

Embracing the Value of Your Rural Health Clinic

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CPAs and Consultants
HEALTH CARE PRACTICE



Today's Agenda

- Value of the RHC
- Five Elements of RHC Value
- What Can Your Organization do to Embrace the Value of Your RHC?



Value of the RHC

Factors Impacting the “Value” of Your RHC

$$\text{Value} = \frac{\text{Outcome}}{\text{Cost}}$$

Cost Center vs. Profit Center



Factors Impacting the “Value” of Your RHC

$$\text{Value} = \frac{\text{Outcome}}{\text{Cost}}$$

Outcome Examples

- Improve access to care
- Expand service area
- Offer preventive care
- Integrate behavioral health
- Employment opportunities
- Patient satisfaction

Cost Examples

- Management effort
- Financial commitment
- Resource allocation
- CAH reimbursement impact
- Physician relations
- Patient dissatisfaction

High Performing Rural Systems:

- **Affordable:** To patients, payors, and community
- **Accessible:** Local access to essential services, connected to all services across the continuum
- **High quality:** Do what we do at top of ability to perform and measure
- **Community-based:** Focused on needs of the community, that can vary based on community characteristics
- **Patient-centered:** Meeting patient needs and engaging consumers in their care

Source: Rural Policy Research Institute (Rupri)



Five Elements of RHC Value

Rural Health Clinic Value





Health & Wellness

Access Outcomes



Access – Measurement and Maximizing Value

- Access to care when needed:
 - Wait times
 - Delays in scheduling
 - Same-day appointments
 - ED visits
 - No-shows and cancellations
- New patient visits versus established patient visits
- Percentage of the target population you are serving
- Frequency of touch points based on age-specific ranges
- Number of “active” patients in your “panel”

Access Measurement Example – Panel Size

Cost and Revenue
2017 REPORT BASED ON 2016 DATA
All Practices Productivity per FTE Physician for Family Medicine
©2018 MGMA. All Rights Reserved. Data extracted from MGMA DataDive.

Benchmark	Group Count	All Practice Types						
		Mean	Std Dev	10th %tile	25th %tile	Median	75th %tile	90th %tile
Panel size	63	3,188	5,370	1,020	1,555	2,222	2,758	4,298

Measuring Panel Size

Practice Panel Size

For cardiology and primary care practices only.

The number of individually unique patients who have been seen by any provider within the practice over the past 18 months.

To determine the panel size per physician, use the following methodologies:

- If a patient has only seen one physician in the practice, assign the patient to that physician.
- If a patient has seen more than one physician in the practice, assign the patient to the physician seen most frequently.
- If a patient has seen more than one physician in the practice the same number of times, assign the patient to the physician who did the patient's last physical.
- If a patient has not had a physical, assign to the physician seen most recently.

