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RESOURCE CENTER

The Future of Rural Health Care: Advanced Payment Model Updates and Strategies



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Senior Program Manager

September 13, 2017

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



Rural Health Landscape



- 63% of US counties are non-metro
- 14% of US population
- Older, poorer, less educated, sicker, higher death rates
- Less health care providers

[Rural Health Snapshot 2017](#) (May 2017).



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Historic Health System Results

- High cost
- Low quality
- High chronic illness
- Low access



2005-2009 Rural Hospital Closures



2010-Present Rural Hospital Closures



Rural Hospitals Are Closing

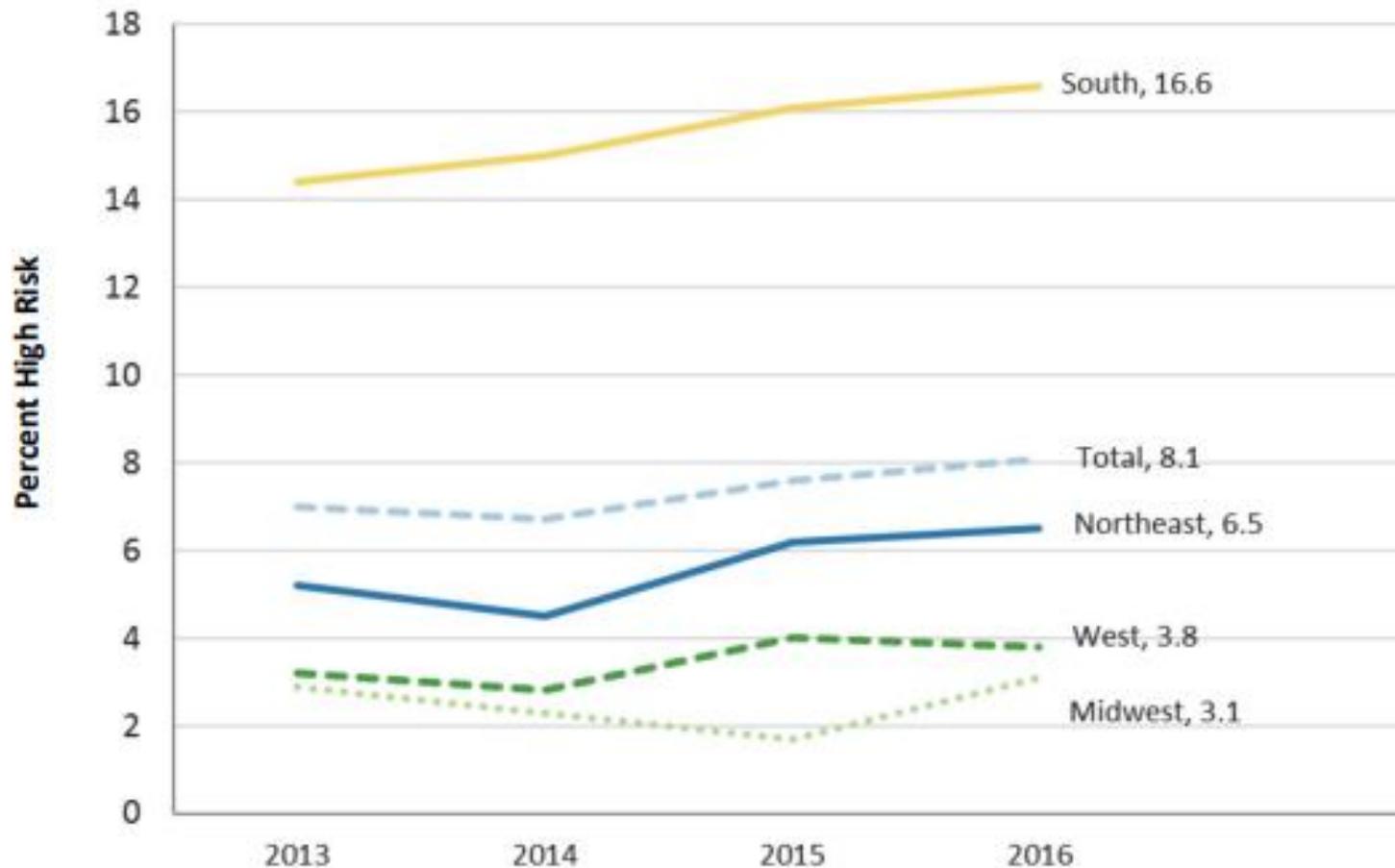
80 Rural hospital closures from 2010 to date

- 27 are critical access hospitals (CAHs), 2 in 2017
- States with the most closures: Texas, Tennessee, Georgia, Alabama and Mississippi
- These states, along with Kentucky and Oklahoma, have the largest number of rural hospitals at risk of financial distress



Financial Distress Risk

Figure 2: Proportion of Rural Hospitals at High Risk of Financial Distress by Census Region, 2013-2016



Research on Rural Closures

- Comparing other rural hospitals at high risk of financial distress, but stayed open to those that closed:
 - Smaller market share but in areas with higher population density; located nearer to another hospital; markets with high unemployment; higher percentage of Black and Hispanic residents
- Implications
 - Disproportionality affecting racial and ethnic groups? Need for new reimbursement and delivery models?



Rural Must Respond

It is not the strong that survive,
nor the most intelligent,
but the one most responsive to change.

- Charles Darwin

Agenda

- Need to demonstrate value
- Various Alternative Payment Models and Programs
- Underlying issues to consider for improved health
- Rural challenges
- Transition strategies
- Best practice examples and resources



Value of the Rural Hospital and its Network

Demonstrate value by increasing quality of care and patient satisfaction while reducing cost and overutilization

Value = $\frac{\text{Improved quality and patient satisfaction}}{\text{Relative to reduced utilization and costs}}$

Demonstrate Value

- Demonstrate value with metrics
 - Population health
 - Patient experience
 - Per capita cost
- Rural relevant measures
 - HCAHPS scores
 - Mortality rates
 - Total cost per member per month
 - ED utilization rates and costs



The Changing Health Care Environment

- Federal health care reform
 - Value-based payment models
 - Provider-based insurance
 - MACRA/MIPPS
- State Medicaid programs adopting managed care models
- Commercial insurers developing accountable care organizations (ACOs)
- Large health systems forming ACOs and other alternative payment models (APMs)

Rural providers face financial uncertainty and challenges as they seek to adapt to the changing market.



Health Care Market Overview

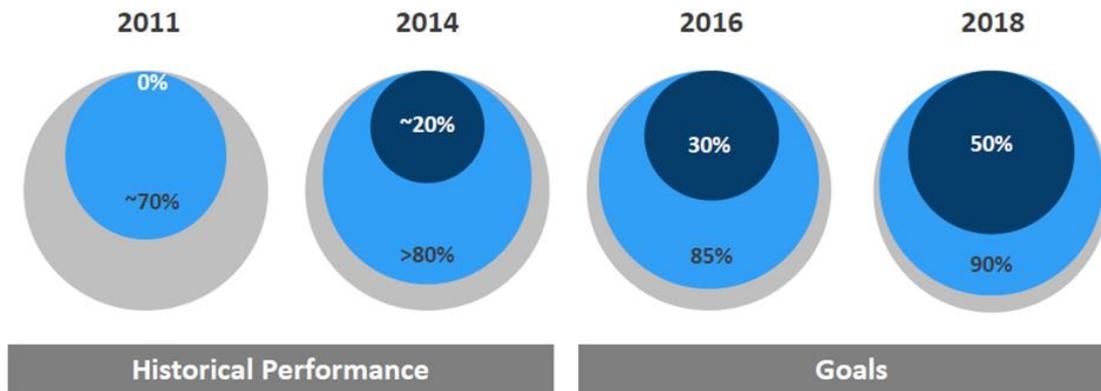
- High deductible health plans
- Rural-urban affiliations
- Physicians transitioning to hospital employment
- Flattening volume
- State budget deficits
- Recovery Audit Contractors (RAC)
- Reduced re-admissions
- Accelerating shift to outpatient care
- MACRA (SGR Fix permanent)
- Comprehensive pay models
- 340B attacks
- Bipartisan Budget Act of 2015
- Comprehensive Primary Care Plus (CPC+) payment model
- CEO turnover
- Population health focus
- Physician shortages



Alternative Payment Models are Taking Shape

Target percentage of payments in 'FFS linked to quality' and 'alternative payment models' by 2016 and 2018

- Alternative payment models (Categories 3-4)
- FFS linked to quality (Categories 2-4)
- All Medicare FFS (Categories 1-4)



Source: Alternative Payment Models and Sustainability, Advance Interoperable HIE Program Senior Leader Call, February 24, 2016, John Rancourt, Deputy Director, Office of Care Transformation



