



CRITICAL ACCESS HOSPITAL FINANCIAL FORECAST AND READINESS

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PRESENTER



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SETTING THE STAGE — PRE-COVID

- Challenges existed before COVID.
- 2020 Report states 27% of CAHs were at mid-high to high risk of financial distress.
- Big infusions of COVID funding:
 - Temporary relief.
 - Long term realities are starting to set in.

Source – University of North Carolina's Cecil G. Sheps Center for Health Services Research (2020)





CURRENT CHALLENGES

- High turnover:
 - C-Suite
 - Lack of applicants
- All staff levels
 - Clinical and Non-Clinical



CURRENT CHALLENGES

- Higher costs:
 - Labor
 - Supply
 - Construction
- Inflation
 - 2019 – 2.3%
 - 2020 – 1.4%
 - 2021 – 7.0%
 - 2022 YTD – 8.3%

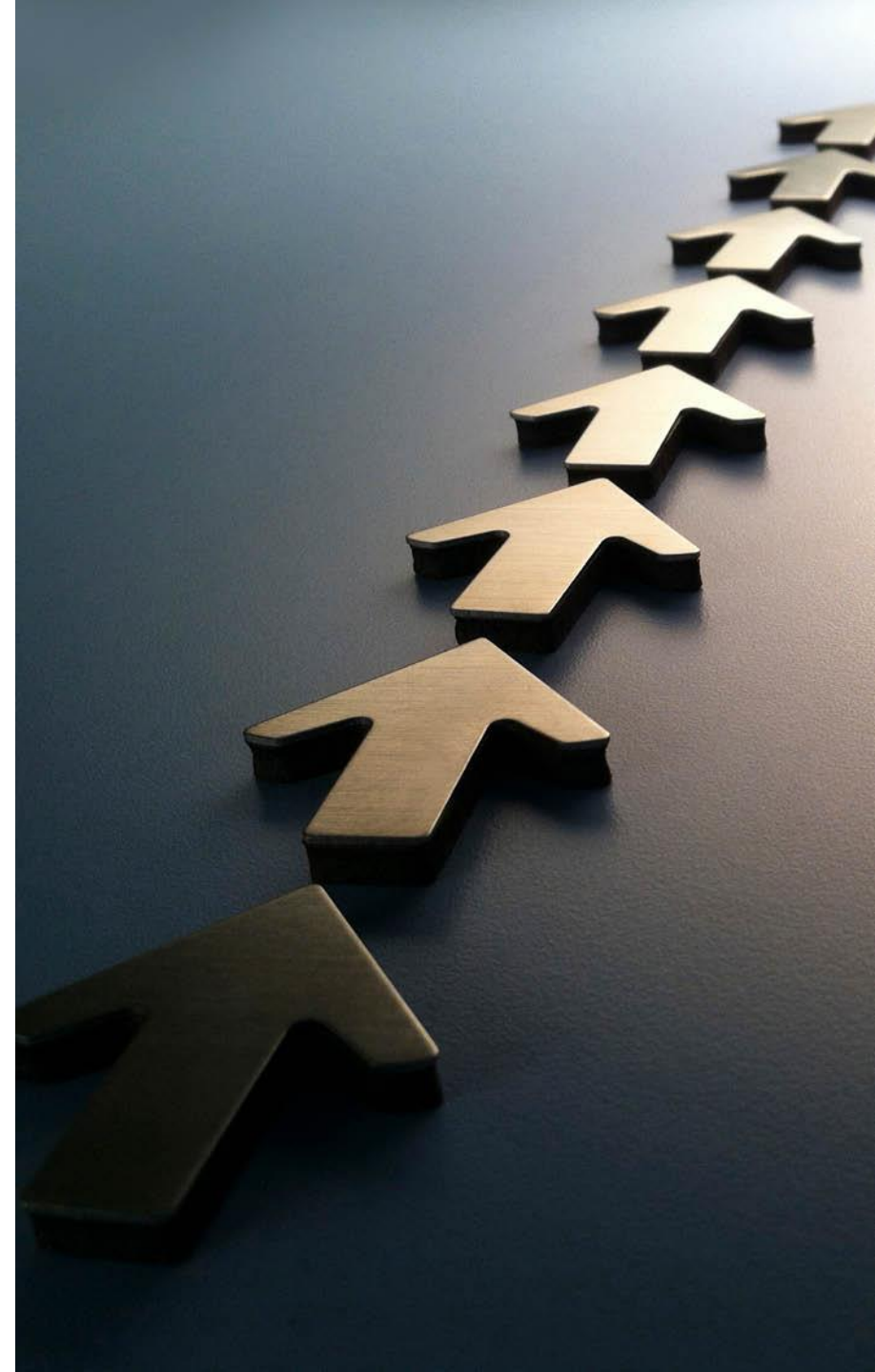


CURRENT CHALLENGES

- Lower or changing volumes
- Revenue Cycle Pressures
- More uncertainty

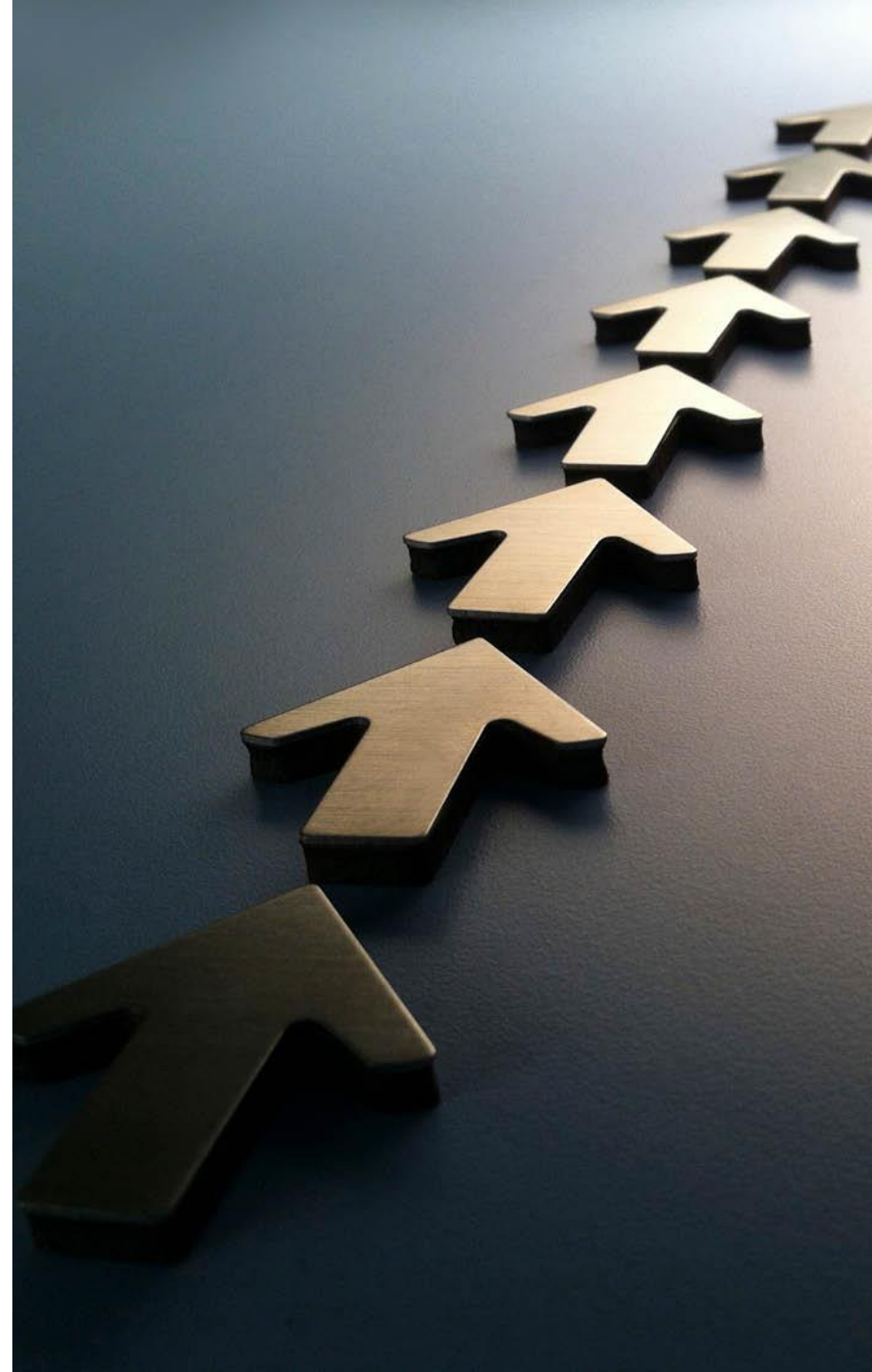
REVENUE CYCLE PRESSURES

- Start with collections for services already rendered
 - Chargemaster/Charge Capture
 - Compliance / Efficiency
 - Accuracy/Completeness of Charge Capture Process
 - Pricing
 - Adequacy
 - Methodology
 - Accountability
 - All departments/individuals in process



