

PROGRAM AREAS OF THE FLEX PROGRAM

“Every Patient Matters”

In fiscal year (FY) 2015 (September 1, 2015 – August 31, 2016), the Flex Program began a new project period focused on funding activities that can provide clear outcomes and demonstrated improvements in the rapidly changing health care environment. The Flex Program, as a three-year project period, is designed to allow state Flex grantees to develop, implement and measure impact and improvement within the key program areas of the grant. It is short enough that, given the changing health care environment, the Federal Office of Rural Health Policy (FORHP) can adapt the program to better align as needed for the next grant cycle. FOHRP added a non-competitive continuation year extension for the FY 2018 grant year.

State Flex funding for this project period will act as a resource and focal point for strategic planning in the following program areas with an emphasis on quality and financial and operational improvement:

1. Quality Improvement (required)
2. Financial and Operational Improvement (required)
3. Population Health Management and Emergency Medical Services (EMS) Integration (optional)
4. Designation of critical access hospitals (CAHs) in the State (required if requested by a hospital)
5. Integration of Innovative Health Care Models (optional)

The first two program areas, Quality Improvement and Financial and Operational Improvement, are required to be addressed by all state Flex Programs. The third program area, Population Health Management and EMS Integration, is optional. However, Activity 3.01, Statewide Population Health Management Needs Assessment (see below), is required if any other activities within the third program area are selected. Designation of CAHs in the State is required only if hospitals in the applicant's state seek help in conversion to CAH status. The fifth program area, Integration of Innovative Health Care Models, is the newest element of the Flex Program designed to allow states to think creatively about transforming rural care across their state given gaps identified through the application development process, initial needs assessment collection and other relevant data. The fifth program area is optional and allows for states to design a more innovative project

that does not fit into other program areas, if they have demonstrated that existing needs of CAHs in the two required program areas have been addressed.

Ultimately, the overall goals of the Flex Program are to:

- Improve the quality of care provided by CAHs
- Improve the financial and operational outcomes of CAHs
- Understand the community health and EMS needs of CAHs
- Enhance the health of rural communities through community/population health improvement
- Improve identification and management of Time Critical Diagnoses and enhance EMS capacity and performance in rural communities
- Support the financial and operational transition to value-based models and health care transformation models in the health care system

While working on program activities, states are encouraged to work with: quality innovation networks (QINs), state hospital associations, health information exchanges (HIEs), hospital improvement innovation networks (HIINs), state rural health associations and others concerned with the future of rural health care.

I. Quality Improvement

This program area, referred to as the Medicare Beneficiary Quality Improvement Project (MBQIP), focuses on work to improve the quality of health care provided by CAHs and other rural health care providers. Other types of health care providers can and should benefit from this work, but the majority of activities must target CAHs.

MBQIP activities are grouped in four different quality domains: Patient Safety/Inpatient, Patient Engagement, Care Transitions and Outpatient. FORHP expects all grantees to select Activities 1.01- 1.04 (required) and 1.09 (required, if needed) which covers the four quality domains of MBQIP.

Building and maintaining the participation of all CAHs in MBQIP through these sets of quality measurement and reporting activities are required. In year one of the grant cycle, it was acceptable to work towards building the capacity for CAHs to participate in these activities and report data if they are not already doing so. For CAHs already engaged in quality reporting, the focus should be quality improvement. To be eligible to benefit from Flex grant funds in FY 2016 (September 1, 2016 – August 31, 2017), CAHs had to have a signed MBQIP Memorandum of Understanding (MOU) on file with FORHP and have submitted MBQIP measure data on at least one measure for at least one quarter in at least one of the four quality domains within noted reporting periods, or have completed the necessary MBQIP

waiver. For FY 2017 (September 1, 2017 – August 31, 2018) and FY 2018 (September 1, 2018 – August 31, 2019), in addition to having a signed MOU on file, the CAH needs to submit MBQIP measure data for at least one quarter in at least two of the four quality domains within noted reporting periods. FY 2019 (September 1, 2019 – August 31, 2020) eligibility criteria is also available on the [Flex Eligibility Criteria for MBQIP Participation and Waiver Templates](#) page of the TASC website.

