Georgia Department of Community Health

Rural Hospital Stabilization Grant Program Phase 6 Update: *Year In Review* Workshop

Georgia Department of Community Health
State Office of Rural Health

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Mission:

The mission of the Department of Community Health is to provide access to affordable, quality health care to Georgians through effective planning, purchasing, and oversight.

Phase 6 Update: Part 1

- State Fiscal Year 2021 Funding
- Pandemic perspective
- Phase 6: *A Phase of Change*
  - Funding amount
  - Program design
  - Program evaluation
  - Reporting process

Phase 6 Funding & Decisions

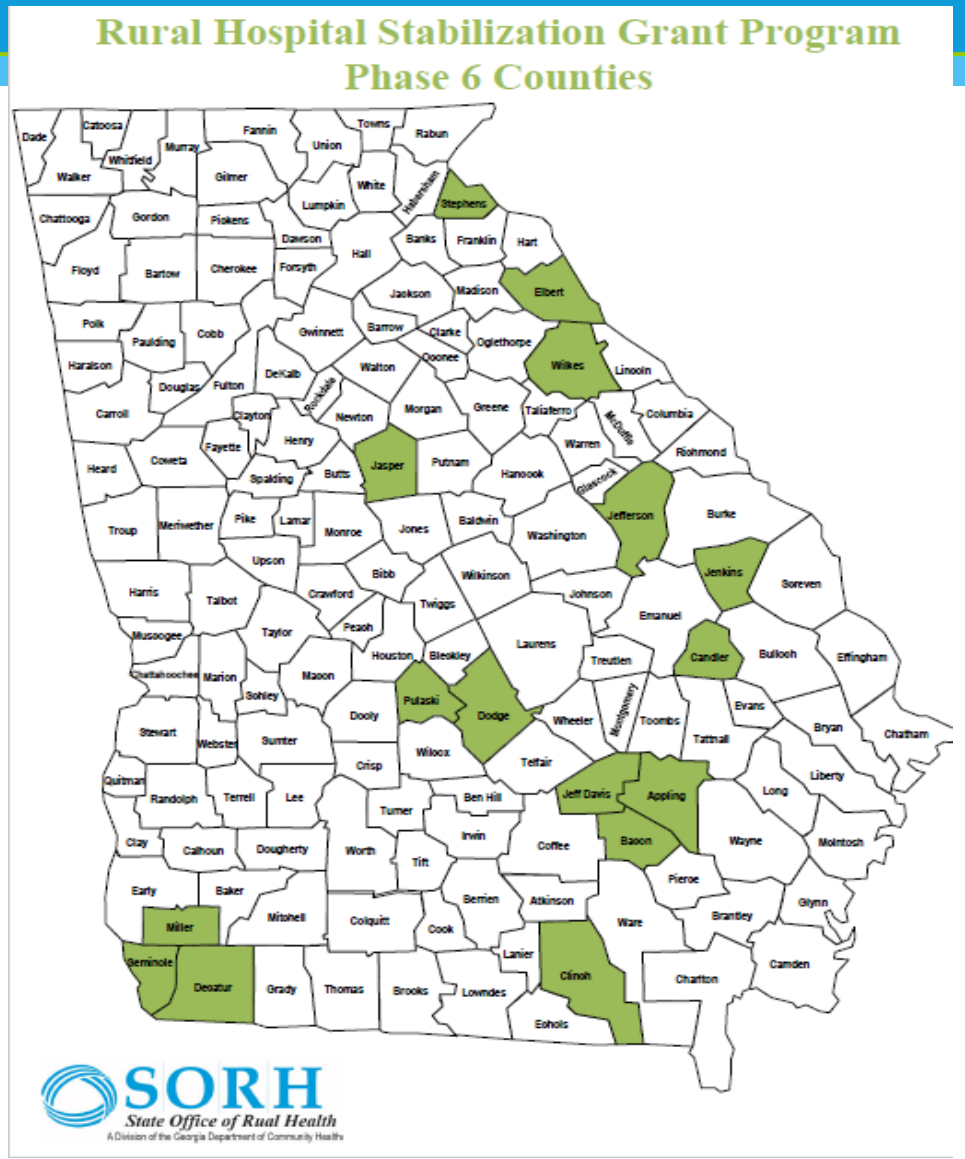
- State Fiscal Year 2021 Funding
  - Increased from $3M to $15M
- Rural Hospital Stabilization (RHS) Committee Meeting: 01/20/21
  - Discussed increase in funding
  - Approved $11M for grant awards
  - Approved $4M to be held as reserve funds
  - Approved eligibility requirements for Phase 6 hospital participants

