



NRHA

WELCOME

Rural Health Executive
Educational Series

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Housekeeping

- ✓ All attendees are muted during the webinar
- ✓ We like to get through our presentations in about 45 minutes, offering time at the end for questions to the presenter
- ✓ If you have a question for the presenter, please type it into the question section of your GOTO webinar control panel. We will cover it at the end.
- ✓ This event is being recorded. You will receive an email before the end of the day with a link to the recording.



STRATEGIC PLANNING OVERVIEW

BEST PRACTICES FOR RURAL HOSPITALS

John Downes

August 15, 2024

WHO AM I?

- John Downes

- Principal at Stroudwater since 2009

- Focus on:
 - Market Analyses
 - Strategic Planning
 - Master Facility Planning

- Outside of work:
 - Addicted to golf
 - Love gourmet cooking



STRATEGIC PLANNING BEST PRACTICES

- Engage your internal stakeholders as active AUTHORS of the plan!
- Ground planning in the realities of the local, regional and national healthcare market.
- Use real data!
- Streamline the process to keep focus!
- Organize your plan to transition the delivery system and payment system in unison.
- Prioritize the “here and now!”
- Measure, track and adjust as necessary.
- Celebrate success!



YOU KNOW YOU BEST

- Strategic planning is local...not cookie cutter!
- Use external assistance for expertise in GUIDANCE not for writing a plan...nobody is as connected to your community as YOU are! External expertise can be helpful for:
 - Data
 - Examples of other places where things have been tried or have worked
 - Minimizing emotions in decision making
- Engage senior leadership, medical staff and the Board early the process
 - Common fact base of challenges and opportunities
 - Develop themes about strengths, growth areas, alignment issues and future visions for the organization
- Develop meaningful, measurable action items and TRACK them
- Any strategic plan must be a livable document
 - Three-year plan...but with regular updates / adjustments



