



NATIONAL  
RURAL HEALTH  
RESOURCE CENTER

# 2018 Rural Hospital and Clinic Financial Summit Report

# The Center's Purpose

The National Rural Health Resource Center (The Center) is a nonprofit organization dedicated to sustaining and improving health care in rural communities. As the nation's leading technical assistance and knowledge center in rural health, The Center focuses on five core areas:

- Transition to Value and Population Health
- Collaboration and Partnership
- Performance Improvement
- Health Information Technology
- Workforce



# Presentation Objectives

- Present findings from 2018 Financial Summit
  - 2012 Key Indicator review
  - 2018 Key Indicators for Rural Hospitals & Clinics
- Learn about CAH Finance 101 Manual update and name change
- Discover strategies and best practices to improve hospital and clinic efficiency performance
- Build awareness of available tools and resources that support rural hospitals for financial success

# 2018 Financial Summit

**Supported by:** Federal Office of Rural Health Policy (FORHP)

**Purpose:** To identify the most important financial indicators and strategies to transition to value-based payment. The findings are designed to help rural hospitals and clinic leaders meet this transition with financial success

This project is supported by the Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (HHS) under grant number UB1RH24206, Information Services to Rural Hospital Flexibility Program Grantees, \$1,100,000 (0% financed with nongovernmental sources). This information or content and conclusions are those of the author and should not be construed as the official position or policy of, nor should any endorsements be inferred by HRSA, HHS or the U.S. Government.



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# 2018 Summit Participants



May 23, 2018, Bloomington, Minnesota



# Summit Participants

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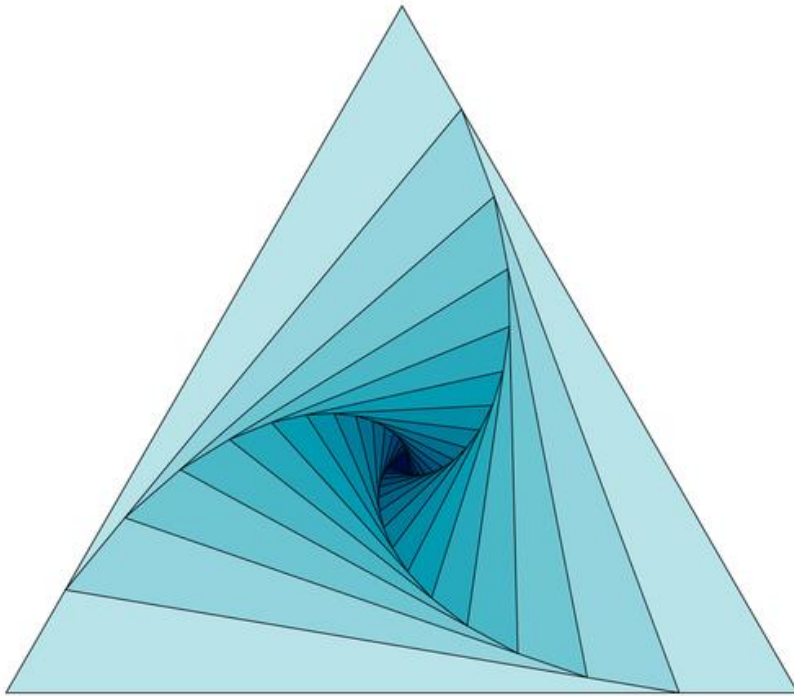
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# It's Changing!



## Triple Aim

- ✓ Better Care
- ✓ Better Health
- ✓ Lower Cost

Better Care + Smarter Spending = Healthier People

# 2012 Key Financial Indicators

- Days in Accounts Receivable
- Days Cash on Hand
- Total Margin
- Operating Margin
- Long Term Debt to Capitalization
- Debt Service Coverage
- Salaries to Net Patient Revenue
- Medicare Inpatient Payor Mix
- Average Age of Plant





# 2018 Key Indicators for Rural Hospitals and Clinics in Value Formula

- Market Indicators
- Financial Performance and Conditions
- Operational Efficiency
- Workforce
- Quality Performance
- Care Management
- Community Health
- Organizational Attributes



# Questions for Consideration

*(Type your answer in the Chat Box)*

With regards to the identified key indicators, are there successful models and examples for rural hospitals and Flex Programs to utilize?

# Questions for Consideration (cont.)

What other resources could state Flex, rural hospital programs and rural health networks provide to better support rural hospitals so that they can successfully implement these key financial strategies?

# CAH Finance 101 Guide Updates

- Name Change!!
- CAH Finance 101 Guide is now Small Rural Hospital and Clinic Finance Guide
  - New Data!
  - 2012 Key Indicator review
  - 2018 Key Indicators for Rural Hospitals & Clinics

# Finance 101 Manual

- Over 20 new pages of material
- 3 provider sections
  - Critical Access Hospitals
  - Small Rural Hospitals
  - Rural Health Clinics



# Finance 101 Manual (cont.)

- Additional Performance Indicators and Strategies
  - Market Share
  - Financial
  - Operational Efficiency
  - Workforce
  - Care Management
  - Quality Performance
  - Community Health
  - Overarching Strategies



# Access the Manual and Summit Findings

Source: <https://www.ruralcenter.org/resource-library/finance-101-manual>

## Small Rural Hospital and Clinic Finance 101 Manual

### Downloads & Links

 [Small Rural Hospital and Clinic Finance 101 Manual](#) (PDF Document - 49 pages)

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 July 2018

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This manual was developed for use by state Medicare Rural Hospital Flexibility (Flex) Program personnel as well as staff and boards of small rural hospitals and clinics. The content is designed to be as non-technical as possible and provide answers to frequently asked questions regarding critical access hospital (CAH), small rural hospital and rural health clinic (RHC) finance and financial performance. A few examples of topics include:

- Government Health Care Reimbursement
- CAH Finances
- Improving CAH Financial Performance
- PPS Finances
- RHC Finances





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