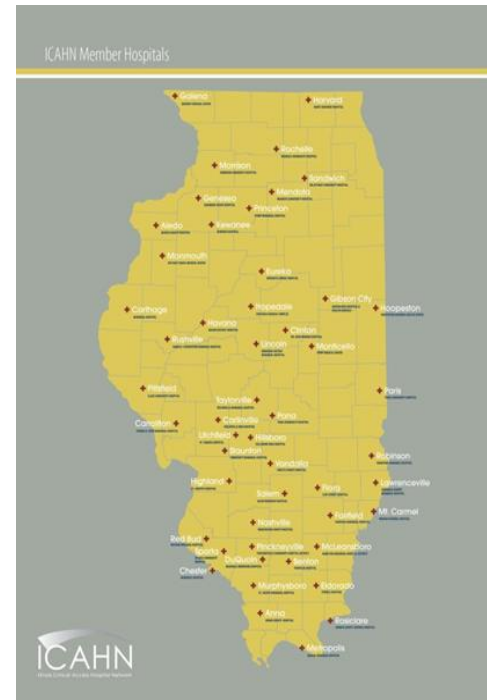


# **FLEX FINANCIAL AND QUALITY REPORTS: MAKING SENSE FOR CAHS**

2012 NATIONAL CONFERENCE OF STATE FLEX PROGRAMS  
JULY 20, 2012

# ILLINOIS FLEX PROGRAM

- ❖ 2<sup>nd</sup> Flex Program Approved by CMS
- ❖ 51 CAHs
- ❖ ICAHN administers state Flex Program



# STATE COMPARISON REPORTS

## Flex Monitoring Team Research Studies and Publications


- *Office of Rural Health Policy – monitor and evaluate the Medicare Rural Hospital Flexibility Grant Program (Flex Program)*
  - Research Centers – University of Minnesota, University of Southern Maine and University of North Carolina
  - Agreement with team (5 Year )
    - Develop relevant quality, financial and community impact performance measures
    - Create reporting mechanisms to help policy makers and rural providers understand the impact of the Flex program
    - Assess the impact of Flex on rural hospitals and their communities and examine the ability of the State Office of Rural Health achieve Flex Program objectives



# CENTERS FOR MEDICARE & MEDICAID SERVICES: HOSPITAL COMPARE

**Hospital Compare** is a consumer-oriented website that provides information on how well hospitals provide recommended care to their patients. **On this site, the consumer can see the recommended care that an adult should get if being treated for a heart attack, heart failure, or pneumonia or having surgery.** The performance rates for this website generally reflect care provided to all U.S. adults with the exception of the 30-Day Risk Adjusted Death and Readmission measures and the Hospital Outpatient Medical Imaging measures that only include data from Medicare beneficiaries. In March 2008, data from the Hospital CAHPS (HCAHPS) survey, also known as the CAHPS Hospital Survey, was added to Hospital Compare. HCAHPS provides a standardized instrument and data collection methodology for measuring patient's perspectives on hospital care.

This website was created through the efforts of the Centers for Medicare & Medicaid Services (CMS), along with the Hospital Quality Alliance (HQA). The Hospital Quality Alliance (HQA): Improving Care Through Information was created in December 2002. The HQA is a public-private collaboration established to promote reporting on hospital quality of care. **The HQA consists of organizations that represent consumers, hospitals, doctors, employers, accrediting organizations, and Federal agencies. The HQA effort is intended to make it easier for the consumer to make informed healthcare decisions, and to support efforts to improve quality in U.S. hospitals.**



# FLEX REPORTS

[WWW.FLEXMONITORING.ORG](http://WWW.FLEXMONITORING.ORG)

## EXAMPLES...

### [Policy Brief #26](#)

March 2012

Evidence-Based Heart Failure Quality Improvement Programs & Strategies for Critical Access Hospitals

Walter Gregg, MA, MPH; Jill Klingner, RN, PhD, Michelle Casey, MS;

Shailendra Prasad, MBBS, MPH; Ira Moscovice, PhD

University of Minnesota Rural Health Research Center

### [Critical Access Hospital](#)

### [Financial Indicator Reports](#)

Flex Program Workshop/TASC Webinar

April 24, 2012

George H. Pink and G. Mark Holmes

CAH Financial Indicators Report Team



# HOSPITAL COMPARE – CMS WEB SITE



Find & Compare...