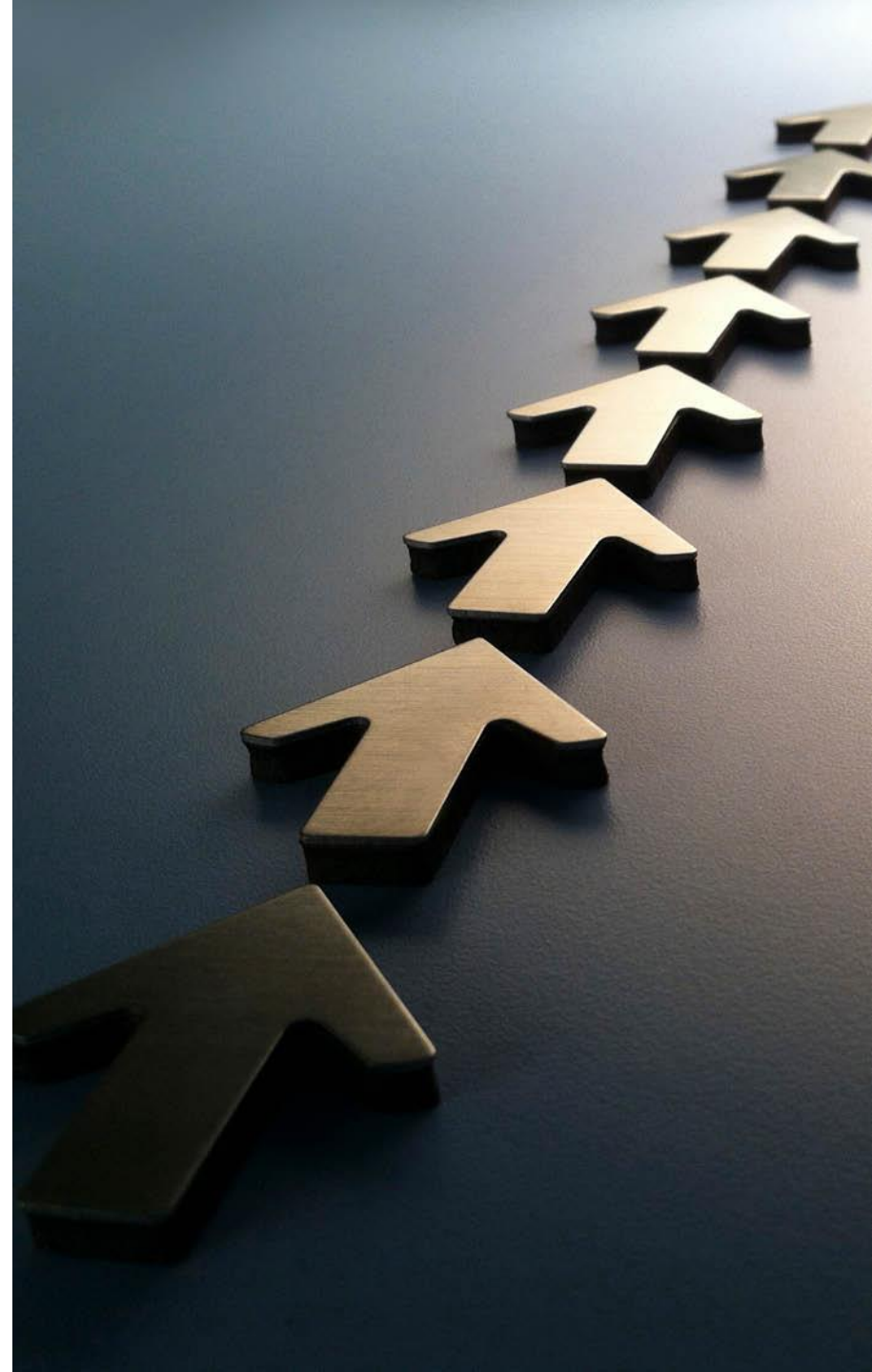
REVENUE CYCLE PRESSURES CONTINUED

- Start with collections for services already rendered
 - Denials Management
 - Increasing challenges
 - Larger write-offs
 - Lost revenue
 - Prevention versus correction
 - Manual
 - Data analytic tools



REVENUE CYCLE PRESSURES CONTINUED..

- Start with collections for services already rendered
 - Tools
 - Revenue Cycle Management Best Practices Guide
 - <https://www.ruralcenter.org/resource-library/revenue-cycle-management-best-practices-guide>
 - Chargemaster/Pricing Reviews
 - Revenue Cycle Assessments



- Not an easy solution
 - Not all about compensation
- Considerations
 - Organizational culture
 - Leadership
 - Benefits
 - Be creative
 - Not all costly
- Resources
 - <https://www.ruralcenter.org/resource-library/workforce>
 - Human Resource Consultants





THE STRATEGIC PLAN

- COVID-19 changes everything:
 - Technology:
 - Telehealth
 - E-Visits
 - Virtual visits
 - Patient flow:
 - Ill patients
 - Chronic patients
 - Suspected COVID-19 patients
 - Rethinking commingling of space between services lines.

HOW “HEALTHY” IS THE STRATEGIC PLAN?

- Current?
- Engagement?
- Complete?
- Built for the future?



ITEMS TO BE ADDRESSED

- Community Health Needs Assessment
- Patient preferences
- Data
- Technology
- Other industry trends



TO QUOTE WAYNE GRETZKY

- “Skate to where the puck is going to be, not where it has been”

THE INNOVATION MINDSET

“What got you here, won’t get you there!”
Marshall Goldsmith