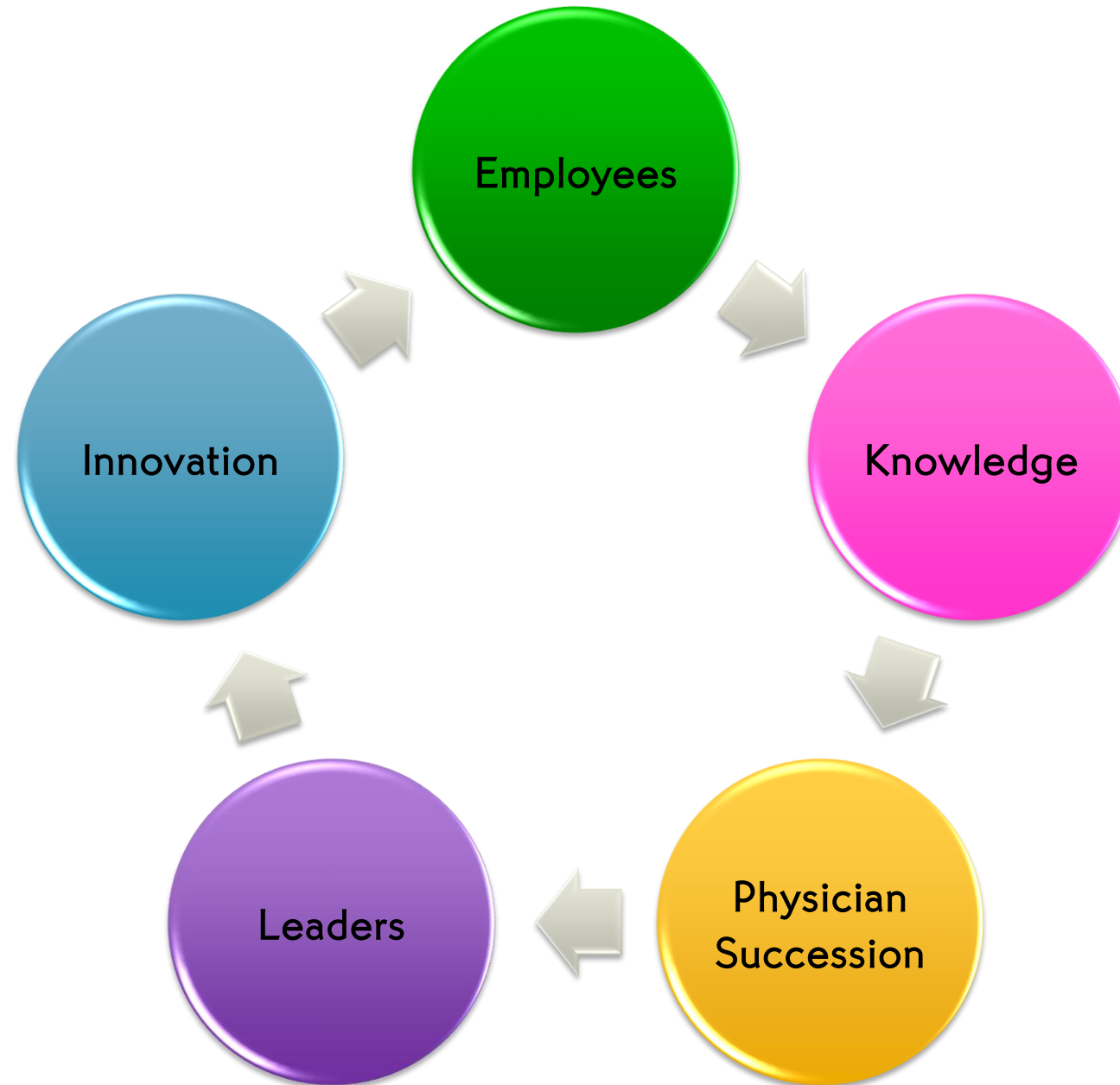
What is Your RHC Doing to Address Access Outcomes?



People



People Outcomes



People – Measurement and Maximizing Value



People – Measurement

- Number of competent leaders
- Talent inventory of key competencies
- Succession plans for physicians/leaders
- Time to fill open positions
- New roles identified through innovative thinking

