HEALTHSOUTH.
One HealthSouth Parkway, Birmingham, AL 35243

MEMORANDUM

TO: Bill Horton

FROM: Teresa Sanders

DATE: December 9, 1998

SUBJECT: *Outpatient Audits 1996 - 1998*

Per your request below is a summary of the insurance verification portion of the outpatient audits performed during 1996 and 1997. I have also attached a list of the facilities audited for your reference.

Currently, we a performing audits on 50 outpatient facilities for 1998. We anticipate a December 24, 1998 completion date.

1996 Audits	
Total facilities audited	18
Total patient accounts tested	270
% of accounts without insurance verification sheet in financial file [1]	2.6%
1997 Audits	
Total facilities audited	22
Total patient accounts tested	225
% of accounts without insurance verification sheet in financial file [1]	3.1%
1998 Audits	
Total facilities audited	61
Total patient accounts tested	750
% of accounts without insurance verification sheet in financial file [1]	Results to be determined by 12/24/98

Let me know if you have any questions.

[1] Accounts without verification sheet in file does not indicate the insurance benefits were not verified. This only indicates the sheet was not filed in the financial record. If payment was received on the account, we concluded benefits were verified and the patient was certified for treatment.

MEMO DATED: December 9, 1998
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[redacted]

1996	040108-00	Houston
1996	040052-00	Phoenix
1996	040034-00	Mobile
1996	040105-00	Florence
1996	040141-00	Emerson
1996	040093-00	East Brunswick
1996	040033-00	Santa Rosa
1996	040049-00	San Carlos
1996	040041-00	West Denver
1996	040134-00	St. Louis III
1996	040095-00	St. Louis II
1996	040113-00	Palos Heights
1996	040122-00	Carol Stream
1996	040168-00	Huntington
1996	040173-00	Manhattan
1996	040428-00	Freehold
1996	040451-00	Marawan
1996	040003-00	Birmingham

[redacted]

1997	040128-00	Knoxville
1997	040163-00	Fort Wayne
1997	040041-00	West Denver
1997	040422-00	Wethersfield
1997	040423-00	Meriden/Cloverleaf
1997	040424-00	New Britain
1997	040455-00	Elmwood
1997	040456-00	Glastonbury
1997	040460-00	Meriden/Birchwood
1997	040272-00	Texarkana
1997	040065-01	South Orange
1997	040426-00	Pennsauken
1997	040512-00	Lincoln Center
1997	040196-00	Opelika
1997	040254-01	Woodbury
1997	040420-03	Old Lyme
1997	040083-01	Alpharetta
1997	040037-00	West Palm Beach
1997	040373-00	NW Memorial
1997	040325-00	Plano
1997	040509-00	Harrison
1997	040327-01	Marysville/Arlington

Medical Center Division

	Contractual Adjustments as a % of Gross Revenue			Bad Debt Expense as a % of Non-Medicare and Non-Medicaid Revenue		
	1996	1997	1998	1996	1997	1998
Birmingham	47.54%	46.52%	49.37%	4.19%	3.78%	3.80%
Richmond	41.00%	40.03%	44.04%	16.14%	13.88%	10.31%
Doctors	44.38%	42.80%	48.02%	7.38%	6.94%	7.41%
Larkin	36.14%			5.08%		
Dallas	28.63%	29.18%	35.92%	8.62%	4.27%	5.32%

