



GEORGIA DEPARTMENT
OF COMMUNITY HEALTH

Where Are They Now?



Nita Ham

Georgia Department of Community Health
State Office of Rural Health

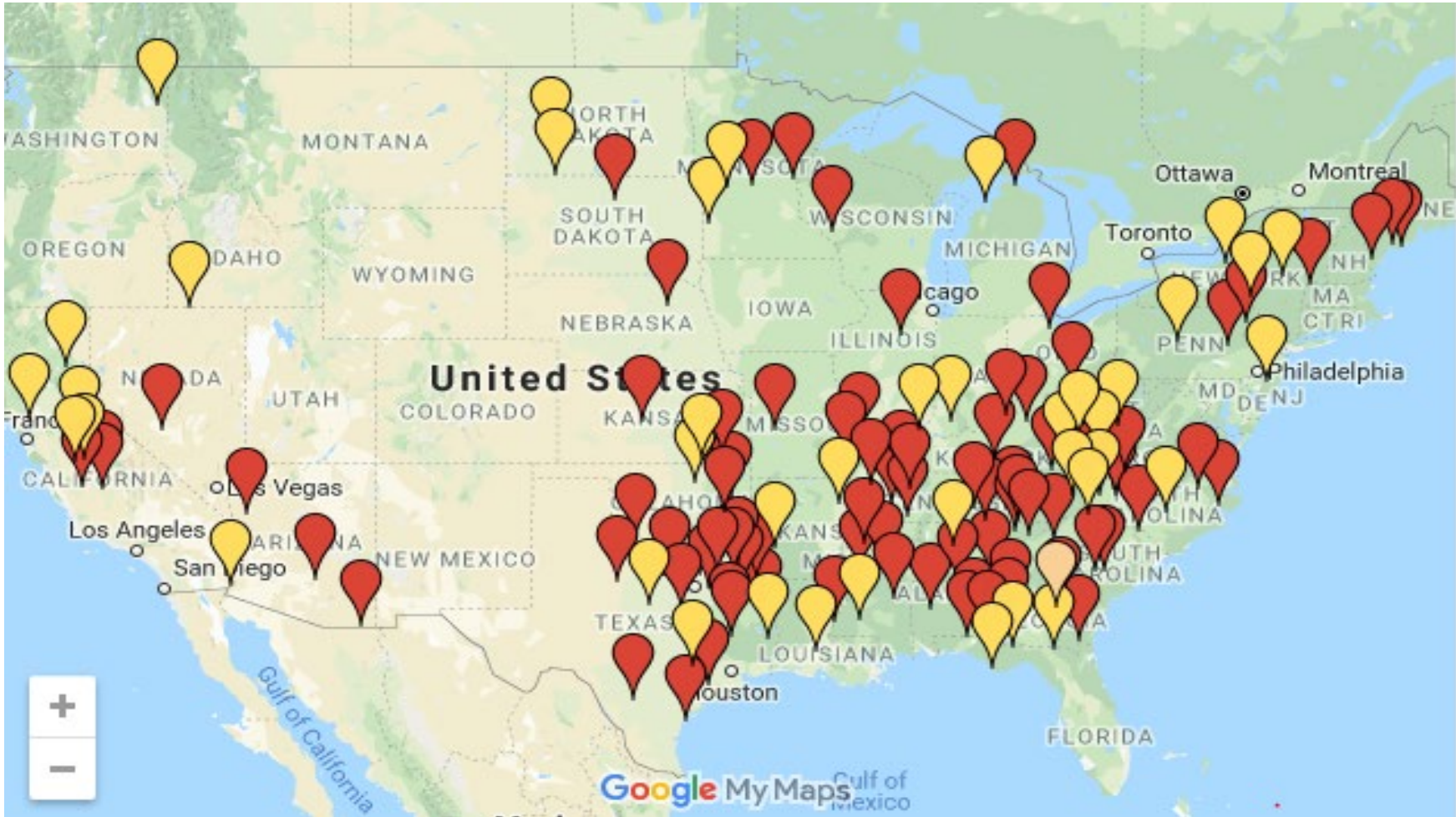
November 7, 2019



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.

Where It All Began...



Rural Hospital Stabilization Committee

“I recognize the critical need for hospital infrastructure in rural Georgia and remain committed to ensuring citizens throughout the state have the ability to receive the care that they need. This committee will work to increase the flow of communication between hospitals and the state and improve our citizens’ access to health care. I am proud to welcome this team and look forward to what we stand to accomplish.”

Governor Nathan Deal



Committee Members

- Terry England, Co-Chair
 - Ga. House of Representatives
- David Lucas, Co-Chair
 - Georgia Senate
- Jimmy Allen
 - Tift Regional Hospital Board
- Henry Craig
 - Baldwin County Commissioner
- Tom Fitzgerald, MD
 - Tanner Health System
- Jeffery Harris, MD
 - Jesup OB-GYN
- Greg Hearn
 - Community Service Group
- Angela Highbaugh, MD
 - Private practice pediatrician
- Scott Kroell
 - Pelham Pkwy Rehabilitation Center
- Jimmy Lewis
 - HomeTown Health
- Charles Owens
 - Georgia Southern University
- Ronnie Rollins
 - Community Health Systems
- David Sanders
 - Fannin Regional Hospital
- Patsy Whaley
 - State Office of Rural Health



Background And Timeline



Rural Hospital Stabilization Committee

Final Report to the Governor

February 23, 2015

Rep. Terry England
Sen. David Lucas
Co-Chairs



GEORGIA DEPARTMENT
OF COMMUNITY HEALTH

Rural Hospital
Stabilization
Committee
established

April
2014

Rural Free
Standing
Emergency
Department
Regulations
approved

May
2014

Rural Hospital
Stabilization
Committee
Final Report
"Hub &
Spoke" Model
Published

February
2015

Governor
signed budget
\$3,000,000

May
2015

Rural Hospital Stabilization Grant Program (RHSGP)



Hub and Spoke Model



“the right care, at the right time, in the right setting”



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OF COMMUNITY HEALTH

What We Knew Going In...

Rural Hospital Closures Across the Country

- Impact is significant
 - Loss of local hospital
 - Loss of local providers
 - Loss of jobs
 - Additional negative impact on local economy
 - Unable to attract business and industry into community

Rural Hospital Stabilization Grant Program in Georgia

- Preventing/surviving hospital closures is a ***community*** issue
- Recognition and utilization of *other* local health care access points is vital
- Relationship building and collaboration is necessary



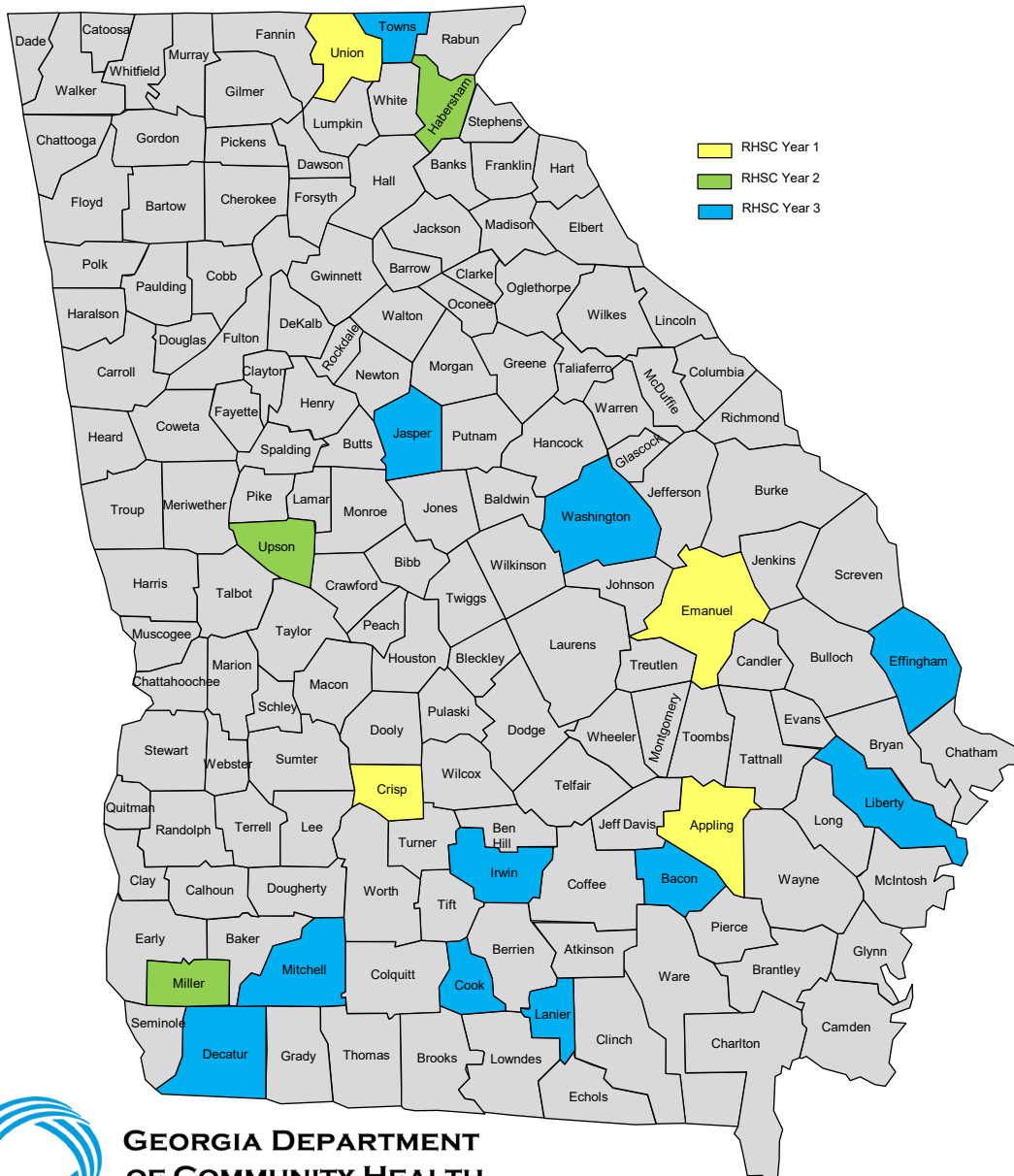
Overarching Program Goals



- Increase market share
- Reduce potentially preventable readmissions
- Reduce non-emergency care and “super-users” served in the emergency department
- Increase access to primary care



Rural Hospital Stabilization Sites



Pilot FY 2016 Sites

- Appling HealthCare System
- Crisp Regional Hospital
- Emanuel Medical Center
- Union General Hospital