People – Maximizing Value – Talent Inventory



People – Maximizing Value – Growing Your Own



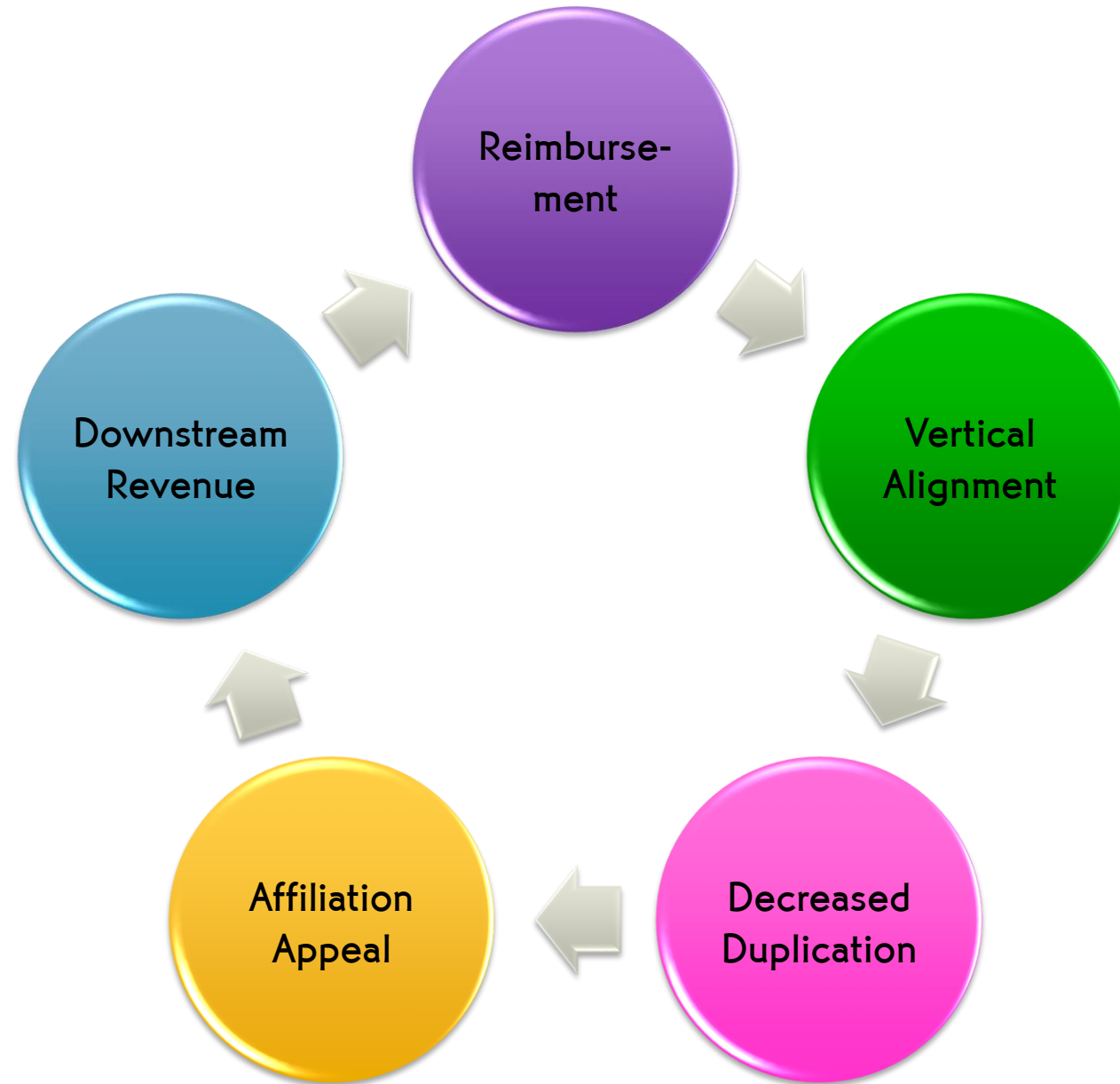
What is Your RHC Doing to Address People Outcomes?



Financial



Financial Outcomes



Financial Outcomes

- Offers unique RHC reimbursement – Makes it more economical to establish and develop a physical location even though volumes may be initially low.
- Increases vertical alignment and reduces likelihood that an independent RHC will align with another system, redirecting some of the care outside the community/system.
- Decreases duplication of services/costs with nonaffiliated RHC.
- Provides greater appeal for larger systems that may look to partner with the rural health system having an aligned provider group.
- Generates downstream revenue for ancillary services, surgery, and acute care.

RHC Financial Indicators:

- Profitability
- Patient/service revenue payor mix
- Patient visits per provider FTE
- Cost per patient visit
- Reimbursement per patient visit or wRVU