Advanced Payment Models

- Accountable Care Organizations (ACO)
- Bundled Payments
- Comprehensive Primary Care (CPC)
- Transforming Clinical Practice Initiative
- Quality Payment Program (QPP)
- Accountable Health Community (AHC/ACH)
- State Innovation Model (SIM)
- Global Budget



Accountable Care Organizations (ACOs)

- A mechanism to monetize value by increasing quality and reducing cost
- A group of health care providers that takes responsibility for the cost and quality of care for a group of patients or individuals



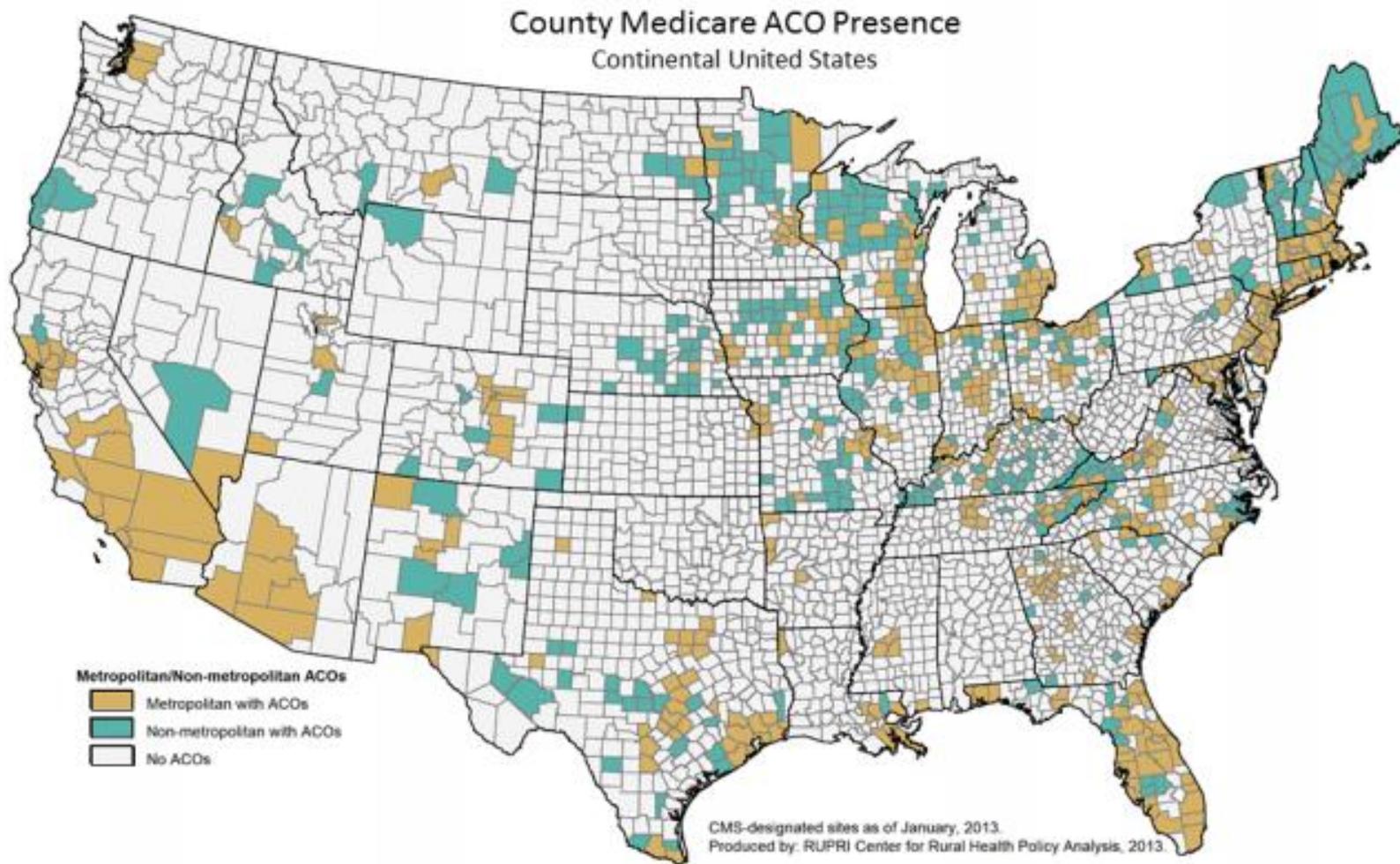
ACO Models in a Nutshell

- ACO Investment Model (AIM)
 - 43 participants – at least 35 have 65% of delivery sites in rural
- Medicare Shared Savings (MSSP)
 - Medicare ACOs in 42% of nonmetro counties
- Pioneer ACO
 - 9 ACOs, some rural presence
- Next Generation ACO
 - 21 ACOs, no specific rural focus, but some rural presence
- Medicare-Medicaid ACO (MMACO)
 - Up to 6 states will be selected, begin 2018



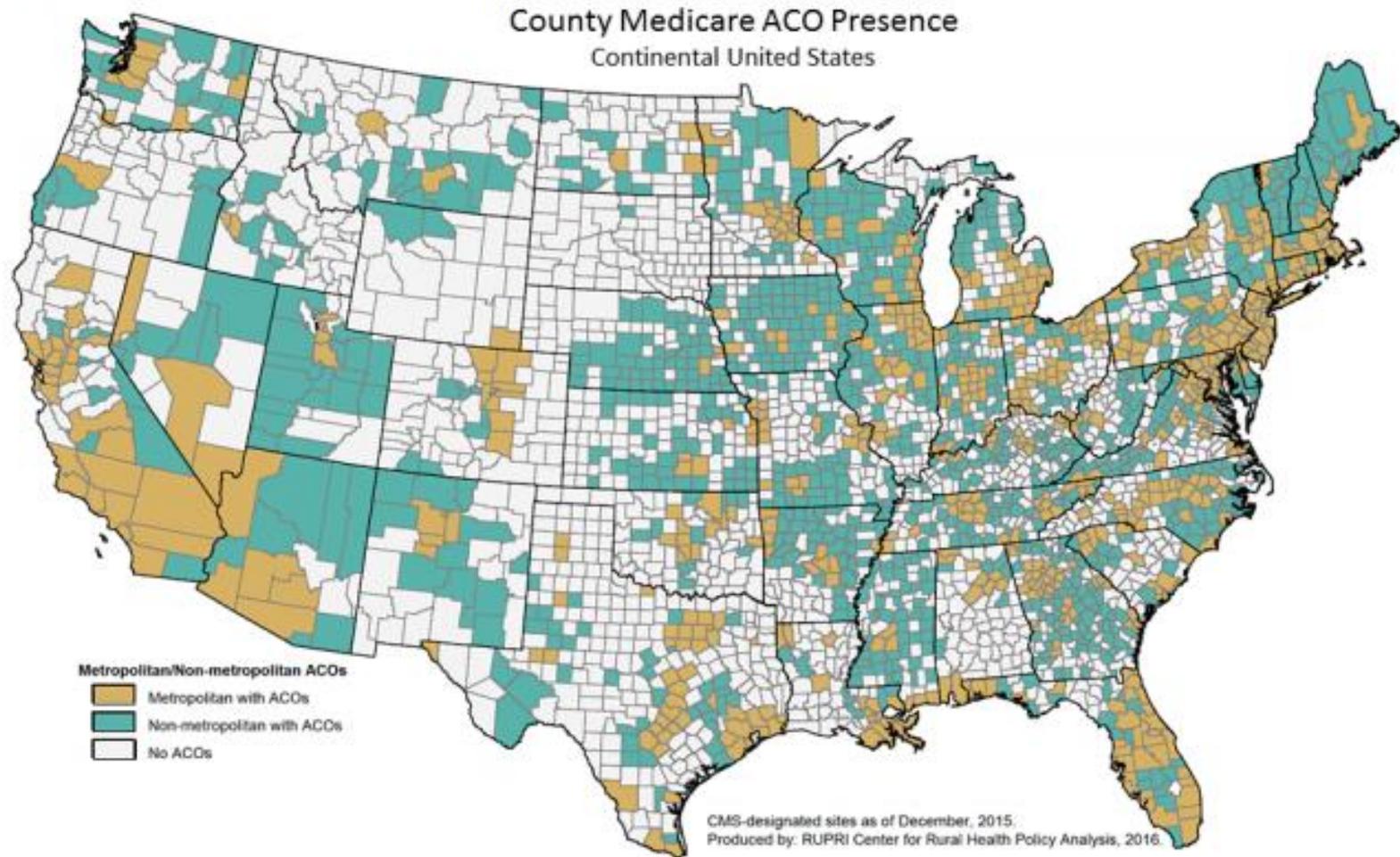
ACO Spread - 2013

Figure 1. 2013 Map of ACO County Presence



ACO Spread - 2015

Figure 2. 2015 Map of ACO County Presence



Medicare ACO Results

- **Pioneer ACOs generated total model savings of \$120 million** during Performance Year 3, an increase of 24% from Performance Year 2 (\$96 million).
- **Total model savings per ACO increased** from \$2.7 million per ACO in Performance Year 1 to \$6.0 million per ACO in Performance Year 3.
- **Rural Results**
 - ACOs located in rural counties **performed better** than those in urban counties on **Care Coordination/Patient Safety, Preventive Health and At-Risk Population** domain scores and **Overall Quality** score in 2014
 - Successful rural ACO **financial performance is associated with the ACO's organizational type** (i.e., physician-based)
 - 8 of 11 rural ACOs participating in APP **garnered savings for Medicare**

Adapted from Stroudwater:

[Medicare Accountable Care Organizations: Quality Performance by Geographic Categories](#), September 2016.
[Financial Performance of Rural Medicare ACOs](#), 2016.



