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New York State Critical Access Hospital Performance Improvement Network

Financial Strategies

June 6, 2016

Background

New York State

- 2.4 million people in rural communties, 19.3 million total
- 224 acute care hospitals
- 37 rural/non-metro
  - 16 Sole Community Hospitals
  - 18 Critical Access Hospitals

New York State Critical Access Hospital Performance Improvement Network

- Finance and Operations
- Quality

New York is undergoing major changes

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Finance and Operations

Financial Indicator Tracking and Benchmarking

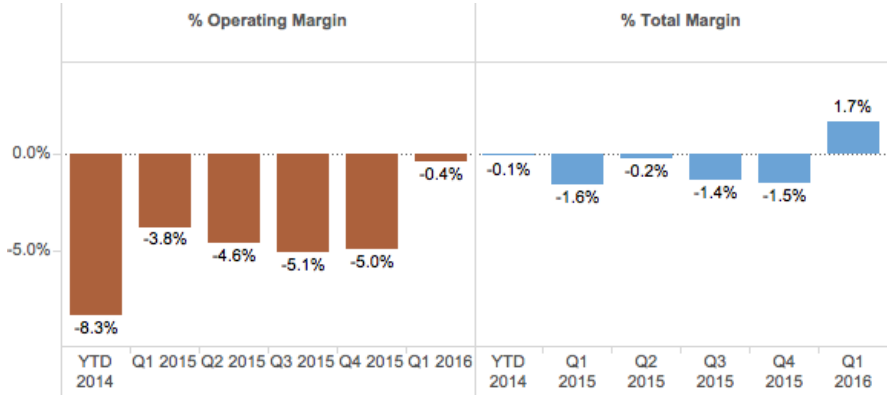
- Collects and compares operating, liquidity and capital metrics

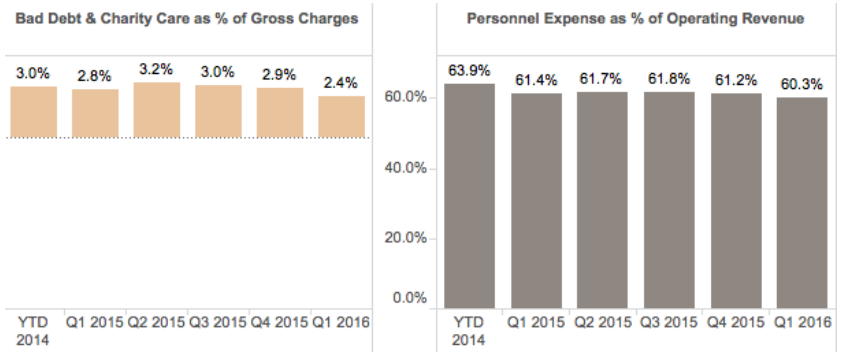
Learning Action Network

- 340B and Swing Bed Task Force
- Physician Alignment Task Force
- Affiliation Strategies Task Force

Charge Master Review and Revenue Cycle Assessment

Performance Improvements - Profitability





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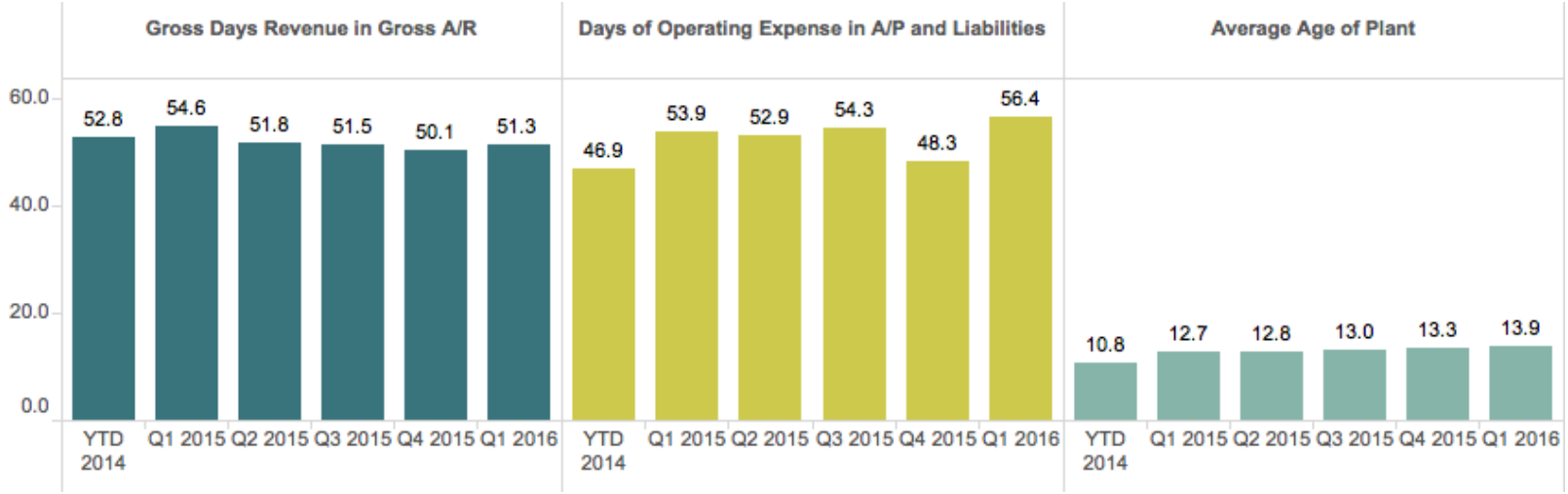
Performance Improvements – Liquidity/Capital