Financial – Measurement

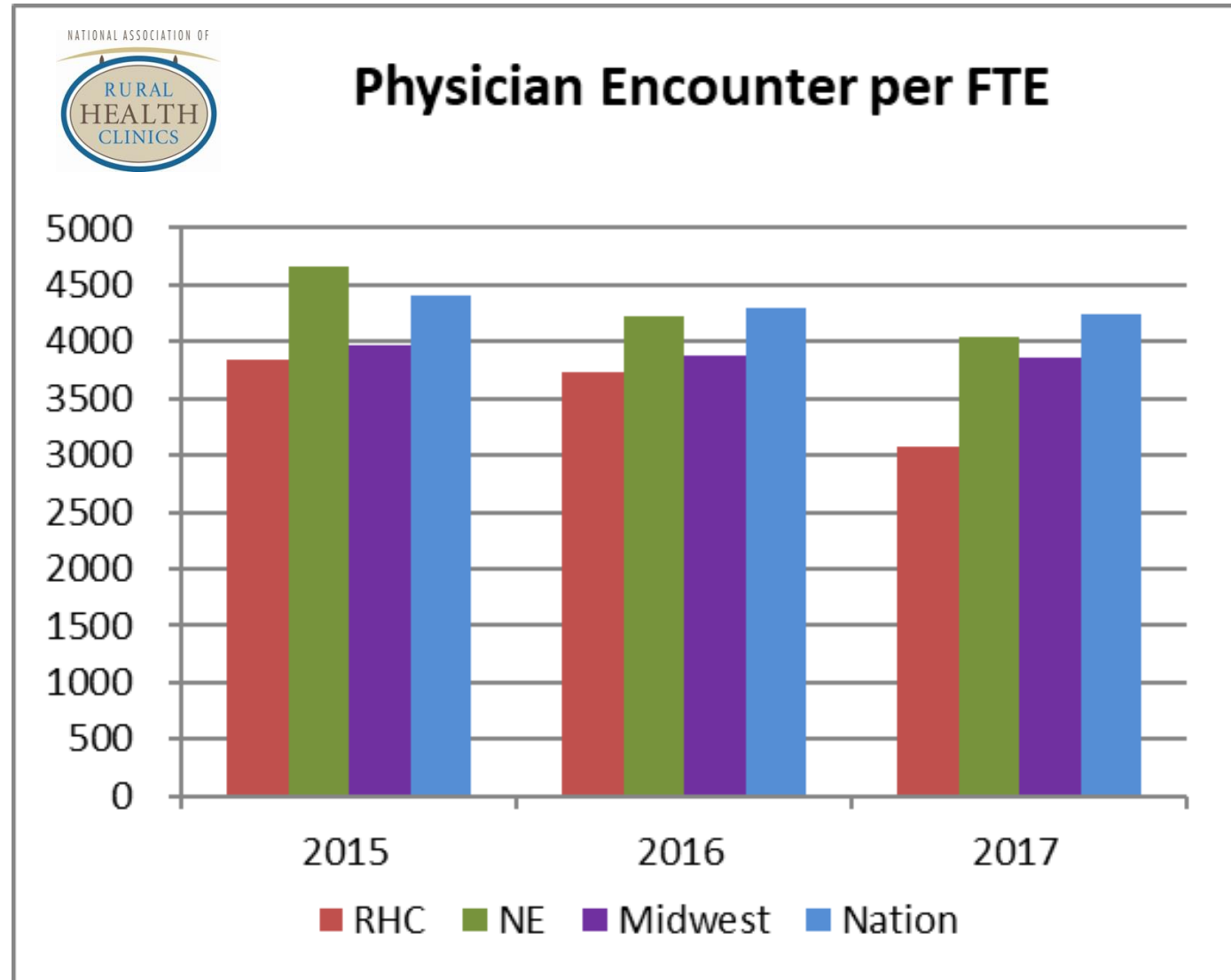
The most common measurement of success of a provider-based RHC is the traditional profit and loss statement; yet, the purpose in establishing or acquiring the RHC was likely not based on making a direct profit in the clinic.

Why is that?




Financial Measurement Example – Productivity

ABC Rural Health Clinic - Provider Productivity



Financial Measurement Example – Cost per Visit

Sample Rural Health Clinic				
	RHC	Nebraska	Midwest	National
	2017 Actual	2017 Mean	2017 Mean	2017 Mean
Number of Facilities	1	103	667	1,903
Clinic Cost per Encounter:				
Total Direct Costs of Medical Services	\$144	\$134	\$126	\$116
Clinic Overhead	\$0	\$19	\$24	\$23
Parent Provider Overhead Allocated	\$96	\$74	\$79	\$78
Allowable Overhead (Clinic and Parent)	\$89	\$93	\$102	\$100
Total Allowable Cost per Actual Encounter	\$233	\$227	\$228	\$216
Total Allowable Cost per Adjusted Encounter	\$212	\$218	\$213	\$198
Cost of Vaccines and Administration per Adjusted Encounter (Reimbursed Separately)	(\$14)	(\$9)	(\$7)	(\$5)
Rate per Adjusted Encounter	\$198	\$209	\$206	\$193