Year 2 FY 2017 Sites

- Habersham Medical Center
- Miller County Hospital
- Upson Regional Medical Center

Year 3 FY 2018 Sites

- Bacon County Hospital
- Chatuge Regional Hospital
- Cook Medical Center
- Effingham Hospital
- Irwin County Hospital
- Jasper Memorial Hospital
- Liberty Regional Medical Center
- Memorial Hospital & Manor
- Mitchell County Hospital
- South Georgia Medical Center-Lanier Campus
- Washington County Regional Medical Center



**GEORGIA DEPARTMENT
OF COMMUNITY HEALTH**

RHS Grant Program Phase 1

Pilot FY 2016 Sites

- Applying HealthCare System
- Crisp Regional Hospital
- Emanuel Medical Center
- Union General Hospital

- ***\$3,000,000 (annual award)***
- ***Four sites selected***
- ***\$750,000 each site***
- ***Project Period***
 - ***July 2015 - Dec 2016***



RHS Grant Program Phase 2

Year 2 FY 2017 Sites

- ▣ Habersham Medical Center
- ▣ Miller County Hospital
- ▣ Upson Regional Medical Center

- ***\$3,000,000 (annual) award***
- ***Four sites selected***
 - ***One declined***
- ***\$1,000,000 each site***
- ***Project Period***
 - ***Sept 2016 - June 2018***



RHS Grant Program Phase 3

Year 3 FY 2018 Sites

- Bacon County Hospital
- Chatuge Regional Hospital
- Cook Medical Center
- Effingham Hospital
- Irwin County Hospital
- Jasper Memorial Hospital
- Liberty Regional Medical Center
- Memorial Hospital & Manor
- Mitchell County Hospital

- South Georgia Medical Center-Lanier Campus
- Washington County Regional Medical Center
- **\$3,000,000 (annual) award**
- **12 sites selected**
 - **One site declined**
- **\$250,000 each site**
- **Project Period**
 - **July 2017-June 2018**



Since Program Began...

No rural hospital has been forced to close since Rural Hospital Stabilization Grant Program began.



Looking Back

- *Where Are They Now?* Project
 - Surveys of previous grant recipients
 - ✓ Partnered with DraffinTucker
 - ✓ Phases 1 through 3
 - ✓ Comprehensive questions
 - ✓ Qualitative/Quantitative



Look-Back Project Design

- Questionnaire included three parts
- Part One
 - Questions specific to the Rural Hospital Stabilization Grant Program
- Part Two
 - Questions specific to each project selected by each grant recipient site
- Part Three
 - Financial analysis



Stabilization Grant Requirements

- Eighteen hospitals in Phases 1-3
- Each site was required to:
 - Designate a project manager
 - Engage their community
- Each site selected projects based on:
 - Community meeting results
 - Site specific data
 - Other information available specific to their needs



Part One

Questions specific to the Rural Hospital Stabilization Grant Program



Part One Findings to Discuss...

- **100 percent** of hospitals felt program met its intended goal
 - “Right Care/Right Time/Right Setting
- Project Managers
 - **72 percent** of project managers were already employed by grantee hospital
 - **78 percent** of project managers are still employed by hospital (as of June 2019)



Part One Findings to Discuss...

- **44 percent** of grantees **did choose** to seek additional funding to continue or strengthen projects begun with Rural Hospital Stabilization Grant funds.
- Based on “*Lessons Learned*”, **83 percent** would have made different decisions or choices about some aspect of their project or selected an entirely different project.



Part Two

Questions specific to each project selected by each grant recipient site



Part Two Findings to Discuss...

Combined Number of Projects

- **18** hospitals
- Phases 1, 2, & 3
- Combined number of projects selected: **52**
 - The number of projects per grant was at the discretion of each site
 - Some sites had as many as **six** projects; some sites selected only **one** project

Nine Project “Buckets”

- Grouped based on similarity
 - Telehealth
 - Community Paramedicine
 - ED Renovations
 - Upgrades
 - New Services
 - New Designations
 - Mental/Behavioral Health
 - Chronic Condition/Care Coordination
 - Unique/Miscellaneous



Part Two Findings to Discuss...

- **83 percent** of original projects still on-going as of June 2019
- **67 percent** were considered financially sustainable post-grant
- **20 percent** would have been done at some (later) point
- **75 percent** led to project-specific new relationships



Top 4 Project “Buckets”

#1 Telemedicine

- School-based clinics
 - Most common
- Behavioral Health
- Nursing Homes
- Tele-Stroke
 - Field triage and destination
- Tele-Nephrology
 - Address specialty care needs at local hospital

#2 Care Coordination

- Community Paramedicine
 - Utilizing local EMS
- Care Coordinator/Patient Manager
 - In-house management
- APRN Nursing Home rounds
- ED Redirection
- Community Health Worker
- Community Health Coach



Top 4 Project “Buckets”

#3 New Services

- Walk-In/Non-Emergency & Charity Care Clinics
 - Included expanded hours of operation
- APRN Hospitalist
- Geri-Psych Unit
- Re-Open ICU
- Occupational Medicine
- Weight Loss/Wellness Program

#4 Mental/Behavioral Health

- Relationship with local CSB
- Building/Renovating facilities
 - Out-patient services
 - In-patient services
- Specific Focus
 - Seniors (55 and older)
 - Adolescent/youth
 - Opioid addiction



Most Beneficial or Impactful

- Community/Stakeholder Collaboration
 - Strengthening Current/Building New Relationships
 - Rebuilding “faith and trust”
- Care Coordination Projects
 - Patient-Centered; improves health/quality of life
 - Community Paramedicine most often referenced
 - Connecting patients with local resources
 - Bigger benefits than expected



Least Beneficial or Impactful

- Telemedicine (??!!)
- Most frequently referenced as least beneficial due to challenges and obstacles
 - Provider resistance
 - Lack of 360-degree commitment
 - Connectivity challenges with mobile units



Telemedicine: “Most Promising” Project

- Telemedicine has been identified as one of the most promising services for the provision of health care in rural areas
- New technologies may take time to be embraced
 - Providers and patients
- Also takes time to develop delivery mechanism and build relationships with new partners and specialists
- Requires a 360-degree commitment



“Telemedicine takes endurance and commitment on both sides of the relationship”

Damien Scott, CEO
Emanuel Medical Center
Swainsboro, Georgia



So, Is This True or False?



RHSGP = R&D



Answer:

“It Depends...!”



If You Build It, *Will* They Come?

Project

- Evaluate current services to determine need
 - Eliminate some?
 - Add new?
- Careful pre-planning is important
 - Timelines caused some decisions to be rushed (not fault of Grantee)
- Plan for dip between implementation and reimbursement

Marketing

- Important for informing communities of:
 - Availability of new services
 - Improvements in existing services
- Expect some delays before patients begin using services within community
 - Patients may have grown accustomed to seeking services outside of local area



All Projects Were Considered Successful

- Some project results were exactly, or very similar to, anticipated results
- Some projects *did not* yield the anticipated results, *however*,
 - These were considered learning experiences
 - The actual outcomes of *those* projects demonstrated what changes or modifications *would have* led to desired results



Commitment Required

A hand is shown placing a puzzle piece into a larger puzzle. The puzzle piece being placed is dark and has the word "Success" written on it in a white, cursive font. The puzzle is set against a blue background with a glowing effect around the pieces. The hand is positioned on the left side of the frame, and the puzzle piece is being moved towards the center. The overall scene is illuminated with a strong blue light, creating a sense of focus and determination.

Success

This Project Confirmed Common Challenges In Rural Communities

Challenges with the Hospital

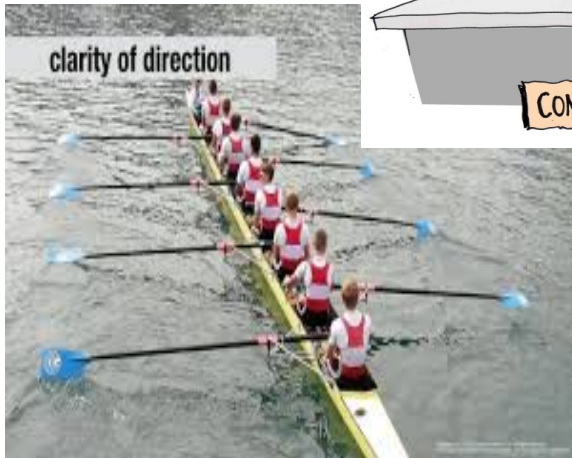
- \$\$\$
- Disconnected from other health care access points
- Hospital “by-pass”
 - Local providers
 - EMS
 - residents
- Outdated equipment/services
- Attracting/retaining staff
 - Feels like “a training ground”

Challenges with the community

- “Need” hospital but don’t use it
- Past experiences/rumors may guide decisions for resident to go elsewhere
- Not familiar with what local hospital can offer or does well
- Feels hospital is old, outdated, unwelcoming; does not feel leadership takes pride in facility/staff/services offered



What Can I Do (Without RHSGP Funds)?



- Talking/listening
 - Staff
 - Local providers
 - EMS
 - Value/implement reasonable suggestions
- Strategic planning
- Use your data
 - Where does it lead you?
 - Add/change/discontinue?

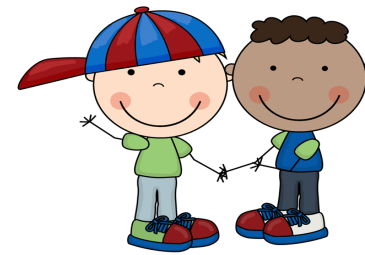


What Can I Do (Without RHSGP Funds)?

- Talking/listening
 - Community
 - Business/Industry
 - High Schools
 - Colleges/Universities
 - Law Enforcement
 - Churches/Faith-Based Organizations
 - Local community–minded groups and organizations
 - Local transportation
 - Many others!
- Increase visibility in community
 - Perk up the place!
 - “Choose Us!” campaigns
 - Advertise your services
 - Don’t forget social media
 - Highlight your strengths
- Start/strengthen volunteer programs
 - Retired and youth



Feeling Welcomed...



Be Kind

- Make sure your staff (all staff!) understand the value of:
 - A smile
 - Being kind and polite
 - Offering help and assistance
 - Going the extra mile
 - Pick up trash
 - Put things back where they belong
 - Report/complete work orders if something needs repair, etc.