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Performance Improvement – How?

All 18 hospitals are participating and are supportive of each other!

Consistent collection and analysis of financial indicators by hospitals

Discussion of successful strategies at PI Network meetings

- Emergency Department throughput
- Revenue enhancements
- Maximizing staffing
- Departmental productivity
- Payer contracts
- FQHC Collaboration

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Learning Action Network

Team-Based Performance Improvement

15 Priority Areas chosen for discussion

Consensus exercise to choose 3 priority areas…actually 4

PI Network members worked in 3 small groups to develop assessment and action plans

Meeting via conference call and during the PI Network quarterly meetings

Learning Action Network

TASK FORCE NAME	340B / Swing Bed
CO – LEADERS	Terry Lang & Nate Smith
CHARTER EFFECTIVE DATE and DURATION	December 2015 – December 2016
PURPOSE *(Overall charge, purpose, or focus)*	Provide guidance, expert opinion, voice of customer, and perspective to the programs and services we develop for our customers. Maximizing reimbursements related to 340B & Optimal Swing Bed program management

DELIVERABLES *(Products the Task Force is asked to produce.)*	• 340B – assessment of participation & reassessment of current participation
	  ○ What is the assessment process?
	  ○ How do we assess / evaluate effectiveness of program?
	  ○ Identify 340B program key speakers/ subject matter experts → 3rd party administrators, pharmacy benefits managers, etc. (Hudson Headwaters)
	• Swing Bed program
	  ○ Identify and bring forward education material and best practices (Elizabethtown presentation)
	  ○ Understanding how to best manage the SB patient population
	  ○ How to develop and market the program

TASK FORCE NAME	Affiliation Strategies
CO – LEADERS	Jack Ormond and Amy Castle
CHARTER EFFECTIVE DATE and DURATION	December 2015 – December 2016
PURPOSE *(Overall charge, purpose, or focus)*	• Gain insight from other CAHs that are currently affiliated • How to leverage affiliations to maximize for positive financial gain and operating efficiencies
DELIVERABLES *(Products the Task Force is asked to produce.)*	• Inventory of affiliation types / models (structure) and partners for all CAH members • List of documented/ quantifiable benefits derived from affiliation • Best practice playbook → lessons learned, key steps / sequence → Centralization core pillars: Finance, IT, HR

TASK FORCE NAME	Physician Alignment
CO – LEADERS	Steve Kelley and Wendy Jacobson
CHARTER EFFECTIVE DATE and DURATION	December 2015 – December 2016
PURPOSE *(Overall charge, purpose, or focus)*	Provide guidance on benefits/ disadvantages of different physician alignment models (independent v. employed).
DELIVERABLES *(Products the Task Force is asked to produce.)*	• Comparative matrix documenting pros / cons of alternate alignment models • Documented best practices of CAHs participating in ACO and alternate payment models • Evaluation of how various alignment models fit within DSRP

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Charge Master Reviews/Revenue Cycle Assessment

Chose 3 Hospitals based on a review of:

- Cash on Hand
- Bad Debt and Charity Care
- Gross Revenue in Accounts Receivable
- Net Days Revenue in Accounts Receivable

2 Hospitals chose to have a Charge Master Review, 1 chose to do a revenue cycle assessment

June Completion

Questions?

Karen Madden
karen.madden@health.ny.gov
518-402-0102