Phase 6 Decisions & Design

- RHS Committee Meeting: 03/12/21
- Confirmed participation of 16 rural hospitals
  - 18 eligible; two declined participation
- Award amount per site
  - $687,500 each site (total $11M)
- Approved proposed changes to program to allow more flexibility with funds
  - 3 spending components

Phase 6 Grantee Hospitals

- Largest number of participating sites in a single phase to date
- 13 of the 16 sites had participated in a previous phase of program
- Funding period:
  - May 1, 2021, through June 30, 2022



Phase 6 Grantee Hospitals

- Appling Healthcare
- Bacon County Hospital
- Candler County Hospital
- Clinch Memorial Hospital
- Dodge County Hospital
- Donalsonville Hospital
- Elbert Memorial Hospital
- Jasper Memorial Hospital
- Jeff Davis Hospital
- Jefferson Hospital
- Jenkins County Med Ctr
- Memorial Hospital/Manor
- Miller County Hospital
- Stephens Co. Hospital
- Taylor Regional Hospital
- Wills Memorial Hospital

(Purple = *Have not previously participated in RHSGP)*

Phase 6 Final Decisions

- RHS Committee Meeting: 05/13/21
- Discuss distribution of $4M reserve funds
  - Approved $800K to Miller County Hospital for *Healthcare Access Expansion Grant*
  - Approved $100K to Draffin Tucker for continuation of RHS Grant Program annual analysis and reporting
  - Approved $3.1M remaining funds to be equally distributed between Phase 6 grantees
    - Grants amended to increase by $193,750 each site
    - Total amended award per site = $881,250

Back to *Proposed Changes to Program…*

- Based on lessons learned from Phases 1-5
  - Hospital leadership expressed need for more flexibility with decision making/spending
  - Stabilization involved more than revenue generating service lines; hospitals & communities differ/needs differ
- Proposed 3 components for spending
  - Component 1: Traditional Projects (mandatory)
  - Component 2: Skills & Systems (optional)
  - Component 3: Debt Avoidance (optional)

Component 1: Traditional Projects

(NOTE: Hub & Spoke Model/Community Engagement still required)

Purpose: Grantees will be required to use a portion of grant funds to develop at least one traditional Rural Hospital Stabilization Grant project. Projects should be designed to meet one or more of the four core RHS Grant Program objectives:

1. Increase access to primary care
2. Increase market share
3. Reduce the number of potentially preventable readmissions
4. Reduce inappropriate utilization of the emergency department

- This is a mandatory requirement for Phase 6
- Amount of funding each hospital chooses to invest in Component 1 is at the discretion of the grantee

Selections of Traditional Projects

- Grantees identified 26 traditional projects collectively
  - 39% (10/26) projects directed to improvement/expansion/acquisition of primary care clinics
  - 27% (7/26) projects directed to adding/improving specialty services
  - 19% (5/26) projects directed to expansion/upgrades/renovations of existing facility
  - 15% (4/26) other projects to include
    - Hiring hospitalist, advanced practice providers
    - Adding a courier service
    - Supporting EMS

Optional Components

Component 2: Skills & Systems

This funding option allows grantees to strengthen the operational foundation of the hospital ("invest in yourself").

Hospitals can invest in existing staff through staff development initiatives; recruiting new staff and/or providers; creating, updating or improving internal systems; and processes to improve overall hospital operations and efficiency.

Component 3: Debt Avoidance

This funding option allows Grantees to reduce existing debt.

Hospitals may apply **up to 25%** of total grant funding to reduce accounts payable associated with overall ongoing hospital operations.