Inpatient Division

	Contractual Adjustments as a % of Gross Revenue			Bad Debt Expense as a % of Non-Medicare and Non-Medicaid Revenue		
	1996	1997	1998	1996	1997	1998
Florence	41.06%	40.88%	45.85%	1.90%	4.04%	1.22%
Miami/Regional	49.94%	45.08%	53.20%	2.88%	2.79%	4.02%
Albuquerque	38.13%	38.49%	39.79%	5.54%	0.82%	4.53%
Columbia	42.40%	39.31%	45.05%	1.63%	5.81%	1.69%
St Louis	16.87%	17.31%	19.40%	1.99%	1.60%	9.95%
Humble	40.82%	39.93%	46.09%	0.00%	8.23%	3.98%
Oklahoma City	42.17%	41.98%	46.06%	7.99%	3.94%	4.19%
Largo	33.55%	37.05%	42.52%	2.85%	2.20%	2.49%
Fort Worth	22.41%	23.02%	34.91%	3.16%	3.60%	1.15%
Kingsport	44.03%	40.57%	42.91%	2.79%	7.03%	1.76%
Vanderbilt	35.27%	37.74%	41.21%	0.48%	1.79%	-0.36%
Concord	41.19%	35.57%	38.01%	2.59%	4.94%	2.86%
Charleston	33.30%	34.54%	43.46%	2.24%	4.93%	1.60%
Dothan	40.87%	36.01%	38.54%	1.97%	6.45%	3.45%
Memphis	41.62%	48.91%	50.82%	1.24%	2.21%	8.19%
Miami	30.81%	29.06%	41.91%	1.88%	1.68%	2.49%
Sea Pines	47.80%	47.07%	49.04%	3.79%	2.92%	2.30%
Sunrise	41.02%	40.74%	45.56%	2.87%	4.23%	3.24%
Toms River	42.51%	43.04%	45.52%	2.96%	5.19%	1.28%
Mechanicsburg	42.04%	36.79%	37.32%	2.86%	4.25%	1.87%
Mechanisburg Subacute	54.96%	49.78%	48.79%	1.62%	7.48%	1.89%
Lake Erie	49.20%	38.28%	39.93%	3.06%	4.57%	1.63%
Austin	33.40%	32.45%	33.13%	2.43%	3.42%	0.93%
North Houston	27.22%	31.11%	35.25%	1.01%	2.81%	2.56%
Midland/Odessa	40.96%	34.27%	39.26%	3.03%	6.68%	2.31%
Texarkana	40.91%	39.41%	43.28%	2.05%	8.26%	5.20%
Utah	29.30%	24.41%	25.75%	2.55%	5.08%	0.66%
Montgomery	43.69%	37.69%	45.76%	3.27%	4.64%	2.45%
Fort Smith	49.92%	41.82%	44.56%	8.29%	16.22%	8.80%
Tallahassee	26.98%	33.46%	43.68%	4.68%	2.33%	4.84%
Treasure Coast	34.04%	32.59%	41.81%	2.25%	6.62%	6.26%
Sarasota	26.36%	26.41%	34.41%	1.79%	1.87%	2.80%
Nittany Valley	42.22%	38.16%	42.01%	0.12%	2.44%	0.32%
York	37.58%	38.59%	39.15%	2.50%	2.88%	5.17%
Greater Pittsburgh	29.73%	28.93%	35.68%	0.63%	2.41%	2.11%
Altoona	38.22%	36.48%	40.50%	1.46%	5.83%	1.40%
Erie	37.84%			3.27%		
San Antonio	26.03%	24.65%	35.38%	1.24%	2.32%	0.96%
Reading			36.94%			1.48%
Lakeshore	37.07%	36.35%	36.84%	2.02%	1.66%	1.55%
Nashville	7.84%			1.37%		
Kansas City	20.01%	10.86%	32.08%	0.04%	5.24%	4.73%
North Alabama	46.80%	45.28%	48.23%	2.40%	4.84%	2.24%
Central Georgia	26.94%	34.68%	40.86%	1.12%	3.69%	1.57%
Chattanooga	45.43%	46.75%	49.44%	2.39%	6.28%	2.22%

Inpatient Division

	Contractual Adjustments as a % of Gross Revenue			Bad Debt Expense as a % of Non-Medicare and Non-Medicaid Revenue		
	1996	1997	1998	1996	1997	1998
South Louisiana	26.46%	24.87%	33.78%	7.43%	4.47%	18.96%
Northern Kentucky	28.00%	33.63%	38.25%	-0.40%	3.21%	2.48%
Huntington	26.70%	33.23%	38.27%	1.94%	4.84%	0.78%
Central Carolinas	25.04%	24.89%	36.10%	0.04%	-1.29%	2.01%
Middle Tennessee	14.30%			0.00%		
Sumner	9.80%	18.71%	29.73%	1.39%	26.38%	-8.47%
Cane Creek	44.13%	38.38%	40.40%	5.13%	9.21%	-8.45%
Tri-State	23.26%	26.62%	31.58%	5.26%	3.30%	5.75%
Mountainview	33.09%	37.81%	40.90%	0.63%	0.35%	3.88%
Bakersfield	35.66%	31.38%	46.88%	4.82%	5.11%	1.92%
Arlington	19.66%	19.72%	37.65%	3.97%	3.58%	0.65%
Chesapeake	37.01%	31.66%	34.27%	3.56%	8.01%	7.73%
Valley of the Sun	32.43%	32.11%	39.18%	4.38%	3.15%	2.78%
Virginia	43.81%	38.74%	41.39%	10.50%	9.32%	10.37%
Meridian Point	22.59%	26.35%	47.27%	2.73%	3.28%	-3.62%
Tucson	28.48%	29.66%	39.83%	3.69%	2.83%	1.71%
Western Hills	39.66%	39.42%	41.37%	8.81%	10.72%	5.30%
Southern Hills	41.97%	40.83%	43.75%	3.02%	5.29%	1.30%
Valley of the Sun II			66.21%			0.23%
Harmarville	52.17%	39.78%	43.01%	1.69%	4.39%	2.32%
Portland	49.69%	54.89%	58.11%	13.03%	3.50%	5.54%
Woburn	50.94%	45.13%	48.87%	2.97%	5.81%	3.57%
Western Mass	23.68%	25.79%	34.06%	1.99%	6.81%	3.06%
Wentworth Nursing Home	25.57%	25.24%	32.77%	0.80%	2.10%	3.44%
Lowell	35.03%			13.40%		
Portsmouth	28.46%	19.19%	27.74%	5.08%	5.04%	2.62%
Rusk		28.85%	40.17%		2.67%	2.91%
Emerald Coast		44.86%	44.67%		3.43%	3.19%
UVA			52.56%			0.00%
Penn State Geisenger Rehab		22.50%	48.76%		12.38%	2.12%
Southern Arizona		32.09%	37.49%		4.35%	3.47%
St. Vincent's		38.33%	38.59%		5.49%	8.49%
Fayetteville		47.68%	47.57%		3.35%	6.58%
Jonesboro		50.31%	44.50%		0.00%	3.96%
Colorado Springs		46.08%	35.27%		0.00%	1.14%
West Gables		39.23%	39.86%		1.04%	9.97%
Terre Haute		50.61%	45.19%		15.44%	12.28%
Kokomo		44.97%	39.28%		10.37%	6.82%
Fort Wayne		40.22%	39.01%		3.94%	8.01%
Topeka		33.12%	37.69%		-9.74%	10.04%
Mid-America		34.71%	36.10%		0.86%	3.30%
Wesley		37.42%	34.19%		1.13%	1.50%
Lakeview		34.63%	48.31%		2.36%	3.38%
Alexandria		39.26%	34.08%		5.79%	9.94%
North Louisiana		35.45%	42.04%		4.04%	10.91%