Every year, FORHP evaluates increasing the MBQIP participation requirements for CAHs to be eligible to participate in the Flex Program and Flex-related activities. FORHP understands that certain circumstances hinder CAHs from reporting. Therefore, Flex Programs have the opportunity to request waivers for MBQIP participation requirements for FY 2018 on behalf of CAHs initially deemed ineligible due to non-participation. The Flex Program must submit a waiver as part of their non-competing continuation (NCC) progress report as an attachment. Detailed participation criteria are currently available from FORHP concerning participation through FY 2019. MBQIP eligibility information for FY 2016 – FY 2019 and a waiver template can be found on the MBQIP participation webpage.

Along with the required set of quality improvement activities, there are additional activities that grantees are encouraged to select based on the needs of the CAHs in their state (Activities 1.05 – 1.08). These activities do not require participation by all CAHs, but instead should include a cohort(s) of CAHs in the state prepared to focus quality improvement efforts on the identified area. It is acceptable to work with an individual hospital, but the need must be clearly justified. While some of the additional activities do have existing measures, some do not have a standardized measure set or reporting mechanism. These activities were included to give states an option to work on these national quality priority areas.

Potential resources related to quality improvement include:

- [MBQIP website](#)
- [Flex Monitoring Team \(FMT\)](#)
- [Emergency Department Transfer Communication](#)

Goal 1: To improve the quality of care provided by CAHs

- Objective 1.1: Assist CAHs in implementing quality improvement activities to improve patient outcomes
 - Activity 1.01 (Required): Improve patient safety in CAHs and the community by ensuring all health care providers and eligible patient populations receive their influenza vaccinations

- Activity 1.02 (Required): Improve the patient experience of care through use of the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) survey
- Activity 1.03 (Required): Improve the transitions of care from the CAH to other health care settings in order to improve patient outcomes
- Activity 1.04 (Required): Improve the care provided in CAH outpatient settings in order to improve patient outcomes
- Activity 1.05 (Optional): Improve patient safety and health outcomes in CAHs through other measures. Specific areas of focus may include: health care acquired infections (HAI), stroke care, venous thromboembolism (VTE), pneumonia care, surgical care, perinatal care, falls, adverse drug events (ADE), reducing readmissions and patient safety culture survey
- Activity 1.06 (Optional) Improve care transitions from CAHs to other health care settings through improved Discharge Planning
- Activity 1.07 (Optional) Improve care transitions through improved Medication Reconciliation activities
- Activity 1.08 (Optional) Improve the care provided in CAH Outpatient and Emergency Department settings through additional measures
- Objective 1.2: Assist all CAHs in the state to consistently publicly report data on all required measures

Grantees should work with CAHs to improve the number of hospitals reporting on the required measures, including publicly reporting to the Centers for Medicare & Medicaid Services (CMS) Hospital Compare. CAHs in need of assistance should be identified as part of the needs assessment process. Grantees may engage partners to provide the necessary technical assistance (TA) around quality reporting with a focus on enhancing CAH capacity (at an organizational level, not only individual staff level) to report quality measures. CAHs are expected to collect and report quality data as a fundamental part of health care operations. Periodic retraining on quality reporting is allowable if challenges are identified during the project period. Quality data must be reported in order to measure and evaluate the outcomes of quality improvement activities conducted under Objective 1.1 activities as well as to conduct needs assessments for determining quality improvement focus areas in subsequent years of the grant cycle.

- Activity 1.09 (Required, if needed) Promote and improve the reporting of quality of care data by CAHs

II. Financial and Operational Improvement

FORHP expects all grantees to select Activity 2.01 and at least one other activity from areas 2.02-2.04 every year. Certain measures and data reporting will be required based on the activity(s) selected. FORHP encourages states to identify new or existing successful financial and operational improvement programs and leverage those to meet the collective needs of CAHs in your state in order to maximize the impact of limited Flex funds. States should minimize consultant expenditures toward individual CAHs for improvement activities and should instead focus on cohorts, unless adequately justified.