Breakdown of *Skills & Systems*

- Of the 16 grantees, **12** elected to direct funding to Skills & Systems
- Took "invest in yourself" advice seriously!
  - Variety of choices for use of these funds
- Common use of funds were:
  - Hired consultants to improve internal systems
  - Recruiting/retention initiatives
  - Scholarships
  - Staffing services costs
  - Education initiatives for existing staff (clinical and non-clinical)
  - Leadership training for staff and administrative personnel
  - Sign-on bonuses/loyalty bonuses
  - Specialty certification classes for clinical staff

Breakdown of Debt Avoidance

- Of the 16 grantees, **eight** elected to direct funding to Debt Avoidance
- Common use of funds were:
  - Pay off/pay down expensive equipment leases
  - Pay off balance of accounts payable software
  - Pay off/pay down past-due invoices
  - Apply toward monthly/quarterly operational expenses
- Most grantees expended all funds in this component in first quarter of grant funding period

Opportunity!

- Recognized a unique opportunity to collect program information and data
- To date:
  - 33 hospitals participated in Phases 1-6
  - 16 hospitals currently participating in Phase 6
    - Representing roughly half of all participants
    - 13 of 16 participated previously
      - Could offer comparative perspective of changes to Phase 6

Opportunity!

- What could we discuss?
  - Is the program meeting its intended goals & objectives?
    - Are we preventing rural hospital closures?
    - If so, how?
  - Is the original program design still relevant?
    - Origin/foundation of program
    - Core objectives
  - Are the new changes to the program working as intended?
  - What is a “stable rural hospital?”

Year-In-Review (YIR) Workshop

- Partnered with Mercer Innovation Center & Draffin Tucker
  - Hosted by Mercer University
- Two-day format
  - Tightly scripted
- Divided workshop into two components
  - Group survey for data collection
  - Small group facilitated discussions

YIR Group Survey/Data Collection

- Group survey platform allowed questions/responses to be viewed in group setting
- This approach required participant engagement
  - 34 registered participants representing all Phase 6 grantees
    - 16 grantee sites
    - Each site allowed up to three registered participants (team members)
  - Survey questions presented to group
  - One representative from each grantee site responded on behalf of team
  - Survey responses were calculated “real time” for all participants to see

Survey Questions

- Partnered with Mercer for design/validation of survey questions
- Total of 127 questions divided between 12 categories
  - Number of questions per category
    - Ranged from four to 32
    - Presented randomly
  - Likert scale design
  - Response options (ABCD scoring system)
    - Real-time percent tally of responses projected on screen after each survey question

Survey Question Categories

- Hospital demographics
- Hospital challenges
- Hospital leadership
- Benefit of program participation
- Community engagement
- Program core objectives
- Phase 6 flexible spending components
- Comparing past/present phases
- Grant planning period
- Internal (grant support) resources
- Satisfaction with SORH staff/program management
- Financial

A Few Survey Takeaways

- Hospital challenges (threats)
  - 100% indicated staffing challenges = *threat*
  - 57% indicated competition from other facilities = *threat*
  - 94% indicated being acquired/merger = *NO threat*
  - 61% indicated dependence on local/state support = *threat*
  - 75% indicated emergency transportation issues = *threat*

- RHS grant management
  - Leadership
    - Hospital; yes
    - Community; varied responses
  - Internal resources
    - Yes; well-prepared
  - Planning period
    - Three months
    - Team of 2-5 people
  - Satisfaction with SORH
    - Yes

A Few Survey Takeaways

- Benefit of program participation
  - "The Rural Hospital Stabilization Grant made our hospital more…"
    - Stable = 94% "*Strongly Agree*" (SA) or "*Agree*" (A)
    - Resilient = 94% SA/A
    - Prepared = 94% SA/A
    - Connected = 81% SA/A
  - "The Rural Hospital Stabilization Grant helped our facility meet its goals."
    - 100% SA/A

A Few Survey Takeaways

- Core elements
  - *Hub & Spoke* model
    - 94% SA/A this model is vital to coordinating community partners
  - Community engagement
    - Nine questions specific to hospital/community relationship
    - Mixed responses
  - "Right care/right time/right setting"
    - Does this make a hospital more sustainable?
      - 88% = SA/A; 12% neither agree or disagree

