



GEORGIA DEPARTMENT
OF COMMUNITY HEALTH

Rural Hospital Stabilization Grant Program

Phase 4

Program Report

December 31, 2019



Rural Hospital Stabilization Grant Program (RHSGP) Phase Four

Report to the Rural Hospital Stabilization Committee

Purpose

The purpose of this report is to describe the utilization of state funds provided to grant recipients of the Rural Hospital Stabilization Grant Program, Phase Four.

Rural Hospital Stabilization Grant Program Sites: Phase Four

<p>Four Sites Selected</p> <ul style="list-style-type: none"> • <i>Burke Medical Center</i> • <i>Clinch Memorial Hospital</i> • <i>Elbert Memorial Hospital</i> • <i>Evans Memorial Hospital</i> 	<p>Fiscal Year Funding: 2019 \$3,000,000 (annual) award \$750,000 award to each site Project Period: July 2018 – June 2019</p>
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“Hub and Spoke” Model

Through the “Hub and Spoke” model, grantee hospitals functioned as the “hub” for the project. The “spokes” included other local health care partners and stakeholders in each respective community, to include but not limited to, tertiary hospitals, physicians, nursing homes, public safety agencies, public health departments, home health and behavioral health facilities, educational institutions, local businesses and industries, and faith-based partners.

The goal of the “Hub and Spoke” model is to best use existing and new technology to ensure that patients are being treated in the most appropriate setting thus relieving some of the cost pressures on the smallest rural hospitals’ emergency departments. Working together in partnership, communities can ensure that each patient is receiving the “Right Care, at the Right Time, and in the Right Setting”.

Approach

Pursuant to HB 751, General Appropriations for FY 2019, state legislators identified the fourth cohort of rural hospitals as the 2019 Rural Hospital Stabilization Program (RHSP) sites:

Three Prospective Payment System (PPS) Rural Hospitals

- Burke Medical Center (Waynesboro, GA)
- Elbert Memorial Hospital (Elberton, GA)
- Evans Memorial Hospital (Claxton, GA)



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One Cost Based Reimbursed Critical Access Hospital

- Clinch Memorial Hospital (Homerville, GA)

These four hospitals received a \$750,000.00 state grant to support initiatives which would address one or more of the four broad goals identified during the Pilot Program Phase. These goals are:

- Goal #1: Increase Market Share
- Goal #2: Reduce Medicare Readmissions
- Goal #3: Reduce non-emergent care & “Super Users” served in the Emergency Department
- Goal #4: Increase Primary Care Access

As an indicator of each hospital’s community level commitment, Grantees were required to pay the amount equal to ten percent of the total grant award (\$75,000 per site) into The Rural Hospital Stabilization Commitment Fund. These commitment funds were collected upon grant execution. Grantees were not allowed to apply any portion of the grant award, in part or in full, for Commitment Fund purposes. These funds were deposited into a restricted fund source dedicated to the Rural Hospital Stabilization project. This restricted fund source is not subject to lapse and surplus funds are protected from being returned to the treasury.

The \$3,000,000 Rural Hospital Stabilization Grant Program Phase Four investment spanned a twelve-month project period providing each of these rural hospitals an opportunity to explore options for cost savings, new revenue and service expansion.

Project Development Process

During the first quarter of fiscal year 2019 (July/August/September 2018), staff from the selected hospitals were convened to provide orientation to the program, discuss the strengths and opportunities identified from Phases One, Two, and Three of the program, and provide guidance into the program timelines and expectations. The meeting facilitators used guidance provided by the County Health Rankings Roadmap to Success to provide structure and support each hospital in the assembly of a community stakeholder group to identify the root causes of their communities’ health issues and develop recommendations for community action. Each community held their initial stakeholder engagement sessions by September 30, 2018. These stakeholders included:

1. Community members
2. Community health care providers, decision makers, and those who influence them
3. Community partners/implementers of programs



Prior to full grant execution, Grantees were expected to submit the local matching commitment funds to the SORH and identify a Project Manager to oversee the grant project. Project descriptions, work plan and budget approvals were also required to be submitted to the SORH for approval by September 30, 2018.

