SMALL RURAL HOSPITAL IMPROVEMENT GRANT PROGRAM (SHIP) FY 2022

ALLOWABLE AND UNALLOWABLE INVESTMENT ACTIVITY EXAMPLES

Clarification of Allowable and Unallowable Investments

The Small Rural Hospital Improvement Grant Program (SHIP) supports eligible hospitals in meeting value-based payment and care goals for their respective organizations, through purchases of hardware, software, and training. SHIP also enables small rural hospitals: to become or join accountable care organizations (ACOs); to participate in shared savings programs; and to purchase health information technology (hardware and software), equipment, and/or training to comply with quality improvement activities, such as advancing patient care information, promoting interoperability, and payment bundling.

Unallowable investments include, but are not limited to, travel costs, hospital patient care services, hospital staff salaries, or general medical and office supplies. Additionally, SHIP funds may not be applied to support coronavirus-related (COVID-19) activities or be used to supplement program activities under the COVID-SHIP grant. The **FY 2022 Allowable Investment Menu** below outlines examples and suggested topic areas for trainings by category to assist eligible SHIP hospitals in planning and selecting activities. Hospitals should contact their State Office of Rural Health (SORH) with questions regarding the appropriateness or fit of a certain activity, training, or hardware/software purchase.

SHIP Funding Updates and Recommendations

In an effort to relieve the reporting burden for CAHs during the COVID-19 pandemic, the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) priority remains suspended in FY22; although FORHP highly encourages continued reporting for CAHs. For additional details on the Medicare Beneficiary Quality Improvement Program (MBQIP) within the Flex Grant program, please refer to the MBQIP resources.

The ICD-10 coding priority also remains suspended for FY 2022. ICD-10 training and related activities were added under SHIP to assist hospitals compliance with the Centers for Medicare and Medicaid (CMS) ICD-10 billing requirements in October 2015. At this time, most hospitals have completed the conversion to the ICD-10 system for accurate billing so participating SHIP hospitals are not required to prioritize these activities before selecting any other investment options.

HCAHPS and ICD-10 related activities will remain on the Allowable Investment Menu and hospitals may continue to select activities within these categories. In lieu of a funding priority, FORHP **recommends** that hospitals utilize funding to support quality improvement and/or healthcare finance requirements such as, but not limited to:

- Develop or implement training, hardware/software that supports the application and expansion of telehealth and/or telemedicine
- Comply with CMS's Price Transparency rule by January 1, 2021, which requires hospital operating in the United States to provide clear, accessible online pricing information on the hospital services.

The **FY 2022 Allowable Investment Menu** below is not a complete list and is only intended to provide examples of allowable SHIP activities. For additional clarification, refer to the SHIP Allowable Investments Search Tool and Frequently Asked Questions (FAQs) available on the SHIP TA website.

Examples of Value-Based Purchasing (VBP) Investment Activities

VBP Investment Activities	Examples of Allowable Activities
A. Quality reporting data collection/related training or software	CAHs should participate in the Medicare Beneficiary Quality Improvement Project (MBQIP). MBQIP Resources: • Data Reporting and Use • MBQIP Quality Reporting Guide • Online MBQIP Data Abstraction Training Series • Promoting Quality Reporting and Improvement • Emergency Department Transfer Communications Any activity to support process improvements that result in improved quality reporting and/or inpatient and outpatient measures for PPS acute care hospitals. • Quality Net • Hospital Outpatient Quality Reporting Program

B. HCAHPS data collection process/related training	Activities to improve HCAHPS data collection, reporting, provider communications, and patient and family engagement that directly impacts patient satisfaction scores. Hospitals may use funds to support an HCAHPS vendor to assist them in fully implementing HCAHPS and improved reporting. • HCAHPS Overview: Vendor Directory • HCAHPS Online
C. Efficiency or quality improvement training in support of VBP related initiatives	Consider adopting Six Sigma, Lean, Plan-Do-Study-Act, or other such efficiency or quality improvement processes to address performance issues related to VBP initiatives, such as the following: • Patient experience of care • Discharge planning • Patient safety • Reducing readmissions • Antibiotic stewardship • Immunization • Hospital Safety Training & Emergency Preparedness

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D. Provider-Based Clinic (Rural Health Clinic) quality measures education	Any activity that supports educational training for provider-based clinic quality improvement reporting and scores, including patient satisfaction survey scores.
	
	SHIP State Learning Collaborative
	
	• Part I: Learning Collaborative: Improving Quality Reporting in Provider-Based Rural Health Clinics
	    ○ Webinar Recording
	    ○ Slide Deck
	• Part II: Learning Collaborative: Improving Quality Reporting in Provider-Based Rural Health Clinics
	    ○ Webinar Recording
	    ○ Slide Deck
	• Rural Health Clinic Quality Reporting Initiatives

E. Alternative Payment Model and Quality Payment Program training/education	Software or training to prepare staff and physicians for the Quality Payment Program (QPP), which determines payment based on quality, resource use, clinical practice improvement, and meaningful use of certified electronic health record (EHR) technology.