<http://www.medicare.gov/quality-care-finder/#quality-care-finder-tab>

Doctors, Hospitals, Plans and Suppliers

Get contact information for hospitals, doctors, nursing homes, home health agencies, dialysis facilities, and drug and health plans.

Compare information about the quality of care and services these providers and plans offer.

Get helpful tips on what to look for when comparing and choosing a provider or plan.

Select a compare tool from the left to get started

[www.hospitalcompare.gov](http://www.hospitalcompare.gov)



# FLEX REPORTS – AREAS OF FOCUS

## KEY MEASURES

Quality

Finance and Operations

Health Systems

CAH Conversion

State Performance

## EMERGING ISSUES

Community Benefit

EMS

Health Information Technology

Scope of Services

Finance

Patient Safety Culture



# VALUE OF FLEX REPORTS

## Impact of CAH Program - Overall

- Builds credibility of the program
- \$\$ well spent
- Opportunities to improve the grant and CAH program
- Value identified for policy makers
- State to state comparisons – target strategies
- Plants new ideas and notes best practices
- Objective presentation of the issues and results





# VALUE OF FLEX REPORTS

## Impact for State Offices

- Provides a picture of the hospitals in your state (finance/quality)
- Helps you focus on program initiatives – identifies best practices as well as program and grant concerns
- Can influence state policy and initiatives (i.e. Medicaid expedited payment)
- Ideas for your own Flex grant program – interventions with the hospitals



# VALUE OF FLEX REPORTS

## Impact on the Critical Access Hospital


- Ability to benchmark state to state/peer to peer/nationally
- Identifies best practices (i.e. financial success model – 3 in IL)
- Provides data support for hospital financing or project initiatives (funders)
- Relevant and objective data on the CAH program that can be presented to local boards/communities on the value of the program – policy issues
- Provides research support for White Papers (i.e. rural quality/ICAHN)



# VALUE OF FLEX REPORTS TO ICAHN

## “Take Away”

### ❖ Quality

- ❖ Hospital Compare State Comparison – CAH Rural Quality Report “*Illinois Critical Access Hospital: Enhancing Quality of Care in Rural Illinois*”
  - ❖ MBQIP Baseline for buy in for hospital
  - ❖ HCAHPS – How many CAHs are enrolled?
  - ❖ Patient Safety Culture...what are other states doing?
  - ❖ Rural Relevant Measures – Dr. Moscovice...guidance for CAHs
- 

# ICAHN QUALITY REPORT

RURAL HEALTH CARE WHITE PAPER SERIES: ISSUE I

## ILLINOIS CRITICAL ACCESS HOSPITALS:

### *Enhancing Quality of Care in Rural Illinois*

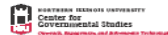
by MELISSA HENRIKSEN & NORMAN WALZER

APRIL 2012

Center for Governmental Studies  
Northern Illinois University  
DeKalb, IL 60135

#### ABSTRACT

Critical access hospitals (CAHs) are essential to rural health care and play an important role in its delivery as a safety net for rural patients. While CAHs operate in a challenging environment of shifting demographics and populations struggling with declining economic trends, they continue to provide high quality health care. Through innovative approaches focused on continuous improvement, Illinois CAHs rank high on several nationally measured patient outcomes, patient satisfaction indicators, and provide a high value, affordable option for rural patients. They are committed to exploring "rural relevant" measures that consider the distinct characteristics of rural health care delivery, while continuing efforts to increase the number of CAHs reporting on all national measures, and prepare for upcoming required reporting. CAHs must identify and leverage strengths and address areas for improvement by implementing promising practices and processes in their hospitals. The effort required to accomplish meaningful quality of care outcomes is major, but delivering effective care will benefit patients, hospitals, and the community as a whole.