Take Advantage of Other Funding Sources

- Grant opportunities
- Many state and federal grant opportunities available
 - Yes, they can be challenging and time consuming
 - Maybe you have in-house talent?
 - Maybe you can develop an intern program for that?
- Tax Credit Program



Part Three

Driffin Tucker

Sarah M. Dekutowski, CPA
Partner



Financial & Operational Ratios Grant Recipients Phases 1 – 3

Rural Hospital Stabilization Committee
November 7, 2019



Data Sources and Notes

- Gathered financial, operational, and statistical data gathered from all of the hospitals in Phases 1-3
- Obtained from audited financial statements, cost reports, and other sources provided by the hospitals
- Summarized individual hospital data to calculate and present various financial ratios, indicators, and other information



Data Sources and Notes

- Presented most recent five years of available data with reporting to the closest corresponding fiscal year
- Utilized the most recent fiscal year data if any years were incomplete for an individual hospital
- Excluded individual hospital data elements if data element was not consistently prepared



Comparative Ratios

- 2019 Almanac of Hospital Financial and Operating Indicators published by Optum360
- 2017 data from Medicare Cost Report filings
- Georgia - Average of all Georgia Hospitals
- National Rural - average of Rural Hospitals with revenues less than \$90 million



Ratio Name

- Ratio Type
- Definition
- Formula
- Desired trend

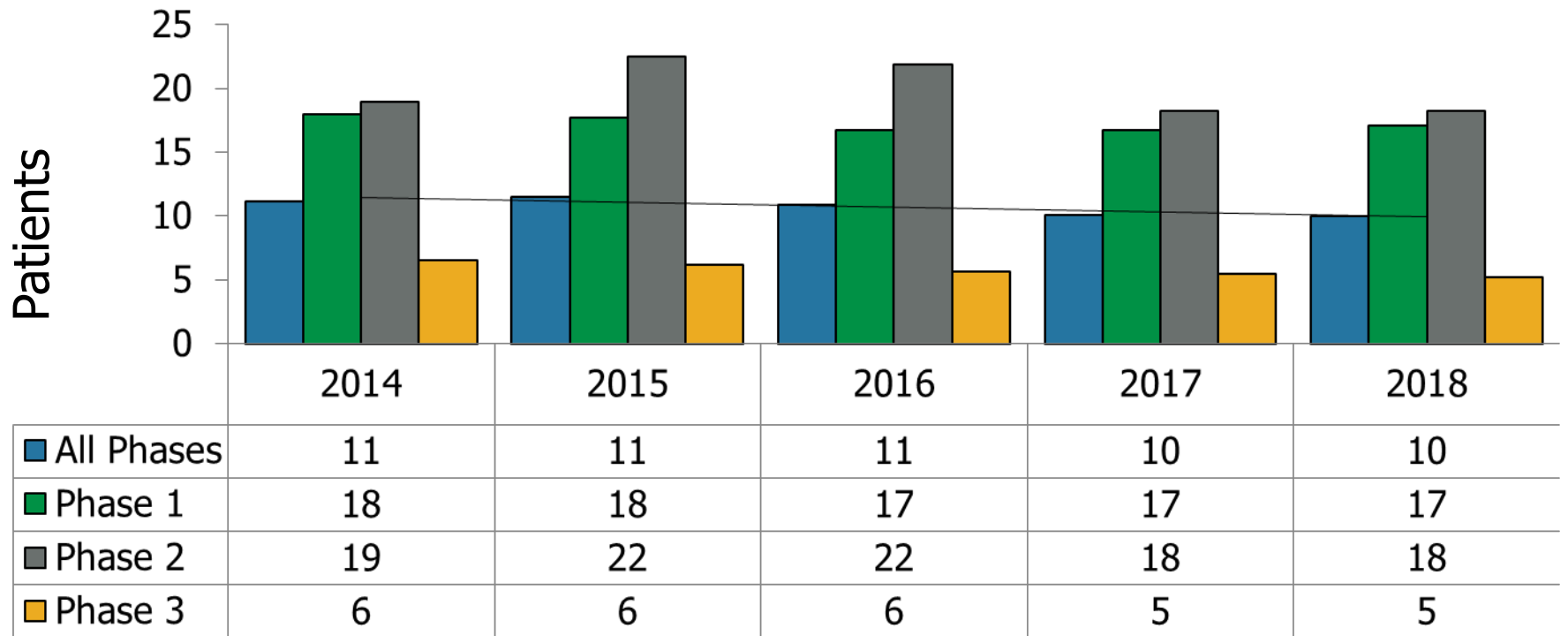
Average Daily Census

- Volume
- Increasing
- Measures the average number of adult and pediatric inpatient days over a fiscal year. Excludes swingbed and nursery days.

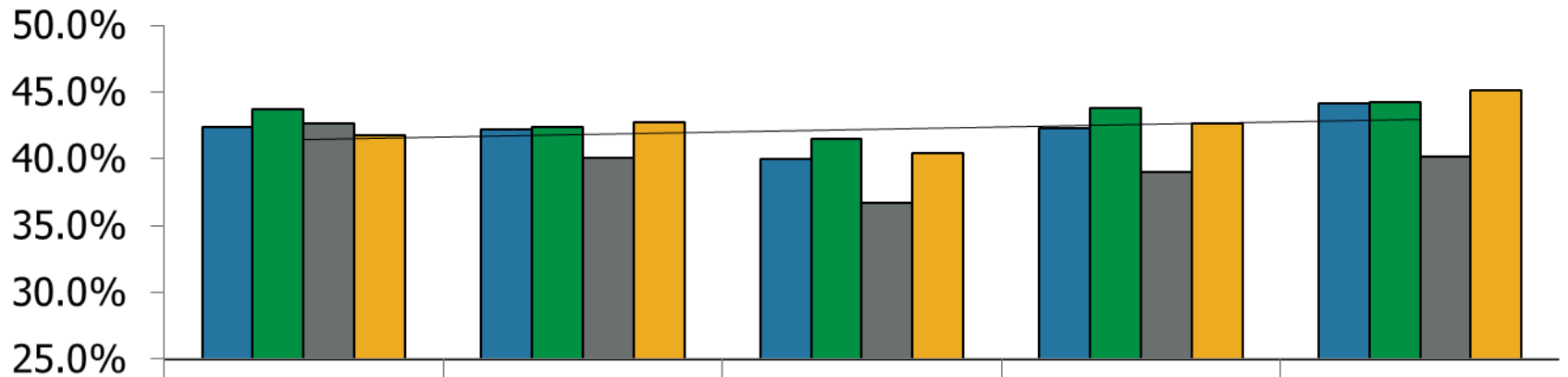
Total Adults & Pediatrics Inpatient Days

365

Average Daily Census

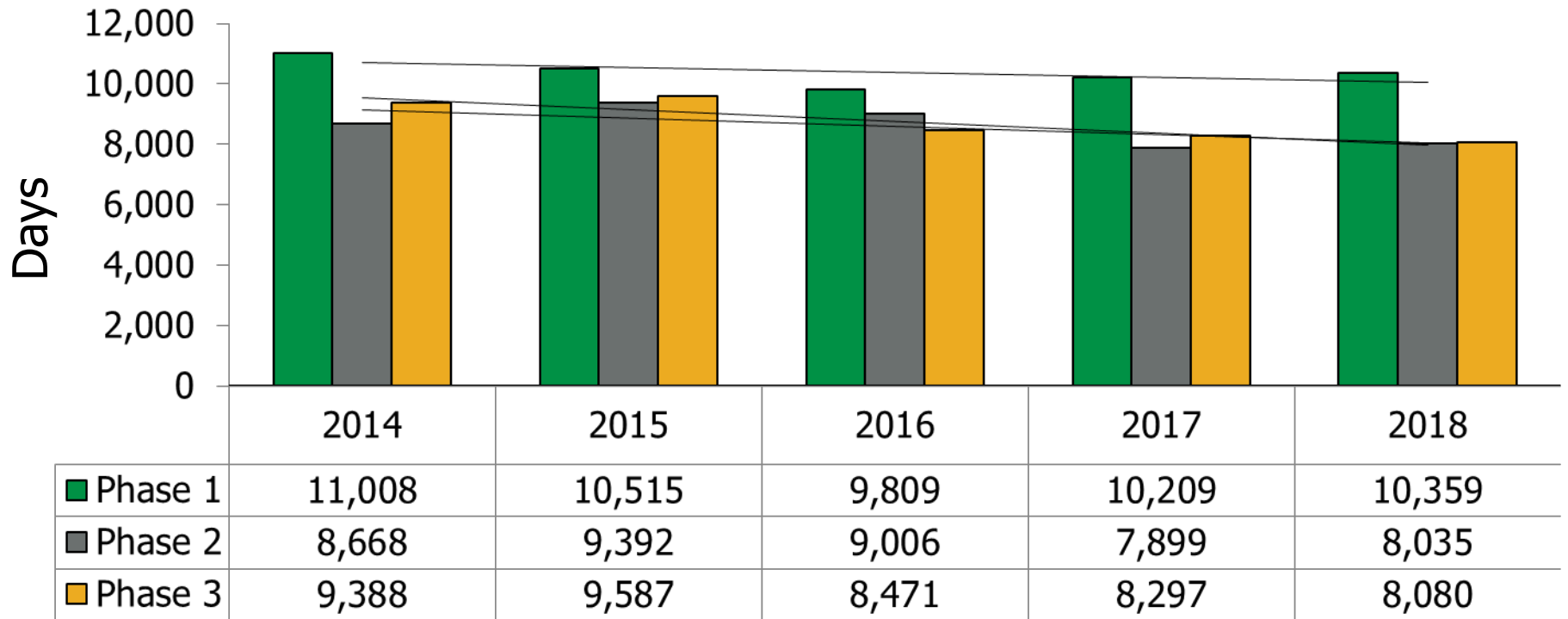


Patient Mix – I/P Days – Medicare %

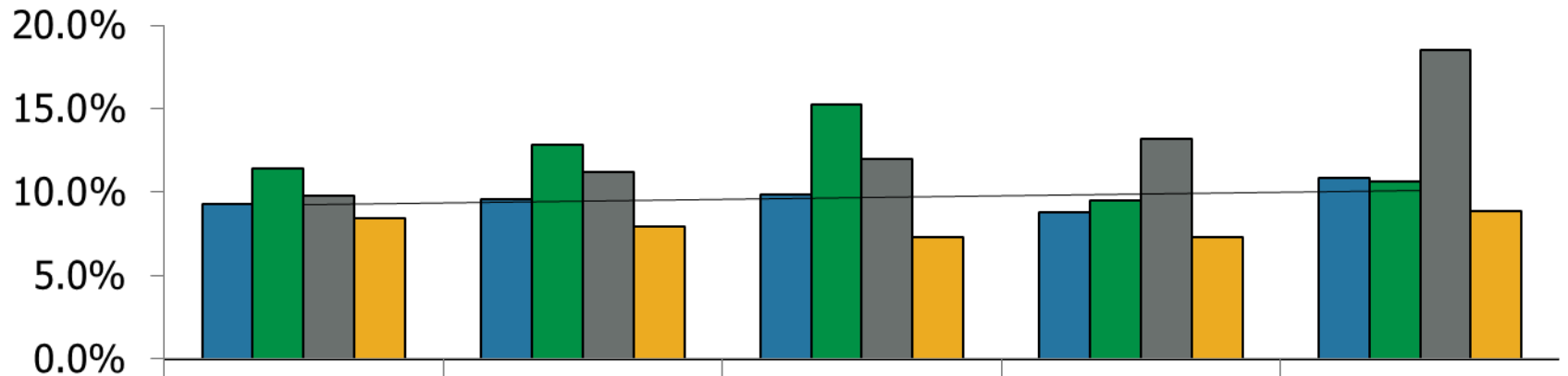


	2014	2015	2016	2017	2018
■ All Phases	42.3%	42.2%	40.0%	42.3%	44.1%
■ Phase 1	43.7%	42.4%	41.5%	43.8%	44.2%
■ Phase 2	42.7%	40.1%	36.7%	39.0%	40.2%
■ Phase 3	41.7%	42.8%	40.4%	42.7%	45.2%

