

# National Flex Conference

## Financial Improvement Activities Break-out Session

### July 23, 2013

**Purpose of session: To share examples, best practices, lessons learned, what to do and what not to do.**

**What financial network activities are occurring at the state level? Examples from various states:**

- South Dakota is doing education on cost reports as well as coding and billing education. The critical access hospitals (CAHs) help define what the educational topics will be.
  - Implementing Balanced Scorecard with some of their CAHs as well as quarterly networking calls for CFOs and/or CEOs.
  - Salary surveys have noted that administrators are looking for comparisons in budget season, especially for emergency room physicians.
  - Labor benchmarking is done every two years to provide service line-specific benchmarks for employee and staffing levels.
  - Working with the Healthcare Financial Management Association (HFMA) chapter to provide education on cost reports, coding and billing; most officers belong to their local chapter.
  - Offer focused training on cost-based accounting at a statewide conference
- Arkansas is contracting with iVantage to provide their "Hospital Strength Index" to state CAHs. This has with 12 indicators that they are tracking.
  - The iVantage information is currently blinded, but they are considering revealing hospital names next year.
  - Plan to target the three lowest performing facilities for one-on-one technical assistance through webinars. They will ask for a commitment to follow up activities from hospital administrator to be certain they are engaged in the project (similar to the Rural Hospital Performance Improvement Project's Recommendation Adoption Process model).
  - Hope to show return on investment from the extra targeted resources and they will check in with the CAHs at 6, 12, and 18 months.
  - Noted that CEOs with a business background understand the cost reports really well but CEOs with a health care background tend to not even look at the reports. They need more education for these CEOs.
  - Labor management consortium is utilized to help connect with professional peers.
- Washington is hosting a chief financial officers summit offering financial training and health care reform information. They are also doing a contracting consortium to look at joint contracting and legal elements.
- New Hampshire organized a Financial Improvement Network (FIN) to carry out multi-year projects. FIN has the following activities:
  - CFO meetings to share best practices

- Drill down on specific topics, facilitate one-on-one consultant visits with the hosting hospitals and the hospitals are required to complete prep work.
- During the fourth and final year, there will be three in-depth workshops with topics on: pricing strategies and chargemaster review. The third topic is not yet decided. They give the hospitals a 'menu' of options to choose from for the topics.
- They have found that it works well to host workshops at a hospital, both save facility fee and do a hospital tour and site visit
- They had a contract with vendor that allows flexibility to adjust topics based on need. This required having an established relationship with the vendor.
- Include federal grant reporting requirements in the vendor contract so the needed data is collected.
- Provide participants a menu of topics for workshops and training rather than unlimited option, that helps to focus their attention.
- West Virginia has held on-site programs that have been most successful. Every three years they do a line-by-line review of each hospital's cost report and sit down with staff on site. CAH staff turnover means it is likely new to them anyway. This allows in-depth look at issues.
  - Track the costs and benefits of interventions by providing a final report to each intervention facility with the cost paid for TA and the identified savings and recoverables from the financial assessment.
  - Organize topical workgroups for CAH staff. They share policy examples and best practices on a member-only website.
  - Host annual "Leadership Performance Improvement Summit" which focuses on:
    - Days in accounts receivable (AR), billing & coding boot camp
    - Mining the state hospital inpatient discharge data set including: looking at trends in discharges, help CAHs understand number and type of services statewide, understand patterns in patients leaving their local communities, identify admitting physicians.
- Florida has a Flex Financial Improvement Collaborative
  - Saw that reports were just sitting on CFO's desk, and decided they needed people working in the weeds with the hospital departments.
  - Bought the iVantage Financial Strength Index and use TeamworkPM.net which is a cheap project management tool.
  - CEOs with a business background understood the iVantage report while those with a medical or nursing background struggled. They were stronger at understanding patient care however. Flex intervention can help bridge the gap between financial and patient care perspectives.

### **What activities are coming up within your financial networks?**

- Arizona said there is lots of interest in support on contracting with Quality Health Plans (QHPs) and private insurers.

- Management of physician practices, as the hospitals start employing more physicians they need to understand how to manage it. Reviewing contract and compensation structure, operations. "even a money-losing line needs to be managed".
- ICD-10 transition "check-up." Emphasize that they must prepare with extra cash on hand because there will be payment delays during the rollout.
- Revenue integrity: right service, right setting, right reimbursement. "revenue integrity" is language the clinical people can understand and support.
- Assess capacity to take on additional Medicaid or additional private patients. Do practices have capacity for expansion population?

### **What helps to make a Financial Improvement Network successful?**

- Ask what their needs are, get buy-in. They will only engage if it is meaningful to them.
- Group "like" facilities to make more similar peer groups.

Session participants would like to share summaries of financial improvement activities that other states are doing to inform Flex coordinators.

### **What can TASC/ORHP/FMT do to help?**

Provide education on the following:

- Insurance contracting
- Managing operating costs and profitability
- ICD-10 transition audit
- Revenue integrity
- How will we take on new populations that will now be insured? What will the population capacity need be? Will this make an additional workforce need?
- What are the factors to get hospitals to network? (Some states noted that hospitals will only engage if it is meaningful and if they have buy-in and to bring similar hospitals together).
- Summarize the financial projects from all the states.