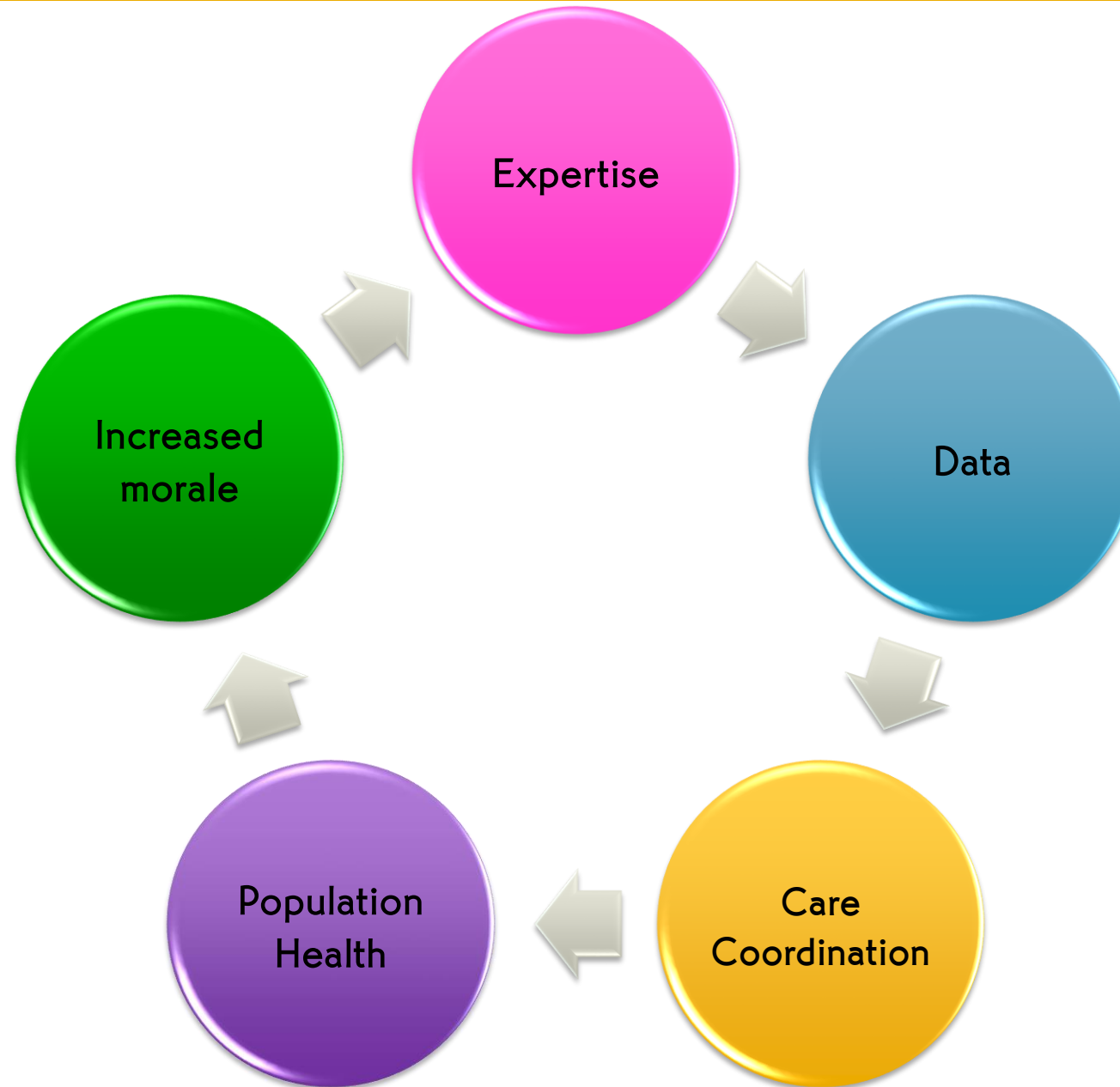
What is Your RHC Doing to Address Financial Outcomes?