#### INTRODUCTION

*"At first, most Americans are surprised to discover that at present, there is limited measurement of quality or efficiency in any part of the health care delivery system. If we follow the old adage you only manage what you measure then apparently we are not managing the quality of the care that we are delivering."*

This quote from, *"Building a Sustainable 21st Century Healthcare System,"* represents a challenge to all health care providers that in order to deliver the highest quality of care, reporting on relevant patient outcomes, processes of care, and other quality of care indicators is needed. As the *Patient Protection and Affordable Care Act* (PPACA) takes effect in different phases with each passing fiscal year, effective management of the quality of care delivered in the American health care system will become mandatory.<sup>1</sup> The issue of quality health care will increase in importance for rural hospitals, public officials, and community leaders because quality of care is linked to community wellness. With an aging population, residents will be more interested in living in areas with access to high quality health care and services. Hospitals, of course, play a prominent role in delivering this care so maintaining hospitals will continue to be high on local, state, and national policy agendas.

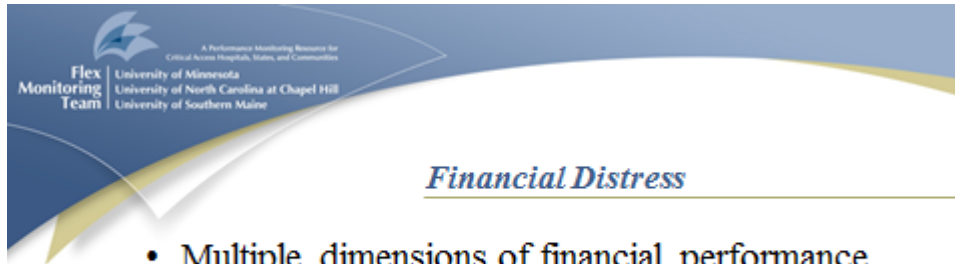
The challenges facing health care delivery are changing due to demographic shifts in population and economic structure. The challenges caused by these shifts alter the types of health care services needed, the human resources available to provide them, and the capacity of rural health care providers

# VALUE OF FLEX REPORTS TO ICAHN

## ❖ Finance

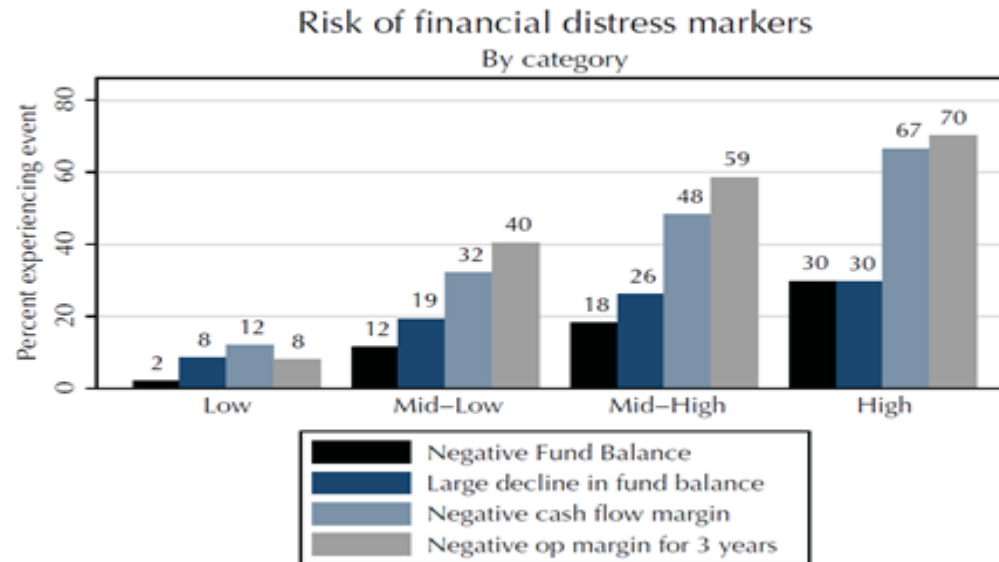
- ❖ Financial trends
- ❖ Guidance as to strong facilities versus weaker facilities
- ❖ Lenders using these report for project approvals
- ❖ Economic policy support for rural
- ❖ Financial distress model – basis for state Medicaid expedited payment policy
- ❖ Community benefits status per state
- ❖ Yearly Comparison Report for all CAHs
  - ❖ <https://www.shepscenter.unc.edu/cah/>