Inpatient Division

	Contractual Adjustments as a % of Gross Revenue			Bad Debt Expense as a % of Non-Medicare and Non-Medicaid Revenue		
	1996	1997	1998	1996	1997	1998
Baton Rouge		45.62%	44.88%		6.38%	8.11%
Lafayette		35.50%	34.65%		1.35%	8.59%
Maryland		46.45%	11.76%		27.26%	17.50%
Braintree		55.87%	48.95%		2.54%	3.38%
Las Vegas		46.95%	48.35%		1.94%	2.41%
Reno		38.96%	38.78%		-3.88%	2.88%
Tulsa		46.90%	42.04%		-0.81%	6.40%
Clear Lake		38.91%	39.10%		0.55%	1.56%
City View		28.59%	30.21%		-1.82%	2.89%
HRI		47.38%	44.38%		3.27%	6.20%
Plano		41.56%	38.81%		1.68%	3.46%
Beaumont		29.82%	35.17%		1.59%	7.82%
Tyler		44.07%	41.14%		3.68%	6.84%
Wichita Falls		49.85%	46.15%		0.00%	11.40%
BRVI		20.99%	17.82%		54.05%	17.81%
Lafayette Outpatient Center			13.38%			1.72%
Kansas City Back Center		23.33%	30.10%		1.70%	1.47%
Occupational Health Center		14.00%	11.19%		1.06%	1.82%

9 **WEDNESDAY**
DECEMBER 9, 1998

TO BE DONE TODAY (ACTION LIST)

Jane Pills 8155 / Laura Pate 5582

800 526 2838 - Chris McCain
[illegible]

Ken Scarborough
VP HR at Parisian

~~8545~~ Emera Harris

Charlene Dis
Bud HS

Hour

DIARY AND WORK RECORD

Memo

Wk 50 • Day 343, 22 Left

WEDNESDAY
DECEMBER 9, 1998 9

APPOINTMENTS & SCHEDULED EVENTS

HRS.	NAME • PLACE • SUBJECT	TIME
7 0700	Memo to Bill H / Bill O.	6:20 Am
8 0800	CRI meeting	8 AM
9 0900		915
10 1000	Memo for Fraud attack	
11 1100		
12 1200	Lunch 1215 - 115	
1 1300	Memo Fraud 130 - 330	
2 1400	Andrea V. mtg 2 - 215	
3 1500		
4 1600	Conf Call - Australia Y2K	4 SC
5 1700		
6 1800		
7 1900		
8 2000		
9 2100		

EXPENSE & REIMBURSEMENT RECORD:

Item-What?	Where? Duration?	Purpose-Who What Involved?	To whom Paid?	Reimbursed? By whom?	Amount

Wed 9
Thu 10
Fri 11
Sat 12
Sun 13
Mon 14
Tue 15
Wed 16
Thu 17
Fri 18
Sat 19
Sun 20
Mon 21
Tue 22
Wed 23
Thu 24
Fri 25
Sat 26
Sun 27
Mon 28
Tue 29
Wed 30
Thu 31