During the second quarter of fiscal year 2019 (October/November/December 2018), Grantees were expected to begin implementation of the approved projects. Specific to the projects selected, activities during this quarter included purchase of equipment, identification of contractors and vendors for construction projects, and commitments from all other external partners required to ensure completion and success of approved projects.

For the purpose of this report, funding provided to the Grantees is divided into two categories:

- Administrative support costs
- Project-specific costs

Administrative support costs are defined as expenses associated with Project Manager and other relevant support staff salaries, as well as community engagement expenses.

Project-specific costs are defined as expenses related to the design and implementation of the approved projects selected by each Grantee.

Grantees were required to provide SORH with a project description for review and approval prior to beginning work or incurring expenses related to the project. Each individual project was required to address one or more of the required four goals.

Distribution of Funding

Site	Administrative Costs	Project-Specific Costs	Total Award
Burke Medical Center	\$57,875	\$692,125	\$750,000
Clinch Memorial Hospital	\$50,000	\$700,000	\$750,000
Elbert Memorial Hospital	\$40,000	\$710,000	\$750,000
Evans Memorial Hospital	\$0	\$750,000	\$750,000
Total:	\$147,875	\$2,852,125	\$3,000,000

Descriptions of Projects

Burke Medical Center

Total Award	Administrative Costs	Project Specific Costs
\$750,000	\$57,875	\$692,125



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Burke Medical Center directed \$50,000 of grant funds to offset salary costs for the Project Manager hired to oversee the Rural Hospital Stabilization Grant. An additional \$7,875 of funding was used to cover on-going expenses for the Burke County Community Collaborative Group, which continued to meet quarterly for the duration of the funding period.

Burke Medical Center requested approval of funding for **one single project**. Funding in the amount of **\$692,125** was approved for the purchase of a 1.27-acre parcel of land and the construction of a new Urgent Care Clinic. The site selected was a central location in town, convenient to the community, and in an area of high traffic flow with an estimated combined total of 21, 600 vehicles traveled daily. The location was also within four miles of the Burke County Board of Education (BOE), Burke County public schools, and less than 30 minutes travel distance from Plant Vogtle.

Hospital leadership, at the time of project approval, felt the location of the current clinic on hospital property was inconvenient to those seeking care, and was a contributing factor to out-migration. Justification for the purchase of the land and a new facility included a plan to close the current hospital campus clinic if the costs to maintain both clinics created financial stress for the facility. *Please see additional information about project outcomes located in the addendum at the end of this report.*

Clinch Memorial Hospital

<i>Total Award</i>	<i>Administrative Costs</i>	<i>Project Specific Costs</i>
\$750,000	\$50,000	\$700,000

Clinch Memorial Hospital directed \$50,000 of grant funds to the salary of the Project Manager hired to oversee the Rural Hospital Stabilization Grant.

Clinch Memorial Hospital requested approval of funding for two projects. Funding in the amount of \$700,000 was approved to cover costs associated with 1) opening a primary care clinic and 2), emergency department renovations.

A total amount of **\$575,000 was directed to Project #1; *Integrated Services Through Primary Care***. The vision of this project was to integrate primary care, behavioral health, and wellness. This included establishing Clinch Memorial Primary Care, which required full renovations of an existing facility and recruiting providers for the clinic. In addition to opening the clinic, these funds were used to support community-oriented initiatives to provide health education and promote better health and nutrition. A community garden was established, and a walking club and other physical fitness initiatives were made available to hospital staff and residents of the community.

This project also included a Workforce Development component, designed to provide a career path for local students who desire to pursue a healthcare career. Entry level positions were



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created for high school graduates that would provide the student with knowledge and skills necessary to perform basic care services for patients in acute care, ambulatory clinic, or long-term care settings. The ultimate goal of this component of the project was to create a student pipeline of healthcare workers that would grow from this entry level position to licensed professionals.

Clinch Memorial Hospital **directed \$125,000 to Project #2; Emergency Department Renovations.** As a result of community feedback, hospital leadership realized many patients were hesitant to use Clinch Memorial Hospital Emergency Department due to the physical layout of the registration and waiting room design for the Emergency Department. The goal of the renovation project was to increase both privacy and security for patients during the emergency department registration process.

