CAH Leadership Training

Presentation to: National Conference of State Flex Programs - Portland, Maine
Presented by: Patsy Whaley, Director, Hospital Services,
Georgia State Office of Rural Health

Date: July 12, 2011
Building Critical Access Hospital Leaders
2011

Supported by the Medicare Rural Hospital Flexibility Grant Program
CFDA 93.241
Follow-up program to the Flex CAH Fiscal Analyses
OBJECTIVE

To provide CAH leadership with the knowledge, tools and skills necessary for effective CAH management
Designed for all levels of staff

CEO’s, CFO’s, Department Managers and Board Members

(Maximum of 5 workshop attendees per CAH)
Two-day workshops in 8 locations
Participants

31 of Georgia’s 34 CAH’s
3 Alabama CAH’s
Total- 125 Attended

<table>
<thead>
<tr>
<th>Position</th>
<th>Number</th>
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<tbody>
<tr>
<td>CEO</td>
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<td>CFO/Controllers</td>
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<td>BOM</td>
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<td>HIM</td>
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<td>COO</td>
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<td>Other</td>
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</table>

Others: Environmental Services
Nutritional Services
QI Professionals
Compliance Officers
Nurse Managers
Basics of a leader

This module is based on Quint Studer’s recent book.

8. Leaders’ egos get in the way

How well is everyone doing their job?

What motivates individuals to achieve high performance.
Basics of CAH finances

Building the Foundation

Back to Basics – Building CAH Leaders

What happens to unpaid amounts?

- Percent of charges
- Cost based
- Per diem
- Fee schedule
- Sliding scale/discount
- No pay - charity
- Contractual write-offs
- Indigent, charity or bad debts

What does cost based mean?

- It means the hospital gets paid for Medicare’s share of “allowable” costs.
  - Medicare’s share is based on number of Medicare patient days (or charges) to total patient days (or charges).

Example:
- 5 patient days
- 1 Medicare patient
- 20% (1/5) Medicare share

CAH as a business

... Strategic Thinking Exercise
Basics of charge capture, coding billing and the CDM

Charge capture

Back to Basics – Building CAH Leaders

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Physician order

You fell off your bike and hurt your arm. You went to the hospital and the doctor wrote an order for you to take an X-ray.

The Revenue Cycle

Starts
- Physician Order
- Registration
- Charge capture
- Coding
- Billing
- Collection

Ends

UB-04

- Most providers now use electronic claims software to submit claims to third-party payers. However, all elements of the UB-04 form must be filled out and key entered into the electronic claims software.

ICD-10-CM Example

Pathological fracture in other disease, right shoulder, subsequent encounter for fracture with delayed healing
Critical Access Hospital Cost Reports

Back to Basics
Building CAH Leaders

Supported by the Medicare Rural Hospital Flexibility Grant Program

The basics of the cost report

Non-allowable costs are those not necessary for patient care
- Marketing
- Certain legal fees
- Meals to outsiders
- Lobbying
- Physician services

Similar to a tax return, the cost report is used to "settle up" with Medicare.

The UB states the hospital charges, but not how much it cost to care for the patient.

A process called "allocation" is used to spread overhead costs among all the revenue producing departments.
Diversification and Collaboration

Back to Basics – Building CAH Leaders

Cost Containment
Running Lean and Mean
Back to Basics – Building CAH Leaders

Key financial ratios
Back to Basics – Building CAH Leaders

Other topics of interest to CAHs
### Pre and Post Test Scores

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<th>Basic Finance</th>
<th>Charge Capture</th>
<th>CAH Cost Report</th>
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<tr>
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60 days post workshops will retest to determine retention.
Five follow-up webinars scheduled during the summer.

Webinar- ACO- conducted April 2011
CAH Leadership Training Webinar Series

Studer Group Leadership Follow-up
Strategic Considerations in Cost Reporting
Compliance and the Critical Access Hospital
EHR Incentive Payments and the CAH Cost Report
Coding in the Critical Access Hospital
### The Results
#### Program Evaluation

<table>
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<tr>
<th>SUBJECT</th>
<th>Learning Objective Met</th>
<th>Content Timely/Relevant</th>
<th>Audiovisuals Effective</th>
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“Extremely educational and timely. In my opinion one of the best functions that has been offered through the Office of Rural Health”

“Excellent, good content, very informative”

“Very informative”

“Did a great job, enjoyable two days”

“Hey, it was great! Thank you all for doing it. I learned a lot.”

“D & T always does a superb job! Great class!”

“Very valuable information, D & T always does a great job!”

“The classes were WONDERFUL. Excellent job explaining in simple terms. I am impressed!”

“I learned so much and really appreciate the opportunity to attend this. I have referred several times to the information you guys provided.”

“Room was too cold, seating uncomfortable & better lunch.”

“Well worth the time invested in attending”
2011-2012
Tentative Training and Education Topics

Leadership
Accountable Care Organizations
Community Health Needs Assessment
Cost Reporting 102
Revenue Cycle Management
Diversification
ICD-10
For more information

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