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Bundled Payments and CPC

- Bundled Payments
 - Care for Joint Replacement (CJR)
 - Implemented in 67 geographic sites, lacking rural representation
 - Others
- Comprehensive Primary Care
 - CPC / CPC+
 - CPC - 7 regions, percent rural involvement ranges from 5-44%
 - CPC+ - 18 regions, no specific rural focus but some states include rural areas
 - Multi-payer Advanced Primary Care (APC)



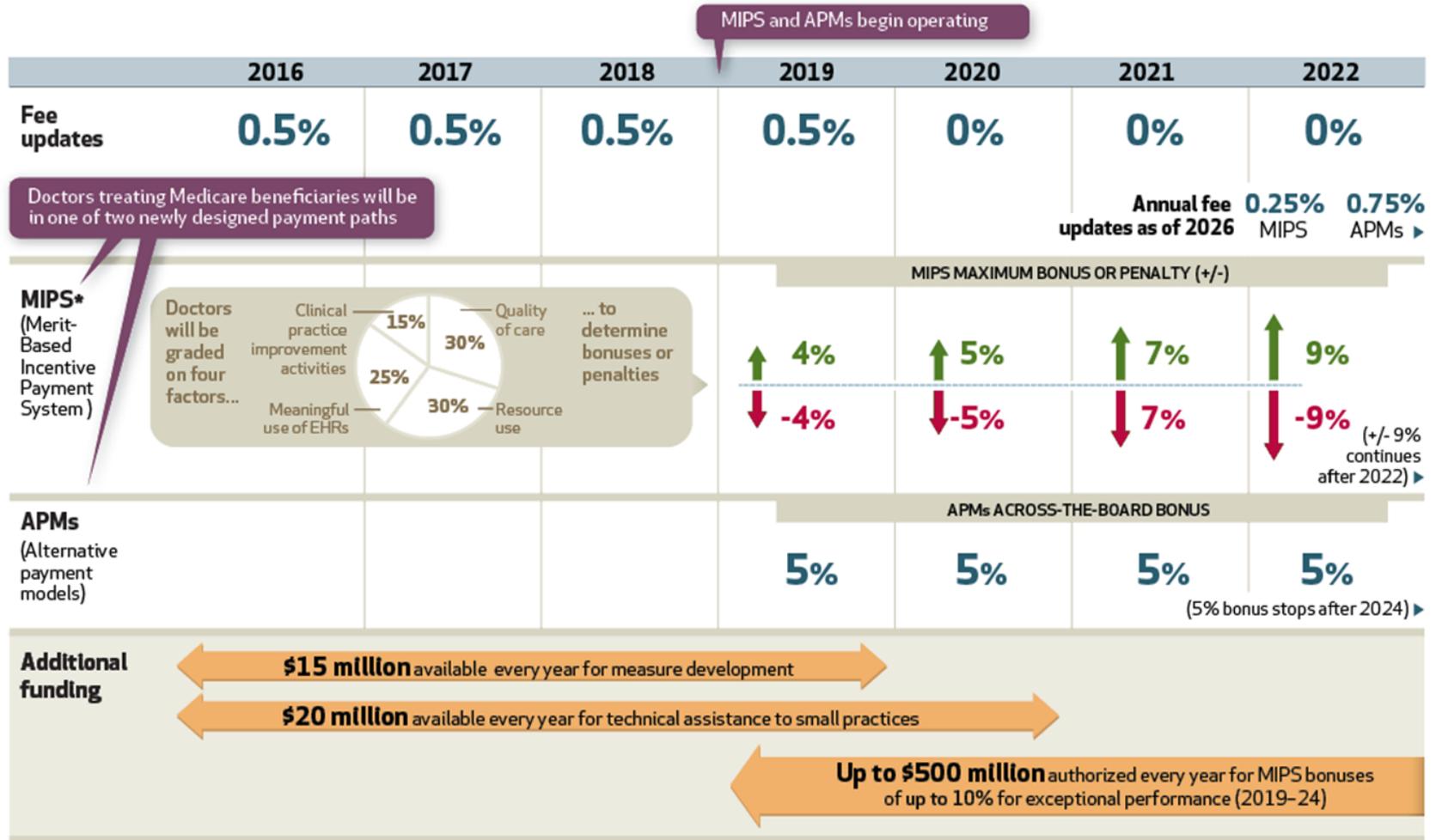
MACRA: Modernizing Payment for Quality

- Medicare Access and CHIP Reauthorization Act of 2015 (MACRA)
- First step of implementation is a proposed rule:
 - On April 27, 2016, the DHHS issued a proposal to align and modernize how Medicare payments
 - Quality Payment Program ties payments to the cost and quality of patient care
 - Impacts virtually all doctors and other clinicians except those with very limited caseloads



Quality Payment Program (QPP)

Implementing the Medicare Access and CHIP Reauthorization Act's (MACRA's) physician payment reforms, 2016-22



Source: "[Health Policy Brief: Medicare's New Physician Payment System](#)," Health Affairs, April 21, 2016.



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Merit-based Incentive Payment System (MIPS)

Most Medicare clinicians will participate in the Quality Payment Program through MIPS

Performance Category	% of Score in Years 1 - 5	Details
Quality	50% → 30%	Clinicians choose to report six measures from a range of options that accommodate differences among specialties and practices
Advancing Care Information	25% → 25%	Clinicians choose to report customizable measures that reflect how they use technology in their day-to-day practice
Clinical Practice Improvement Activities	15% → 15%	Rewards clinical practice improvements, such as activities focused on care coordination, beneficiary engagement, and patient safety
Cost	10% → 30%	Score based on Medicare claims using 40 episode-specific measures, meaning no reporting requirements for clinicians