Quality



Quality Outcomes

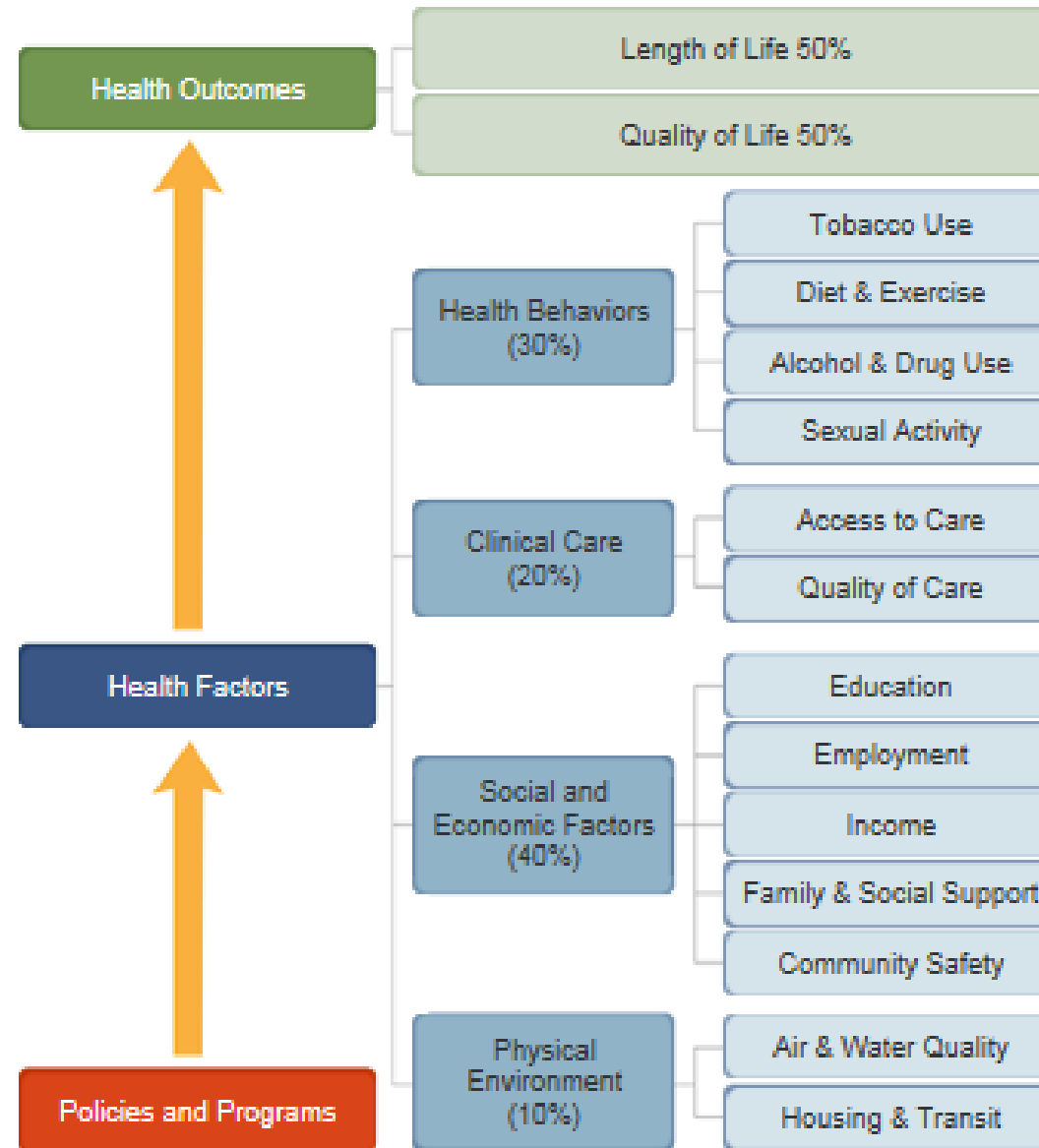


Quality – Measurement and Maximizing Value

- Expertise from providers working collaboratively with the system to improve quality
- Consolidated data with seamless access across the system to all patient data to make better decisions on care and improve quality of patient outcomes/experience
- Better coordination of care for beneficiaries with multiple chronic conditions