# FINANCIAL DISTRESS MODEL

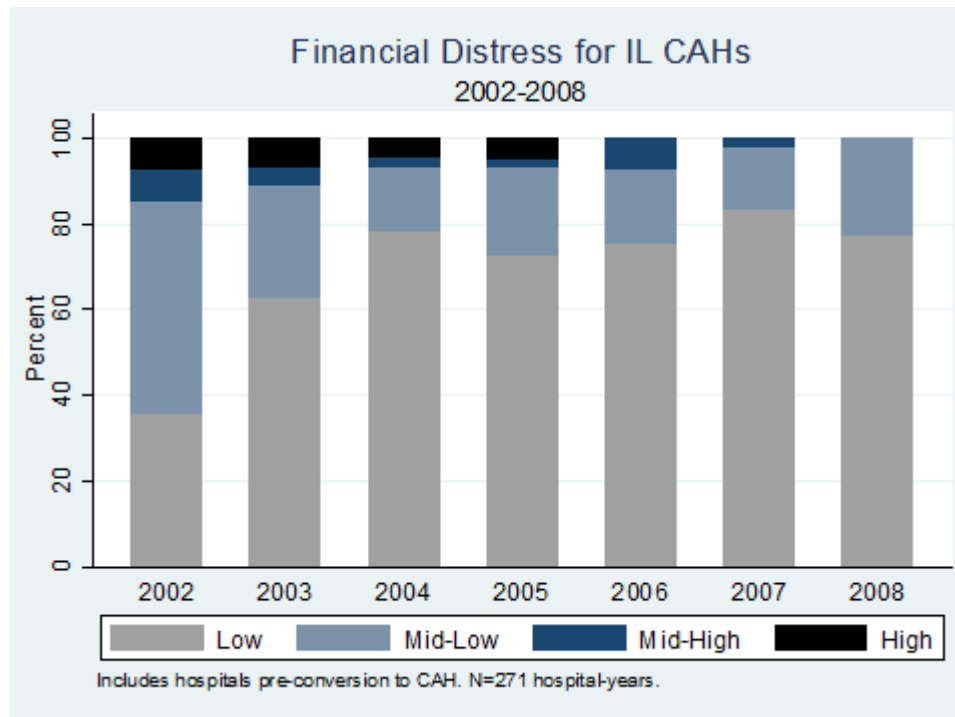


- Multiple dimensions of financial performance
  - Profitability
  - Liquidity
  - Capital structure
  - Cost
  - Revenue
- Can be difficult to examine multiple measures and yield a high-level, overall assessment of financial strength

# FINANCIAL DISTRESS MODEL PREDICTORS



# ILLINOIS PICTURE





# CHALLENGES - REPORTS

- Data 1-2 years old /retrospective studies (i.e. HCRIS/Medicare cost reports – filed)
- Takes time to interpret reports for your hospital group
- Ask the question...do the reports make sense to you?
- Hospital Compare...statistically



# MAKING SENSE OF FLEX AND QUALITY REPORT

## ❖ Yes....

- ❖ Insight into state group of hospitals and emerging trends – empirical data
- ❖ Basis for policy and support for Flex/CAH/rural
- ❖ Credibility
- ❖ Awareness
- ❖ Learn how to use them – take the time
- ❖ Resources at your keyboard!!

❖ *Your examples....*



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HOSPITAL NETWORK**

Illinois Flex Coordinator

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[www.icahn.org](http://www.icahn.org)