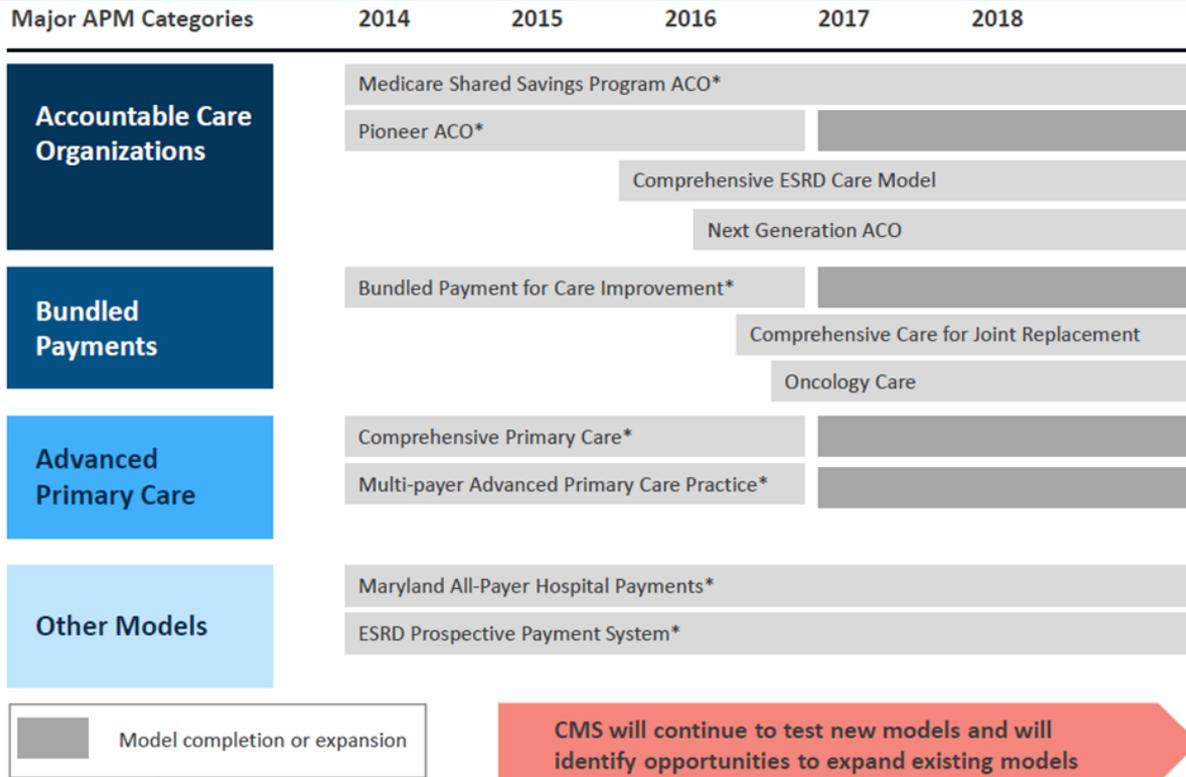
Still More APMs and Approaches

- State Innovation Model (SIM)
 - 38 states and territories, generally a significant rural presence
 - Accountable Health Community (AHC/ACH)
- Global Budget
 - Pennsylvania Rural Health Model



Timeline of Progress

HHS/CMS will achieve Goal 1 through alternative payment models where providers are accountable for both cost and quality



The Office of the National Coordinator for Health Information Technology

* MSSP started in 2012, Pioneer started in 2012, BPCI started in 2013, CPC started in 2012, MAPCP started in 2011, Maryland All Payer started in 2014 ESRD PPS started in 2011

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Source: Alternative Payment Models and Sustainability, Advance Interoperable HIE Program Senior Leader Call, February 24, 2016



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TCPI

- Transforming Clinical Practice Initiative (TCPI)
 - Practice Transformation Network (PTN)
 - 10 of the 29 PTNs target rural providers
 - Support and Alignment Networks (SAN)
 - 3 of the 12 SANs target rural providers



Seeking and Paying for Value

$$\text{Patient Value} = \frac{\text{Quality}}{\text{Cost}}$$



Defining Population Health

Population Health serves as a strategic platform to improve the health outcomes of a defined group of people, concentrating on three stages:

- Distribution of specific health statuses and outcomes within a population
- Factors that cause the present outcomes distribution
- Interventions that modify the factors to improve health outcomes



Clarifying Population Health

“Population Health” used interchangeably for:

- Targeted population: Improving health and reducing costs for *specific groups of patients*, often grouped by insurance type and focused on chronic disease
- Total Community Health: Health outcomes of an *entire group* of individuals, often geographically defined, including the distribution/disparities of outcomes within the group

It's Both/And Situational

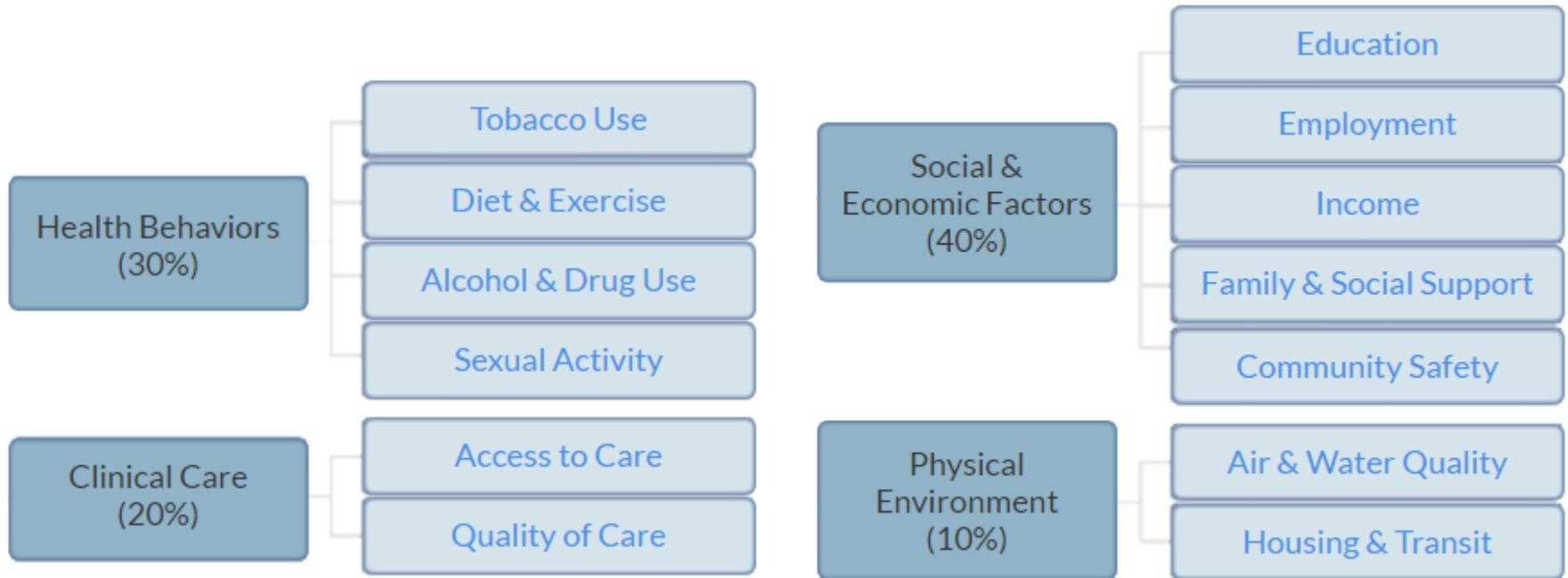


Social Determinants of Health (SDOH)

The conditions and circumstances in which people are born, grow, live, work, and age. These circumstances are **shaped by** a set of forces beyond the control of the individual: economics and the **distribution of money, power, social policies, and politics** at the global, national, state, and local levels.



Population Health has Many Determinants



Source: [County Health Rankings: What Works for Health](#)

Tip of the Societal Disparities Iceberg



Source: Assistant Commissioner, MN Dept of Health, Jeanne Ayers speech to the Minnesota Community Health Workers Alliance Meeting, May 23, 2016

