

Rural Health and Critical Access Hospitals: Opportunities and Challenges

RWHC Eye On Health



“No. Around here, I’ve never heard of
any rural backwater or Lake Wobegon.”

Tim Size
Executive Director
RWHC
Sauk City

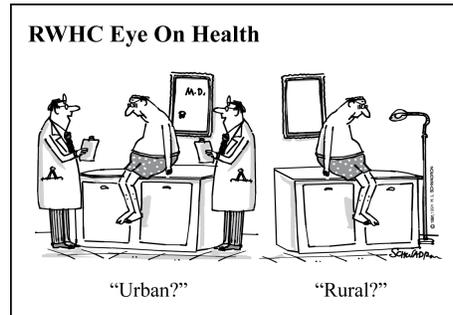
Ministry Door County
Medical Center
Sturgeon Bay, WI

April 14th, 2014

Outline of Talk

1. **RWHC & Advocacy**
2. **Overview** of Rural Health Care
3. Rural Health Care Means **Rural Jobs**
4. **Critical Access Hospitals Here to Stay**
5. Health Care → **Community Health**
6. Today’s **Challenges**
7. Top 20 CAH **Success Factors**
8. **Bottom Line** Principles

1. RWHC & Rural Advocacy



RWHC is a **collaboration of 40 rural hospitals** located across the state. Mission of **advocacy** and **shared services** in support of **keeping local care local**.

The Rural Advocacy Agenda is Multifaceted

- Federal and market places **reform** that works for rural.
- Fair **Medicare and Medicaid** payments to rural providers.
- **Federal and State regulations** that recognize rural realities.
- **Retain property tax exemption** for nonprofit hospitals.
- Solve growing **shortage of rural physicians and providers**.
- Bring rural voice to **regional provider networks & payers**.
- Bring a rural voice into the **quality improvement** movement.
- Continue push for workplace and community **wellness**.
- Strong link between **economic development** and rural health.

Big Challenges Not New to Rural (1 of 2)

1970s: Federally funded planners proposed massive consolidation of rural hospitals in Wisconsin; that plan was blocked and RWHC’s role as an advocate was born.

1980s: Growth of health plans with closed provider networks were seen as threat; RWHC started a rural based plan and received federal anti-trust protection.

1980-90s: Medicare radically changed how they paid hospitals and 100’s of rural hospitals closed; in response, RWHC and others championed Medicare’s Critical Access Hospital program that provides critical support to most of our members today.

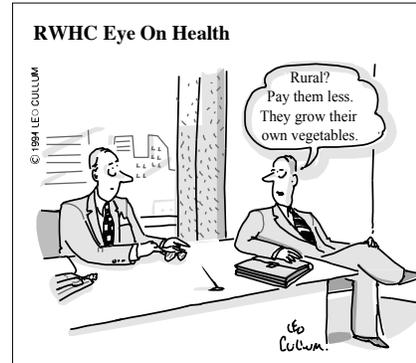
Meeting Big Challenges Not New (2 of 2)

- **1990s:** Growth in the shortage of physicians working in rural Wisconsin has led to the Wisconsin Academy of Rural Medicine, RWHC’s Wisconsin Collaborative for Rural Graduate Medical Education and a major rural expansion by the Medical College of Wisconsin.
- **2000s:** The National Institute of Medicine highlighted major gaps in American health care quality—RWHC helps lead call for rural relevant metrics.
- **2010s:** That providers will be paid not for volume but for value has led RWHC to focus on services preparing for the new era of Accountable Care Organizations.