A Few Survey Takeaways

- Four core objectives
  - Scale of 1-5; 5 being the highest value:
    - Increase access to primary care
      - 38%=5; **44%=4;** 19%=3
    - Increase market share
      - **50%=5;** 44%=4; 6%=3
    - Decrease avoidable readmissions
      - 13%=5; 31%=4; **38%=3;** 13%=2; 6%=1
    - Decrease inappropriate utilization of emergency department
      - 13%=5; 13%=4; **50%=3;** 19%=2; 6%=1

A Few Survey Question Takeaways

- Four core objectives
  - Scale: ***keep as-is***/*refine a bit*/*revise significantly*/remove
    - Increase access to primary care
      - **75%=** keep; **19%=** refine; **6%=** revise
    - Increase market share
      - **75%=** keep; **25%=** refine
    - Decrease avoidable readmissions
      - **50%=** keep; **38%=** refine; **13%=** remove
    - Decrease inappropriate utilization of emergency department
      - **31%=** keep; **56%=** refine; **13%=** remove

Facilitated Small Group Discussions

Group discussion design

- Divided 16 grantee teams into four groups
- Each group assigned to a room with a discussion facilitator and a recorder
- Each facilitator presented the same set of questions to their groups
- Discussions/responses recorded & compared

Discussion topics

- **Topic #1**: *Description: "Stable Rural Hospital"*
- **Topic #2**: *Foundational Elements of the Rural Hospital Stabilization Grant Program*
- **Topic #3**: *Benefits of Rural Hospital Stabilization Program Participation*
- **Topic #4**: *Determining Return on Investment of Rural Hospital Stabilization Grant Funds*

Facilitated Small Group Discussions

Key characteristics of stable rural hospital

- Quality leadership
- Trusted/utilized by the community
- Quality/stable workforce
- Revenue generating service lines/revenue growth
- Cash/cash flow/cash on hand/cash reserves

Top challenges for rural hospitals

- Cash/cash flow/cash on hand/cash reserves/inflation
- Internal staff/staffing costs/finding talent
- Staffing services/dependence & costs
- Recruitment/retention
- Keeping/increasing market share

Facilitated Small Group Discussions

Participation in Rural Hospital Stabilization Grant Program

- Absolute benefit to hospitals and communities
- Through funding opportunities, better aligned rural hospitals with urban hospital competitors
- Low-risk; use funding to try new things or expedite plans
- Learn from peers
- Improve internal/external relationships

Addition of new components, increased flexibility of funds

- Very well received
- Appreciated opportunity to direct funds internally
- Debt pay-down opportunity very beneficial
- Hospital leadership had more control/decision making ability to determine best use of funds to meet needs

Facilitated Small Group Discussions

Return on grant investment

- Improved net equity
- Increased revenue
- Increased patient volume
- Try without fear of failing
- Self-sustaining services
- Lower out-migration
- Reduced turnover
- Reduced debt

Measure of grant success

- Rural hospitals stay open!
- Positive impact on operating budget
- Increased access to care
- Increased patient utilization/volume
- Improved image in community
- Reduced ED misuse
- Reduced dependency on others

Final Group Discussion

From "Stability" to "Sustainability"

Stable: *an object or structure not likely to give way or overturn; firmly fixed.*

Sustainable: *able to be maintained at a certain level; able to be upheld or defended.*

"RHS 2.0"? ☺

YIR Workshop Findings Final Report

- SORH/Mercer Innovation Center working together to compile all results
- Will include the YIR findings as an addition to the annual reporting for Phase 6
- A copy of all 127 survey questions and responses can be provided to committee members upon request

Description of a "*Stable Rural Hospital*"

"To be considered stable, a rural hospital must be an integral component of the community's infrastructure whose primary mission is to provide essential, quality, cost-effective healthcare tailored to meet the needs of its target market. Leadership must be efficient and effective, strategic and intentional, and fiscally responsible, ensuring adequate cash flow to remain financially solvent. Healthcare services provided to patients are delivered through a valued, competent, compassionate staff who focus on patient outcomes, patient satisfaction, and improved quality of life for rural residents."