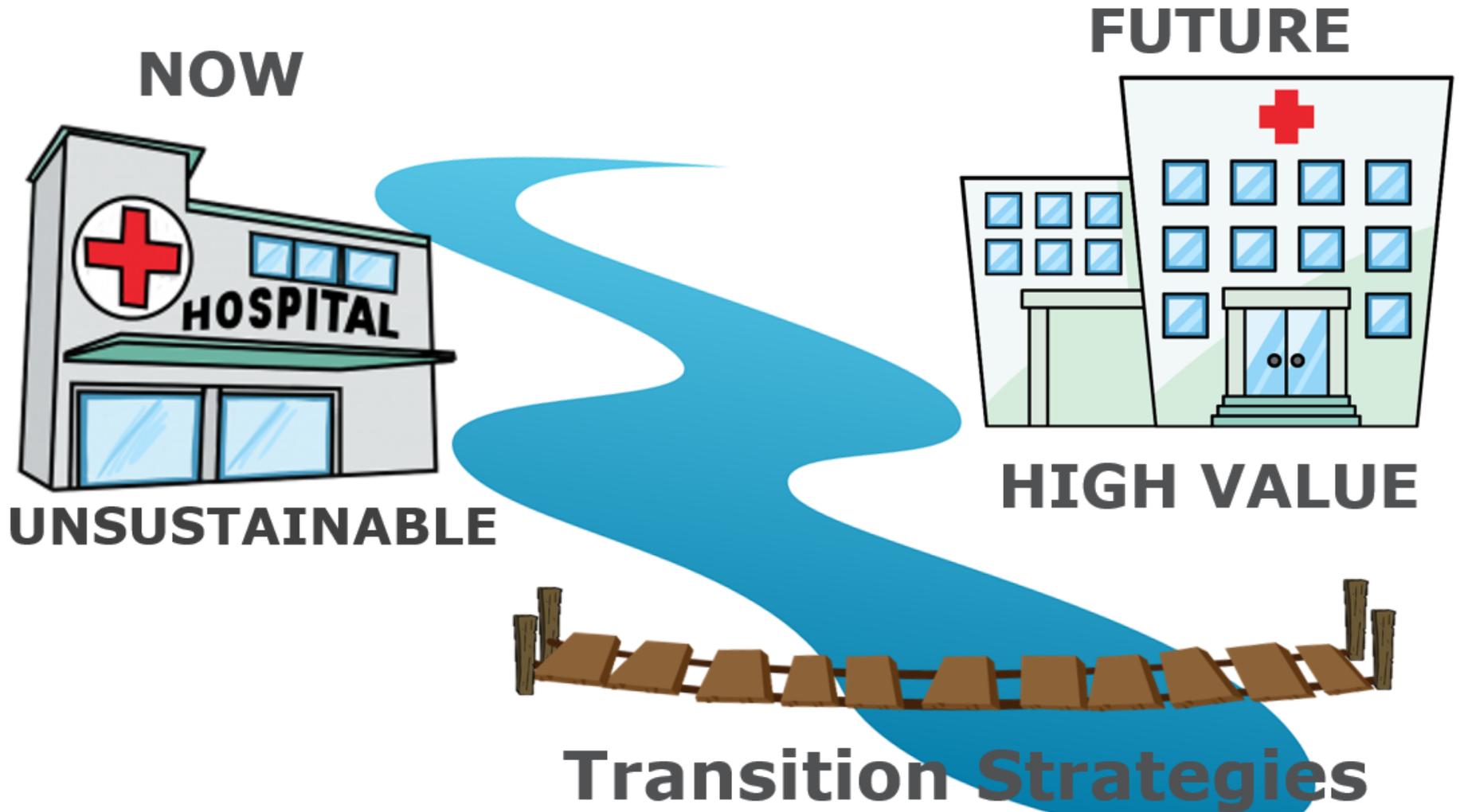


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Population Health has Many Partners



Transition Strategies: Position Your Hospital for Value-Based Care



Challenges Affecting Rural Hospitals

- 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”

Yet More Challenges Affecting Rural Hospitals

- 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”

The Destination...

A health system that links health care with community stakeholders to create a network of organizations working together to improve population health



Financial Leadership Summit 2016

Supported by: Federal Office of Rural Health Policy (FORHP), April 18–19, 2016, Minneapolis, MN

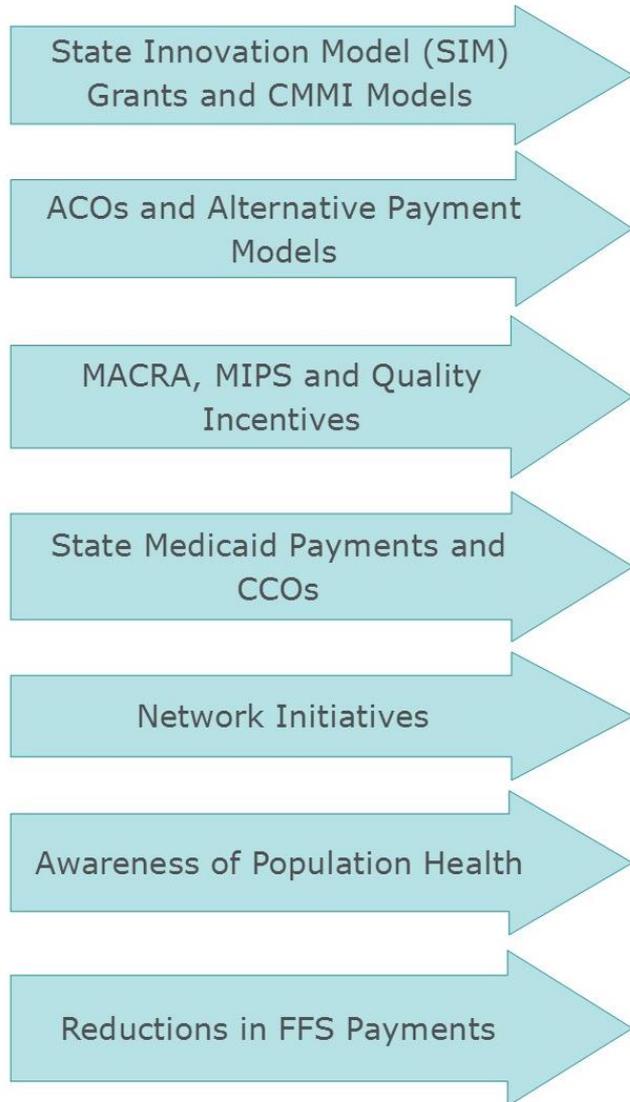
Purpose: To identify strategies and actions that rural hospital leaders and providers should consider as they transition to Value-Based Purchasing (VBP) and population health management

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, \$957,510 (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.