Patient Mix – I/P Days – Medicare Days

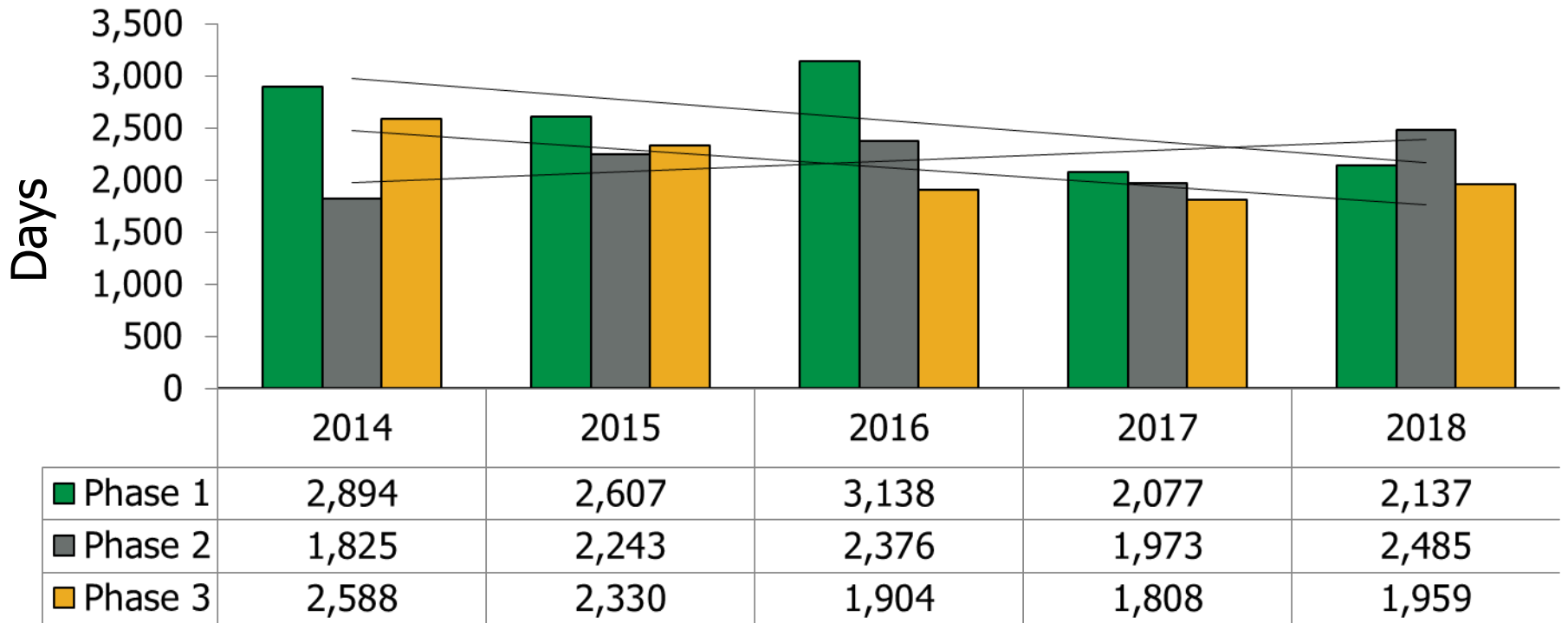


Patient Mix – I/P Days – Medicaid %

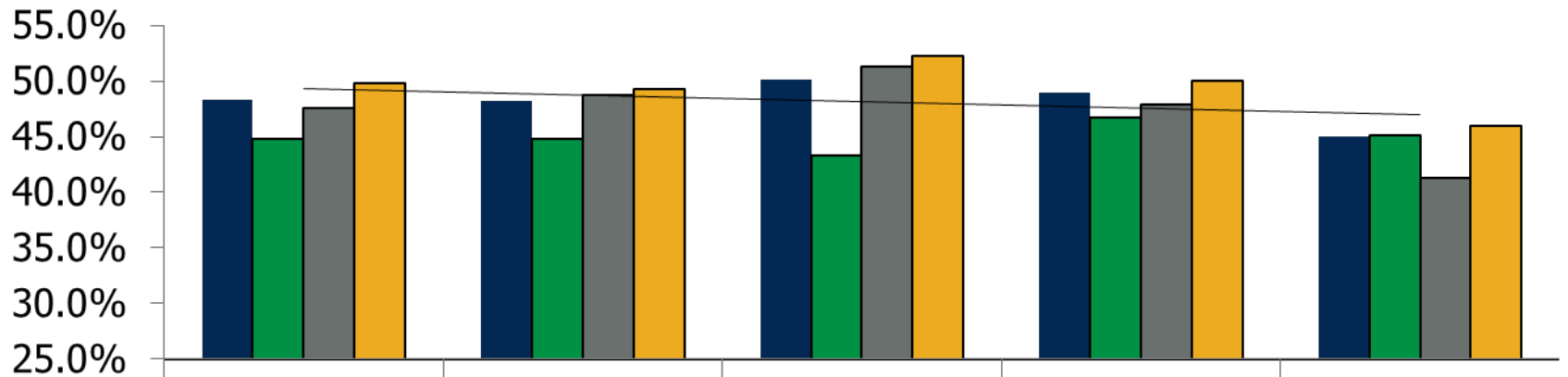


	2014	2015	2016	2017	2018
■ All Phases	9.3%	9.6%	9.9%	8.8%	10.9%
■ Phase 1	11.4%	12.8%	15.3%	9.5%	10.6%
■ Phase 2	9.8%	11.2%	12.0%	13.2%	18.5%
■ Phase 3	8.4%	7.9%	7.3%	7.3%	8.8%

Patient Mix – I/P Days – Medicaid Days

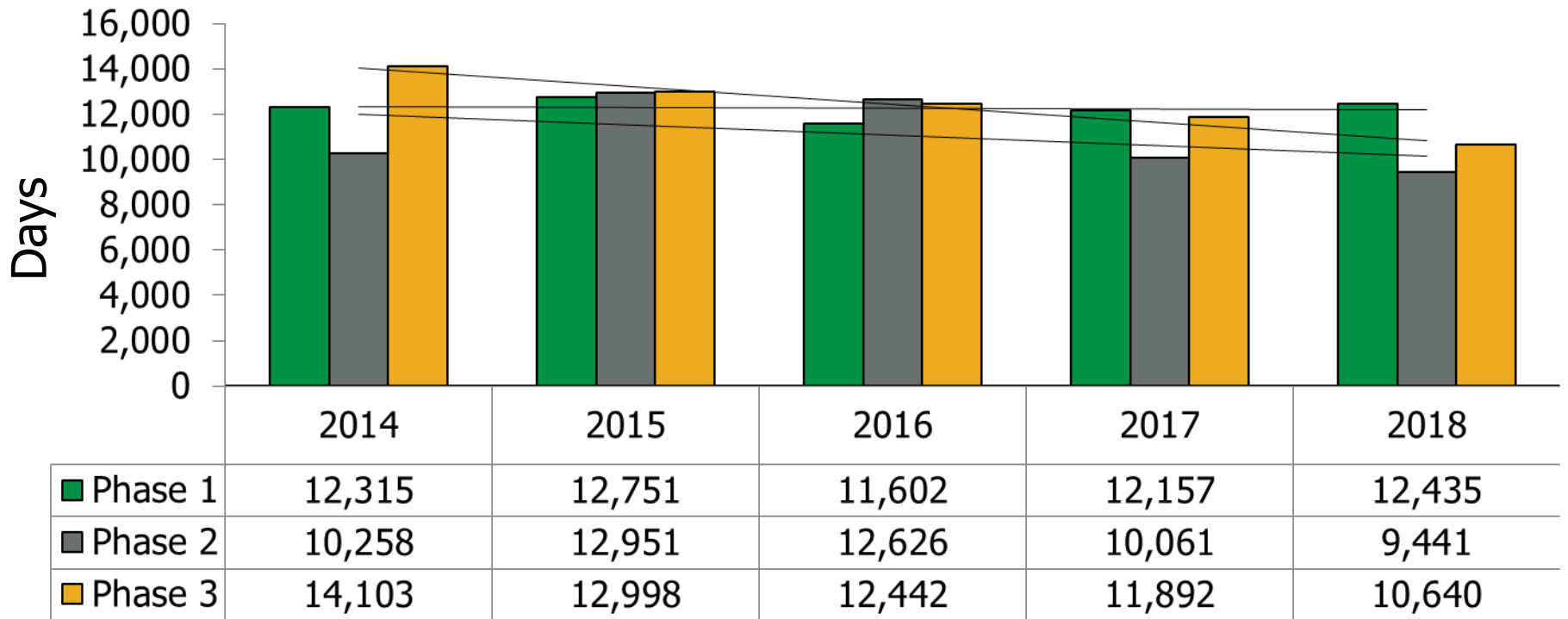


Patient Mix – I/P Days – Other %



	2014	2015	2016	2017	2018
■ All Phases	48.3%	48.2%	50.1%	48.9%	45.0%
■ Phase 1	44.8%	44.8%	43.3%	46.7%	45.1%
■ Phase 2	47.6%	48.7%	51.3%	47.8%	41.3%
■ Phase 3	49.8%	49.3%	52.3%	50.0%	46.0%

Patient Mix – I/P Days – Other Days



Average Daily Census – Adjusted for O/P Equivalency

- Volume
- Increasing
- Measures the average number of adjusted patient days over a fiscal year. Numerator consists of inpatient adult and pediatric days plus outpatient equivalent days. Unit measure of volume incorporating outpatient services.

