

# Critical Access Hospital Finance

Operational and Financial Efficiency  
Oregon

# Financial and Operational Assessments

- Why perform an assessment?
- How do you know its time?
- Who do you call?
- What is involved?
- What outcomes can be expected?

# Why Perform an Assessment?

- To improve financial performance
- To improve patient care
- To gain knowledge about your operation
- To understand how you compare to others
- To get back “control” of your facility
- To begin a culture change

# Is it time?

- Poor cash flow
- Poor operating margin
- Rising expenses, stagnant revenues
- Patient complaints about wait times and service level
- Looking for opportunity to get better
- Every hospital should consider an assessment

# Who to call?

- Reputable firm
- Someone with experience in CAH's and benchmark data for your market
- National Rural Health Resource Center
- Someone who understands the impact to Cost Reports
- Someone who understands the importance and difficulty of implementation

# What is involved?

- Data gathering by hospital staff
- On-site visit by consulting firm
- Analysis and review by consulting firm
- Results shared with hospital Administration
- Administration to develop implementation plan
- Hospital leaders/Physicians to “buy-in” to plan
- Staff to be informed and “sold” the plan
- Changes made
- Results measured and shared with all staff

# What outcomes can be expected?

- In-depth knowledge of processes within hospital
- Understanding of how you compare to lean facilities
- Improved communication and relationships between Admin and leaders/staff/Physicians
- Improved efficiency and margin
- Improved perception in community
- Better patient satisfaction

# Discussion?



# Revenue Cycle

- Importance of Admissions
- Build a cohesive team
- Importance of Information/Analysis
- Measure biller/coding productivity
- Include clinical departments in revenue cycle discussions
- Remove bottlenecks and barriers
- Develop goals and measure progress
- Celebrate success!!

# Revenue Cycle

An example of this is the CAH I recently worked at:

Beginning days cash on hand = 24 days

Beginning net days in accounts receivable = 80 days

Obviously the hospital was running an inefficient billing office.

Over 18 months we focused on process change and efficiency

Ending days cash on hand = 90 days

Ending net days in accounts receivable = 43 days. An efficient billing office is crucial for any CAH.

After cleaning up the inefficiency mess, we focused on being effective as well

Payments audited against “expected” payments (underpayment recovery)

Bill the correct amount for services (Charge Master Review)

# External Resources for CAH's

- Charge Master Reviews
- Operational Assessments
- Revenue Cycle Analysis
- Cost Report Reviews
- ICD10 Preparedness Assessments
- Compliance Assessments

# Discussion/Questions