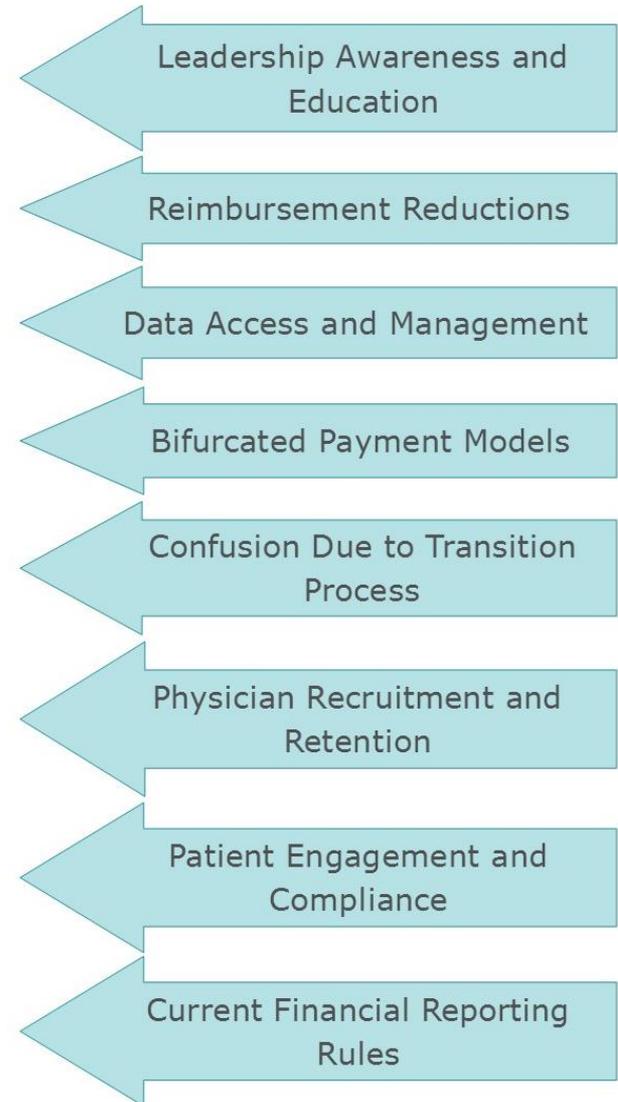
Drivers and Challenges

MARKET DRIVING FORCES

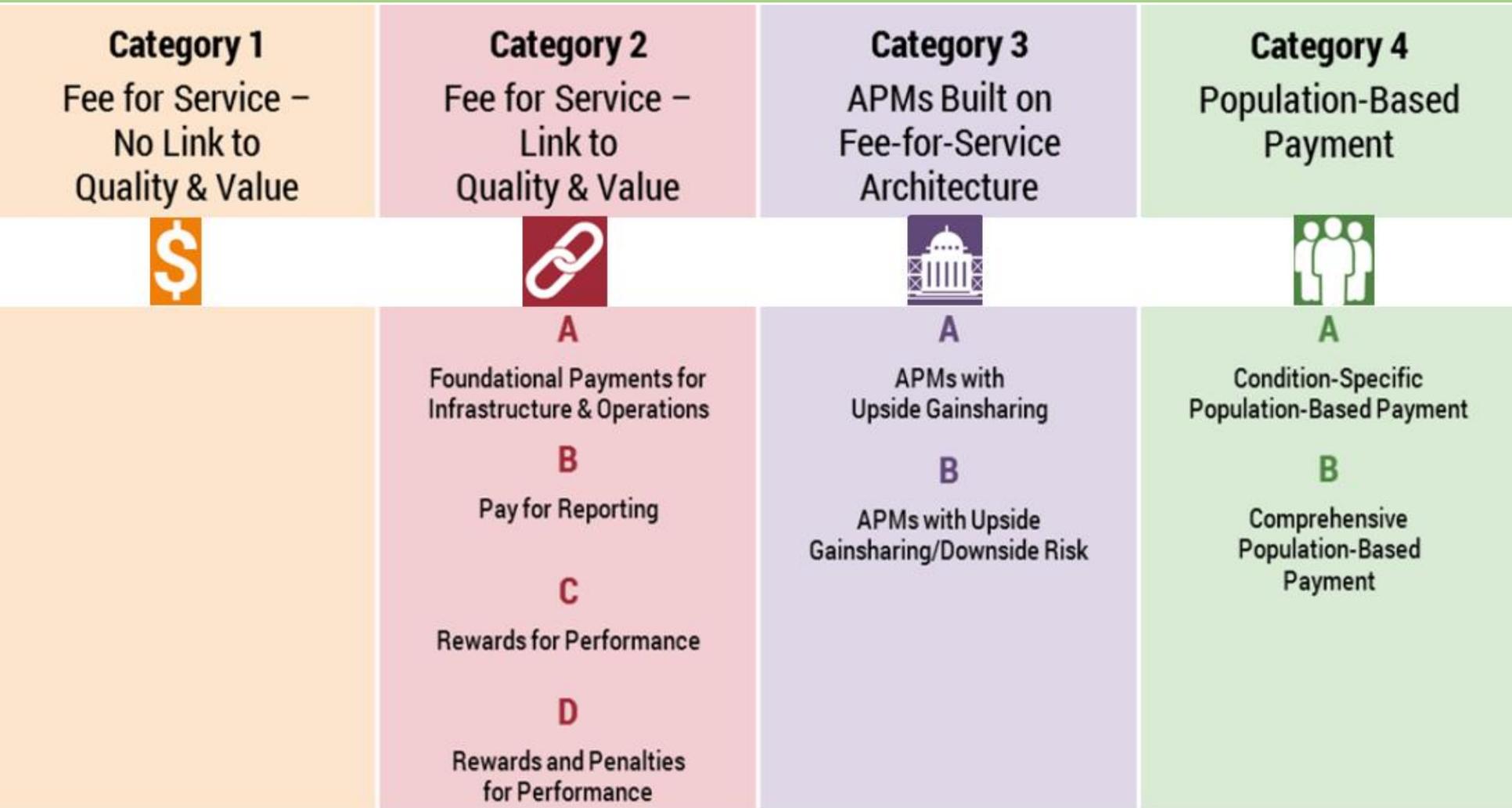


**Transition to
Value Based
System and
Population
Health**

TRANSITION CHALLENGES



Payment Transition



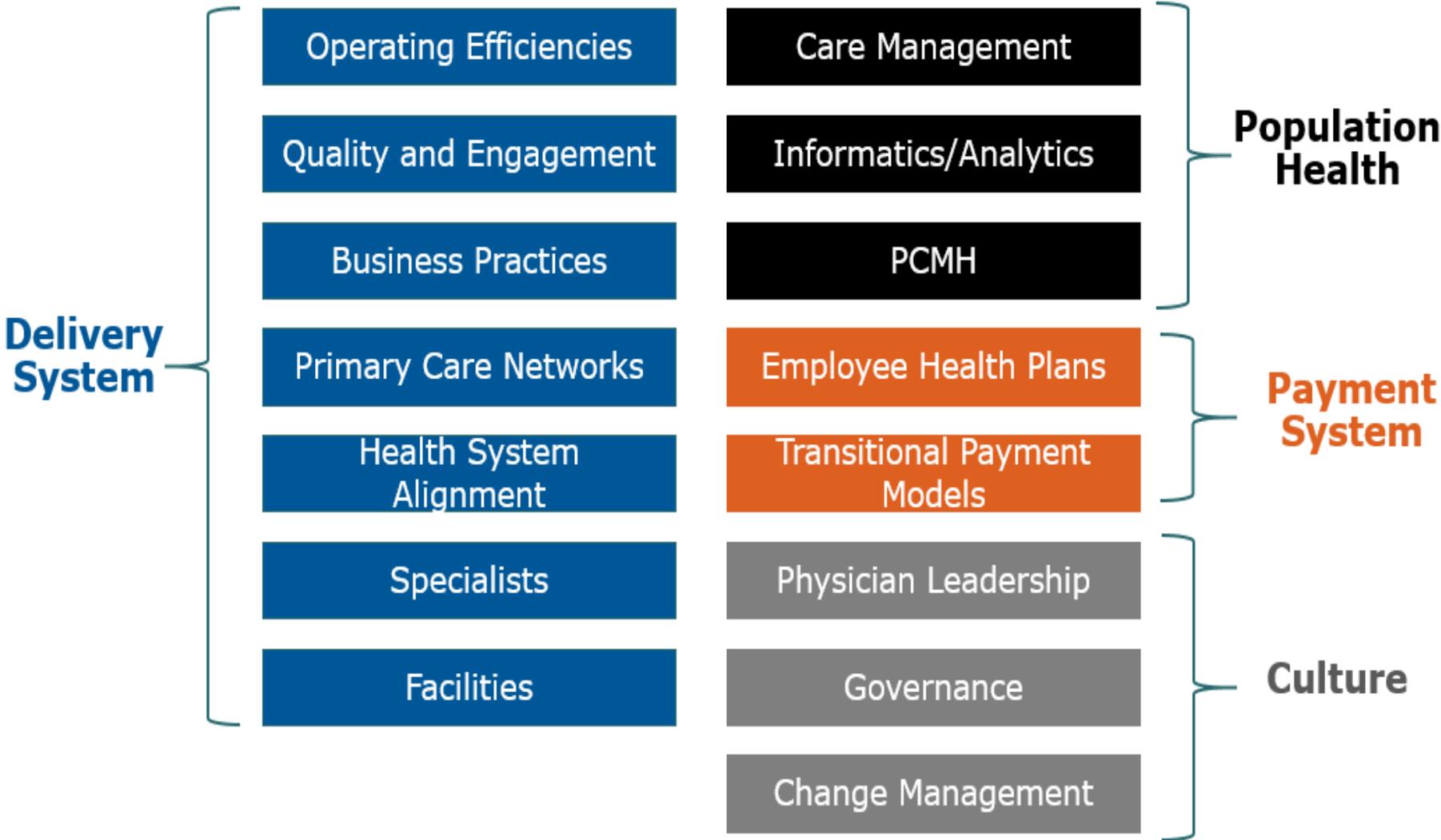
Source: [DHHS, ARHQ; Alternative Payment Model \(APM\) Framework; January 2016](#)

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



Strategies Applied to the Performance Excellence Blueprint

Strategic Planning

- Create a shared vision of value and understand the role rural hospitals and providers have in the transition to value-based models

Leadership

- Invest in provider and hospital leadership development programs that include board of directors, managers and clinical staff
- Identify opportunities to collaborate with other providers and organizations to build interdependence such as affiliations to support value-based models

Customers: Patients, Partners and Community

- Develop collaborative relationships and connect community resources to address patient needs
- Tell your story to community and staff to promote quality of care and market services
- Advocate for policy and regulatory changes

Integration

Work Force

- Engage and educate managers and front-line staff on value-based models and emphasize team-based care to support patient-centered services
- Educate, partner and align with physicians and other local and regional primary care providers
- Assess culture to obtain feedback on needs, development, improvement and employee recognition

Results: Impact and Outcomes

- Collect and share rural relevant data with providers, hospital leaders and staff
- Document hospital outcomes and demonstrate value of services to providers, staff and community

Operations and Processes

- Improve financial, clinical and operational efficiency
- Redesign operational and clinical processes for value-based models

Measure, Analysis, Feedback and Knowledge Management

- Collect, manage and act on data to include patient outcomes, and hospital, claims and county health status data
- Use reliable and valid data for quality reporting and ensure that the board of directors, providers and staff understand the results

Resources and Tools

Financial and quality performance improvement and transition to value resources are available for rural hospitals, networks and providers to include:

- [Rural Hospital Toolkit for Transitioning to Value-based Systems](#) (Transition Toolkit)
- [Population Health Portal](#)
- [Financial Leadership Summit Report](#)
- [Rural Provider Leadership Summit Reports](#)
- [HELP webinars](#)



The Rural Hospital Toolkit for Transitioning to Value-based Systems (Toolkit)

With the support of the Federal Office of Rural Health Policy, the [Toolkit](#) was developed to:

- Disseminate consultant recommended best practices for improving financial, operational and quality performance
- Share key transition strategies that position rural hospitals and networks for the future
- Distribute tools that support the implementation of best practices and adoption of transition strategies
- Share evidenced-based methods provided through nationally recognized organizations



The Toolkit

- [Use the Toolkit](#) to identify performance improvement opportunities to develop strategies for successfully transitioning to population health.
- Access the [Self-assessment for Transition Planning](#) first to receive feedback about current strengths and areas for development

"I just took a look through the Rural Hospital Toolkit – some very powerful stuff in there – I look forward to using it!"

David Usher, Chief Financial Officer
Coteau des Prairies Health Care System, South Dakota



Toolkit Areas of Development

The Toolkit is comprehensive and represents the SRHT hospital consultation reports and action plans

- [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 Care Management](#)



Population Health Portal



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Population Health Portal

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 and 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, is designed to help critical access hospitals, Flex Coordinators and rural health networks navigate the journey towards improved population health.

