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At Issue: Quality Improvement Gives Rural Hospitals Competitive Edge

The quality of care rural hospitals provide is apparent to their patients and to the communities that depend on them, but the task of documenting that quality continues to challenge many hospitals. The effort is worth it. Hospitals that tackle quality improvement will see better patient outcomes and gain an important competitive edge over those unwilling to make the effort.

Rural Healthcare Must Place Quality First

By David Pearson, FACHE, MPA
President/CEO, Texas Organization of Rural & Community Hospitals (TORCH)

Rural hospitals are high quality healthcare providers that offer life saving services to the residents of rural Texas, but the need to demonstrate that quality to the government, payers, businesses and consumers has increased. The reason for the dramatic rise in the number of requests for quality data on behalf of hospitals is due primarily to two drivers: value-based purchasing and consumer-directed healthcare.

Value-based purchasing is the term that the government and payers use to describe their efforts to ensure that they only pay for high quality care and avoid any unnecessary costs. Consumer-directed health care is the term being applied to the manner in which consumers are making decisions about where to spend their portion of the healthcare dollar.

Today, if hospitals aren't paying attention to the way these two forces are impacting their ability to attract new patients or optimize the reimbursement they receive from payers, they could eventually slip into what the Institute of Medicine calls the 'Quality Chasm'.

Quality reporting has evolved over the past several years with most requirements being handed down by the Center for Medicare and Medicaid Services (CMS). After the passage of the Medicare Modernization Act (2003), data reporting was limited and incentives were given to those who complied

voluntarily. After the Deficit Reduction Act (2005), Medicare increased the stakes in an effort to force more hospitals to report.

The most recent changes that have resulted from the Tax Relief and Health Care Act (2006) will expand beyond hospital inpatient measures to include outpatient measures and physician data.

"The reason for the dramatic rise in the number of requests for quality data on behalf of hospitals is due primarily to two drivers: value-based purchasing and consumer-directed health care."

What is still plainly missing from the overall process is a defined set of rural-relevant measures that recognizes the scope of services and severity level of the patients who most frequently present in a rural hospital. While CMS plans to address this need in the near future, many small hospitals continue to shy away from the one-size-fit-all programs that currently exist.

Remember, value-based purchasing strategies are primarily designed to help save money. Hospital-related costs are the main driver of overall health care costs and accounted for \$612 billion of the healthcare expenditures in the U.S. during 2006. Since the cost of providing care in a rural setting is already high, rural healthcare providers must work to maintain the highest quality standards that they are capable of.

Also, hospital-quality data is being made available in more and more places and it is becoming very difficult to compare.

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"By measuring patient outcomes and meeting current guidelines for medical care, rural hospitals can not only improve quality, they can improve their standing in the community. This will ultimately benefit the bottom line and ensure that the highest quality services become the standard."

Michael Waters
Chair, ORCA Executive Committee

"The agency recognizes the potential of quality improvement initiatives to help small rural hospitals keep their doors open. ORCA's SORH division will continue to support rural healthcare providers as they seek to measure and improve the quality of care they provide."

Charles S. (Charlie) Stone
ORCA Executive Director

Graham Regional Medical Center: Quality Makes a Hospital

By Julie V. Kelly, ORCA Staff

From housekeeping staff to emergency room doctors, everyone employed at Graham Regional Medical Center is dedicated to the ongoing quality improvement initiative that earned the hospital a Texas Health Care Quality Improvement Award of Excellence from the Texas Medical Foundation (TMF) Health Quality Institute. The award recognizes hospitals that have actively improved the quality of care they provide related to acute myocardial infarction (heart attack), heart failure, and pneumonia.

"We have incorporated every person in nursing and emergency all the way to housekeeping to prevent infections and provide quality," said Diann Grissom, Director of Quality Management, Infection Control and Prevention and Employee Health at Graham RMC. "It takes every single person."

The hospital, which is the only acute care facility for Young County, considers its rural location an incentive to provide exemplary care for its patients. Quality improvement, along with state of the art diagnostic equipment and dedicated physicians, is part of that effort.

The hospital began its quality improvement efforts in 2000 when hospital staff started

to look at ways to promote quality and safety and prevent problems in treatment. The hospital voluntarily submitted the data it collected to TMF so that they could gain experience and monitor the hospital's performance compared to other hospitals.

