



NATIONAL
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RESOURCE CENTER

2018 Rural Hospital and Clinic Financial Summit Report

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September 11, 2018

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September 11, 2018

Rural Health Innovations' Purpose

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.



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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](#)



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2018 Financial Summit

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.



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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

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Tim Size

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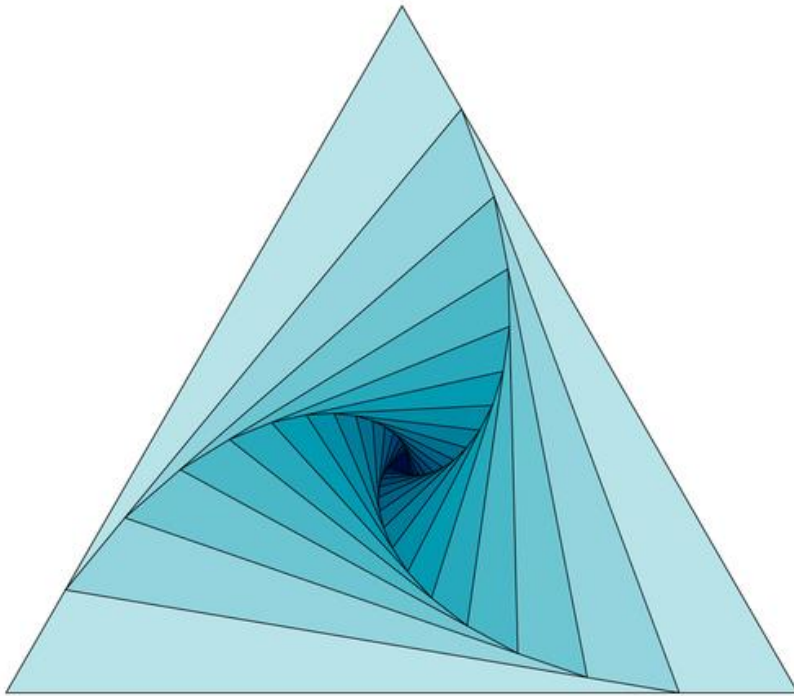
Karla Weng

[Stratis Health](#)



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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

**PATIENT HEALTH QUESTIONNAIRE
(PHQ-9)**

Over the last 2 weeks, how often have you been bothered by any of the following problems?
(Use "✓" to indicate your answer)

	Not at all	Several days	More than half the days	Nearly every day
1. Little interest or pleasure in doing things	0	1	2	3
2. Feeling down, depressed, or hopeless	0	1	2	3
3. Trouble falling or staying asleep, or sleeping too much	0	1	2	3
4. Feeling tired or having little energy	0	1	2	3
5. Poor appetite or overeating	0	1	2	3
6. Feeling bad about yourself — or that you are a failure or have let yourself or your family down	0	1	2	3
7. Trouble concentrating on things, such as reading the newspaper or watching television	0	1	2	3
8. Moving or speaking so slowly that other people could have noticed? Or the opposite — being so fidgety or restless that you have been moving around a lot more than usual	0	1	2	3
9. Thoughts that you would be better off dead or of hurting yourself in some way	0	1	2	3

For office coding: 0 + _____ + _____ + _____
= Total Score: _____

If you checked off any problems, how difficult have these problems made it for you to do your work, take care of things at home, or get along with other people?

Not difficult at all	Somewhat difficult	Very difficult	Extremely difficult
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



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



Finance 101 Manual (cont.)

- Additional Performance Indicators and Strategies
 - Market Share
 - Financial
 - Operational Efficiency
 - Workforce
 - Care Management
 - Quality Performance
 - Community Health
 - Overarching Strategies



Access the Finance 101 Manual

[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

[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



The screenshot shows the website for Rural Health Innovations, National Rural Health Resource Center. The page is titled "Small Rural Hospital Transition (SRHT) Project Application for Onsite Consultation". The main heading is "Small Rural Hospital Transition (SRHT) Project Application for Onsite Consultation". Below the heading, there is a paragraph of text: "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." Below this text is a section titled "Prepare for the 2018-2019 SRHT Application". On the right side of the page, there is a sidebar with a list of links: "Participation Requirements", "Hospital Readiness Requirements and Project Expectations", "Eligibility", "Hospital Work Plans", "SRHT Selected Hospitals", "Application for Onsite Consultation" (highlighted), "Guides & Toolkit", and "Program Examples". Below the sidebar, there is a section titled "Upcoming Events" with a calendar icon and a link to "UPCOMING HELP WEBINAR".

[RHI Home](#) > [SRHT](#) > Small Rural Hospital Transition (SRHT) Project Application for Onsite Consultation

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

[Participation Requirements](#)
[Hospital Readiness Requirements and Project Expectations](#)
[Eligibility](#)
[Hospital Work Plans](#)
[SRHT Selected Hospitals](#)
[Application for Onsite Consultation](#)
[Guides & Toolkit](#)
[Program Examples](#)

 **Upcoming Events**

[UPCOMING HELP WEBINAR](#)

[Prepare for the Application](#)



Let Us be Your Resource Center

The screenshot shows the homepage of the National Rural Health Resource Center. At the top right, there is a link for "VISIT RURAL HEALTH INNOVATIONS >". The logo for the National Rural Health Resource Center is on the left, with the text "NATIONAL RURAL HEALTH RESOURCE CENTER" next to it. On the right side of the header, there are links for "Feedback" and "Login". Below these are social media links for "Facebook", "LinkedIn", "On Center Blog", and "Twitter". A search bar is located on the right side of the header. A dark teal navigation bar contains the following menu items: "SERVICES", "PROGRAMS", "EVENTS", "RESOURCE LIBRARY", and "ABOUT". The main content area features the tagline "Collaborating and innovating to improve the health of rural communities." in a teal serif font. To the right of the tagline is a circular image of two hands holding a small globe of soil and a miniature rural landscape. Below the tagline is a button that says "Learn more about The Center >". At the bottom of the page, there are two circular icons: one for "Upcoming Events" (a calendar) and one for "News" (a newspaper).

www.ruralcenter.org



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Contact Information

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Get to know us better:



@RHRC