

The Georgia Department of Community Health, State Office of Rural Health

# Financial and Operational Improvements for Critical Access Hospitals

*The Medicare Rural Hospital Flexibility Program (Flex) was established by the Balanced Budget Act of 1997. This federally funded program of the Department of Health and Human Services promotes quality and performance improvement activities; stabilizes rural hospital finance; and integrates emergency medical services (EMS) into rural health care systems.*

## Financial and Operational Improvements

Nineteen percent (\$99,990) of Flex funding for grant years 2007, 2008 and 2009 was appropriated to financial and operational improvement. Finances were analyzed for 32 of the state's 34 Critical Access Hospitals (CAH) by Draffin & Tucker LLP through three funding cycles. Problematic issues affecting financial stability were identified. CAH leadership education and training seminars and webinars were provided in 2010, 2011 and 2012 to educate CAHs on the following areas of opportunity:

- Reimbursement
- Cost reporting
- Cost containment
- Charge masters and charge captures
- Networking
- Leadership
- Diversification
- Health care reform

Following this extensive three-year audit, financial and operational improvements include:

- Improved accuracy of billing and compliance
- Updated charge masters to enhance reimbursement and compliance

*Continued*



## Georgia Flex Quick Facts

- Since 1999, Georgia has received more than \$4.5 million in Flex grant funding.
- Flex grants have supported the conversion and sustainability of 34 rural Georgia Critical Access Hospitals.



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## An Overview of and Operational Improvements for Critical Access Hospitals

Previous and current projects include:

- Offered operational and finance-related technical and operational assistance
- Conducted CAH financial feasibility and impact assessments for CAH-eligible hospitals
- Performed CAH Program Evaluation
- Developed and implemented the Georgia State Rural Health Plan
- Provided education, training and benchmarking to each of the CAH business offices
- Completed external evaluation of Georgia Flex Program, conducted by Rural Health Solutions

### About Flex

The Georgia Flex Program, which began in 1999 through the State Office of Rural Health (SORH) in the Georgia Department of Community Health, supports the four components of the national program:

- Quality Improvement
- Financial and Operational Improvement
- Health System Development and Community Engagement
- Conversion of 34 hospitals to CAH Status – Completed