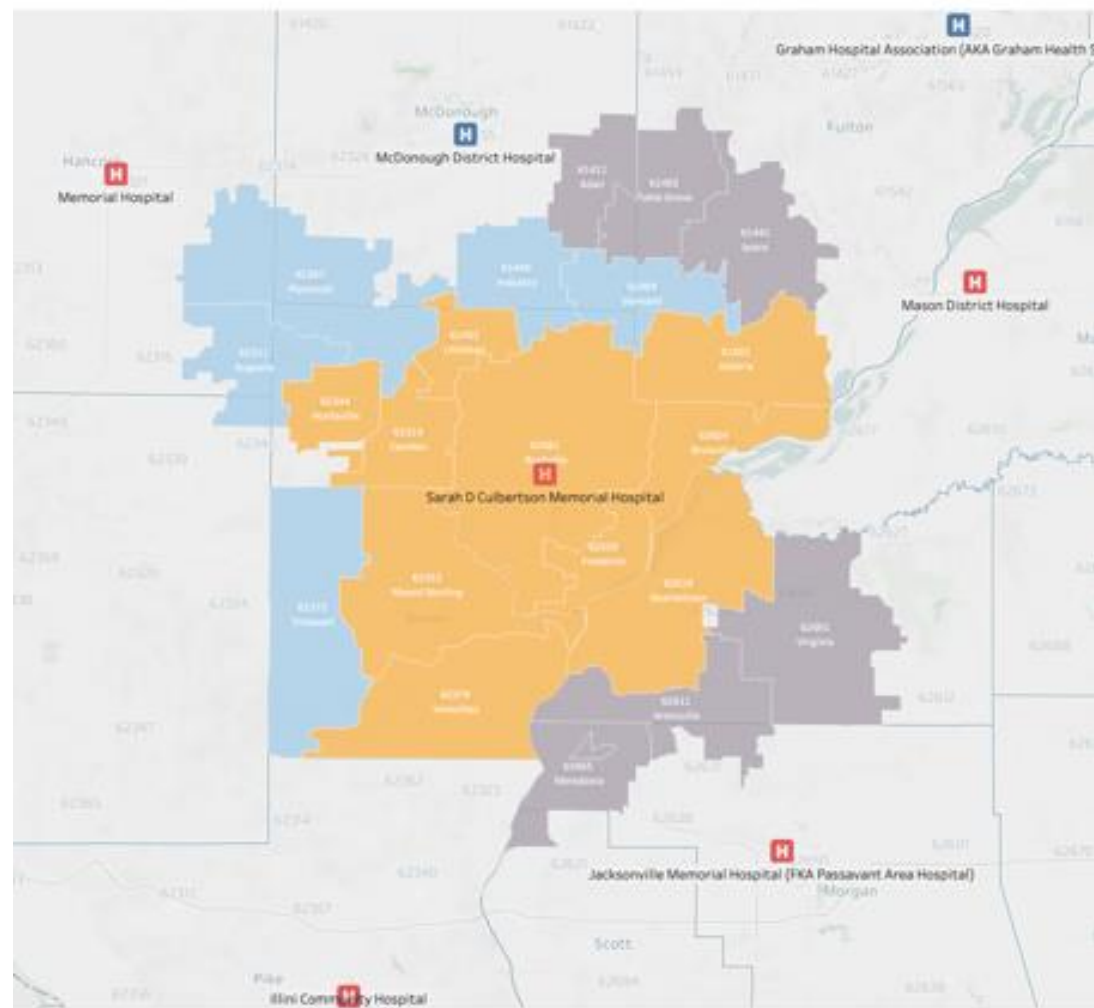
UNDERSTAND WHERE YOU ARE

- Service Area
- Demographics
- Utilization
- Competition
- Existing Assets
 - Capital
 - Physical
 - People



WHAT IS OUR “REAL” SERVICE AREA?

- County vs. district vs. hospital-defined service area
- Are we the dominant provider?
- Should we “subdivide” the service area?
- Who does the project benefit?
- **Patient origin studies are very helpful here**



DEMOGRAPHICS

- Population projections
- Age distribution
- Special groups
- Market dynamics
- Health equity



UTILIZATION OF HEALTHCARE SERVICES

Existing volumes

Inpatient vs outpatient

Service lines

Market share

Wants vs needs



WHAT'S HAPPENING WITHIN THE MARKET?

- Changes in utilization
 - Inpatient vs. outpatient
 - Technology shifts
 - Virtual care
- Changes in market share
 - Existing competition
 - New entrants
 - Physical
 - Virtual