Goal 2: To improve the financial and operational outcomes of CAHs

- Objective 2.1: To identify financial and operational strengths and challenges and to identify statewide and targeted strategies for improvement

- Activity 2.01 (Required) Financial and Operational Assessment

This is a required assessment of statewide CAH financial needs by Flex Coordinators using FMT data (23 indicators) or 10 indicators in the [Small Rural Hospital and Clinic Finance 101 Manual](#) and other hospital financial data, if available in your state. The majority of this information should be on-hand and presented within the needs assessment section of the grant application. Data from CAH Financial Indicator Reports (CAHFIR) produced by the Flex Monitoring Team should be included. Publicly available state-level indicator reports, and ancillary resources can be downloaded from [FMT website](#).

State Flex Coordinators access CAHFIRs for the hospitals in their state from the [CAHMPAS](#). CAHMPAS is a web-based, log-in protected data query tool for CAH executives, state Flex Coordinators and federal staff to explore the financial, quality and community-benefit performance of CAHs. CAHMPAS provides graphs and data, which allow comparison of CAH performance for various measures across user defined groups: by location, net patient revenue or other factors. The data included in CAHMPAS includes six years of data for 23 financial indicators as well as peer group, state and national comparative data.

- Objective 2.2: To identify more in-depth financial and operational strengths and problems based on trends or issues identified through Objective 2.01, and to identify major strategies for improvement for a hospital or cohort of hospitals
 - Activity 2.02 (Optional) Financial and Operational In-depth Assessment(s) and Action Planning

Focus may include: alignment of services with community needs; preparation for new payment and care delivery models; service line analysis; analysis of department-level staffing; physician practice management assessments; or analysis of reporting practices for Medicare reimbursement.

- Objective 2.3: To improve revenue cycle management and to implement activities designed to increase profitability within a hospital or group of hospitals
 - Activity 2.03 (Optional) Revenue Cycle Management

Focus may include: comprehensive chargemaster review; billing and coding education; implementation of revenue control process; financial improvement networks; or education and training for hospital personnel and boards to improve revenue management and processes.

- Objective 2.4: To address areas for improvement (within a hospital or group of hospitals) identified through in-depth operational assessments

Operational improvement activities may have several areas of focus, including hospital departments, hospital services and hospital processes. This work can be done through Lean or other process improvement activities, workshops, direct consultations to CAHs or financial improvement networks. Operational improvement activities may be needed within a hospital in order to build and maintain capacity, to report quality data and effectively implement quality improvement activities under MBQIP.

- Activity 2.04 (Optional) Operational Improvements

Focus may include: improving operations within hospital departments; enhancing a hospital's ability to meet the needs of the community by increasing hospital service offerings; or improving operations within hospital processes.

III. Population Health Management and Emergency Medical Services Integration

This program area focuses on work to improve the health of rural communities through population health management; communication and collaboration between different health care providers; improving patient experiences when transitioning from one care setting to another; and building EMS capacity to best serve CAHs and their communities.

If state Flex grantees select any Activity 3.02-3.06, they must also select Activity 3.01 to inform priorities for other activities funded. Grantees may undertake

assessment work during the first year of the grant cycle with development and implementation of targeted activities taking place during years two and three. Projects can be for one year or multiple years. At the end of each grant year, the grantee is expected to document significant progress against a set target measure, but it is understood that many of these activities cannot be completed in one year. For example, an improvement activity might be planned in year one, conducted in year two and assessed in year three to determine if the activity was successful.

No more than one quarter of total grant funds can be spent in this program area.

Certain measures and data reporting will be required based on the activity(s) selected.

Goal 3a: To understand the community health and EMS needs of CAHs

- Objective 3.1: Determine collective issues and trends in population health management for CAHs

This assessment should examine the collective issues and trends across your state. It should include information from the community health needs assessments (CHNAs) required for all not-for-profit hospitals as well as needs assessments from for-profit hospitals when available.

- Activity 3.01 (Required in project period if this program area selected)
Statewide CAH Population Health Management Needs Assessment
- Objective 3.2: To assist CAHs to identify specific health needs of their communities and implement activities

- Activity 3.02 (Optional) Hospital CHNAs and Improvement

These assessments and related projects help specific hospitals or cohorts of hospitals to identify specific health needs of their communities and programs to identify population health improvement activities, with a focus on building capacity and sustainability. Projects could include: sharing of findings and best practices among hospitals; providing TA to hospitals to help them conduct a CHNA; education on health prevention and promotion strategies; and/or support for development of regional population health improvement activities. Note that state Flex grantees are not allowed pay for CHNAs to be conducted at individual CAHs.