	- Quality Payment Program: Small, Rural, and Underserved Practices - Physician and Provider Engagement and Alignment - Population Health Management - MACRA/MIPS Overview and Eligibility - Value-Based Payment Models and Data

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Examples of Accountable Care Organization (ACO) or Shared Savings Investment Activities

ACO or Shared Savings Investment Activities	Examples of Allowable Activities
A. Computerized provider order entry implementation and/or training	Any educational trainings that support use and implementation. • Pharmacist Computerized Provider Order Entry (CPOE) / Verification of Medication Orders within 24 Hours Guide
B. Pharmacy services training, hardware/ software, and machines	Does **NOT** include pharmacists' services or medication. • Telepharmacy training, hardware, software*
C. Population health or disease registry training and/or software/hardware	Educational training, or hardware/software to support the development and implementation of a disease registry for care coordination. • Project ECHO • SHIP training: Care Coordination Software and training for analysis of population health needs by chronic disease or geographic location for care management programs. • Population Health Toolkit

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	• Population Health Management Technology
D. Social determinants of health (SDOH) screening software/training	Software and training for analysis of social determinants of health for improving health outcomes and care management programs. • County Health Rankings • CDC Tools for SDOH
E. Efficiency or quality improvement training or software in support of ACO or shared savings related initiatives	Quality Improvement trainings such as the following: • IHI Plan Do Study Act (PDSA) • Root Cause Analysis (RCA) • TeamSTEPPS and Lean Process planning • CMS Abstraction & Reporting Tool Consider other efficiency or quality improvement trainings or software to address performance issues related to the following: • Medicare spending per beneficiary • Non-clinical operations • Health Information Exchange (with traditional and/or non-traditional partners) • Swing-bed utilization and quality measures • Care coordination • Population health

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	• Social determinants of health
F. Systems performance training in support of ACO or shared savings related initiatives	Hospitals interested in systems performance training should consider adopting a framework approach in transitioning to value-based system planning such as one of the following: • Performance Excellence (PE) Blueprint for small rural hospitals based on the Baldrige Framework • Strategy Map and Balanced Scorecard development
G. Telehealth and mobile health hardware/software	Training hardware/software that supports the application and implementation of telehealth and/or telemedicine. This does NOT include telecommunications. Tablets and hardware/software investments are allowed if they are used by staff to improve operational efficiencies and telehealth services. • Rural Telehealth Toolkit • Telehealth Resource Collection* • Telehealth Resource Centers • CAH Telehealth Guide
H. Community paramedicine hardware/software and training	Community Paramedic Program (CPP) training. If the hospital and/or hospital-owned ambulance units has a formal CPP, then hardware/software

	can be purchased to support the CPP to reduce inappropriate Emergency Department Use and emergency department and readmissions. However, use of SHIP funding for general EMS equipment is not allowable. • Rural EMS • Rural Community Ambulance Agency Transformation Toolkit*
I. Health Information Technology (HIT) training for value and ACOs	SHIP supports HIT hardware/software and training, and risk assessments and/or trainings associated with cybersecurity. • Health Industry Cybersecurity Practices: Managing Threats and Protecting Patients (HICP) Guide • Healthcare and Public Health Sector Coordinating Councils guidelines for small, medium and large health care organizations to cost-effectively reduce cybersecurity risks* • Security Risk Assessment Tool

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Examples of Payment Bundling (PB) or Prospective Payment System (PPS) Investment Activities

PB or PPS Investment Activities	Examples of Allowable Activities
A. ICD-10 software	- Training that updates and computerizes hospital policies and procedures to comply with ICD-10 - Hardware/software investments that improve quality, efficiencies, and coding
B. ICD-10 training	- Training to support coding and reimbursement - Training to support Revenue Cycle Management documentation improvements that result in increased coding compliance - Revenue Cycle Bootcamp Part I - Revenue Cycle Bootcamp Part II
C. Efficiency or quality improvement training in support of PB or PPS related initiatives	Training that improves processes through adoption of best practices and the transition to value-based payment strategies such as the following: - Financial and operational strategies - 340B Training

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D. S-10 Cost Reporting training	• Debt and charity care training • Training to improve charity care processes and develop policy guidelines for S-10 Cost Reporting
E. Price transparency training	Training to support hospital compliance with price transparency rule. Funding cannot support consultant or vendor to build a price transparency software or website development time. SHIP funds can support staff training on software or website developed by a consultant. • SHIP Price Transparency Guide* • Price Transparency: Making the Most of the 2021 Requirement Training on revenue cycle management* to improve processes that provide clear information about charges and cost to Medicare beneficiaries. Training examples: • Chargemaster, Pricing Transparency, Charges • Chargemaster Review

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