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Russell County Hospital: Aligning for Future Success

Small Rural Hospital Transition (SRHT) Project

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August 16, 2017

Presentation Objectives

- Introduction
- [Small Rural Hospital Transition \(SRHT\) Project](#)
 - Program Overview
 - Resources
- Transition Strategies: Position Your Hospital for Value-based Care
- Russell County Hospital: Aligning for Future Success
- Questions & Comments

The Center's Purpose

The National Rural Health Resource Center (The Center) is a nonprofit organization dedicated to sustaining and improving health care in rural communities. As the nation's leading technical assistance and knowledge center in rural health, The Center focuses on five core areas:

- Transition to Value and Population Health
- Collaboration and Partnership
- Performance Improvement
- Health Information Technology
- Workforce



Small Rural Hospital Transition (SRHT) Project

- 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 onsite technical assistance to assist selected hospitals in transitioning to value-based models and preparing for population health
- Disseminates best practices and successful strategies to rural hospital and network leaders

SRHT Eligibility

- Located in a rural community, as defined by FORHP
- Located in a persistent poverty county (PPC) or a rural census tract of a metro PPC
- Have 49 beds or less per most recently filed Medicare Cost Report
- For-Profit and Not-For-Profit CAHs and PPS facilities
- Grantees of Rural Health Network Development Program and the Small Rural Healthcare Quality Improvement Grant Program are encouraged to apply

SRHT Project Core Areas

Financial Operational Assessment (FOA)

- Identifies strategies and develops tactics that improve operational efficiencies, as well as quality and patient satisfaction

Quality Improvement (QI) Project

- Assesses care management and transition of care processes to include utilization review, discharge planning, care coordination and resource utilization to yield cost-effective, quality outcomes that are patient-centric



SRHT Project Expectations

Selected Hospitals must be willing and able to:

- Meet program and readiness requirements
- Track project measures to determine measurable outcomes
- Implement best practices that improve financial performance, operational efficiencies and quality of care
- Adopt key transition strategies to position the hospital for value-based care and prepare for population health
- Complete post-project follow up process



SRHT Projects Ask, What...

- Is the current status of the quality of care and financial position of the hospital?
- Are there opportunities for process improvements?
- Best practices should the hospital implement to improve financial performance and quality of care?
- Strategies must be deployed to transition the hospital to a value-based care?
- Does the hospital need to prepare for population health?
- Are there gaps?
- Resources are available to assist the hospitals in closing the gap and meeting their needs?



SRHT Hospital Consultation Process (p1)

Pre-project planning activities

- Complete [transition planning self-assessment](#)
- Participate in kick-off webinar
- Hold pre-project planning calls
- Submit data requests and interview schedule

First onsite consultation

- Interviews with executive and management team members, medical staff and board members
- Discovers opportunities for implementing best practices to increase operational efficiency and adopting transition strategies that position the hospital for the future



SRHT Hospital Consultation Process (p2)

Second onsite consultation

- Report presentation to executive and management teams
 - Focuses on educating team on why consultant recommendations are important to hospital's future
 - Ties department actions with hospital's strategic plans
 - Documents pre-project values for tracking measures
- Action planning with executive and management team to implement hospital wide recommendations
 - Develops action steps at department level to implement best practices and adopt transition strategies
 - Initiates implementation process

Post-project Follow Up Process: Hospitals Are Required to...

- Hold 2 Recommendation Adoption Progress (RAP) interviews at 6 months and 12 months post-project to demonstrate project impact
- Complete post-project [transition planning self-assessment](#) at 12 months
- Report post-project values for SRHT tracking at 12 months to demonstrate measurable outcomes



The Center's Resources

Hospital success stories, best practices and transition strategies are shared through:

- [Rural Hospital Transition Toolkit](#)
- [Population Health Portal](#)
- [Hospital Spotlights](#)
- [Performance Management Group \(PMG\) Calls](#)
- [HELP webinars](#)
- *Timely Transitions*, SRHT monthly newsletter



Rural Hospital Transition Toolkit



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Rural Hospital Toolkit for Transitioning to Value-based Systems

[SRHT](#) > Rural Hospital Toolkit for Transitioning to Value-based Systems

With the support of the Federal Office of Rural Health Policy, The Rural Hospital Toolkit for Transitioning to Value-based Systems (Toolkit) was developed to disseminate consultant recommended best practices and transition strategies identified through the [Small Rural Hospital Transition \(SRHT\) Project](#). The Toolkit shares best practices for improving financial, operational and quality performance that position rural hospitals and networks for the future, as well as outlines strategies for transitioning to value-based payment and population health. Rural providers and leaders should use the Toolkit to identify performance improvement opportunities for their hospitals and networks, and develop strategies for successfully transitioning to population health.