Elbert Memorial Hospital

Total Award	Administrative Costs	Project Specific Costs
\$750,000	\$40,000	\$710,000

Elbert Memorial Hospital directed \$40,000 of grant funds to the salary of the Project Manager hired to oversee the Rural Hospital Stabilization Grant.

Elbert Memorial Hospital requested approval of funding for three projects. Funding in the amount of \$710,000 was approved to cover costs associated with 1) emergency department renovations, 2) increase access to specialty care, and 3) upgrade of radiology equipment.

The amount of **\$109,201 was directed to Project #1; Emergency Department Renovations.** The goals of the renovation were to improve community perception and confidence, reduce the number of unnecessary transfers to other facilities, re-build relationships with the local EMS provider, and reduce hold time as well as improve safety and security of emergency department patients being held involuntarily for behavioral health evaluation.

The amount of **\$389,089 was directed to Project #2; Increase Access to Specialty Care.** The goal of this project was to expand and enhance local access to specialty care, decrease the number of patients being transferred out of Elbert County, improve the financial stability of specialty practices located in Elbert County, and develop stronger partnerships with the community.

A total of **\$211,711 was directed to Project #3; Radiology Upgrades.** It was determined that technical innovation was likely to be one of the greatest opportunities for the hospital to drive utilization, increased efficiency, and higher physician and patient satisfaction. Funding was used toward the purchase of a new CT scanner with a safer, more advanced system including the latest hardware and software. These features would lower energy consumption to reduce running costs, provide optimal imaging results, improve the patient experience, and provide a



safer environment for both the patient and the technician. This also resulted in increased utilization, allowing more patients to be served in the local market.

Evans Memorial Hospital

Total Award	Administrative Costs	Project Specific Costs
\$750,000	\$0.00	\$750,000

Evans Memorial Hospital directed none of the grant funds toward salary support for a Project Manager to oversee the Rural Hospital Stabilization Grant. Therefore, the entire amount of funding was directed to support selected projects.

Evans Memorial Hospital requested approval of funding for three projects. Funding in the amount of \$750,000 was approved to cover costs associated with 1) technology upgrades, 2) emergency department renovation, and 3) enhancement of behavioral health services.

A total amount of **\$523,738 was directed to Project #1: Technology Upgrades**. Grant funding allowed an opportunity for Evans Memorial Hospital to update and/or upgrade aging equipment in critical areas of the hospital. This investment also allowed an opportunity to provide additional services and procedures that were not currently being offered. Updated, upgraded, and new equipment improved efficiency and increased workplace satisfaction of the nursing staff.

These investments included updates to 3D Mammography equipment, upgrades to the pharmacy compounding area, updates to the current cardiac monitoring system (including Telemetry packs which enhance patient comfort and mobility), and electronic tablets to increase nursing duties efficiency. Funds were also used to purchase new equipment such as vein-finder devices for nursing staff and the Lucas Chest Compression System which significantly improves perfusion during cardiac arrest.

The amount of **\$152,292 was directed to Project #2; Emergency Department Renovations**. The goal of this project was to increase emergency department utilization, improve the perception of the hospital environment, improve throughput and increase safety, security, and treatment for behavioral health patients.

With the goal of improving “first impressions” of the emergency department, renovations included cosmetic improvements such as painting, replacing damaged counter tops and flooring, replacing damaged mattresses, and remodeling an exam room to provide a safe room for behavioral health patients who are awaiting transfer to a behavioral health facility.



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The amount of **\$73,970** was directed to **Project #3; Enhancement of Behavioral Health Services**. The goal of this project was to provide a safe outdoor space, additional activity space, and additional therapy space for patients receiving treatment.

Funding was used to construct an outdoor courtyard, provide seating for activities and construct durable fencing to provide security and protect patient privacy. Completion of this space resulted in a measurable increase in patient time spent outside as well as increased participation in group activities. The improved conditions also increased both patient and family satisfaction.