Total Adjusted Patient Days

365

O/P Equivalent Days

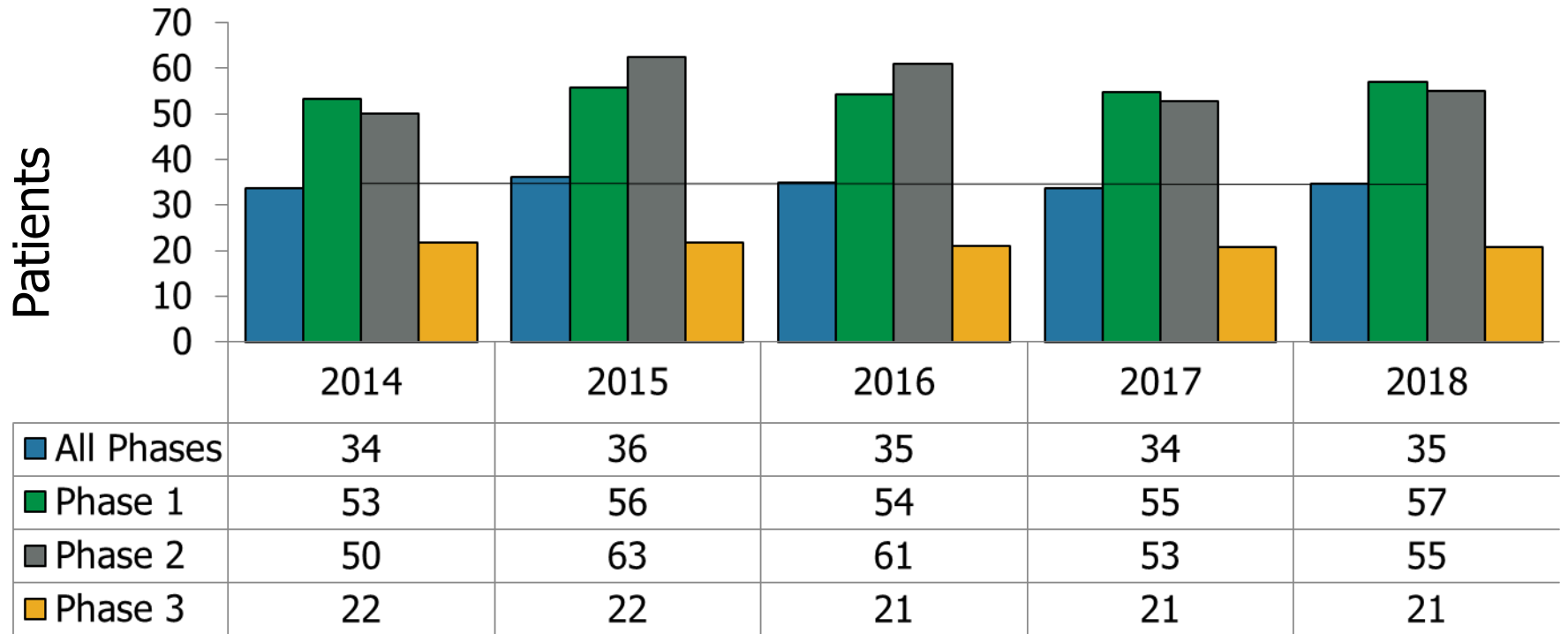
Outpatient Revenue

Average Inpatient Revenue per Day

Adjusted Patient Days

I/P Days + O/P Equivalent Days

Average Daily Census – Adjusted for O/P Equivalency



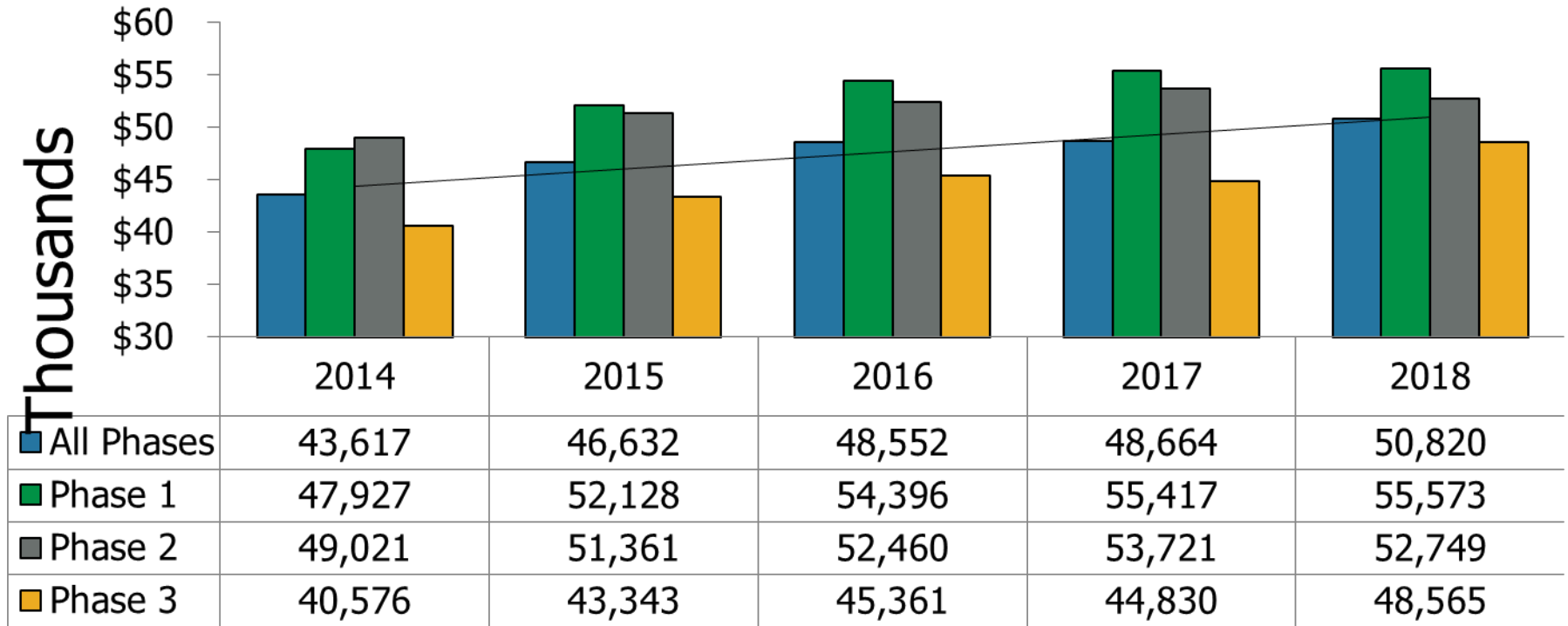
Salary per FTE

- Unit Cost of Inputs
- Depends
- Measures the average salary per full time equivalent (FTE). Full time equivalent determined by dividing total fiscal year paid hours by 2,080 hours (40 hours times 52 weeks). Salaries typically the largest resource item used in the provision of healthcare services.

$$\frac{\text{Total Salary Expense}}{\text{FTEs}}$$

Salary per FTE

Georgia - \$59,685
Nat'l Rural - \$50,970



Net Days in Net Patient Accounts Receivable

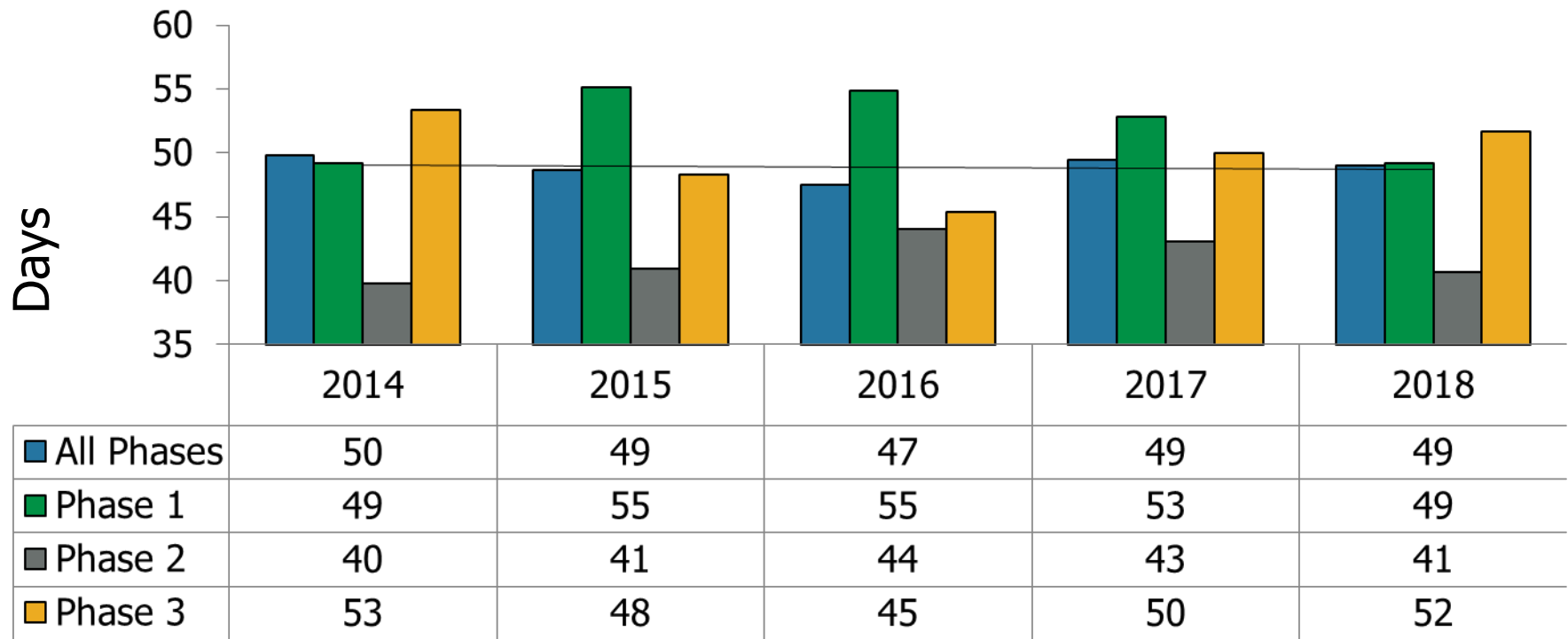
- Liquidity
- Decreasing
- Measures the average time that receivables are outstanding, or the average collection period. High values imply longer collection periods and thus a need for the hospital to finance its investment in accounts receivable.