- [Self-assessment for Transition Planning](#)
- [Strategic Planning](#)
- [Leadership: Board, Employee and Community Engagement](#)
- [Physician and Provider Engagement and Alignment](#)
- [Population Health Management](#)
- [Financial and Operational Strategies](#)
- [Revenue Cycle Management and Business Office \(BO\) Processes](#)
- [Quality Improvement](#)
- [Community Care Coordination and Chronic Disease Management](#)

[Watch the webinar recording about the Toolkit content.](#)

[SRHT Toolkit Fact Sheet](#) [PDF - 103 KB]

Provide Feedback

Rural Hospital Toolkit for Transitioning to Value-based Systems

Self-assessment for Transition Planning

Strategic Planning

Leadership: Board, Employee and Community Engagement

Physician and Provider Engagement and Alignment

Population Health Management

Financial and Operational Strategies

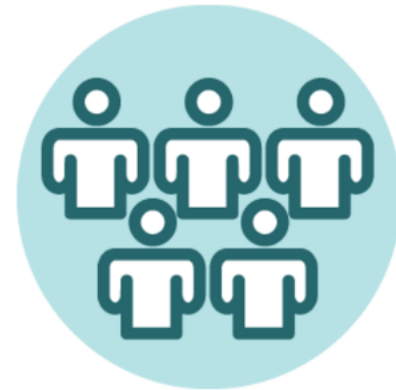
Revenue Cycle Management and Business Office (BO) Processes

Quality Improvement

Community Care Coordination and Chronic Disease Management

The Center's Population Health Portal

Where are you in the journey towards population health?



[Complete the Assessment >](#)

What is Population Health?

Population health is defined as the health outcomes of a group of individuals, including the distribution of such outcomes within the group. These groups are often either geographically defined or defined as a specific group of individuals. The successful health care organizations of the future will be those who simultaneously deliver excellent quality of care, at lower total costs, while improving the health of both the geographic and targeted populations.

This Population Health Portal, created in cooperation with the Federal Office of Rural Health Policy, helps critical access hospitals, Flex Coordinators and rural health networks navigate the journey towards improved population health.



Get Motivated

To create a movement toward wellness, participate in population health strategies. Become a movement leader and learn how to enhance the board, leadership team and community awareness, understanding and planning for the transition towards population health.

[Get Motivated >](#)



Get Informed

Access tools, resources and case studies on collecting data, assessing information and establishing workflow and communication processes designed to deliver excellent quality of care, at lower total costs, while improving health outcomes in the journey towards population health.

[Get Informed >](#)



Get Going

Acquire tools and resources that inspire staff to effectively demonstrate and communicate wellness with patients, the community and partners for a culture change toward improved population health outcomes.