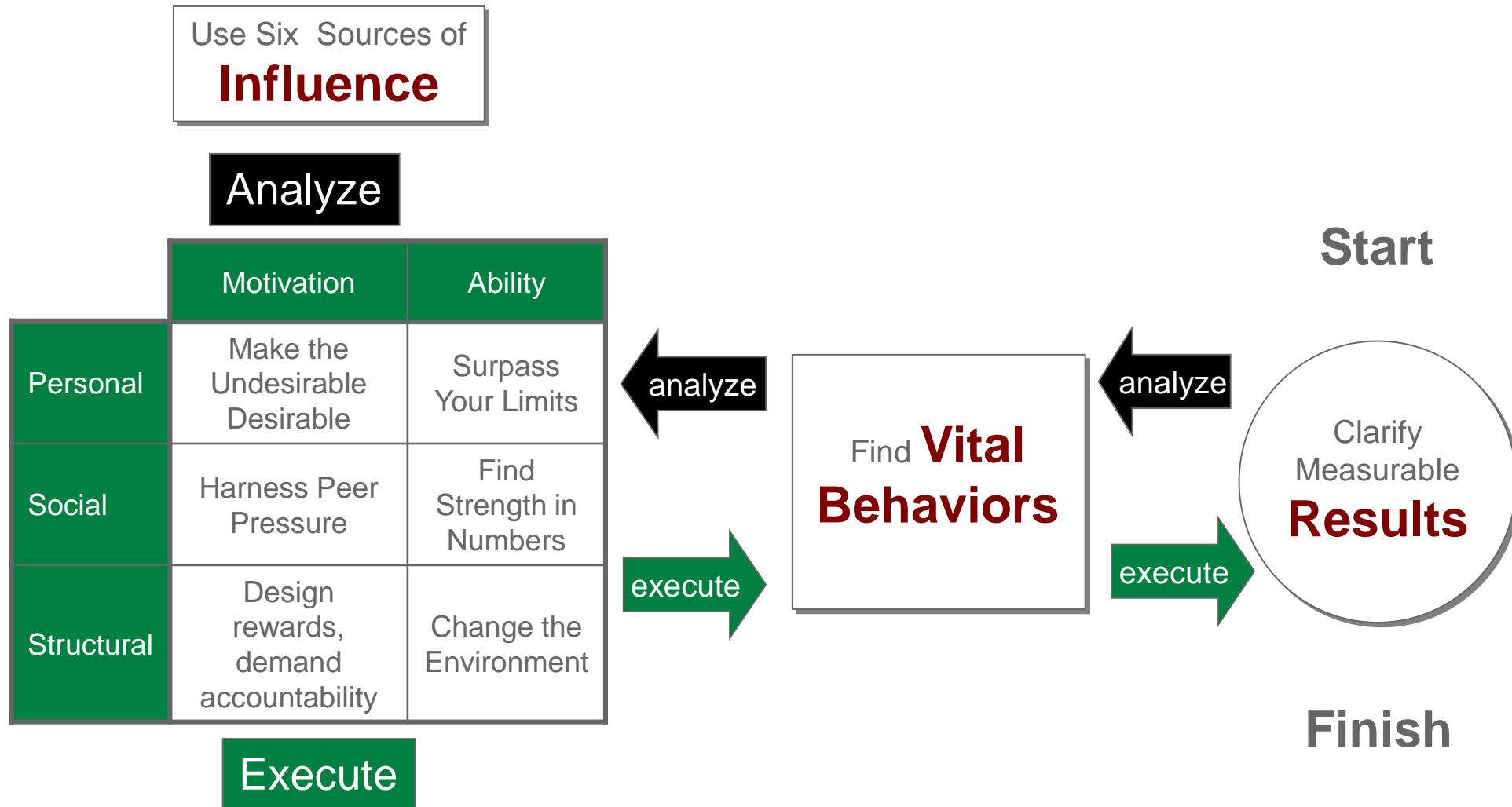


Quality – Building A Culture Of Health Model



County Health Rankings model © 2014 Wipfli

Quality – The Model For Behavioral Change



Quality – Maximizing Value

Message Quality!