Summary

Specific to the projects described previously, these projects met the core goals as outlined in the table below:

	<i>Burke Medical Center</i>	<i>Clinch Memorial Hospital</i>	<i>Elbert Memorial Hospital</i>	<i>Evans Memorial Hospital</i>	
					Total:
Administrative Costs:	\$57,875	\$50,000	\$40,000	\$0.00	\$147,875
Goal #1: Increase Market Share		\$125,000	\$320,911	\$676,030	\$1,121,941
Goal #2: Reduce Avoidable Readmissions					\$0
Goal #3: Reduce ED "Super-Users"					\$0
Goal #4: Increase Access to Primary Care	\$692,125	\$575,000	\$389,089	\$73,970	\$1,730,184
Total:	\$750,000	\$750,000	\$750,000	\$750,000	\$3,000,000

As described in the table above, all four of the Phase 4 Grantee Hospitals selected projects that met Goal #1, *Increase Market Share*, and Goal #4, *Increase Access to Primary Care*. None of the Grantee Hospitals selected projects specific to Goal #2, *Reduce Unavoidable Readmissions*, or Goal #3, *Reduce ED "Super-Users"*.





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Therefore, specific to Rural Hospital Stabilization Grant Program Phase 4, of the \$3,000,000 total award, **\$147,875 (5%) of funding was spent on *Administrative Costs*, \$1,121,941 (37.4%) of funding was spent on projects meeting Goal #1: *Increase Market Share*, and \$1,730,184 (57.6%) of funding was spent on projects meeting Goal #4: *Increase Access to Primary Care*.**

The Phase Four grant program terminated on June 30, 2019. Technical assistance and guidance were provided by SORH staff throughout the entire project period.

Addendum: Burke Medical Center

During the first two quarters of the funding period (July through December 2018) and into January 2019, Burke Medical Center struggled to decide on a final project and use of grant funds. In February 2019, the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) for Burke Medical Center met with SORH staff to present the final project description and budget details. The final project (described earlier in this report) was the purchase of a 1.27-acre parcel of land and a new Urgent Care Clinic. A prefabricated modular building was selected for purchase in lieu of ground-up construction of a structure for the clinic. The Department of Community Health reviewed the project plan and approved the project with the understanding that Burke Medical Center would fulfil the Rural Hospital Stabilization Grant commitments even though the project would begin very late into the funding period.

Slow progress and delays were reported to SORH by the CEO and CFO during March, April, and May. Closing on the land was delayed until the latter half of June 2019. The modular building was purchased, but delivery of the building could not occur until the building site was inspected and necessary preparation (power and water lines, etc.) could be completed. Rural Hospital Stabilization funding approved for the project was expended prior to the end of the fiscal year, and Burke Medical Center leadership committed to completing the project as planned even though the opening of the clinic would not occur until the latter half of fiscal year 2020.

During the first quarter of fiscal year 2020, the SORH Executive Director was notified that both the CEO and the CFO at Burke Medical Center had left their positions, and a new Chief Executive Officer had been appointed. During a meeting with the new Burke Medical Center CEO, the SORH Executive Director learned that mis-information about the Rural Hospital Stabilization Grant Program had been *previously* presented to hospital board members, and the original plans for a new clinic would not *presently* be in the best interest of Burke Medical Center.

After that meeting, the new CEO sought and was given approval by the Department of Community Health to replace the original project with a new plan that would provide increased sustainability for the hospital and improve health care in Burke County.



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Burke Medical Center was able to sell the (previously purchased) land and elected not to take possession of the modular building. The vendor for the modular building agreed to return the funds to Burke Medical Center.

Of the **original \$750,000 grant award, \$57,875 had been expended for administrative costs** during the 2019 fiscal year funding period. An additional **\$12,442.50 was also expended for non-refundable architectural services** specific to the original plans for land purchase and design of the modular building.

A total of **\$679,682.50 was recovered and re-directed** to support four new approved projects. Those approved projects are:

- Emergency Department Renovations
- Operating Room Renovation and Anesthesia Upgrade
- Rehabilitation (Therapy) Building Renovation
- Existing Rural Health Center Renovation

Burke Medical Center leadership agreed to maintain communication with SORH and provide quarterly progress reports until those projects have been completed.

Outcomes for the revised plan will be detailed and reported as part of the Rural Hospital Stabilization Grant Program Phase 5 Program Report in December 2020.