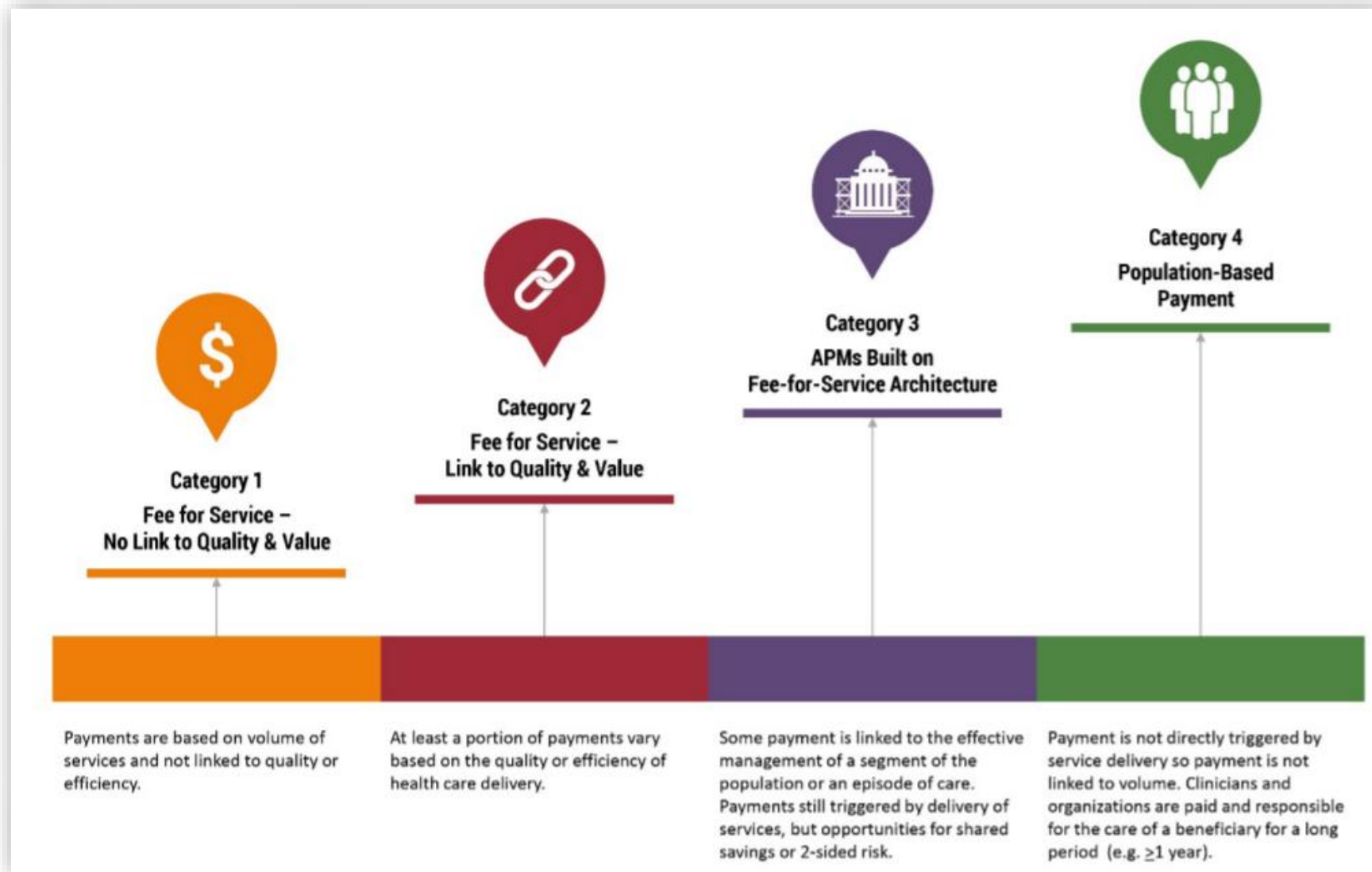
UNDERSTAND WHERE YOU'RE GOING

- Market Dynamics and Impact
- Setting a Strategic Vision
- Developing Strategic and Tactical Plans



GET GROUNDED IN REALITY...

THE PAYMENT MODEL IS MOVING WITH OR WITHOUT US!



- Do more with less
- Expenses rising higher than reimbursements
- Focus on utilization and outcomes



RURAL HEALTH SYSTEM IMPERATIVES – WE CAN'T AVOID THESE!

- “Shaky Bridge” crossing from one payment system to another will require planned, proactive approach.
 - Market forces at play will require new strategies.
 - Strategic thinking is essential - Doing next year “a little better” will no longer suffice.
 - A foundational premise of all health system strategic plans is a transitioning payment system.