Source: ContinuousNext Gartner research



THE FUTURE OF HEALTH CARE: WHAT DOES IT LOOK LIKE?

Some thoughts:

- New definition of access
- Virtual healthcare
- Population health
- Health apps
- Wearables
- Appointment booking
- Patient portals

Need to rethink
approach to delivery



RESOURCE MANAGEMENT

COVID PHE required entities to do more with less

- An opportunity to learn
- What changes are sustainable?
- What other changes are possible?
 - Focus on process improvement
 - Focus on technology solutions



RESOURCE MANAGEMENT

Benchmark Analysis

Lean

Operational Assessment



COST REPORT PREPARATION & STRATEGIES

- Don't forget the cost report
 - Accuracy of past reporting
 - Opportunities for future changes
 - Elections
 - Operational structure
- Not a one-time process
 - It is a living document



NEW PROGRAMMING OPTION – RURAL EMERGENCY HOSPITAL

- New opportunity in 2023
 - Details still evolving.
 - Not a solution for all providers.
 - But a lifesaver to others
 - No inpatient services.
 - OPPS/Fee Schedule Reimbursement
 - Monthly supplemental payment



THE MOST IMPORTANT STEP – A CALL TO ACTION!

- Timing is of the essence
- Dwindling cash reserves are not easily recovered
- It is easier to make plans and implement when you have time
- Seeing too many providers waiting until they are backed in a corner
 - It may be too late





QUESTIONS?

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THANK YOU!

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