2. Overview of Rural Health Care

There is an Ongoing Need for Rural “Myth” Busting

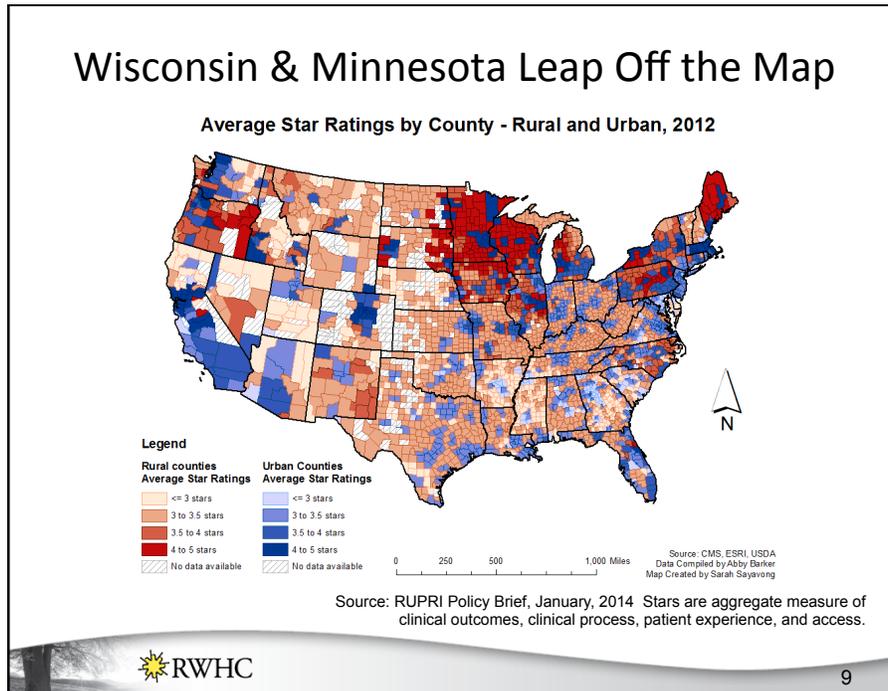
- Rural residents **don’t care about local care.**
- Rural folks are **naturally healthy, need less.**
- Rural health **care costs less** than urban care.
- Or rural health care is **inordinately expensive.**
- Rural **quality is lower**; urban is better.
- Rural hospitals are just **band-aid stations.**
- Rural hospitals are **poorly managed and governed.**



Rural Health Typically Does More With Less

- “The people served by rural hospitals are **more likely to report a fair to poor health status, suffer from chronic diseases, lack health insurance, and be heavier, older, and poorer** than residents of urban areas.”
- Yet overall, **the average cost per Medicare beneficiary is 3.7 percent lower in rural communities** than in urban ones, and rural hospitals perform better than urban hospitals on three out of the four cost and price efficiency measures on Medicare Cost Reports.”

“Implications of Proposed Changes to Rural Hospital Payment Designations Policy Brief,” by The National Advisory Committee on Rural Health and Human Services, December, 2012



Rural Hospitals Have a Lot to Brag About

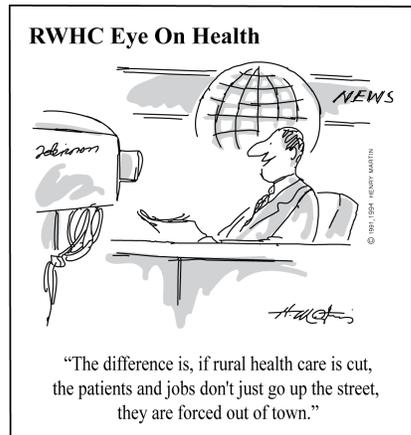
- Rural hospital performance on CMS **Process** of Care measures is **on par** with urban hospitals.
- Rural hospital performance on CMS **Outcomes** measures is **better** than urban hospitals.
- Rural hospital performance on **HCAHPS** inpatient experience survey measures is **better** than urban hospitals.
- Rural hospital performance on **price and cost efficiency** measures is **better** than urban hospitals.
- While, **Medicare spent \$2.2 billion less in 2010 on rural beneficiaries—3.7% less than average urban beneficiary.**

“Rural Relevance Under Healthcare Reform”
(based on Medicare Shared Savings Data Files) 1/23/12
<http://www.ivantagehealth.com/>



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3. Rural Health Care Means Rural Jobs