$$\frac{\text{Net Patient Accounts Receivable}}{\text{Net Patient Service Revenue}/365}$$



Net Days in Net Patient Accounts Receivable

Georgia – 53
Nat'l Rural – 58



Average Payment Period

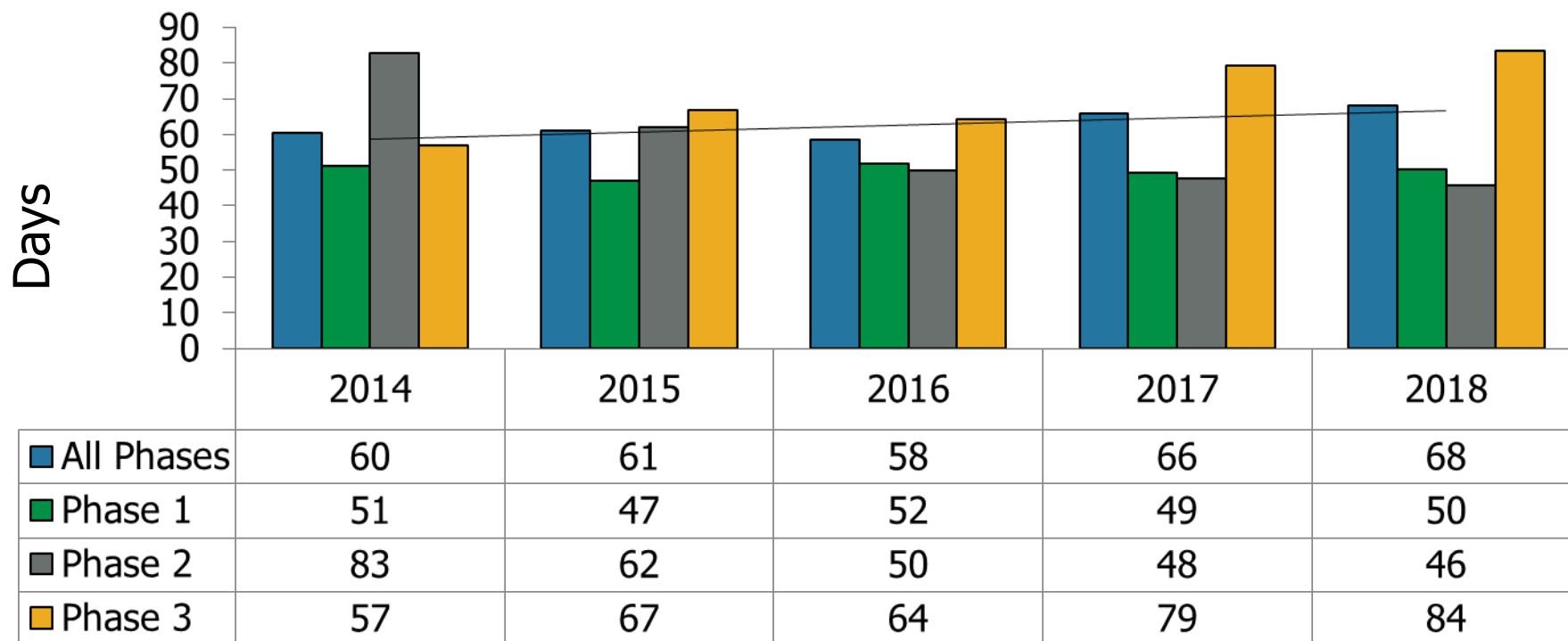
- Liquidity
- Decreasing
- Measures the average time that elapses before current liabilities are paid. The denominator is an estimate of the hospital's average daily cash expenses minus depreciation. Creditors regard high values for this ratio as an indication of potential liquidity problems.

$$\frac{\text{Current Liabilities}}{(\text{Total Expenses} - \text{Depreciation})/365}$$



Average Payment Period

Georgia – 50
Nat'l Rural – 54



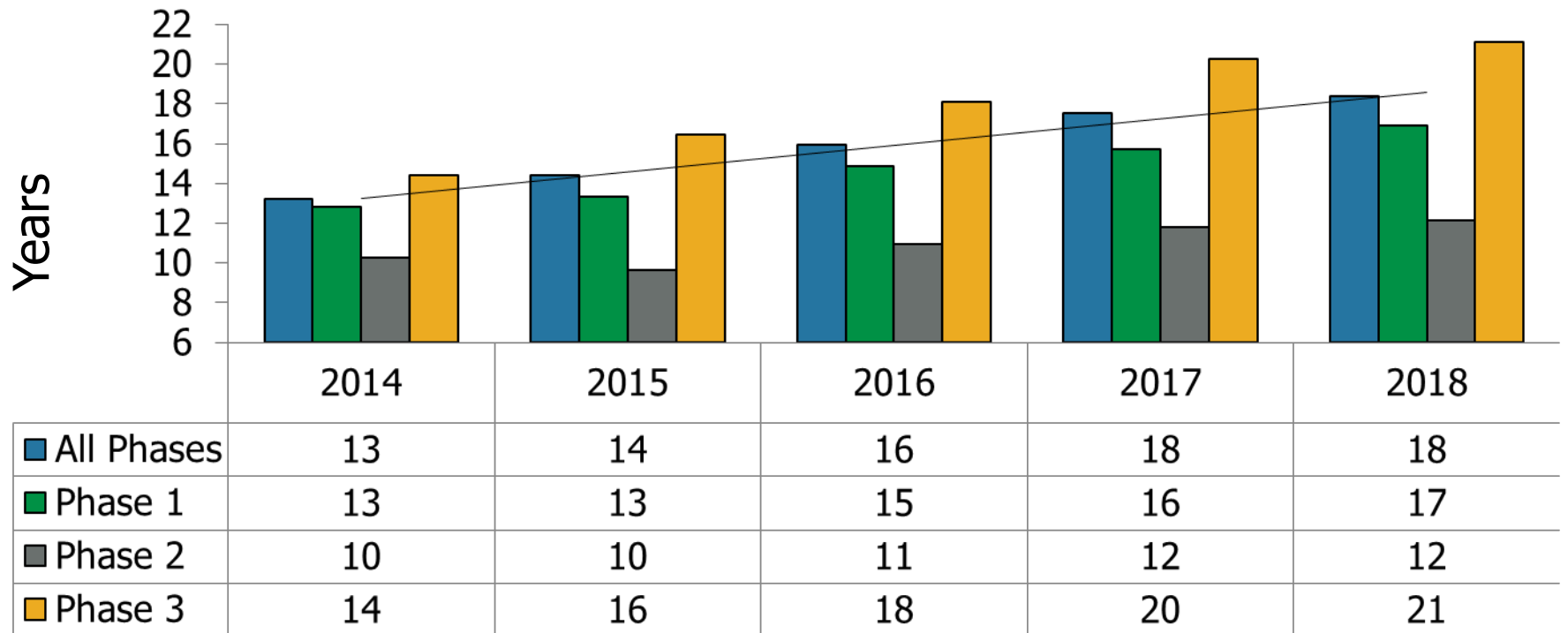
Average Age of Plant

- Asset Efficiency
- Decreasing
- Measures the average age of the hospital's fixed assets in years. Lower values indicate a newer fixed asset base and thus less need for near term replacement.

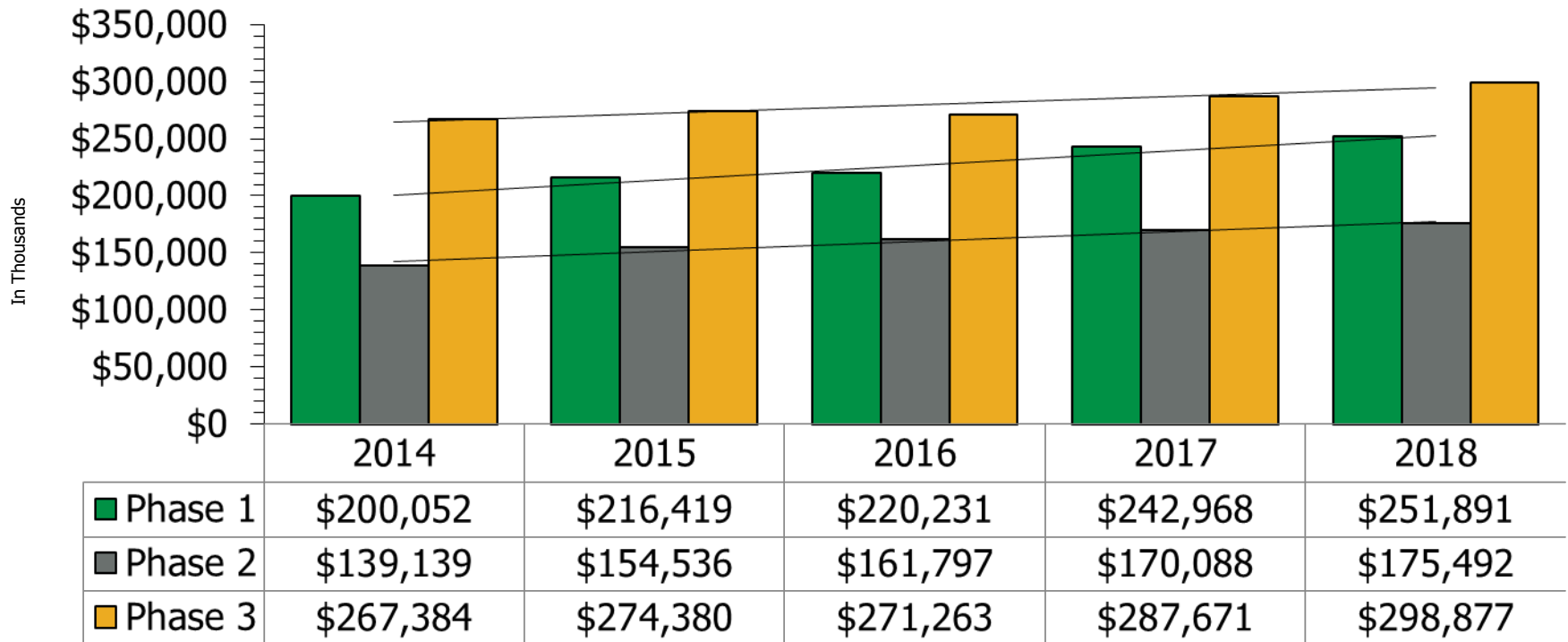
$$\frac{\text{Accumulated Depreciation}}{\text{Depreciation Expense}}$$