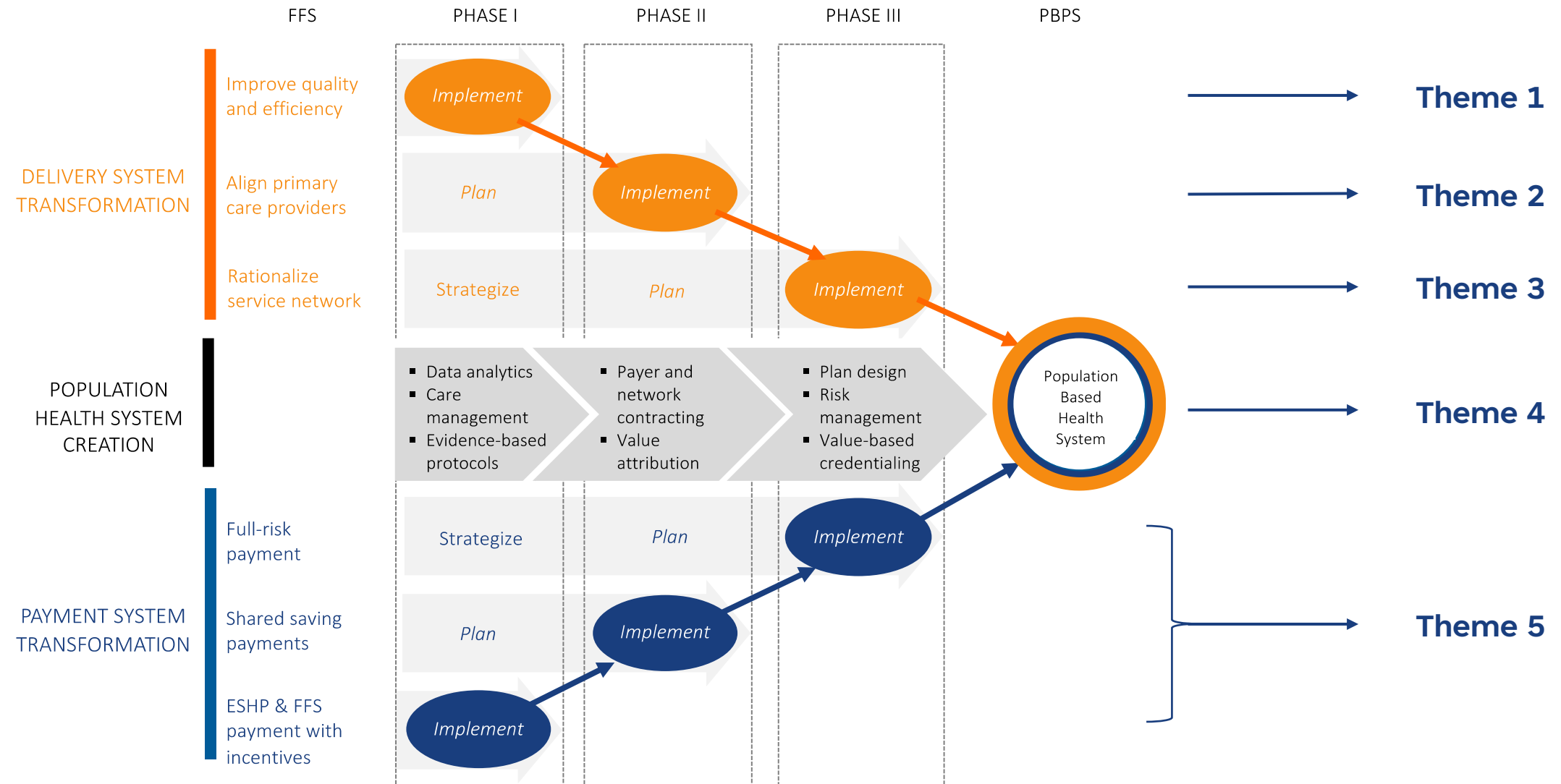


RURAL HEALTH SYSTEM IMPERATIVES – HOW DO WE START?

1. Start with a focus on the here and now
2. Align with as many providers in the market as we can
3. Gradually build a population health infrastructure
4. Prepare for an evolution of the payment system



STRATEGIC PLANNING MUST ALIGN DELIVERY SYSTEM AND PAYMENT SYSTEM



VISION TO MEASUREMENT



Vision



Strategic
Themes



Goals /
Action Items



Tactical Plans



Measurement



ORGANIZING STRUCTURE OF A STRATEGIC PLAN

- **Vision**
- **Strategic Themes**
- **Strategic Goals**
 - High-level objective organized under strategic themes
 - Should have an overall Goal Leader from Senior Leadership Team (SLT)
- **Action Items**
 - For each strategic goal, how can this be achieved?
 - Should have an action item leader...can be SLT or can be delegated/assigned
- **Tactical Plans**
 - What are the process steps that must be implemented to move an action item forward?
 - These steps are to be developed and shared by the action item leaders to ensure ownership.
- **Measurement/Metrics**
 - Is there an end metric we're striving for and by when?
 - Is there a progress metric we're looking to achieve in the interim?