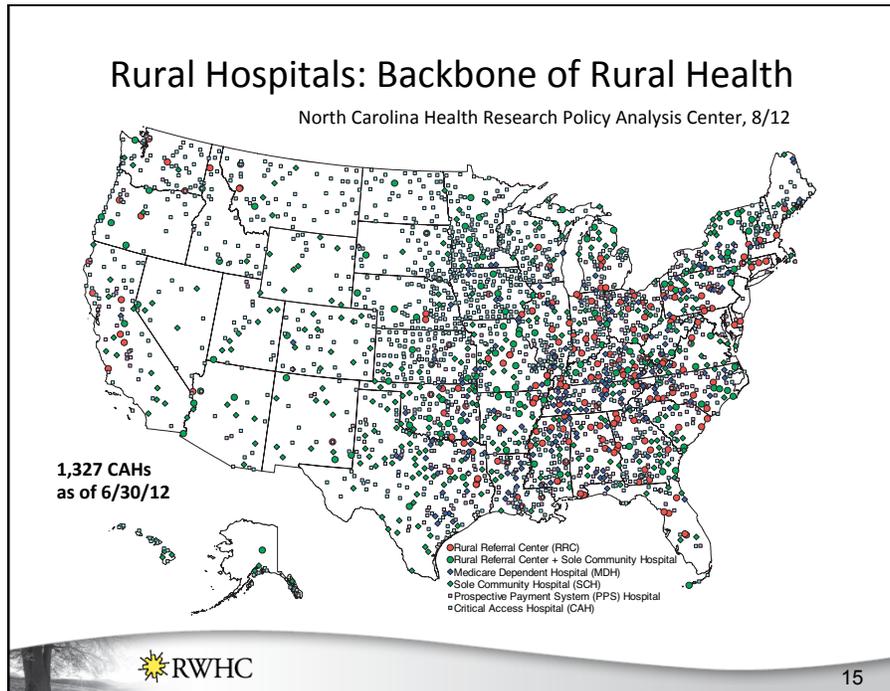
Rural health is about rural health and health care but it is **also about the whole community, especially jobs & vice versa.**



Rural Health is an Export “Commodity”

- People often know that **business relocation** decisions **are influenced by the cost and quality** of health care available locally.
- But **more importantly**, rural health has the **same economic impact as export commodities** like milk, soybeans or rural manufactured goods because of its own ability to bring dollars and jobs into the community.





- ### Wisconsin's Snap Shot as a National Leader
- **13 CAHs in iVantage top 100 CAH List (2013)**
(Including Door County Medical Center)
 - Relatively **high overall quality** in national studies
 - Relatively **low rate of uninsured**
 - Relatively **low Medicare costs**
 - Relatively **strong physician/hospital cooperation**
 - Relatively **more stable provider finances**
 - **Robust adoption of HIT**, especially with EHR
 - **Supportive tort environment**
 - **Many early adopters of population health**
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5. Long Term: Health Care → Community Health

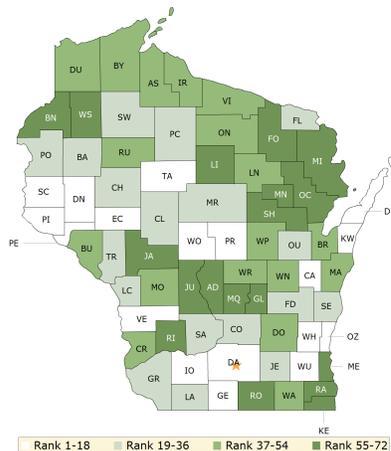


It’s not longer just about what we charge for a hospital visit but **what it costs to keep a population healthy.**

“We must help all reach **highest potential for health** and **reverse the trend of avoidable illness.**”*

*American Hospital Association’s “Health for Life, Better Health, Better Health Care” August, 2007