Average Age of Plant

Georgia – 13
Nat'l Rural – 13



Total Operating Revenues



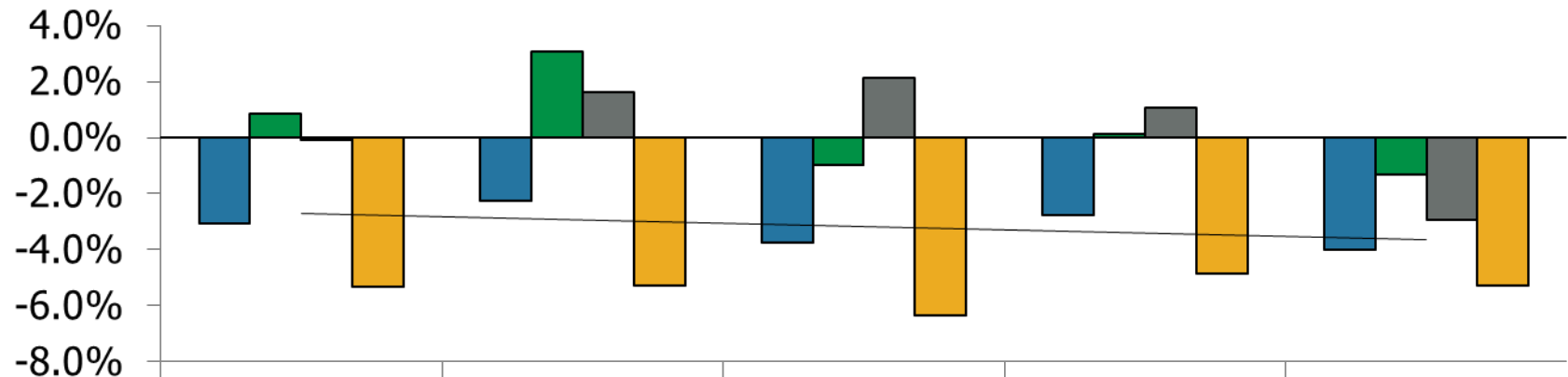
Operating Margin

- Profitability
- Increasing
- Reflects the proportion of operating revenue retained as income, and is a measure of a hospital's profitability from the provision of patient care services and other hospital operations.

$$\frac{\text{Operating Revenue} - \text{Total Expenses}}{\text{Operating Revenue}}$$

Operating Margin

Georgia – Positive 0.2%
 Nat'l Rural – Negative 3.3%



	2014	2015	2016	2017	2018
All Phases	-3.1%	-2.3%	-3.7%	-2.8%	-4.0%
Phase 1	0.9%	3.1%	-1.0%	0.1%	-1.3%
Phase 2	-0.1%	1.6%	2.2%	1.1%	-2.9%
Phase 3	-5.3%	-5.3%	-6.4%	-4.9%	-5.3%

Total Margin

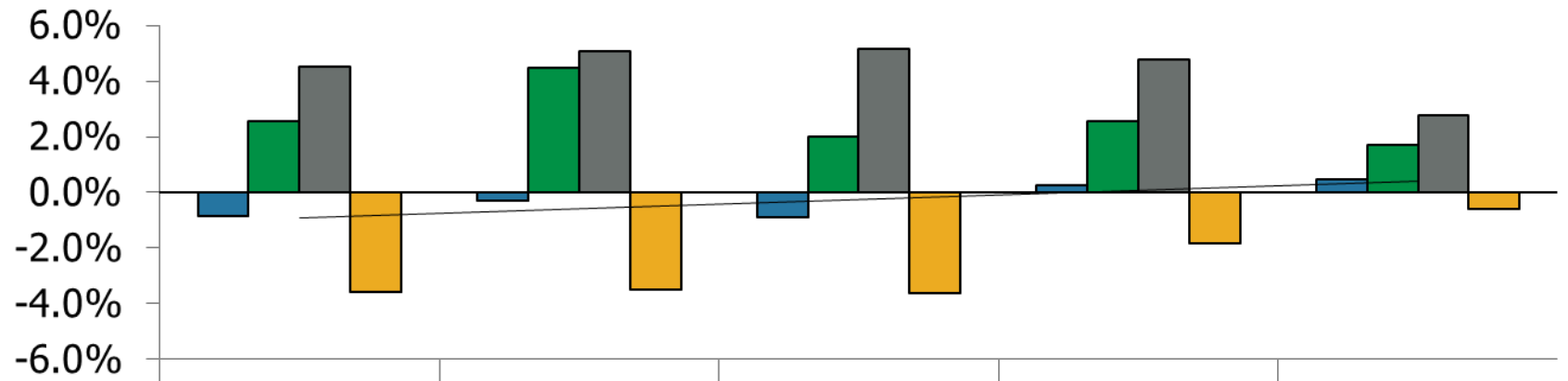
- Profitability
- Increasing
- Defines the percentage of total revenue that has been realized in the form of net income, or excess revenues over expenses. Used by many as a primary measure of hospital profitability.

$$\frac{\text{Excess of Revenues (Expenses)}}{\text{Total Revenue}}$$



Total Margin

Georgia – Positive 1.8%
Nat'l Rural – Negative 1.9%



	2014	2015	2016	2017	2018
All Phases	-0.9%	-0.3%	-0.9%	0.3%	0.5%
Phase 1	2.5%	4.5%	2.0%	2.5%	1.7%
Phase 2	4.5%	5.1%	5.1%	4.8%	2.8%
Phase 3	-3.6%	-3.5%	-3.6%	-1.8%	-0.6%

Current Ratio

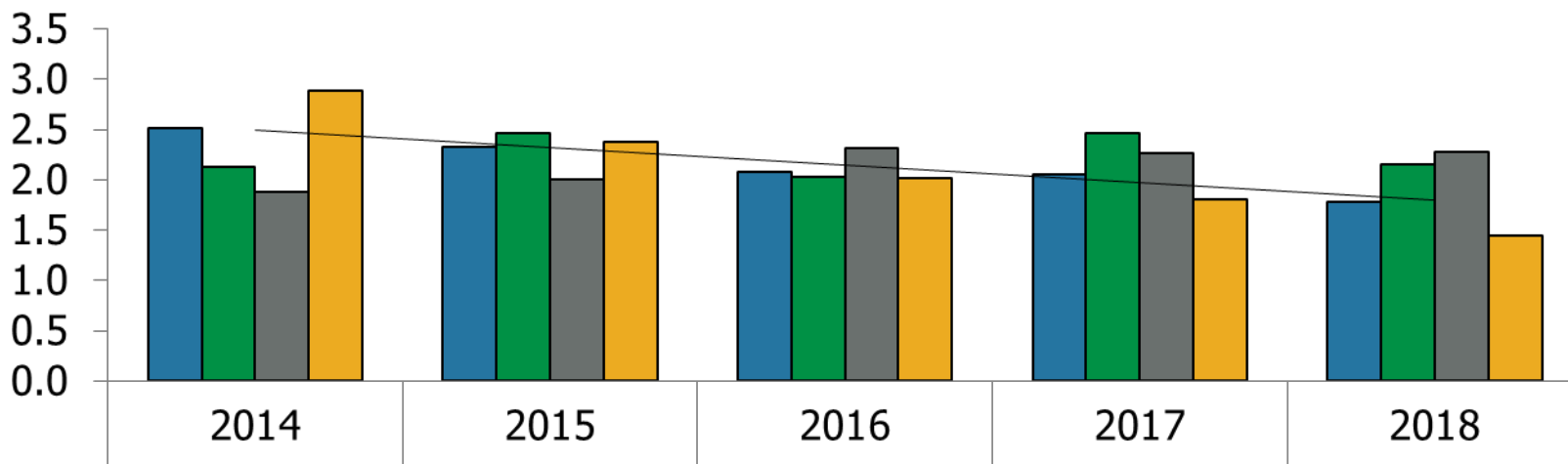
- Liquidity
- Increasing
- Measures the number of dollars held in current assets per dollar of current liabilities. Most widely used measure of liquidity. High values imply a good ability to pay short term obligations and thus a low probability of technical insolvency.

$$\frac{\text{Current Assets}}{\text{Current Liabilities}}$$



Current Ratio

Georgia – 2.1
Nat'l Rural – 1.6



	2014	2015	2016	2017	2018
All Phases	2.5	2.3	2.1	2.1	1.8
Phase 1	2.1	2.5	2.0	2.5	2.2
Phase 2	1.9	2.0	2.3	2.3	2.3
Phase 3	2.9	2.4	2.0	1.8	1.5

