuss the interaction between managed care providers and hospitals in the matters of rate negotiation and other matters; he will also highlight some areas of attention for analysts and questions to ask of hospital management.

Moderator: *David Belton*, Director of Municipal Bond Research, Standish Mellon Asset Management

Speakers: *William White*, Professor of Policy Analysis and Director, Sloan Program in Health Administration, Cornell University. • *Tim Kirby*, Senior Vice President, Methodist Health System (Dallas, TX)

12:30-2:00 p.m.

***Luncheon***

2:00-3:15 p.m.

***Understanding DRGs /PPS***

Medicare is usually the primary source of revenues for all hospitals. Payments are made under a Prospective Payment System (PPS) under predetermined rates. These rates in turn are based on Diagnosis Related Groups (DRG) which patients are assigned. This session is designed to go beyond the general understanding of the PPS system and provide a detailed explanation of the payment system components and characteristics.

Moderator: *Joe Rosenblum, AllianceBernstein*

Speaker: *Elizabeth C. McCullough, Content Research and Development Manager for the Clinical and Economic Research Group, 3M Health Information Systems*

3:15-3:30 p.m. ***Break***

3:30-4:45 p.m. ***Replacement Hospitals – A Case Study***

Faced with aging facilities, a growing number of healthcare organizations have decided to replace their existing facilities with brand new hospitals. This session will focus on the business dynamics of the decision to pursue a replacement hospital strategy. The CFO of a large hospital system will discuss two replacement hospital projects in different stages of completion. Using these examples as case studies, the session will explore the factors that can predict success or failure of a replacement hospital project.

Moderator: *Naomi Richman, Senior Vice President, Moody's Investors Service*

Speaker: *Robert Broermann, Chief Financial Officer, Sentara Healthcare*

5:00-7:00 p.m. ***Cocktail Reception Sponsored by Assured Guaranty***

### **Friday, November 3**

8:30-9:00 a.m. ***Continental Breakfast***

9:00-10:15 a.m. ***Legal Concerns with Healthcare Bonds: Is The Patient Getting Better?***

The health care sector has been at the forefront in the evolution of establishing “new and improved” legal provisions. This panel will discuss the emerging trends regarding covenants included in health care bond indentures, and debate if they really benefit bondholders...or just the borrowers.

Moderator: *Chuck Emrich, VP, T. Rowe Price Associates Inc.*

Speakers: *Shelley Aronson, President, First River Advisory • Rich Moche, Partner, Mintz Levin • William Smith, Partner, McDermott Will and Emory*

10:15-10:30 a.m. ***Break***

10:30-11:45 p.m.

***Primary Drivers of Hospital Ratings & Spreads***

This session will debate the major factors that are most likely to impact hospital credit ratings and risk premium spreads going forward. Key rating drivers to be discussed include government reimbursement risk, competition from physicians, quality measurement, consumerism, pay-for-performance, payor consolidation, IRS investigations of not-for-profit status, and large capital plans, among other topics.

Moderator: *Scott Andreson*, Senior Securities Analyst, River Source Investments

Speakers: *Garey Fuqua*, Director, Fitch Ratings • *Jerry Solomon*, Senior Managing Director, Bear Stearns • *Liz Sweeney*, Director, Health Care Ratings, Standard & Poor's Credit Market Services

***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.*

**EDUCATION CO-CHAIRS**

Bill Hogan, Assured Guaranty  
Mark Stockwell, PNC Advisors

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*Sponsorship opportunities are available for this Advanced Seminar as well as the January Advanced Seminar and the 24th Annual Conference. Contact Lisa Good, NFMA Executive Director for more information, [Lgood@nfma.org](mailto:Lgood@nfma.org) / 412-341-4898.*