CAH CFO-Administrator FORUM

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Don't Always Believe What They Tell You

Seven Myths of Rural Healthcare

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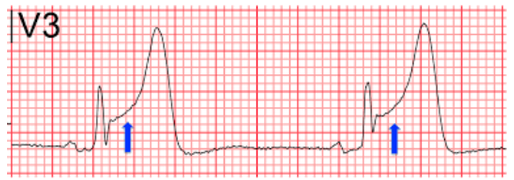
- Founded in 2017, With More Than 30 Years in Healthcare
- Based in Northern Colorado
- Focus on Rural Healthcare Strategy, Operations, Transitional Leadership Services, Board Governance and New Service Development to Keep Care Local (as appropriate
- History of Many “First-To-Market” Services

Examples of "First-To-Market" Services

Code STEMI: CAH EDs to Cath Labs



PADNet: Peripheral Arterial Disease Testing in RHCs

QuitLine Tobacco Cessation Programs

COLORADO QuitLine™ Be tobacco free 1.800.QUIT.NOW

IDAHO QUITLINE QUIT ALL TOGETHER 1-800-Quit-Now

MONTANA TOBACCO QUIT LINE 1-800-QUIT-NOW 1-800-784-8669 QuitNowMontana.com

Ohio Department of Health Tobacco Program Quit Line: 1-800-QUIT-NOW

QUIT NOW MONTANA PREGNANCY PROGRAM QUIT LINE 1-800-QUIT-NOW

AMERICAN INDIAN Commercial Tobacco Quit Line 1-855-5AI-QUIT MTAmericanIndianQuitLine.com

Seven Myths of Rural Healthcare

- All rural hospitals are about the same and offer the same basic services
- CAH Reimbursement guarantees a positive bottom-line
- Smaller is Simpler
- There is a limited ROI on telehealth
- If a rural hospital closes, the quality of care is not impacted like it would be if an urban hospital closes
- Swing Beds are over-utilized
- Cost Reports are optimized

Myth #1:

All rural hospitals are about the same and offer the same basic service

- Every community is different
- Budgets range from <$10MM to >$250MM
- Located adjacent to urban areas or hours away
- Robust surgical programs
- Strong affiliations, including access to capital
- Board-governed or corporate
- PCPs or Specialists
- Thriving local economy or depressed
- Shrinking or growing population

Myth #2:

CAH Reimbursement guarantees a positive bottom-line

- 101% for allowable costs for Medicare Mix
  - Sequestration reduced that to 99%
- Medicaid losses can outweigh any Medicare profits
- Health Plan reimbursement can make or break you
- Patients are now the third-largest payer
  - From 2007 to 2017, out-of-pocket patient expenses increased by 230%
- Delays in reimbursement can eat away your cash
- 80% of hospital closures are rural

Myth #3:

Smaller is Simpler

- Shorter distance between the C-suite and patients
- Fewer resources to address issues
- Cash is often limited
- Payment delays can shut your doors
- Same expectations for quality outcomes, patient engagement, staff engagement
- A drop or surge in volume can be catastrophic
- But, it is more likely you know your patients, staff and physicians on a more personal level

Myth #4:

There is a limited ROI on telehealth

Telehealth is more than video visits

PCP – Specialist Collaboration:

- IP Dialysis/Nephrologist
- Clinic Testing (PAD, Diabetic Retinopathy, etc.)
- Sleep Studies
- Skin Checks (Derm)/Wound Checks (post surgical and ID)
- IP, OP, Swing and ED Consults (not everything is cardiac or stroke)
- Hospitalists
- Behavioral Health (Emergent, Acute and Chronic)
- Telehealth should help keep care in your community, as appropriate

Myth #5:

If a rural hospital closes, the quality of care is not impacted like it would be if an urban hospital closes

- When an urban hospital closes, no material impact on the mortality rates
- When a rural hospital closes, mortality rates increase

5.9%*

- The community goes into a death spiral as the largest employer leaves the community

*University of Washington study, 2019

Myth #6:

Swing Beds are over-utilized

- Average ADC Swing Beds: 1.62*
- Average ADC CAH Acute Beds: 2.42*
- Case Study – Group of CAHs in Midwest
  - Located within an hour of PPS hospital
  - Transfer Discharged Acute patients for Swing Bed Services
  - Nurses practice at “top of license”
  - Partner with PPS hospitals for video consultations
  - ADC grew from 4 to 22 in one year
  - ALOS 13 days
  - 30-day readmission rate <7% for complex medical and surgical cases

*CAH Financial Indicators Report: Summary of Indicator Medians by State, April 2021

Myth #7:

Cost Reports are optimized

- How do you know if you are optimizing your Cost Reports?
- Independent reviews can sometimes find money even the best preparers miss
- No charge unless something is found
- No reason not to have a Cost Report Review

Contact Us

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