In 2004 Graham joined the Alliance of Rural and Community Hospitals (ARCH) in a TMF program to help rural hospitals tackle quality assessment and performance improvement. Through the ARCH program Graham became adept at tracking patient care along ten measures that make up the appropriate care measure, a scoring system that helps hospitals follow current medical guidelines.

TMF acknowledges that quality improvement and the effort it takes to win an Award of Excellence requires a significant amount of work from the hospital. Only 63 out of 390 eligible Texas hospitals qualified to receive the award.

For Graham RMC the benefit to patients and to the hospital is worth the effort. "Quality makes a hospital. You have to have quality in every department and each person that works there," said Grissom. "Quality will bring our patients in and they will want to go to a quality hospital, and that will keep our doors open."



Graham Regional Medical Center received a Texas Health Care Quality Improvement Award of Excellence at an awards ceremony hosted by TMF. Photo courtesy of TMF.

Rural Healthcare Must Place Quality First

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From CMS' Hospital Compare web site to the Leapfrog Group to Blue Cross Blue Shield of Texas, hospitals need to be very aware of the information that every patient or purchaser now has access to.

Each organization uses a different set of standards to rate hospital quality. Therefore, the best way to ensure that rural hospitals remain competitive is to aggressively pursue opportunities to improve their overall quality and place special emphasis on those areas that are being more heavily scrutinized, things like pneumonia care and health care acquired infections.

Rural hospitals don't have to go at it alone either. There are a number of partners and programs in place to help educate hospitals about proven strategies and establish better processes that are evidence-based.

The 100,000 Lives Campaign that the Institute for Healthcare Improvement introduced back in 2005 was designed to raise awareness and share best practices around hospital quality.

The TMF Health Quality Institute has a program called the Alliance for Rural Community Hospitals (ARCH) that helps small hospitals work to improve on their CMS core measure set.

Since hospitals are constantly responding to changing regulations and shifting demands, it is important to remember these resources that are available to clinical professionals and medical staff at little to no cost. Even a minimal investment in hospital quality will at some point save a patient's life.

For the past few years, TMF Health Quality Institute has recognized numerous rural hospitals through the Texas Health Care Quality Improvement Award program.

While these hospitals entered the program on a voluntary basis and awards are given based solely on their own self-improvement, it proves that many rural hospitals are already performing at a very high level.

As more rural hospitals adopt a transparent model and continue to place greater emphasis on their performance improvement activities, payers and consumers will begin to realize the value that exists in the rural setting.

As the Ford Motor Corporation used to say, "Quality is Job One" and rural hospitals that remain focused on caring for the community and truly put quality first are the most likely to succeed in this new age of consumer-driven health care.

For a complete list of Texas Health Care Quality Improvement Award winners, please visit TMF online at <http://award.tmfhq.net/Default.aspx>.

Online Resources

100,000 Lives Campaign
www.wlhs.com/about/100000+Lives+Campaign.htm

Alliance for Rural Community Hospitals
www.tmf.org/hospitalqi/ARCH/

CMS Hospital Compare
www.hospitalcompare.hhs.gov/

Leapfrog Group
www.leapfrogtroupe.org/

HRSA Shortage Designation Branch
<http://bhpr.hrsa.gov/shortage/>

Texas Price Point
www.txpricepoint.org/

What Does the Quality Chasm Mean for Rural Hospitals?

By Theresa Cruz, Director of ORCA's State Office of Rural Health

The Institute of Medicine (IOM) published a series of reports discussing the quality chasm and its affects on the general population. The quality chasm can be loosely defined as the difference between what good quality care should be, and what the reality is in practice.

"Quality" covers a broad spectrum, from clinical errors to patient satisfaction, so the size of the chasm can be small for some areas and large for others.

Noted by the IOM was the challenge of applying the typical model of good quality care (a "closed chasm") to rural areas because of the unique issues and lack of resources that prevail for most rural healthcare facilities.

One thing is definite: quality is a priority at

the federal level. ORCA is setting aside a substantial portion of the annual Flex grant specifically to support quality improvement initiatives for Critical Access Hospitals.

Flex-funded quality improvement initiatives must focus on data capture, with the goal of allowing hospitals to assess their status on various key quality indicators.

In addition, ORCA will use its recently awarded \$1.6 million Flex HIT Implementation Grant to address another hot area of quality improvement - using electronic medical records to improve

patient safety and quality of care for rural Texans.