Coming Up Next:

- Lunch
- Phase 6: Part 2
  - Sarah Dekutowski
- Panel Presentation
  - Former grantees will address the committee

Stabilization Program Phase 6:

Summary Comments - Financial Questions

- Knowledge of what needs to get done
- Understanding of basic financial metrics and hospital operations
- Mixed responses on how to achieve results
  - Service offerings
  - Improvements needed
  - Funding sources

Summary Comments - Financial Questions

- **All agreed** "Cash reserves greater than $1M make a hospital more prepared for the unknown."
  - Strong cash position is important
  - Positive cash flows for financial success
  - Reserves needed

Summary Comments - Financial Questions

- **All agreed** " Access to non-emergent transportation for patients is important to a sustainable rural hospital."

- "The transportation services in our community contribute to our hospital's success."
  - **82% Disagreed**
  - **18% Neutral** – neither agree or disagree

Summary Comments - Financial Questions

- **All agreed** "A sustainable hospital reinvests a designated amount into property, plant, and equipment each year."

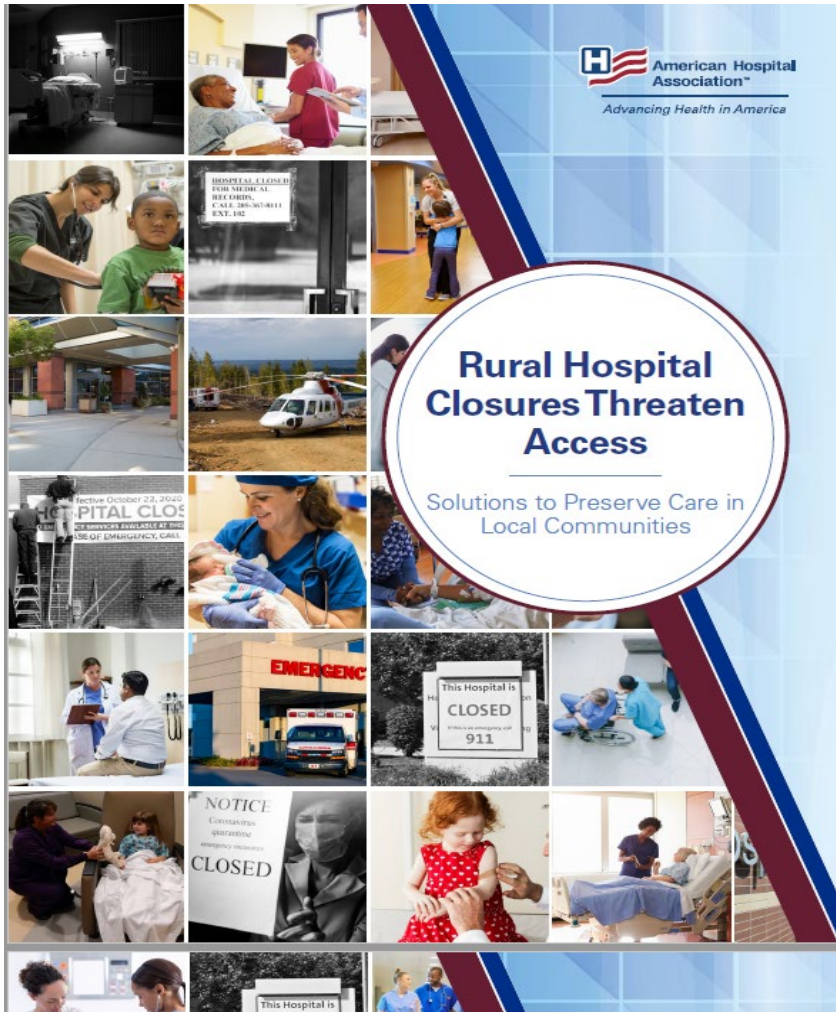
- **All agreed** " A rural hospital's financial stability is dependent on government reimbursement."
  - 94% or 15 out of 16 said **Strongly Agree**

Summary Comments - Financial Questions

- **All disagreed** "The current economic environment helps hospitals to be successful."

- **Mixed Results** "The basic characteristics of a sustainable rural hospital have changed due to COVID."

Summary Comments: Report



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