Days Cash on Hand – Short-Term Sources

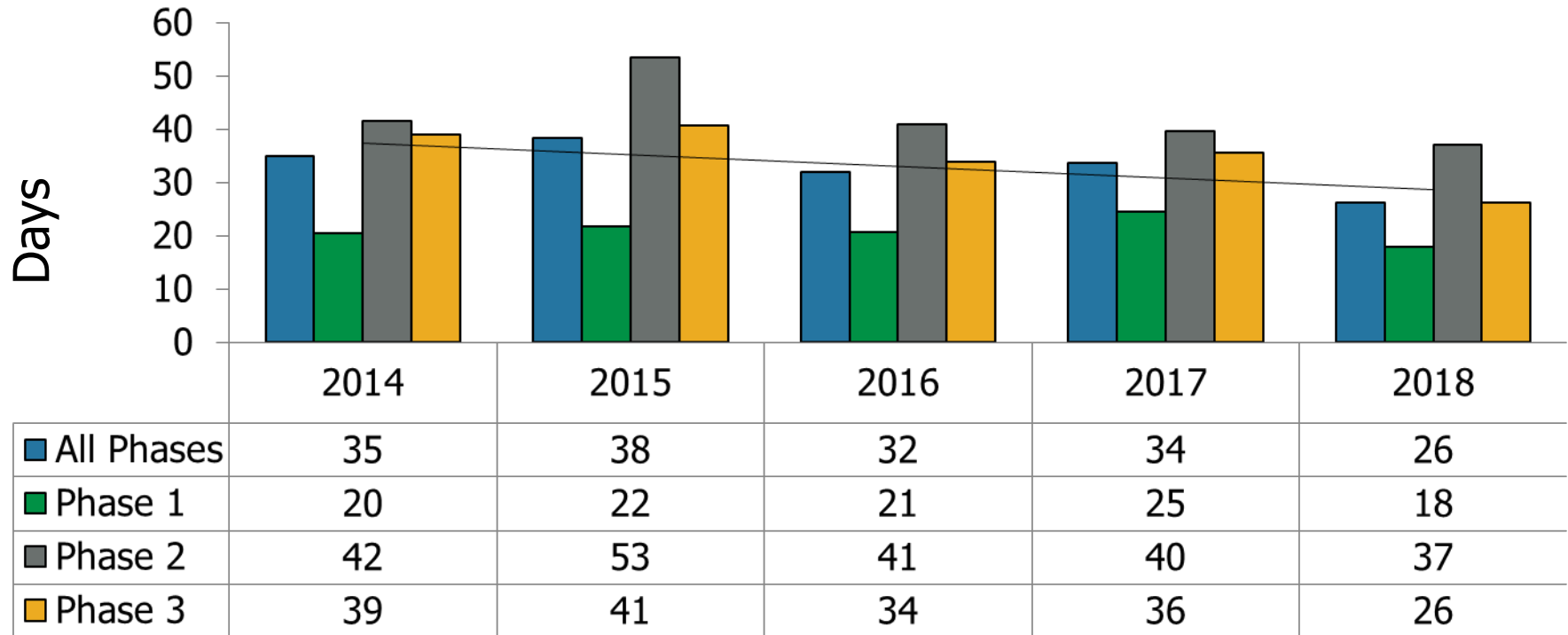
- Liquidity
- Increasing
- Measures the number of days of average cash expenses that the hospital maintains in cash and marketable securities which are classified as current assets. The denominator measures the average daily cash expenses, less depreciation. High values usually imply a greater ability to meet short-term obligations and are viewed favorably by creditors.

$$\frac{\text{Cash + Short-Term Investments}}{(\text{Total Expenses} - \text{Depreciation})/365}$$



Days Cash on Hand – Short-Term Sources

Georgia – 9
Nat'l Rural – 15



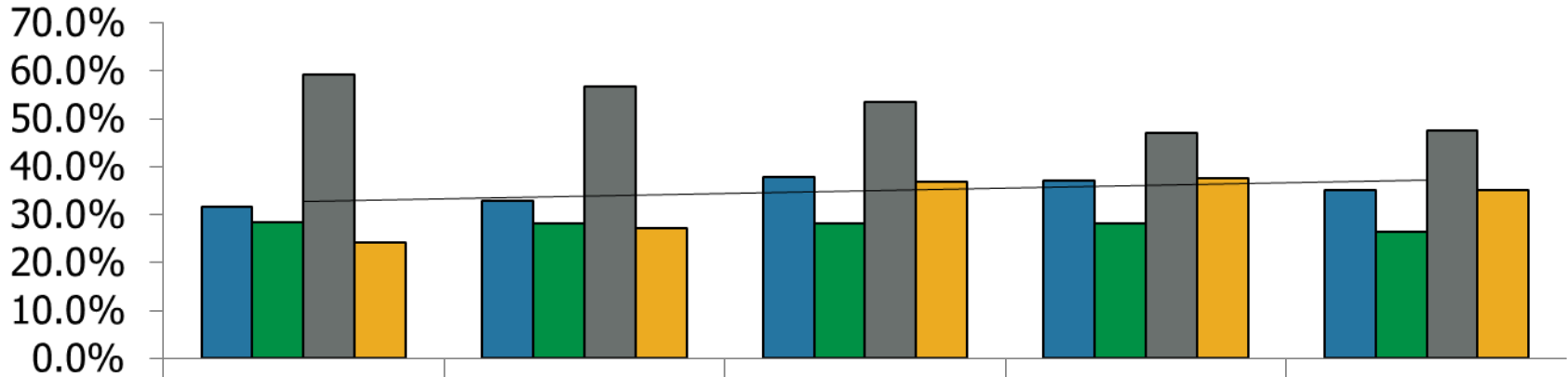
Long-Term Debt to Capitalization

- Capital Structure
- Decreasing
- Measures the relative importance of long-term debt in the hospital's permanent capital structure. Net assets and long-term liabilities are often referred to as permanent capital since they will not be repaid within one year. Hospitals with high values have relied extensively on debt as opposed to equity to finance their assets and are said to be leveraged. Meaning risk may be viewed unfavorably by many creditors.

$$\frac{\text{Long-Term Debt}}{\text{Long-Term Debt} + \text{Net Assets}}$$

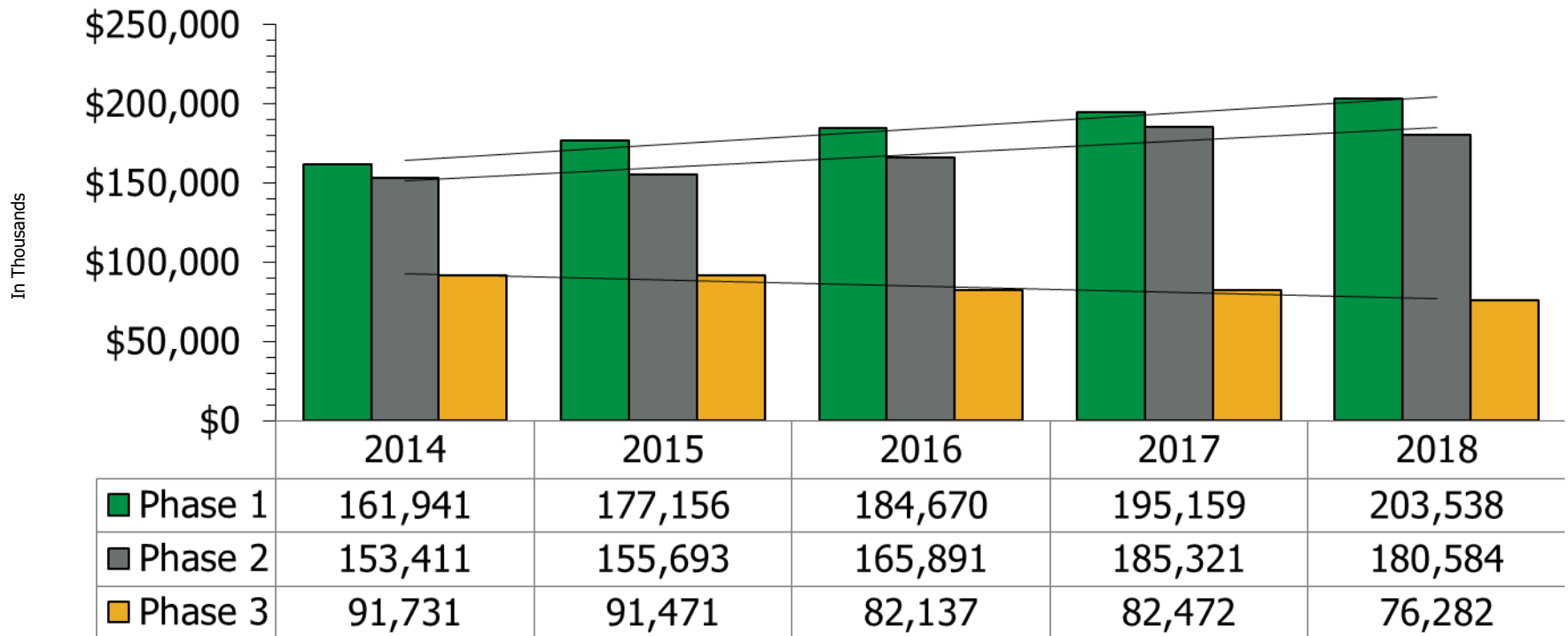
Long-Term Debt to Capitalization

Georgia – 34%
Nat'l Rural – 6%
Other Nat'l Rural – 36%



	2014	2015	2016	2017	2018
All Phases	32%	33%	38%	37%	35%
Phase 1	28%	28%	28%	28%	26%
Phase 2	59%	57%	53%	47%	47%
Phase 3	24%	27%	37%	38%	35%

Net Position



Phase 4 & Phase 5

- Phases 4 & 5 were not included in *the “Where Are They Now?”* project because...
 - Look-back project was designed and implemented before Phase 4 funding period was concluded
 - Purpose of look-back was to review impact of Rural Hospital Stabilization Grant Program results at least one year after funding had terminated
 - Phase 5 had not been selected



RHS Grant Program Phase 4

Year 4 FY 2019 Sites

- Burke Medical Center
- Clinch Memorial Hospital
- Elbert Memorial Hospital
- Evans Memorial Hospital

- ***\$3,000,000 (annual award)***
- ***Four sites selected***
- ***\$750,000 each site***
- ***Project Period***
 - ***July 2018 - June 2019***



RHS Grant Program Phase 5

Year 5 FY 2020 Sites

- Candler County Hospital
 - Dodge County Hospital
 - Dorminy Medical Center
 - Jeff Davis Hospital
 - Jefferson Hospital
 - Stephens County Hospital
 - Wayne Memorial Hospital
 - Wills Memorial Hospital
- ***\$3,000,000 (annual award)***
 - ***10 sites selected***
 - ***Two declined***
 - ***\$300,000 each site***
 - ***Project Period***
 - ***Sept 2019 - Aug 2020***



Phase 5: Limited Number of Projects

- 3 Project Limit! 😊



Phase 5: Limited Number of Projects

Core Goals #1 & #2

- Reduce overutilization of the ED
- Behavioral-health focus

Grantees can design a project with each goal or combine both goals into one project.

Optional Goal #3

- Must meet RHSGP Goals

If both core goals are included in primary project(s), Grantees can design a separate project with the optional 3rd goal.



Phases 4 & 5 Will Be Evaluated



- Will be required to complete the same questionnaires and provide the same information one year-post termination of grant
- Information will be collected and reported as an addendum to Final Report



To the Rural Hospital Stabilization Committee:

“...I want to thank each of you for your service to the State of Georgia and for your dedication to making rural Georgia more sustainable. Also, thank you for trusting state funds to individuals like myself who have a dream of changing the broken healthcare delivery system of our nation for the better. I would not be where I am today in my career without my time spent on the Rural Hospital Stabilization Grant.”

Tyler Williams, MHA

Vice President, Strategy and Business Development

Habersham Medical Center



Complete Written Report

The complete written report for the *Where Are They Now?* project will be finalized and provided to each Committee member prior to December 31, 2019





Purpose:

Shaping the future of A Healthy Georgia by improving access and ensuring quality to strengthen the communities we serve.

Contact Information



SORH

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