County Health Outcome Rankings – 2014



Door County

Health Outcomes: 5th

Morbidity: 4th

Mortality: 13th

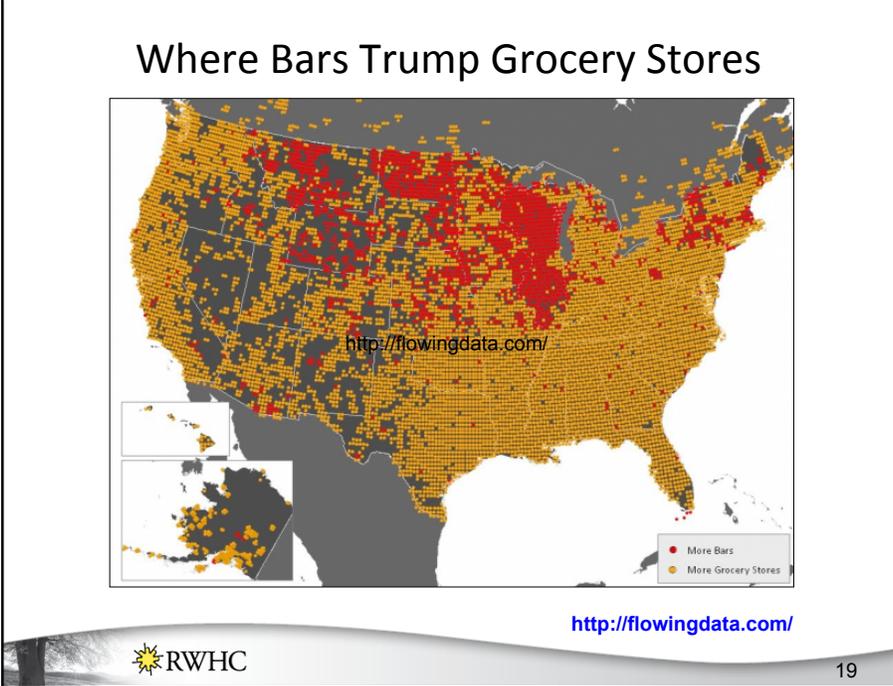
Health Factors: 20th

Social/Economic: 37th

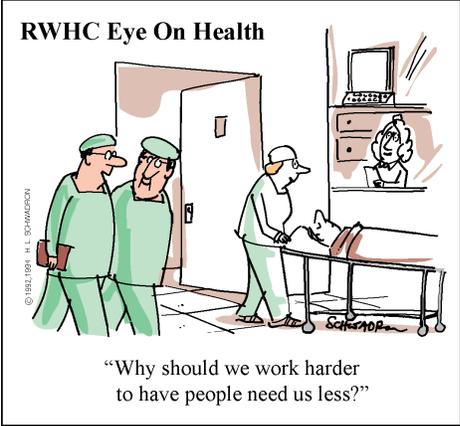
Behaviors: 16th

Clinical Care: 14th

Environment: 4th



6. Today's Challenges



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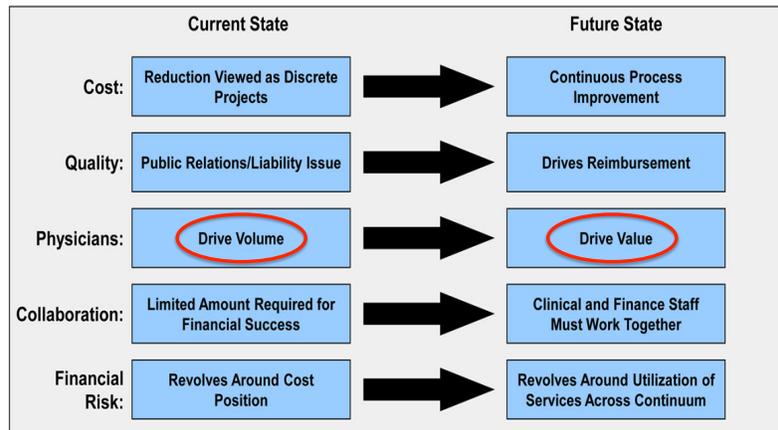
“Why should we work harder to have people need us less?”

Rural Health faces an alignment of forces driving reform **to improve individual health care, the health of populations and lower costs** (Known as the “Triple Aim”).



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Details Differ: Big Picture Unchanged

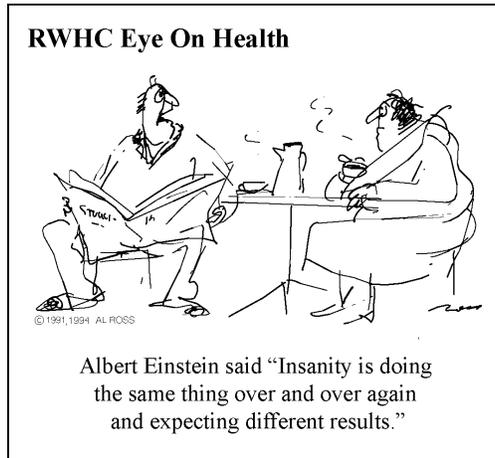


Healthcare Financial Management Association

The Four Questions Facing Every Hospital

1. How do we provide **local patient-centered care** that is team based and outcome focused?
2. How do we **collaborate** with regional organizations **to emphasize value of care over volume of care**?
3. How do we **partner** with others locally and regionally **to foster healthy communities**?
4. How do **we adapt urban-based federal models** to the unique characteristics of our rural communities?