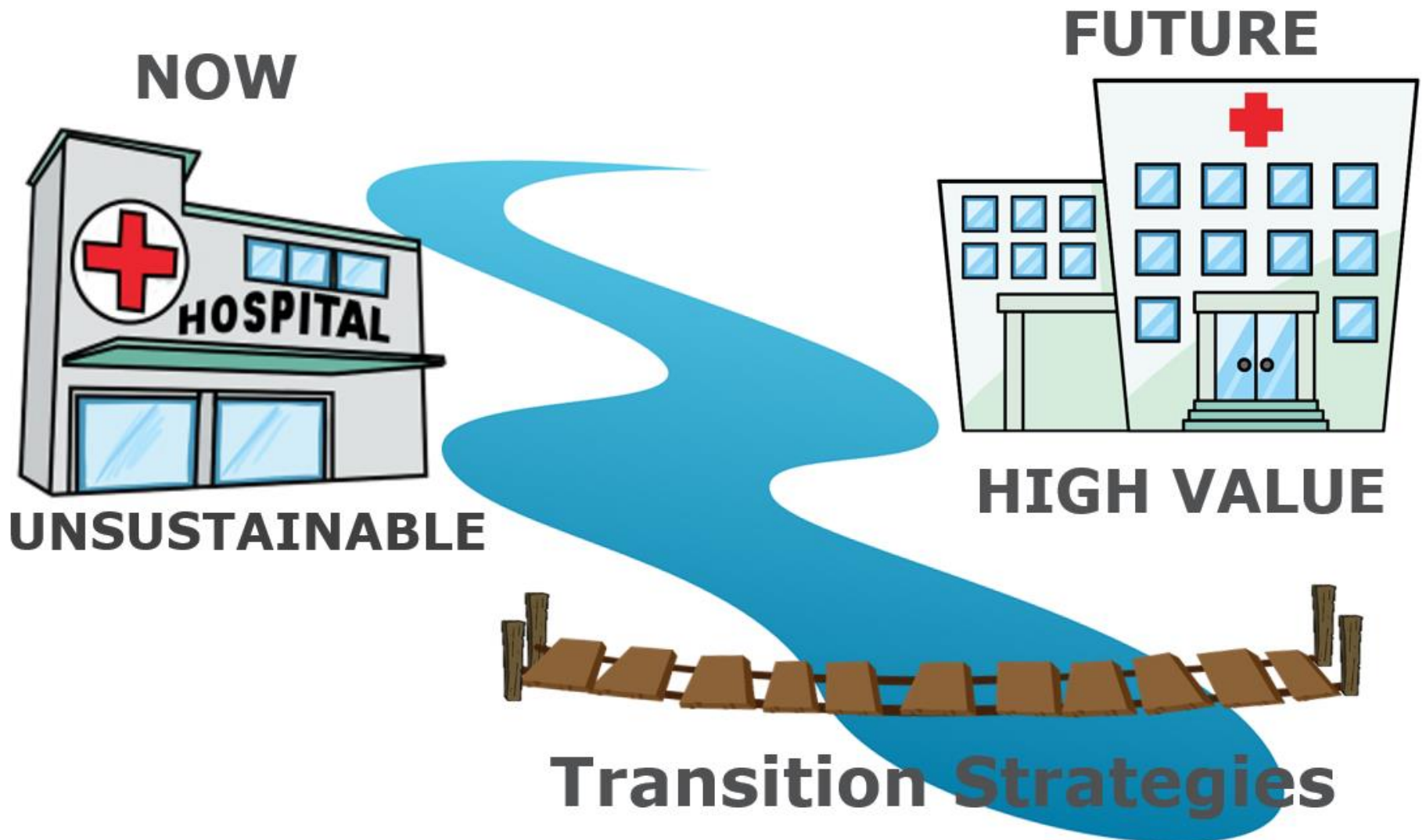
[Get Going >](#)

SRHT Hospital Spotlights

- [Russell County Hospital Aligning for Future Success](#) February, 2017
- [Union General Hospital: Showing What's Possible In Population Health](#) October, 2016
- [North Sunflower Medical Center Successfully Addressing Chronic Care Management](#) September, 2016
- [Marcum & Wallace Memorial Hospital Successfully Impacts Project Outcomes](#) August, 2016
- [Chicot Memorial Medical Center Utilizes SRHT Project to Prepare for the Future](#) April, 2016
- [Spotlight on Richland Parish Hospital](#) October, 2015
- [Spotlight on Tallahatchie General Hospital](#) April, 2015



Transition Strategies: Position Your Hospital for Value-Based Care



Challenges Affecting Rural Hospitals (p1)

- Difficulty with recruitment of providers and aging of current medical staff
 - Struggle to pay market rates
- Increasing competition from other hospitals and physician providers for limited revenue opportunities
- Small hospital governance members without sophisticated understanding of small hospital strategies, finances, and operations
- Consumer perception that “bigger is better”



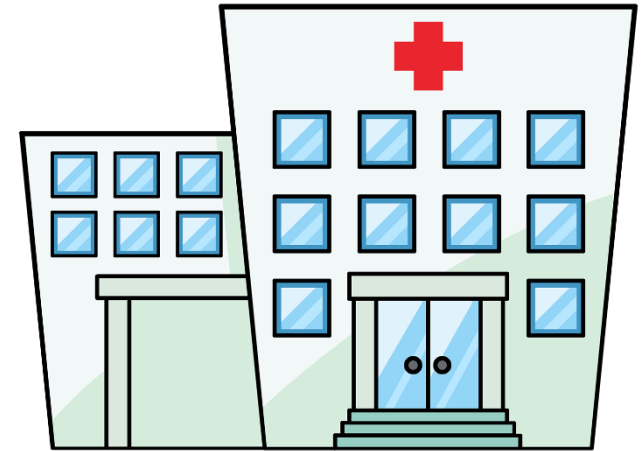
Challenges Affecting Rural Hospitals (p2)

- Severe limitations on access to capital for necessary investments in infrastructure and provider recruitment
 - Facilities historically built around IP model of care
- Increased burden of remaining current on onslaught of regulatory changes
 - Regulatory friction / overload
- Payment systems transitioning from volume-based to **value-based**
- Increased emphasis of **quality** as payment and market differentiator
- **Reduced** payments that are “real this time”

Value-based Care of the Future

- New environmental challenges are the TRIPLE AIM!!!

- Triple Aim
 - Better care
 - Smarter spending
 - Healthier people



- Market Competition on economic driver of health care: PATIENT VALUE

Finance System Driving Transition to Population Based Payment System (PBPS)



<p>Today (FFS)</p>	<ul style="list-style-type: none"> • Government Payers <ul style="list-style-type: none"> • Changing from F-F-S to PBPS • Private Payers <ul style="list-style-type: none"> • Follow Government payers 	<ul style="list-style-type: none"> • Management of price, utilization and costs 	<ul style="list-style-type: none"> • Independent organizations competing with each other for market share based on volume
<p>Future (PBPS)</p>	<ul style="list-style-type: none"> • Population Based Payment System (PBPS) • Steerage to providers with lower costs and better outcomes 	<ul style="list-style-type: none"> • Management of care for defined population • Providers assume insurance risk 	<ul style="list-style-type: none"> • Aligned organizations competing with other aligned organizations for covered lives based on quality and value • Network and care management organization <ul style="list-style-type: none"> • New competencies required <ul style="list-style-type: none"> • Network development • Care management • Risk contracting • Risk management

The Challenge: Crossing the Shaky Bridge

**Fee-for-Service
Payment
System**



**Population
Based
Payment
System**

2014

2016

2018

2020

2022

2024

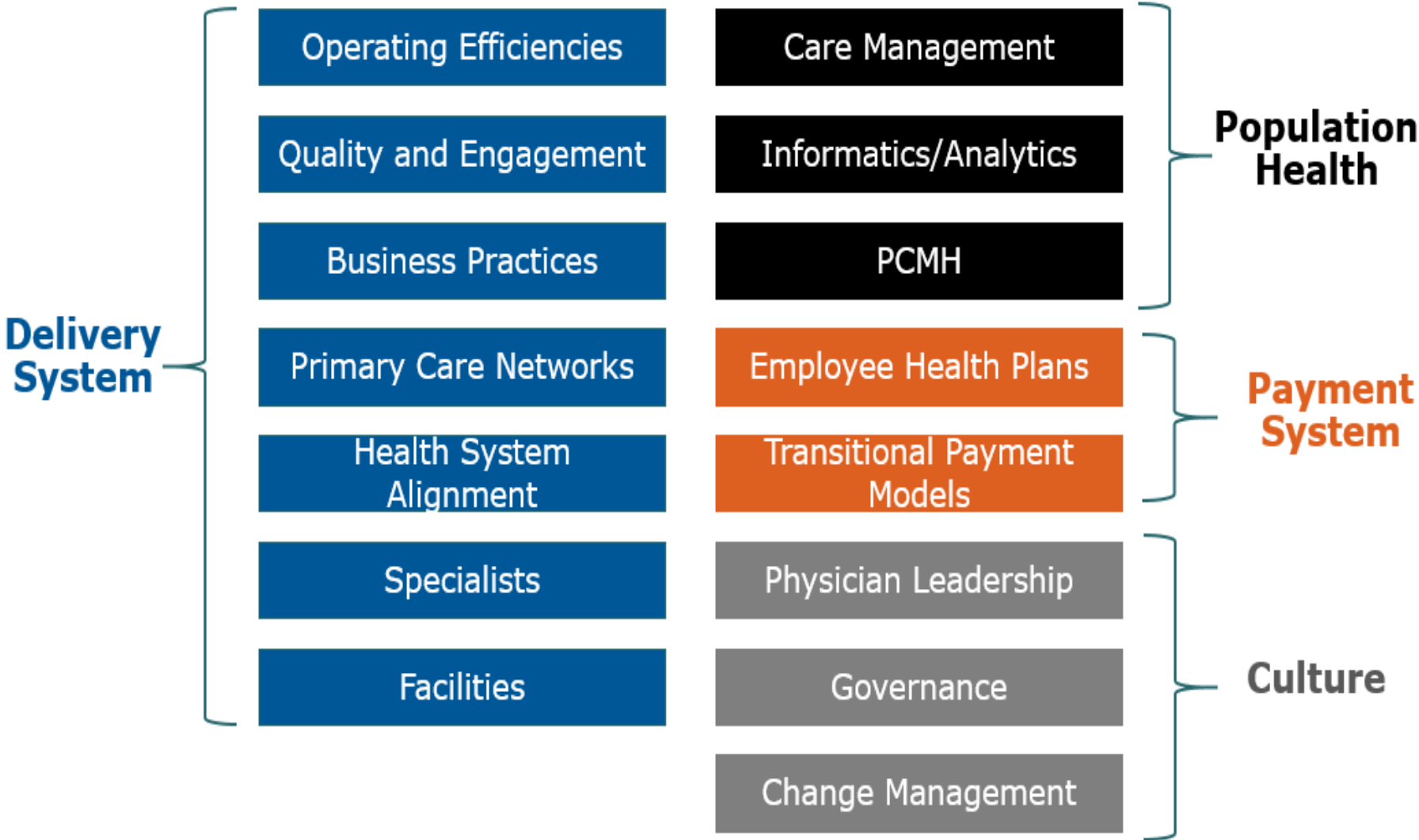
2026

Key Transition Strategies Targeting Delivery, Payment and Population Health

- **Delivery system** - addresses the imperative to transform the current "sick care" model for optimal fit with population based payment
- **Payment system** - addresses the imperative to proactively transform payment from FFS to population based payment
- **Population health /care management** - requires creation of an integrating vehicle so that providers can contract for covered lives, create value through active care management, and monetize the creation of that value



Operationalizing Transition Strategies



Key Transition Strategies: Delivery System

- Maximize financial performance
- Improve operational efficiencies
- Recognize quality and patient safety as a competitive advantage
- Align and partner with medical staff (employed and independent) contractually, functionally, and through governance
- Develop system integration strategy

Key Transition Strategies: Payment System

- Develop self-funded employer health plan
- Participate in transitional payment models that add value and to begin to benefit from available reimbursement options
 - Patient-centered medical homes (PCMH)
 - Shared savings programs
 - Accountable Care Organizations (ACOs)
- Begin to develop strategy for managing risk

Key Transition Strategies: Population Health

- Implement care management strategies to position the hospital for population health management
- Develop care transition teams
- Initiate community care coordination planning
- Use self-funded employee health plan to learn how to manage population health interventions
- Use claims data to develop claims analysis capabilities/infrastructure
- Develop evidence-based protocols

Key Transition Strategies: Culture

- Increase leadership awareness of new health care environment realities
- Update the strategic plan to incorporate new strategic imperatives – “Bridge Strategy”
- Engage and educate board and medical staff about population health management

Critical Success Factors:

#5. Seek solutions outside of healthcare

- Seek solutions from other industries
 - General tendency to believe that the best solutions are those that originate within our walls
- Network professionally with area businesses to share ideas and solutions
- Explore and adopt LEAN as a business model and philosophy that can shift the culture towards a relentless focus on delivering customer value

Critical Success Factors:

#4. Cultivate An Entrepreneurial Spirit

- Revenue generation is not just the C-suite's job
 - Foster entrepreneurial spirit within your management team
 - Develop "Pitchers" instead of "Catchers"
- Set expectation to regularly interface with medical community to:
 - Explore opportunities to better serve their patients
 - Build awareness of new and existing services
 - Seek new partnerships

Critical Success Factors:

#3. Measure what is Actionable (p1)

- Develop dashboard with key performance indicators (KPI) to effectively track and monitor progress
- Identify 1 – 3 metrics per performance category that support actionable steps
- Identify performance metrics on:
 - Macro level for hospital wide initiatives
 - Departmental activities
 - Individual basis to establish alignment of goals
- Communicate widely and frequently to build and hold accountability

Critical Success Factors: #3. Measure what is Actionable (p2)

Examples of Commonly Used Metrics:

Growth	Emergency Department (ED) volume Percent admissions Per center transfers
People	Employee Turnover Employee Satisfaction Rate
Quality and Safety	Core Measures Composite Scores Hospital- Acquired Conditions (HAC) Score Medicare Beneficiary Quality Improvement Project (MBQIP) Scores
Finance	Operating Margin Days Cash On Hand
Patient Sat	HCAHPS (<i>Rate 9 or 10 and Willing to recommend</i>)

Critical Success Factors: #2. Plan and Execute Effectively (p1)

Effective Planning

- Begins with a solid understanding of your current state and a clearly defined problem
- Develop plan with a focus to 12 – 18 months with annual update
- Establish monthly strategic management review of progress
- Engage all stakeholders (associates, leadership, Board, medical staff, community) in a collaborative manner

Critical Success Factors: #2. Plan and Execute Effectively (p2)

Effective Execution

- Develop a formal method for how the organization executes and drives change that utilizes dashboard
 - Action planning that drives accountability through the establishment of specific, time-phased and measurable tasks with defined responsibilities that is monitored on a monthly basis
- Develop cross functional and interdependent teams (e.g. Quality, Satisfaction, Finance)
- Action team charters with clearly defined scope and roles

Critical Success Factors: #1. Culture Matters

Consciously design and implement a quality focused, performance excellence culture:

- Connect your stakeholders with the mission
- Promote transparency, vision, and accountability
- Convert “renters” into “owners”, and unleash the hidden potential of your associates
- Commit to daily rounding
- Eliminate power gradients
- Adopt a servant leadership style
 - Admit mistakes
 - Seek ideas and solutions from associates

Russell County Hospital Russell Springs, Kentucky



SERVICES

We're Here For You

- 24-Hour Emergency Care
- Critical Care
- Inpatient & Outpatient Laboratories
- Inpatient & Outpatient Surgery
- Diagnostic Services
- Dietary Services
- Rehabilitation Services
- Respiratory Therapy
- Specialty Outpatient Clinic
- Woundcare Clinic
- X-Ray Services (Nuclear Medicine and CT Scan Services)
- MRI Services



RUSSELL COUNTY
HOSPITAL

Russell County Hospital (RCH): Mission and Vision

RCH - 25-bed CAH located in Russell Spring, KY

Our Mission

- To provide quality compassionate healthcare consistent with the trust and support of the communities we serve

Our Vision

- To be the leading provider of quality health care in the communities we serve

Russell County Demographics (p1)

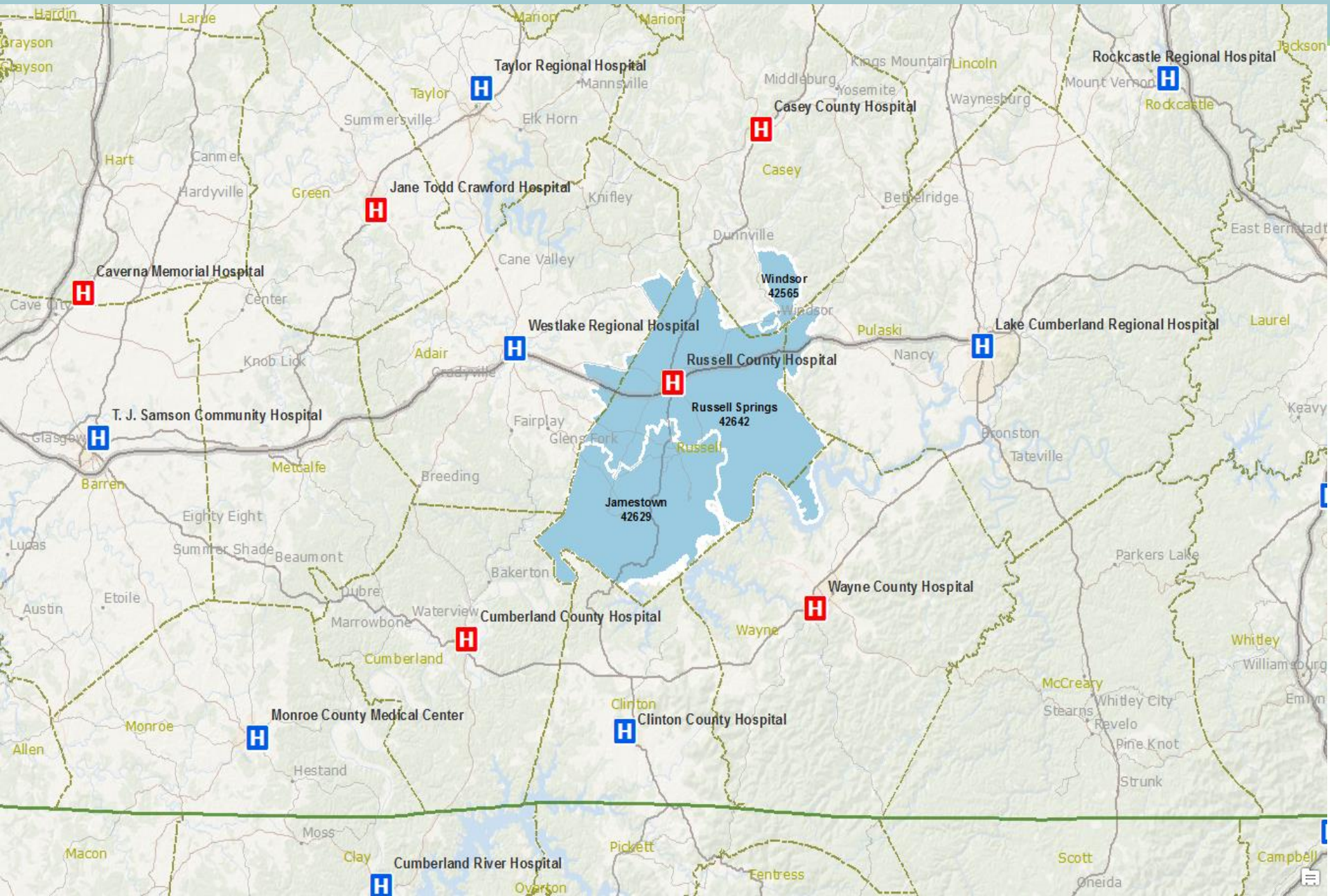
- Population: 17,575
 - Increases in summer due to tourism at Lake Cumberland
- Population distribution:
 - Evenly distributed across the age groups
 - 65+ represents 16.5% of population
- Medicaid participants represents 44% of the population
- Median household income: \$22,042
- Per capita income: \$13,183

Russell County Demographics (p2)

- Percent population below poverty line:
 - 24.3% of the population
 - 20.4% of families
 - 30.8% of under age 18
 - 27.3% of age 65 and older
- Payor Mix:
 - Medicare 47%
 - Medicaid 31%
 - Commercial 17%
 - Worker's Comp 2%
 - Self Pay 3%



RCH Service Area



RCH's Small Rural Hospital Transition Project

- Selected for SRHT Project in October, 2015
- Completed a Financial Operational Assessment (FOA) with Stroudwater Associates in July, 2016
- Submitted data request for bench review
- Hosted 2 onsite consultations:
 1. Interviews and board training
 2. Report presentation and action planning
- Submitted post-project values
- Completed 2 interviews with The Center's SRHT Team

Consultant Recommendations For RCH

1. Establish urgent care / after hours clinic
2. Align with local providers and expand primary care services
3. Grow surgery program and increase procedures
4. Promote quality scores internally and in community
5. Grow swing bed and inpatient services
6. Grow ancillary services
7. Develop strategic plan to position for the future
8. Improve revenue cycle management
9. Optimize 340B Program
10. Prepare for population health

RCH Promotes Quality of Care

Patients Reported ...		RCH	KY Avg	N'tnl Avg
Nurses "Always" communicated well		88%	82%	80%
Doctors "Always" communicated well		86%	85%	82%
"Always" received help as soon as they wanted		79%	70%	69%
Pain was "Always" well controlled		85%	73%	71%
"Always" explained meds before giving it		70%	67%	65%
Room and bathroom were "Always" clean		91%	75%	74%
Area around their room was "Always" quiet at night		71%	66%	63%
YES, they were given information about what to do during their recovery at home		86%	87%	87%
Hospital rating of 9 or 10		77%	73%	72%
YES, they would definitely recommend the hospital		74%	71%	72%

RCH Advancements on Recommendations: Establishing an Extended Hours Clinic (p1)

- Only one after hours clinic in the county that:
 - Operates during Monday through Friday from 4pm - 7pm and Saturday from 8am to 12pm
 - Is closed on Sunday
 - Is operated by a local primary care physician in community
 - Is staffed with APRNs
- After clinic hours, the RCH's ED is the only local option for patients to receive healthcare services

RCH Advancements on Recommendations: Establishing an Extended Hours Clinic (p2)

- Acquiring the after hours clinic
- Extending the hours of operation to 11pm on weeknights, 8am until 8pm on Saturday, and 1pm until 5pm on Sunday
- Considering additional hours of operation as required by demand
- Establishing the after hours clinic as an extension of the hospital's Rural Health Clinic
- Expecting Rural Health Clinic reimbursement for visits

RCH Advancements on Recommendations: Expanding Primary Care Services (p1)

Four primary care practices in Russell County:

- Russell County Medical Associates
 - RCH's Rural Health Clinic
- Russell County Primary Care (RCPC)
 - Operated by two independent physician practices
- Two Federally Qualified Health Centers
 - Russell County Family Medical
 - Jamestown Family Medicine



RCH Advancements on Recommendations: Expanding Primary Care Services (p2)

- Acquiring RCPC from physicians
 - Independent financial analysis indicates that this acquisition will add an additional \$500,000 net revenue not considering revenue generated by the after hours clinic's expanded hours and 340B optimization.
- Seeking a APRN-GYN for operation
- Applied to license RCPC as RCH's second provider-based Rural Health Clinic

RCH Advancements on Recommendations: Growth in Surgery Program

Recruited General Surgeons

- In January 2016, RCH's only general surgeon left
- By March 2016, RCH recruited:
 - A full-time general surgeon
 - Two part-time general surgeons for one day per week
- Surgical cases increased monthly by an average of 23%

RCH Advancements on Recommendations: Increased Surgical Procedures

- Performing a small number of orthopedic and urology cases, and will continue to grow services
- Providing cataract surgery
 - Collaborating with a second ophthalmologist that is interested in working at RCH
- Seeking a GYN surgeon for our community

RCH Advancements on Recommendations: Growth In Ancillary Services (p1)

- Opened MRI Center with a new Hitachi Oval MRI in March, 2016
 - Older mobile unit was not well received by physicians
 - Increased scans on average of 51%
 - From 74 per month to 112 per month, on average

RCH Advancements on Recommendations: Growth In Ancillary Services (p2)

- Brought sleep study services in house in March 2017 after working with three contract services in 24 months
 - Hired a double registered sleep technician
 - Contracted with boarded sleep physician
 - Purchased the most current equipment
 - Increased in referrals and the quality of studies
 - Seeking accreditation for sleep lab

RCH Advancements on Recommendations: Growth In Ancillary Services (p3)

- Converted a wing of the hospital for a Women's Health Center
- Women's health services include:
 - Digital mammography
 - Ultrasound
 - Stereotactic breast biopsy
 - DEXA bone density
 - Molecular breast imaging
 - ✓ Our MBI is currently the only one in the Commonwealth of Kentucky

RCH Advancements on Recommendations: Increased Swing Bed and Inpatient Services

- Aggressive marketing with referral hospitals
Increased:
 - Swing bed average daily census (ADC) by 2 patients from 4 patients in FY16 to 6 patients in FY17
 - Total ADC (inpatient plus swing) by 3.2 from 9.3 patients per day in FY16 to 11.5 per day in FY17
 - Case Mix Index from 0.905 to 1.01
- Hospitalists now accepting patients of higher acuity
- ED accounts for approximately 60% of admissions, which relates to 3% of all ED patients

RCH Advancements on Recommendations: Optimized 340B Program (p1)

- Initiated Specialty Drug Program within 340B
- Created a Provider/Patient relationship:
 - When a specialty consult is needed, we work with the specialty physician and the primary care physician writes the prescription for the medication under our 340B program.

RCH Advancements on Recommendations: Optimized 340B Program (p2)

- Benefit to Patients
 - Co-pay is only out of pocket cost for specialty drugs
 - Uninsured patients pays only a maximum \$15
- Underinsured to pay maximum of \$15
 - Developing program for the working poor that do not have insurance with an employer or have an income level that disqualifies them for medical assistance

RCH's Next Steps

- Implement PCMH
- Outreach to area systems to explore potential strategic partnerships
- Develop value-based health plan design
 - Transition to high deductible, self-insured health plan to gain access to claims data for improving health of employee base
 - Create incentives to move employees to high deductible plan and increase employer HSA portion
 - Establish incentives to encourage employees to utilize RCH for services

SRHT Application Period

- SRHT application period for program 2017 – 2018 to open in fall 2017
 - Watch for announcements
 - More information to follow



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Upcoming Events

UPCOMING HELP WEBINAR

[Critical Access Hospital Pro Forma for Shared Savings](#)

📅 July 26, 2017

Explore a new Excel-based tool developed by the Rural Health Value team and Premier, Inc. The CAH Pro Forma for Shared Savings assesses the financial implications of joining an ACO.

UPCOMING NETWORK DEVELOPMENT WEBINAR

[Network Development TA Welcome Webinar 2017](#)

📅 August 1, 2017

RHI is the technical assistance provider for the 2017 cohort of Rural Health Network Development grantees. In this introductory webinar,



News

SRHT HOSPITAL SPOTLIGHT

[Magnolia Regional Medical Center Excels as a Hospital in Transition](#)

📅 July 2017

By staying focused on implementation of recommendations from their [SRHT](#) FOA, MRMC increased net income, net patient revenue and days cash on hand, even during a transition in senior leadership.

NETWORK SPOTLIGHT

[Network Spotlight: Southeast Texas Health System](#)

📅 July 2017

SETHS integrates health care locally and regionally in responding to the

Questions and Comments





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