"Flex-funded quality improvement initiatives must focus on data capture, with the goal of allowing hospitals to assess their status on various key quality indicators."

As healthcare facilities in rural areas of Texas struggle to keep doors open and maintain or increase the population's access to healthcare, the resources they need to shrink the quality chasm are sadly lacking both at the state and federal levels.

The future can be daunting for those committed to serving the rural population, but through collaboration and innovative projects, the quality chasm can be lessened for rural healthcare.

Resource Guide:

Some Rural Counties Losing HPSA Designations

By Theresa Cruz, Director of ORCA's State Office of Rural Health

The Texas Primary Care Office (PCO) has recommended that the Shortage Designation Branch at the Bureau of Health Professionals, a division of HRSA, change the HPSA status of some counties in Texas. This recommendation comes as a result of PCO's recalculation of the ratio of primary care physicians to population.

The Shortage Designation Branch posts its determinations on the HRSA Shortage Designation Branch website at <http://bhpr.hrsa.gov/shortage/>.

The PCO does not notify counties or hospitals when their HPSA status changes, so many hospitals and clinics find out from their physicians when they lose their HPSA incentives. Physicians often leave the hospital when HPSA incentives are lost, which in turn plunges the hospital back into HPSA status. The hospital then must wait for the next PCO calculation to receive the HPSA designation and incentives.

For hospitals and clinics who lose their HPSA status, CMS stops incentives at the recommended date. However, State government does not consider the change of status effective until the results are posted in the *Federal Register*. An updated list has not been posted in the *Federal Register* since 2001.

Unfortunately for physicians, CMS uses the Shortage Designation Branch recommendations to determine who receives incentive payments for practicing in a HPSA area, so as soon as PCO makes its recommendation, some physicians are no longer eligible to receive those incentives. Until an updated list is published in the *Federal Register*, designated HPSA areas are still eligible to receive funding from ORCA where the HPSA designation is required.

According to Connie Berry from the Primary Care Office at DSHS, the Governor can designate an area as Medically Underserved, which is different from a Health Professional Shortage Area designation because there are different criteria for determining each designation.

Under this designation physicians are not eligible for the HPSA bonus, nor does it allow for the recruiting incentives afforded by the National Health Service Corp or the State Loan Repayment Program. It also does not provide a benefit for the designation of a rural health clinic, but it can be used to receive Federally Qualified Health Center status.

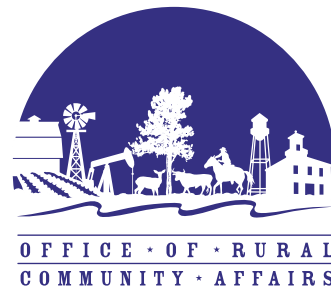
In order to receive this MUA designation, the locality must submit an application detailing why the area is exceptional to the Primary Care Office.

The Bureau of Health Professionals plans to have a tiered system for designation evaluation, so that these areas do not continue to lose their designation, causing a loss of benefits and then creating a need for re-designation. A timeline for development and implementation of this plan was not available at this time.

ORCA SORH Grants

The following grants require HPSA/MUA designation.

- Texas Health Service Corps
- Medically Underserved Community-State Matching Incentive Program
- Physician Assistant Loan Repayment Program
- Rural Community Health Care Investment Program



Where rural Texas comes first.

THE RURAL TEXAN

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The Rural Texan is a free publication that covers emerging rural economic development issues and features original stories, rural case studies, interviews with experts and related funding opportunities.

To subscribe, call ORCA at 800-544-2042 or email Julie V. Kelly, Editor, at orca@orca.state.tx.us.

Braggin' Rights

Does your rural community have an economic development success story to share? ORCA would like to feature your story in *The Rural Texan*.

Please email a brief description of your story to orca@orca.state.tx.us. Include "success story" in the subject line.

As the state agency dedicated solely to rural Texas, ORCA makes the broad resources of state government more accessible to rural communities.

The agency ensures a continuing focus on rural issues, monitors governmental actions affecting rural Texas, researches problems and recommends solutions, and is a coordinator and provider of rural-focused state and federal resources.

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ORCA's Mission:

"To assist rural Texans who seek to enhance their quality of life by facilitating, with integrity, the use of the resources of our state so that sustained economic growth will enrich the rural Texas experience for the benefit of all."