2018 Rural Hospital and Clinic Financial Summit Report

Sally Buck
Chief Executive Officer
September 11, 2018

Terry Hill
Senior Advisor
September 11, 2018
Rural Health Innovations (RHI), LLC, is a subsidiary of the National Rural Health Resource Center (The Center), a non-profit organization. Together, RHI and The Center are the nation’s leading technical assistance and knowledge centers in rural health. In partnership with The Center, RHI connects rural health organizations with innovations that enhance the health of rural communities.
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
Small Rural Hospital Transition (SRHT) Project
Supported By:

U.S. Department of Health & Human Services
HRSA
Federal Office of Rural Health Policy
SRHT Project Purpose and Goals

• Supports small rural hospitals nationally in bridging the gaps between the current volume-based health care system and the newly emerging value-based system of health care delivery and payment.
• Provides technical assistance through onsite consultation to assist selected hospitals in transitioning to value-based care and preparing for population health.
• Disseminates best practices and successful strategies to rural hospital and network leaders.

Visit the SRHT website
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.
2018 Summit Participants

May 23, 2018, Bloomington, Minnesota
Summit Participants

John Barnas
Michigan State Office of Rural Health

Steve Barnett
McKenzie Health System, Michigan CAH

Brian Bertsch
Eide Bailly

Jane Jerzak
Wipfli

Jack King
Montana Hospital Association

Jeanene Meyers
Sarah Young
Federal Office of Rural Health Policy

Jonathan Pantenburg
Stroudwater Associates

Kristin Reiter
University of North Carolina, Flex Monitoring Team

Tim Size
Rural Wisconsin Health Cooperative

Karla Weng
Stratis Health
It’s Changing!

Triple Aim
✓ Better Care
✓ Better Health
✓ Lower Cost

Better Care + Smarter Spending = Healthier People
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
Market Indicators

- Market share
- Outmigration rates
- Number of attributed lives
- Number of unique patients
- Level of integration
Financial Performance and Conditions

- Liquidity
  - Current ratio or average payment
Operational Efficiency

- Average cost per clinic visit
- Productivity rates for primary care practitioners - visits
- Minimum productivity requirements for rural health clinics
Workforce

• Provider and staff engagement
• Number of primary care practitioners in service area
• Staff satisfaction scores
• Primary care practitioner information
  ◦ Retention rates to track turnover
  ◦ Provider satisfaction scores
  ◦ New market growth rates
Quality Performance

- Quality core measures
- Patient satisfaction scores (HCAHPS)
Care Management

• Skilled Nursing Facilities (SNF), Home Health and Durable Medical costs

• Behavioral and mental health screening rates
Community Health

• SDOH and County Health Rankings
• Hierarchical Condition Coding score (accounting for chronic conditions)
• Percent of primary care provider contracts containing population health activities
• Patient costs and other factors (time, travel, copay, deductibles, lost wages)
Organizational Attributes

• Tertiary provider quality and cost scores (if a choice/health plan ownership); reciprocal relationship with tertiary provider
• System affiliation
• Employed staff and providers vs independent or contracted
Summit Participant Perspective

- Jon Pantenburg
  Stroudwater
  Associates

- Jack King
  Montana Flex
  Program, Hospital
  Association
Application of Strategies

With regards to the identified key indicators, please share a successful application of a strategy for rural hospitals, clinics and Flex Programs to utilize to achieve success.
Recommended Resources

What 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?
Key Performance Indicator Resources

- 2017 Rural Hospital Value-Based Strategic Summit: BSC & Strategy Map Templates
- Flex Monitoring Team
- Transition Toolkit: Financial and Operational Strategies
- Quality Improvement Implementation Guide and Toolkit for CAHs
- Rural Health Value (RHV)
- Population Health Portal
- Rural Health Information Hub (RHIHub) Evidence-Based Toolkits for Rural Community Health
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
• Additional Performance Indicators and Strategies
  ◦ Market Share
  ◦ Financial
  ◦ Operational Efficiency
  ◦ Workforce
  ◦ Care Management
  ◦ Quality Performance
  ◦ Community Health
  ◦ Overarching Strategies
Access the Finance Manual

Small Rural Hospital and Clinic Finance 101 Manual

Downloads & Links

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

July 2018

Author: National Rural Health Resource Center (The Center)

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
Access the 2018 Finance Summit Report

2018 Rural Hospital and Clinic Financial Summit Report

Downloads & Links

- 2018 Rural Hospital and Clinic Financial Summit Report (PDF Document - 23 pages)
- One-Page Summary (PDF Document - 1 page)

August 2018

Author: National Rural Health Resource Center (The Center)

With the support of the Federal Office of Rural Health Policy (FORHP), the National Rural Health Resource Center (The Center) developed this report following a Summit of key rural hospital and clinic stakeholders to identify the most important financial indicators and strategies to transition to value-based payment. This report is designed to help rural hospital and clinic leaders meet this transition with financial success.
SRHT 2018-2019 Application Period: September 26 - October 24, 2018

Small Rural Hospital Transition (SRHT) Project Application for Onsite Consultation

Recipients of SRHT onsite technical assistance will not be selected for additional onsite TA in consecutive years; however, hospitals may re-apply in alternating years for onsite TA other than the previously supported project. For example, hospitals that are supported in the 2017-2018 program year are ineligible for the 2018-2019 application period.

Prepare for the 2018-2019 SRHT Application

Prepare for the Application
Let Us be Your Resource Center

Collaborating and innovating to improve the health of rural communities.

Learn more about The Center >

www.ruralcenter.org
SRHT Team
218-727-9390
srht@ruralcenter.org

http://www.ruralcenter.org

Get to know us better: