



SUCCESS STORY: STATE DEPARTMENT OF HEALTH FLEX FUNDING/FINANCIAL ANALYSIS

“I have the Wipfli Initial Financial Assessment Report on my desk and refer to it almost daily to better understand the financial situation and trends of the critical access hospitals in our state. This insight helps me direct my time to those organizations that most need our assistance and it helps us zero in on their improvement priorities.”

Flex Coordinator

CLIENT PROFILE

The Office of Rural Health and Primary Care (ORHPC) in each state is responsible for administering grants from the Medicare Rural Hospital Flexibility Grant Program (the “Flex Program”) to support their respective state’s critical access hospitals (CAHs). Wipfli has provided financial improvement services to CAHs in various states, which in turn supports state’s ORHPCs in meeting their goals related to health care access and financial sustainability in rural markets.

ONE SITUATION

State agencies work to ensure residents in rural communities have access to high-quality health care services. As recipients of the Flex Program, many states use federal funding to help sustain the rural health care infrastructure and support their respective CAHs. The Flex Program requires the state to regularly update and revise its funding plans and report on quality improvements, as well as financial and operation improvements. As an example, one agency engaged Wipfli to provide financial improvement services for its CAHs throughout the state.

STRATEGY

By conducting an initial financial analysis of all CAHs, using Flex Monitoring Team data and other relevant data sources, Wipfli provided the state’s ORHPC with a valuable view of the financial strength of its CAHs. While evaluating the financial indicators and operational metrics over time, Wipfli also identified trends in the state’s CAH financial performance. Wipfli further provided the state’s ORHPC with relative financial risk rankings of its CAHs.

Following the assessment, Wipfli worked with various individual CAHs, particularly those with a relatively high level of financial risk for future viability, on a variety of revenue cycle projects designed to improve financial performance consistent with the Flex Program grant funding requirements. This work focused on “low hanging fruit” issues such as coding and documentation issues, chargemaster improvements, strategic pricing initiatives, and high-level reimbursement reviews. Future projects will include implementation of changes to improve reimbursement and emergency department efficiency.

BENEFITS

Armed with these insights, the state’s ORHPC was able to more easily and confidently direct and prioritize opportunities to increase revenue, decrease expenses, and improve the overall financial stability of CAHs using Flex Program grant funding. In addition, the ORHPC could focus on specific areas where Flex Program grant funding could best be used and ultimately monitor the progress of each distressed hospital to improve its financial strength over time. This information also provided an understanding about facilities that are unlikely to remain viable; allowing for conversations to begin on how and where services are delivered in the state’s rural areas.

Lastly, the ORHPC gained the confidence to report to its constituents and the government that funding was indeed being used appropriately and most effectively.

CONTACT

Tina Nazier, MBA, CPC
715.858.6640
tnazier@wipfli.com

wipfli.com/healthcare