Readiness Assessment

Where are you in the journey towards population health? Complete the Critical Access Hospital Population Health Readiness Assessment to connect with tools and resources targeted towards rural health organizations' unique strengths and needs for transitioning towards population health. These tools and resources are targeted at each milestone of the journey: Get Motivated, Get Informed and Get Going.

[COMPLETE THE ASSESSMENT >](#)

Get Motivated



By participating in population health strategies, a movement towards wellness is created. 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 in demonstrating and communicating wellness effectively with patients, the community and partners in creating the necessary culture change towards improved population health outcomes.

[GET GOING >](#)

Put Data to Use



Learn how to effectively conduct population health analytics with access to a web-based database for acquiring geographic health data specific to your location. This tool also consists of educational modules offering step-by-step instructions of common population health analytical procedures.

[EXPLORE THE DATA >](#)

Financial Leadership Summit Report



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2016 Financial Leadership Summit Report: Strategies for Rural Hospitals Transitioning to Value-based Purchasing and Population Health

Author: The Center and Mark Chustz

July 12, 2016

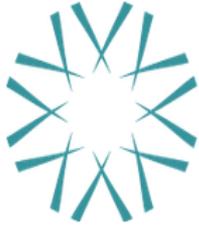
[Download the 2016 Financial Leadership Summit Report: Strategies for Rural Hospitals Transitioning to Value-based Purchasing and Population Health](#) [PDF - 810 KB]

[View the HELP Webinar Playback](#) [FLASH]

With the support of the [Federal Office of Rural Health Policy](#) (FORHP), the National Rural Health Resource Center (The Center) developed this report to assist rural hospital leaders in navigating changes in the new health care environment. This report builds upon the knowledge gained from the [Critical Access Hospital 2012 Financial Leadership Summit](#) and includes key strategies discovered through the [Small Rural Hospital Transition \(SRHT\)](#) Project's [Rural Hospital Toolkit for Transitioning to Value-Based Systems](#).

2016 Financial Leadership Summit Report: Strategies for Rural Hospitals Transitioning to Value-based Purchasing and Population Health

Rural Provider Leadership Summit



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Rural Provider Leadership Summit Findings

Author: National Rural Health Resource Center

With the support of the Federal Office of Rural Health Policy (FORHP), the National Rural Health Resource Center (The Center) hosted a Rural Provider Leadership Summit in Bloomington, Minnesota on May 23 – 24, 2016. The purpose of the Summit was to identify strategies for rural provider engagement in transitioning to value-based reimbursement systems. The Summit participants included representatives of critical access hospitals, rural accountable care organizations (ACOs), physicians, state Flex Programs, state offices of rural health (SORHs), universities, quality and rural health network leaders. The panel also included representatives from FORHP, a rural foundation, emergency medical services and community paramedics.

A report with the findings of the Summit has been developed to assist rural hospital leaders in engaging rural health providers in the transition to value-based purchasing and population health. This report is designed to help rural hospitals leaders and providers during the transition.

First, the report describes issues and opportunities related to engaging rural providers in value models. Second, it provides key strategies that rural hospitals may deploy to overcome challenges and engage providers in value-based models and enhance medical staff collaboration. Third, the report highlights success stories and lessons learned that were shared by the panelists during the summit. The report is also intended to assist state Medicare Rural Hospital Flexibility (Flex) Programs and SORHs by offering timely information to develop tools and educational resources that support their hospitals and networks as they transition to population health.

Rural Provider Leadership Summit Findings

Rural Hospital Value-Based Strategic Summit

- [Value-Based Summit Template Guide](#) (PDF)
- [Strategy Map Template](#) (Word)
- [Balanced Scorecard Template](#) (Word)

Templates are designed to adopt MS Word documents to allow leaders to:

- Effectively develop and execute a strategic plan
- Incorporate and expand their organizations' strategic plans to transition to a value-based system and position for population health

Access the Guide & Templates

2017 Rural Hospital Value-Based Strategic Summit: BSC & Strategy Map Templates

Downloads & Links

 [Value-Based Summit Template Guide](#) (PDF Document - 56 pages)

 [Strategy Map Template](#) (Word - 2 pages)

 [Balanced Scorecard Template](#) (Word - 5 pages)

 August 2017

Author: National Rural Health Resource Center (The Center)

The 2017 Rural Hospital Value-Based Strategic Summit was held to provide leaders with templates that improve organizational planning, strengthen actionable steps and operationalize key strategies that enable hospitals and networks to effectively transition to value.

The Transition to Value Strategy Map and Balanced Scorecard templates are provided as separate downloadable Microsoft Word documents. The templates are ready to use and are designed to allow hospital and network leaders to incorporate and expand their organizations' strategic plans to provide a framework that supports population health preparedness.



Strategy Map Template Function

- Key to successfully executing a strategic plan because it communicates objectives to achieve organization-wide understanding
- A communication tool that:
 - Graphically depicts the organization's strategy
 - Illustrates how the strategies relate to one another
 - Frames key concepts of the organization's strategic plan into a guide that directs the BSC and its actions to operationalize the strategies

Tailor the Strategy Map Template

- Download the [Strategy Map Template](#) to develop and tailor a Strategy Map for your organization
- Template is:
 - Prefilled with key transition strategies
 - Focused on organization-wide value
 - Designed to assist leaders in demonstrating value for their hospitals and networks



Strategy Map Template

Learning & Growth

As an organization, what type of culture, training and technology are we going to develop to support our processes?

Invest in provider and hospital leadership development to include board of directors, managers and clinical staff

Assess culture through rounding to obtain feedback on needs, development, improvement and employee recognition

Use a self-funded employee health plan and associated claims data to learn how to manage population health interventions

Engage and educate managers and front-line staff on value-based models and emphasize team-based care to support patient-centered services

Internal Processes

What do we need to do to meet the needs of the patients and community?

Improve financial, clinical and operational efficiency

Redesign operational and clinical processes for value-based models

Collect, manage, and act on data to include patient outcomes and hospital, claims and county health status data

Create a shared vision of value and understand the role that rural hospitals and providers have in the transition to value-based models

Patients, Partners, Community

What do our patients, community, and partners want, need or expect?

Educate, partner and align with physicians and other health care providers

Tell your story to community and staff to promote quality of care and market services

Develop collaborative relationships and connect community resources to address patient needs

Seek opportunities to collaborate with providers and organizations to build affiliations to support value-based models

Financial

How do we intend to meet the goals and objectives in the Hospital's Mission?

Develop a strategic plan to transition to value-based model (VBM)

Participate in ACO or Shared Savings (SS) Programs to support payment system transformation

Participate in a certified PCMH and seek reimbursement for per member per month fees to position for population health

Document hospital outcomes and demonstrate value of services to providers, staff and community

Balanced Scorecard Template Function

- An organization-wide dashboard to collect, track and monitor strategic objectives
- Links the hospital's mission and vision through four strategic themes
 - Learning and growth
 - Internal processes
 - Patients, partners and community
 - Financial



Tailor the Balanced Scorecard Template

- Download the [BSC Template](#) to develop and create a dashboard for your organization
- Use the [Guide's](#) BSC examples to identify
 - Strategic objectives that support the organization's Strategy Map
 - Initiative (actions) that are needed to achieve objective
 - Common metrics and target levels
- Use the Guide to identify performance measures, target levels and find data sources to customize the BSC for the organization

BSC Template Example

Learning and Growth Example				
What	Action Plan	How		Who
Strategic Objective: What is the strategy to achieve?	Initiatives: What actions are needed to achieve objective?	Measure: What indicator is required to track and monitor the objective?	Target: For each indicator, what performance level is required to achieve the objective?	Responsible: Team member to track and report measure.
Develop internal capacity for population health management	Engage staff to build a greater understanding of the future of health care. Build staff's ability to use data analysis to 'hotspot' high-risk populations	Employee satisfaction levels Employee Training participation rate	On a 5.0 Likert scale, obtain 4.0 or greater. Target 90% of employees that participate in trainings on quarterly basis	Manager A Manager B

BSC Template Example (2)

Learning and Growth Example						
When	Results					
Frequency: How often to report measure?	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Annual Avg.	Trend: Show graph to indicate change over time.
<p>Example: Assess employee satisfaction level annually</p> <p>Assess employee participation rates quarterly</p>					4.5	
	75%	80%	85%	90%	82.5%	



Performance Measures, Target Levels and Data Resources

BSC Theme	Areas for Performance Improvement Opportunities	Common Measures and Target Levels	Data Sources	Steps to Support Measurement
Learning and Growth	Physician and staff engagement Staff education and capacity building Leadership and board development Management training Recruitment and retention	Staff turnover rate Employee satisfaction levels Physician satisfaction levels Employee and physician satisfaction survey return rate Physician retention rate	AHRQ Hospital Survey on Patient Safety Culture HR Employee Records	Develop a board of directors' educational program: <ul style="list-style-type: none"> • Set education goal • Assess knowledge gaps • Assign knowledge page area to board

Strategic Planning Tools Available in the Toolkit

Apply the [Toolkit Strategic Planning](#) tools to:

- Perform a Transition Self-assessment to prepare for planning process
- Complete a CHNA to align services and strategic initiatives with community needs, and develop a community care plan
- Apply the PE Blueprint to develop a systems approach to strategic planning
- Use the Strategy Map Template to implement the plan and communicate the strategic initiatives
- Use the BSC Template to track performance and achievements and demonstrate value



Self-Assessment for Transition Planning Results

Thank you for completing the Self-Assessment for Transition Planning. If you have questions or comments about the assessment, please contact srht@ruralcenter.org.