7. Top Twenty CAH Critical Success Factors



Top Twenty CAH Critical Success Factors

Leadership

1. **Engage** & educate the hospital **board**
2. **Align** hospital leaders & managers
3. **Unite with physicians** & other 1° care providers

Strategic Planning

4. Do **meaningful strategic planning** at least annually
5. Use a systems framework for planning to ensure a **holistic** approach
6. **Communicate the plan organization-wide** in easy to understand language

Terry Hill, Executive Director
National Rural Health Resource Center

Top 20 CAH Success Factors

Patients, Partners & Communities

7. Measure and **publicly report patient satisfaction**
8. **Explore partnerships** with rural network **and/or larger systems**
9. Explore partnerships with **other providers in your service area**
10. **Engage & educate your community**

Terry Hill, Executive Director
National Rural Health Resource Center



Top 20 CAH Critical Success Factors

Measurement, Feedback, & Knowledge Management

11. Use a **strategic framework to manage information**
12. Evaluate strategic process regularly and **share information organization-wide**
13. Gather & **use data to improve health and safety of patients in the service area**

Terry Hill, Executive Director
National Rural Health Resource Center



Top 20 CAH Critical Success Factors

Workforce & Culture

14. Develop a **workforce** that is **change ready** and customer / **patient focused**
15. **Focus** intensely on **staff development and retention**

Operations & Processes

16. Develop **efficient business processes** and maximizes revenue cycle management
17. **Continually improve quality** and safety processes
18. **Use technology appropriately** to improve efficiency and quality

Terry Hill, Executive Director
National Rural Health Resource Center



Top 20 CAH Critical Success Factors

Impact & Outcomes

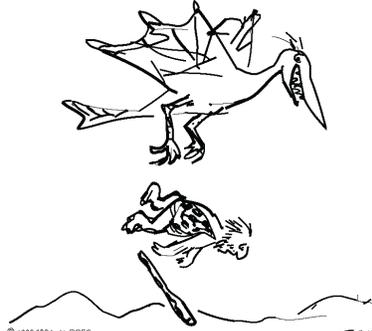
19. **Publically report** and communicates **outcomes**
20. **Document value** in terms of **cost, efficiency, quality, satisfaction, and population health**

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National Rural Health Resource Center



Bottom Line Principles

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© 1992, 1994 AL ROGGS

“When the obvious becomes obvious,
the time to adjust is limited.”

Health is More Than Health Care

RWHC Eye On Health



© 1994 LEO CULLUM

“Get over the Doc Welby thing, what you do makes
a lot more difference to your health than what I do.”

Vision Matters

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“I knew I was going to take the wrong train, so I left early.” (Yogi Berra)

Follow Your Passion

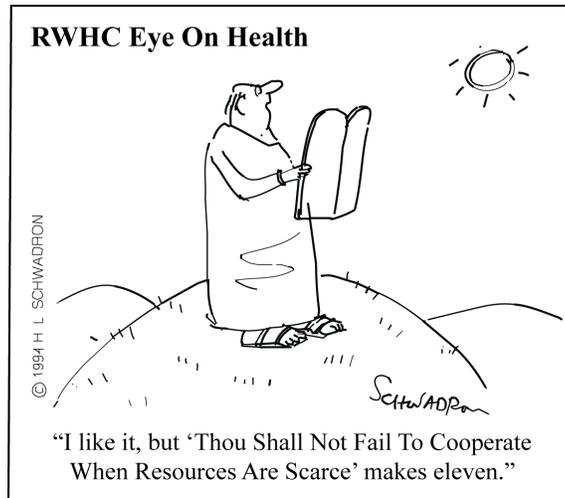
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Coltium

“Yes, I’m a generalist. I chose primary care over being a partialist.”

Cooperate In Order to Successfully Compete



Rural Health Resources

- **RWHC Web:** www.RWHC.com
- Free **RWHC Eye on Health e-newsletter**; email office@rwhc.com with “subscribe” on subject line.
- **Wisconsin Office of Rural Health:** <http://WORH.org>
- **County Health Rankings & Roadmaps**
www.countyhealthrankings.org
- **Nation Rural Health Resource Center**
www.ruralcenter.org
- **Rural Assistance Center** at www.raonline.org is an incredible federally supported information resource.