- Objective 3.03: Improve local/regional EMS capacity and performance in CAH communities. Improve integration of EMS in local/regional systems of care
 - Activity 3.03 (Optional) Community-level Rural EMS System Assessment

This activity should be done using a [standard assessment tool](#).

Goal 3b: To enhance the health of rural communities through community/population health improvement

- Objective 3.04: To assist CAHs to develop strategies for engaging with community partners and targeting specific health needs
 - Activity 3.04 (Optional) Population Health Improvement Activity

Goal 3c: To improve identification and management of Time Critical Diagnoses and engage EMS capacity and performance in rural communities

- Objective 3.04: To assist CAHs to develop strategies for engaging with community partners and targeting specific health needs
 - Activity 3.05 (Optional) Improve Time Critical Diagnoses EMS System Capacity

This work should be focused on conditions like ST elevation myocardial infarction (STEMI), stroke and trauma.
 - Activity 3.06 (Optional) Improve EMS Capacity and Operational Projects

This work should include data from the EMS assessment process (Activity 3.03) and other sources. EMS capacity projects could include: developing collaborative linkages to improve local pre-hospital and emergency care capacity; improving EMS agency capacity to collect, report and use quality data for performance improvement; or enhancing billing, collection and financial systems and ability to use financial data for performance improvement.

FY 2018 Flex EMS Sustainability Projects

Due to the [Consolidated Appropriations Act of 2018](#), the Flex Program received additional funding, of which, \$2 million was allocated by FORHP to fund EMS projects to support EMS sustainability. This funding is to be used for projects during the FY 2018 project year (September 1, 2018 – August 31, 2019). Goals include:

- To develop and implement sustainable models of rural EMS care
- To identify a set of rural-relevant EMS quality measures and prepare the foundation to pilot test the measures

States indicated their intent and applied to FORHP. The funds were divided amongst state Flex Programs with projects that fell within the scope of the funding. For more background information about the FY 2018 EMS Sustainability projects, please see the [Flex Grant Guidance](#) page on the TASC website.

IV. Designation of CAHs in the State

In accordance with current statute, state Flex Programs are expected to facilitate appropriate conversion of small rural hospitals to CAH status. Flex Programs must assist hospitals in evaluating the effects of conversion to CAH status.

This may include assisting with financial feasibility studies for hospitals considering conversion to CAH status, as well as feasibility studies for reopening closed rural hospitals or converting CAHs to other types of facilities.

V. Integration of Innovative Health Care Models

This optional program area focuses on developing and integrating innovative health care models around the areas of quality, financial/operations, population health and/or system delivery in rural communities. Ideally, successful models will improve care in rural areas and serve as best practices or strategies for other states. Program Area five is for state Flex grantees that have been able to meet the majority of needs of CAHs within their state and have additional capacity to take on an innovative project that isn't captured in the other Program Areas. These innovative projects will be monitored and used to inform activities included in the next Flex grant project period cycle. Note: Given the intensive nature of Patient Centered Medical Home (PCMH) projects, which fall outside of the scope of the Flex grant, any PCMH activities cannot be included.

Grantees may undertake assessment work during the first year of the grant cycle with development and implementation of targeted activities taking place during subsequent years of the grant cycle. Projects can be for one year or multiple years. At the end of each grant year, the grantee is expected to document significant progress against a set target measure, but it is understood that many of these activities cannot be completed in one year. For example, an improvement activity might be planned in year one, conducted in year two and assessed in year three to determine if the activity was successful.

Projects proposed must include clear methodology and clear and measurable outcomes.

Goal 5: To support the financial and operational transition to value-based models and health care transformation models in the health care system

Flex funds can be used to assess the impact or support the implementation of health care system changes that will have a substantial effect on quality, financial and operational performance, population health management or EMS integration of CAHs. A project in this category must include proposed objectives, activities and desired outcomes.

- Objective 5.01: To develop/implement and assess innovative health care models designed to have a positive transformational impact on rural health
 - Activity 5.01 Integration of Innovative Health Care Models
- Specific areas of focus may include: clinically integrated networks; population health management; projects addressing frequent/high cost users of health care or emergency department; or care coordination.