

# Rural Hospital Toolkit for Transitioning to Value-Based Systems

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Small Rural Hospital Transition (SRHT)  
Project

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## RURAL HOSPITAL TOOLKIT FOR TRANSITIONING TO VALUE-BASED SYSTEMS

The *Rural Hospital Toolkit for Transitioning to Value-based Systems* (toolkit) was developed through the [Small Rural Hospital Transition \(SRHT\)](#) Project, and is designed to share information on how critical access hospitals (CAH) and Prospective Payment System (PPS) facilities may adopt financial, operational and quality improvement best practices. Hospital leaders should use the toolkit to identify performance improvement opportunities, develop strategies for preparing for transition to a value-based system and determine readiness for the transition process. The toolkit assists communities with positioning their hospitals for a value-based system by providing leaders the opportunity to:

- Compare their current processes to industry accepted best practices;
- Identify financial, operational, and clinically quality performance improvement opportunities;
- Learn how rural hospitals implemented best practice concepts;
- Learn how rural hospitals adopted successful strategies for long-term planning;
- Utilize best practices and apply successful strategies to transition to a value-based system; and
- Evaluate the development and execution of a strategic plan in a system approach.

The toolkit includes a self-assessment checklist that is part of the [Performance Excellence \(PE\) Blueprint](#), which is based on the [Baldrige PE Framework for health care](#). The PE Blueprint provides a conceptual framework for planning and executing strategies, and includes critical success factors for rural hospitals to consider in the transition process (refer to Appendix A). A blueprint for managing the transition from volume to value-based system will be essential for long-term success. The SRHT toolkit illustrates how hospital leaders may successfully navigate the transition process through a systematic approach to strategic planning. The market is rapidly moving towards a value-based system and population health management. For hospitals to meet the goal of 50 percent of Medicare payments in alternative payment models by the end of by 2018 and to prepare for the transition process, hospital leaders will require a framework for implementing best practices, adopting strategies and executing long-term plans.<sup>1</sup>

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<sup>1</sup> Centers for Medicare and Medicaid Services Fact Sheets; [Better Care. Smarter Spending. Healthier People: Paying Providers for Value, Not Volume](#)

The SRHT Project was created by the [Federal Office of Rural Health Policy](#) (FORHP) to help small rural hospitals with 49 beds or less in persistent poverty areas to successfully navigate the changing health care environment. The SRHT Project is designed to help rural facilities move from volume based payment system to one that is dependent on value. The SRHT Project is modeled after the [Rural Hospital Performance Improvement \(RHPI\) Project](#). RHPI was supported through the FORHP and was the premier source for technical expertise and business tools that assisted 125 rural hospitals in achieving performance improvement and sustaining gains post-project. From 2001 – 2014, the RHPI Project goal was to improve and sustain financial, operational, and quality performance of Delta hospitals through comprehensive onsite consultation services and ongoing educational trainings. Following the RHPI model, the SRHT Project provides a comprehensive approach to financial, operational and quality performance improvement and strategy planning through direct onsite technical assistance, and supports ongoing education to sustain post-project gains.

## BEST PRACTICE RECOMMENDATIONS AND HOSPITAL ACTIONS

This toolkit captures consultant recommended best practices and strategies from SRHT and RHPI onsite hospital consultation projects. It also incorporates hospital actions for implementing the best practices and adopting successful strategies. The toolkit summarizes the recommendations and hospital actions, and presents them in a table format following the [PE Blueprint](#). Therefore, the toolkit is divided according to the seven PE framework components:

- Leadership
- Strategic planning
- Patients, partners and communities
- Measurement, feedback and knowledge management
- Workforce and culture
- Operations and processes
- Impact and outcomes

Recommendations are recognized as industry accepted best practices that improve rural hospital financial, operational and quality performance, and are also known strategies that support post-project gains and future growth. Hospitals operationalize consultant recommendations in various ways. The toolkit presents examples of how rural hospitals have implemented best practices and adopted successful strategies to operationalize the recommendations.

Successful hospital actions have been identified through post-project assessments called Recommendation Adoption Progress (RAP) reports. RAP findings reveal that hospitals experienced positive performance gains by implementing the best practices and adopting successful strategies. Hospital Chief Executive Officers (CEOs) reported that their hospitals are better positioned for the future as a result of operationalizing recommendations. These successful hospital actions are shared through [Performance Management Group \(PMG\) Calls](#) and [Hospital Spotlights](#), which are embedded in the toolkit as examples of how hospital teams implemented best practices.

Implementation of hospital wide best practices are key to ensuring that processes are in place for transitioning to a value-based system, and to prepare for various changes in both care delivery and payment. Key hospital best practices that improve financial, operational and quality performance are listed in Appendix B. Best practice recommendations and hospital actions are discussed in more detail in the toolkit.

## HOW TO USE THE SRHT TOOLKIT

This toolkit presents hospitals leaders with potential solutions to performance improvement opportunities and resolutions to strategy development dilemmas. This toolkit also illustrates how hospital leaders may develop a system approach to strategic planning. A system approach to strategic planning will be essential for leaders to effectively transition to a value-based system. While viewing the toolkit, leaders may consider the following questions:

- What success factors are missing in their operations;
- What best practices would help their hospital improve performance;
- How can strategies be organized into the framework to increase efficiency; and
- How have other rural hospitals taken action to improve performance and prepare for value payments?

