



Rural & Community Hospital Critical Considerations

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THE SITUATION

- **57 million** rural Americans depend on their local hospital for healthcare services and to boost the local economy (*American Hospital Association*)
- Since 2005, **181 rural hospitals** have closed (*North Carolina Rural Health Research Program*)
- Nationally, 96 complete closures and 85 converted closures
- Nebraska's 2 closure-conversions:
 - June 2014, Tilden Community Hospital-Tilden (CAH, 20 beds) to an outpatient clinic
 - July 2021, MercyOne Oakland Medical Center-Oakland (CAH, 16 beds) closed yet operations continue of family medicine clinics in Oakland and Lyons

NEBRASKA STRUGGLES

- **Income disparities:** however, the state's median household income is expected to increase from \$61,439 in 2019.
- **Unemployment:** 2.9% in 2017, 2.8% in 2018, and another drop to the current rate of 2.2% vs 5.2% in the U.S.
- **Poverty:** 10.8% in 2017, 11% in 2018, with a rise to the current rate of 12.0% (1 out of every 8.4 Nebraska residents).
- High rate of **Medicaid**.
- **Access** to primary, specialty and behavioral care.

WHAT CAUSES HARDSHIP?

Rural hospitals face unique circumstances during normal times:

- Low patient volume
- Challenging payer mix
- Geographic isolation
- Limited access to essential health providers
- Aging infrastructure and access to capital
- Healthcare coverage inadequacies
- A challenging patient mix
- Transportation
- Housing for staff/agency workers

Additional pandemic-related issues:

- Suspension of elective surgery and non-urgent care
- Self-imposed delays in patients seeking treatment
- PPE shortages and increased supply costs
- Staffing retention and recruitment, with shortages and increased labor costs

NEW THINKING

MAINTAINING STATUS QUO IS NOT AN OPTION. The pandemic demonstrated the essential need for quality medical care in local communities. Community and rural hospitals must find ways to remain sustainable.



WHERE DOES YOUR HOSPITAL STAND?

Even in uncertain times, community and rural hospital executives must take time and steps to understand where they are and where they are going.

- **GREAT PLAINS HEALTH Story: Primary Care Strategy**

TAKEAWAYS

- Evaluate your service area to see where your hospital stands and to identify market demands and growth opportunities.
- Evaluate the community's perception of the hospital and services.
- Analyze whether you have the right provider mix for your population as well as the services you plan to develop or grow.

STRATEGIC BEST PRACTICES

- A market assessment includes analysis of service area demographics, patient origin, market volume and position, helpful in determining growth opportunities or even elimination of certain clinical services.
- Monitoring financial indicators and paying attention to the warning signals of financial and operational distress is an important step in recognizing challenges that may need to be addressed, such as declining revenue, dips in patient volume or loss of market share.
- Tracking and reporting funding received through the Coronavirus Aid, Relief and Economic Security Act (CARES Act) is vital for full compliance.
- Monthly review of financial indicators is critical to produce accurate financial performance metrics. Annually, take a closer look at these financial indicators, as these will form the basis of strategic planning.
- With the passing of the Patient Protection and Affordable Care Act, not-for-profit, charitable hospitals must conduct a Community Health Needs Assessment (CHNA) and implementation plan once every three years.

WHAT'S YOUR CURRENT STAFFING?

Nurse shortages are an ongoing reality for hospitals across the country, especially as many continue to experience burnout as the pandemic continues.

- **GREAT PLAINS HEALTH Story: International Nurse Recruitment**

TAKEAWAYS

- The pandemic inspired community hospital leaders facing critical staffing challenges to recruit recently graduated nurses and fast-tracking on-the-job mentorship programs to bring them up to speed and transition them to patient care roles.
- A team nursing model (typically a charge nurse-RN, primary nurse-RN and ancillary personnel-CNA or similar nursing aide) can improve care delivery, nurse satisfaction, patient satisfaction, and overall care quality.

PRODUCTIVITY BEST PRACTICES

- Keep patient care front and center. Many times, the most efficient care is also best for the patient. For example, including overlapping shift-change transition and communication time in the schedule helps staff transition care safely and efficiently without incurring overtime.
- Gain consensus through communication. Educating staff about productivity allows the hospital to staff appropriately based on patient volumes.
- Departments and hospitals with the most efficient staffing monitor data the most frequently. Frequent monitoring helps quick corrections to any emerging issues.
- Double check the integrity of your productivity data.
- Use a Productivity tool that offers visibility and accountability. With such a platform in place, care providers and administrators alike have access to a bird's eye view of their operations, so they have a better idea of how their most valuable resource, personnel, is being allocated.