OVERARCHING STRATEGIC THEMES TO ACHIEVE THE VISION

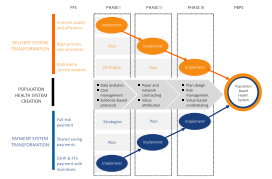
Theme 1 – Quality, Patient Safety and Operating Efficiencies

Theme 2 – Medical Staff Network

Theme 3 – Clinical Services Network Development

Theme 4 – Population Health Management

Theme 5 – Transitioning Payment Systems



BREAKDOWN OF THEMES BY GOALS AND ACTION ITEMS (AN EXAMPLE)

➤ Theme 1 –	7 Goals	26 Action Items *
➤ Theme 2 –	3 Goals	6 Action Items
➤ Theme 3 –	1 Goal	3 Action Items
➤ Theme 4 –	3 Goals	6 Action Items
➤ Theme 5 –	1 Goal	5 Action Items

	15 Goals	46 Action Items
		15 were identified as High Priority

* The “Here and Now”...Improving quality, patient safety and operating efficiency...many of these elements are needed today...regardless of shifts in payment system!



DEVELOP TOOLS FOR MONTHLY / QUARTERLY / ANNUAL TRACKING

From WRIKE
New Measurables
% Change Month Over Month Calculation
Notes / Comments as Needed
Longitudinal Measurement

Title	Status	Last Month Wrike	This Month Wrike	Goal / Target	Frequency of Update (Monthly, Quarterly, Annually)	Last Month Metric	This Month Metric	% Change Month over Month	Notes / Comments
CHN Strategic Plan	In Progress								
Strategic Initiative I: Quality Patient Safety and Operating Efficiencies	In Progress	48%	48%						
Goal I A: CHN to become employer of choice	In Progress	34%	34%						
Overall Job Satisfaction Score									Survey completed annually in July. Rating 07/2020 @ 64%; target goal for 07/2021 @ 60% (BOD APPROVED)
Overall Employee Engagement Index Score									Survey completed annually in July. Rating 07/2020 @ 70%; target goal for 07/2021 @ 75% (BOD APPROVED)
Goal I B Achieve highest quality safety and satisfaction scores throughout the region as determined by relevant measures	In Progress	80%	80%						
HCAHPS Top Box									Rolling 12 month - already provided to Board of People/Service Subcommittee
Outpatient Top Box									Rolling 12 month - more granular data already presented at Board People/Service Subcommittee
Core Measures Meeting Goal									Numerator=Number of metrics meeting goal/benchmark. Denominator=Number of total metrics being monitored. *Pending approval of metrics list 2021 with MSQC. Granular data already presented through Board of Directors Quality Subcommittee
Core Measures Aggregate									
Goal I C: To explore maintain and expand services to increase patient volume and market share	In Progress	39%	39%						
Net Patient Revenue									already in reports
Adjusted Patient Days									
Goal I D: Evaluate and develop other revenue sources	In Progress	35%	35%						
Revenue from Non-Traditional Revenue Sources									
340b Revenue									There will be little to no income to show for this program in the first few months of 2021 then retro payments will start flowing in from first of year. Revenue will be captured in the "Other Operating Revenue" line of income statement.
Goal I E: Continue to improve financial strength	In Progress	100%	100%						already in reports
Days Cash and Investments on Hand									already in reports
Gross Days in A/R									already in reports
Net Operating Margin									already in reports
Total Margin									already in reports

- The overarching goal of measurement should be:
 - Improve patient care for the community
 - Ensure financial sustainability of the health network
 - Increase efficiency of management to Board communication
- Don't waste anyone's time tracking less important information.





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COMMITTED TO INCREASING THE IMPACT OF RURAL AND COMMUNITY HEALTHCARE.

Our team of rural and community healthcare experts support the leadership of hospitals, health systems with a rural footprint, and the groups and clinics that form an essential care network across the 97% of the US that is defined as rural.



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