General Information About the Results

These results display information and recommendations tailored to your specific responses. This information will assist you in strategic planning and navigating the [Rural Hospital Toolkit for Transitioning to Value-based Systems](#). The results are designed to provide best practice recommendations and transition strategies that will help you to prepare your hospital / network for population health.

Your total score is 100 points. The total score is intended to allow you to monitor your organization's performance improvement. The score is developed on a four-point scale as follows.

- 4: Strongly Agree
- 3: Somewhat Agree
- 2: Somewhat Disagree
- 1: Strongly Disagree

The tables below list the 29 individual self-assessment questions.

Your organization scored

100

out of 116 possible points.

Question	Score	Related Resources
Is aware of health industry trends and changes and how they may impact our facility	3	Strategies for Rural Hospital Success in the New Health Care Market
Understands need for systems (multi-faceted) approach in all aspects of our organization	4	A Blueprint for Rural Hospital Performance Excellence: One Hospital's Baldrige Experience
Provides ongoing education opportunities for board, internal leadership and managers	3	Refer to HELP webinar playbacks for trainings that best fit your organization's educational needs
Aligns organization and medical leadership around values, goals and strategies	3	Physician Engagement – An Imperative for Success

[Take the Self-Assessment for Transitioning Planning](#)



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Toolkit: Financial and Operational Strategies

[Home](#) > [Resource Library](#) > [Rural Hospital Toolkit for Transitioning to Value-based Systems](#) > Financial and Operational Strategies

Financial and Operational Strategies

Hospital Best Practices and Recommended Strategies

The below best practice recommendations, transition strategies and performance tools assist leaders with maximizing financial performance and improving operational efficiencies to financially stability of the hospital and position for the future.

- [Demonstration of Value](#)
- [Transition Strategies](#)
- [Performance Improvement Tools](#)
- [Key Performance Indicators](#)
- [Emergency Department \(ED\) Operations and Performance Indicators](#)
- [340B Drug Pricing Program](#)
- [Department Accountability](#)
- [Trainings and Examples](#)

Demonstration Of Value

- Apply recommended strategies and follow guidance in the [2017 Rural Hospital Strategic Summit Guide and Templates](#) to demonstrate value of the organization.



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[White Mountain Regional Medical Center: Executing a Transition Plan for Crossing the Shaky Bridge](#)

📅 July 29, 2016

Hear how the [SRHT](#) Project consultants assisted executive and management teams with implementing best practices and developing transition strategies to position the hospital for new payment and care delivery models.

PAST PMG CALL

[Preparing to Jump to the Future: Chicot Memorial and Pender Community Hospital Share Their Transition Strategies](#)

📅 July 8, 2016

Chicot Memorial Hospital and Pender Community Hospital share their transition strategies from

[Financial & Operational Strategies](#)

Best Practice Recommendations: Strategic Planning

- Strategic Planning** - Best practice hospitals: implement strategic plans that position the organization for population health
- Increase operational efficiencies
 - Promote high quality and patient satisfaction scores to community
 - Coordinate care management strategies
 - Align with primary care providers
 - Transform payment models beginning with self insured health plan
 - Participate in Alternative Payment Models



Best Practice Recommendations: Culture

Organizational Culture - Best practice hospitals:

- Track and trend quality metrics at the department level
- Share metrics with Board of Directors, and hospital and medical staff to build a quality-focused culture and drive performance excellence throughout the organization
- Post dashboards for staff and providers to visualize performance for ongoing awareness of the importance of a quality-focused culture



Best Practice Recommendations: Leadership

Leadership Rounding - Best-practice hospitals:

- Emphasize inclusion of executive team in leadership rounding
- Use leadership rounding on daily basis to assess culture and includes the executive team
- Track and trend feedback from rounding to improve performance



Best Practice Recommendations: Community Care Coordination

Community Care Coordination - Best practice hospitals:

- Coordinate local providers to include home health, nursing home, hospice, emergency medical services (EMS), pharmacy, clinic, wellness center and Public Health Department to initiate community care planning
- Host community “joint health partners” quarterly meetings to develop and implement CCC plan
- Use patient navigators or volunteers to assist patients through the system



Best Practice Recommendations: Emergency Department Services

Emergency Department Services- Best practice hospitals:

- Establish ED redirect program that navigates non-emergent patients to clinics that offer the appropriate level of care
- Create a process in which the clinics are notified when a patient is admitted or discharged from the ED to ensure appropriate follow-up for the patient is completed
- Educate non-emergent patients on payment options for continuation of treatment in ED or redirect them to a more appropriate clinic care setting
- Educate public on the appropriate use of the ED to reduce the number of non-emergent visits and enroll patients with a primary care provider.



Best Practice Recommendations: Physicians

Physician incentives - Best practice hospitals:

- Incentivize employed providers by using Relative Value Units (RVUs) for determining productivity bonuses and includes value-based incentives
- Evaluate the incorporation of quality/ value-based targets, and panel size as incentive compensation components
- Establish policies related to chart completion incorporated into the providers' employment contract and disciplinary action is taken if providers do not adhere to policy
- Sample physician agreement on Toolkit



Best Practice Recommendations

All consultant recommended best practices and tools provided to the selected SRHT hospitals are shared with all rural hospitals and networks nationwide through the

[Rural Hospital Transition Toolkit](#)



Madison County Memorial Hospital



25-bed CAH in Madison, Florida

“The hospital would not be where we are today financially and/or quality-wise if not for this project. Staff understand how quality impacts reimbursement. There is better communication of quality and HCAHPS scores. We realize the sense of urgency to create the changes to position ourselves for the future.”

—Tammy Stevens,
Chief Executive Officer

“Creating and hardwiring a community of service.”



Russell County Hospital



25-bed CAH in Russell Springs, Kentucky

“While wanting to remain an independent hospital, the current health care environment demands that at some point we will need to be more closely aligned with other or larger health systems. We are now on track to be a better performer than in the past and this puts us in a better negotiating position, a more attractive partner. We are working from a position of strength. Secondly, we are growing our primary care base which is the key for future success. We are looking more at chronic disease management. Strong PCP base leads to value over volume.”

- Bill Kindred, Chief Executive Officer

Established and monitoring key performance indicators to help drive decision making.



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Pender Community Hospital



21-bed CAH in Pender, Nebraska

“We are setting selves up to be prepared for the ‘jump’ to a new system of delivery and payment. We are setting goals around preventative services and trying to change the community’s view about those by changing communication with the community about prevention. To create that new mindset, we are using new language such as “we’ll see you next year for..” so they think differently and don’t think they should just come in when sick.”
—Melissa Kelly, Chief Executive Officer

Created roles and responsibilities in their action plan to move the actions forward and truly let people lead and be independent in projects.



Conclusions

- The rapidly changing health care environment presents a core set of new challenges for rural hospitals
- The movement to value and population health will require a carefully planned set of basic strategies that rural hospital leaders can use to achieve success
- Locally delivered health care (including rural hospitals) has high value in the emerging delivery systems

Conclusions

- Rural hospitals need to improve financial, clinical and operational efficiency in the current volume-based environment
- Rural hospitals must educate and align key leaders, including board members and providers
- It will be important to align service delivery systems with the changes in payment systems



The Rural Path to Value and Population Health

Six Critical Steps for Alternative Payment Models to be Successful.



Leadership Awareness & Effectiveness

Workforce Expertise & Knowledge

Effective Organization Processes

Data for Quality & Decisions

Building Collaboration

Care Management

Rural Relevant Services

- ◆ consulting expertise
- ◆ facilitation and planning
- ◆ coaching and training



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*"Even if you're on the right track,
you'll get run over if you just sit there."*

- Will Rogers





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