DOES YOUR SUPPLY CHAIN MEASURE UP?

Materials managers learned the true value of their group purchasing organization amid their tireless efforts to direct PPE and critical supplies to smaller hospitals.

- **GREAT PLAINS HEALTH Story: Innovative Sourcing/CHC Partnership**

TAKEAWAYS

- In Mount Pleasant, Texas, Sweet Shop & Waymaker Face Shields Company shifted operations to make hospital grade face shields from the clear acetate typically used for packaging chocolates.
- Supply cost increases are forecast to continue with PPE categories rising 5 to 10 percent or more into the foreseeable future.
- Having the right GPO partner and advocate for smaller hospitals is paramount.

SUPPLY CHAIN BEST PRACTICES

- Optimize inventory levels. Anticipate scarcity and identify means to procure supplies in times of crisis. To avoid further shortages, adopt a hybrid model that involves stockpiling critical supplies but keep on-hand an inventory of non-PPE supplies that don't exceed 90 days.
- Re-evaluate your group purchasing organization (GPO) relationship. Is your GPO diversifying its product contracting strategy and developing relationships with non-contract and non-traditional suppliers?
- Create an approach for strategic, innovative sourcing
- Build a diversified supplier base.
- Leverage technology for visibility and to clarify supply needs. Vendors usually accept electronic data interchanges (EDI) that allow hospitals to automatically track orders, confirmations and deliveries. A third-party supply chain services partner can provide data analytics technology that shows opportunities, flags issues and tracks improvements.
- Include clinicians in decision making.

IS YOUR TECHNOLOGY ADVANCING?

In March 2020, telehealth and remote patient monitoring in the U.S. surged 50 percent as COVID-19 spread across the country.

- **GREAT PLAINS HEALTH Story: Evolution of Telehealth & Patient Protocols**

TAKEAWAYS

- Hospitals and physicians responded quickly to implement and expand these services when the government and health insurance plans reduced regulations, increased reimbursement and expanded coverage for services delivered via telemedicine.
- The pandemic inspired touch-free services from drone delivery of medical supplies, cloud-based remote CPAP monitoring, and virtual reality training to stethoscopes that use artificial intelligence to detect abnormalities in the heart and lungs.

TECHNOLOGY BEST PRACTICES

- The pandemic has been a catalyst for telehealth and is reshaping how community hospitals deliver care. Once sparingly used in rural areas, telehealth is becoming a primary means for maintaining and delivering healthcare services. Previously reluctant providers have adopted the technology in their offices.
- An enterprise approach to Information Technology looks at it through the lens of business goals and strategy, asking what is best for the organization from a cost, care, and risk perspective.
- Clinical informatics and improving efficiencies in clinical workflow can achieve significant savings while improving end-user satisfaction and quality of care.
- Manage your hospital's network security and consider a security audit and risk assessment. The healthcare industry remains a top target for cyber attacks in general and ransomware in particular because patient data is far more valuable than basic identity information.

ARE YOU BUILDING RELATIONSHIPS?

With the goal toward a better, more connected system of care, collaboration and coordination among area hospitals and resources are critical to meet community needs.

GREAT PLAINS HEALTH Story: Keeping People in Their Community

TAKEAWAYS

- Smaller community hospitals in particular have felt the negative impact that the COVID-19 pandemic has had on their financial performance, and as a result, they will likely pursue relationships to gain strength.
- Goals for reducing labor, supply and information technology costs may also spur new relationships.

RELATIONSHIP BEST PRACTICES

- Relationship development may encompass new local, regional or national provider connections.
- Generally, the future outlook points to innovation, whether your new relationships evolve into clinical affiliations, physician and other partnerships, or joint ventures.
- While partnerships provide economies of scale, hospital leaders need to take stock before seeking out partners.
- A Comprehensive Operational Assessment provides a thorough review of operations, identifies strengths as well as areas for improvement, and includes a plan of action. Defined improvement may position you for the right partner.
- Finding a partner with a shared mission, values and culture is key to success.

EVOLUTION IS SURVIVAL

All hospitals will look different in the future, yet:

- Technology is vital
- Quality indicators are ever important given changes in care delivery
- Adaptable spaces enhance patient care
- Care models must be flexible

THE RIGHT MODEL FOR EACH FACILITY WILL VARY DUE TO:



THE NEEDS OF
THE COMMUNITY



THE RESOURCES
AVAILABLE



COMPETITION
IN THE AREA