- Providers
- Patients
- Insurers
- Employers
- Buyers

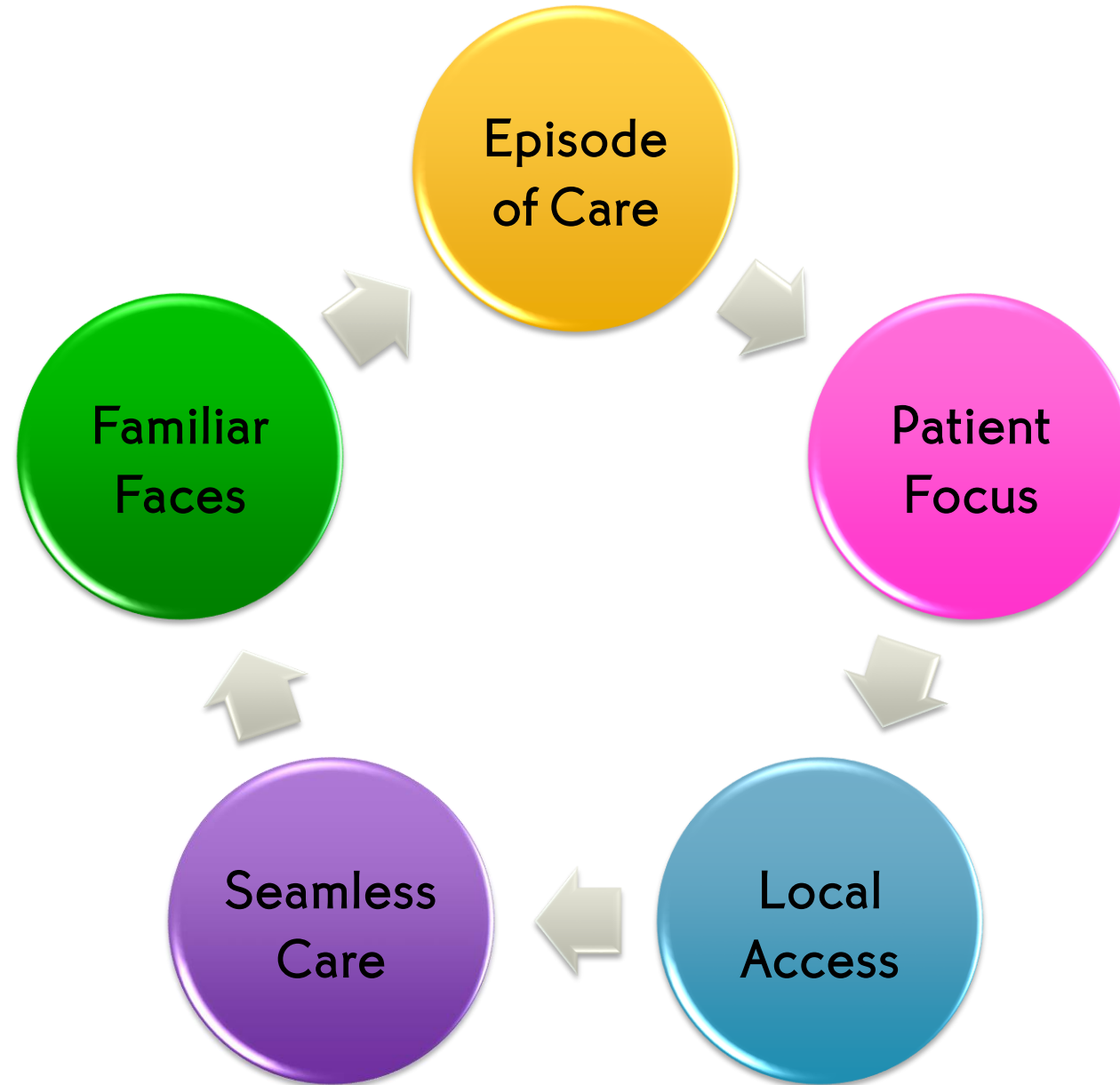


What is Your RHC Doing to Address Quality Outcomes?





Patient Outcomes



Patient – Measurement

- Satisfaction survey scores
- Patient complaints
- Sentinel events



Patient – Maximizing Value

- Avert hospital-acquired conditions
- Ensure seamless care delivery
- Provide effective care transitions
- Build trusting relationships
- Enlist patient support network



What is Your RHC Doing to Address Patient Outcomes?





What Can Your Organization do to
Embrace the Value of Your RHC?

Embrace to Thrive

- Come together as a cohesive health delivery system
- Develop a system strategy for success
- Measure results as a system
- Celebrate success as “one”
- Align the team to common goals and results
- Deliver care seamlessly across system (integrating systems, processes, and technologies)

Questions?

Thank you!

Today's Presenters:



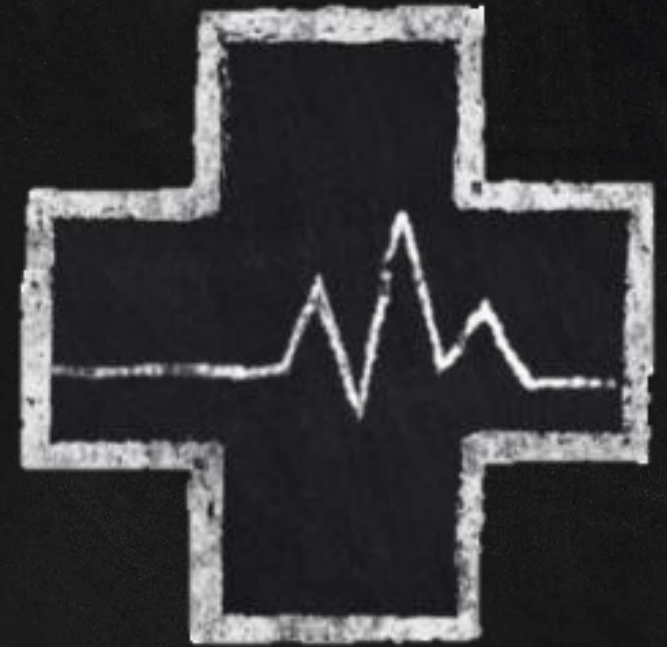
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