This toolkit includes the PE Self-Assessment worksheet, which is provided in Table 1 below. The self-assessment format ties to the seven PE categories and incorporates questions that consider critical success factors. The self-assessment is designed to assist hospital executive teams with identifying performance improvement opportunities, as well as help them prioritize their actions through a use of a scoring system. The executive team should ideally complete the PE self-assessment

prior to utilizing the toolkit to ensure efficient planning and for effective strategy development.

The PE self-assessment grants the executive team the opportunity to evaluate their hospital's current capacity by rating each question on a scale of 1 to 4 (1: strongly disagree; 2: somewhat disagree; 3: somewhat agree; 4: strongly agree). Scores of 1 and 2 indicate possible service gaps and/or performance improvement opportunities, which should be considered priority areas by hospital leadership. Scores of 3 and 4 indicate that the executive team believes that their hospital is overall performing well within those areas. In this case where the evaluation results in scores of 3 and 4, the executive team should continue to apply the same approach to prioritizing questions. Therefore, the executive team should ideally consider focusing their efforts on the areas scored as 3 before planning to address those rated as a 4. If multiple performance improvement areas are identified through the evaluation process and determined to be priority for the hospital, then the executive team should ideally target *Leadership* and *Operations and Processes* first, since these sections are critical to long-term success.

The findings from the completed self-assessment can help direct the executive team's planning by providing them with a perspective from across the organization. The executive team should use the results along with the toolkit to identify best practice examples, resources and recommendations for supporting their hospital initiatives to improve performance and develop a plan for transitioning to a value-based system. The timeframe for implementing recommended best practices and adopting strategies will vary depending on the hospital's available resources, competences and priorities. Therefore, it is important for leaders to prioritize the findings from the PE-self assessment for effective planning. Leaders that are struggling to prioritize their hospital initiatives should consider targeting the key best practice recommendations listed in Appendix B first.

It should be noted that not all recommendations will be applicable to all hospitals or to a particular type of project. Recommendations presented in the toolkit have been removed from the context of the individualized hospital reports and summarized in general terms. Hospitals experience diverse outcomes, and the impact differs in magnitude between facilities. Outcomes are dependent upon the extent to which the hospital implements the consultant recommendations and embeds the best practices within their processes and culture.

Table 1: PE Blueprint Self-Assessment

<b>Leadership: Our Leadership team...</b>	<b>Strongly Disagree 1</b>	<b>Somewhat Disagree 2</b>	<b>Somewhat Agree 3</b>	<b>Strongly Agree 4</b>
Is aware of health <a href="#">industry trends and changes and how they may impact our facility</a>				
Understands need for systems approach in all aspects of our organization				
<a href="#">Provides ongoing education opportunities for board, internal leadership and managers</a>				
Aligns hospital and medical leadership around values, goals and strategies				
Empowers and motivates hospital employees to achieve performance excellence				
<b>Strategic Planning: Our Organization...</b>	<b>Strongly Disagree 1</b>	<b>Somewhat Disagree 2</b>	<b>Somewhat Agree 3</b>	<b>Strongly Agree 4</b>
<a href="#">Conducts meaningful strategic planning at least annually</a>				
Involves multiple stakeholders to ensure strategic plans reflect community needs				
<a href="#">Uses a systems framework for planning to ensure a holistic approach</a>				
Communicates the <a href="#">plan organization-wide in easy to understand language</a>				
<b>Patients, Partners and Communities Our organization...</b>	<b>Strongly Disagree 1</b>	<b>Somewhat Disagree 2</b>	<b>Somewhat Agree 3</b>	<b>Strongly Agree 4</b>
<a href="#">Measures and publicly reports data on patient satisfaction</a>				
<a href="#">Excels at customer services as shown by our comparative results on patient satisfaction</a>				
<a href="#">Engages in partnerships with larger systems or rural networks</a>				
<a href="#">Works collaboratively with other types of providers in our service area to improve transitions of care and care continuity</a>				
<a href="#">Collaborates with public and private organizations in the community to assess and improve the health of the population</a>				

<b>Measurement, Feedback and Knowledge Management</b> Our organization...	<b>Strongly Disagree</b> 1	<b>Somewhat Disagree</b> 2	<b>Somewhat Agree</b> 3	<b>Strongly Agree</b> 4
<a href="#">Uses a strategic framework to manage information (such as a Balanced Scorecard)</a>				
Evaluates strategic process regularly and shares information organization-wide				
<a href="#">Uses data to improve health and safety of patients in the service area</a>				
<b>Workforce and Culture</b> Our organization...	<b>Strongly Disagree</b> 1	<b>Somewhat Disagree</b> 2	<b>Somewhat Agree</b> 3	<b>Strongly Agree</b> 4
Supports <a href="#">development of a workforce</a> that is <a href="#">change ready and adaptable</a>				
Has an intense focus on staff development and satisfaction				
<a href="#">Supports ongoing staff skill building and education</a>				
Has developed a customer/patient focused staff culture				
<b>Operations and Processes</b> Our organization...	<b>Strongly Disagree</b> 1	<b>Somewhat Disagree</b> 2	<b>Somewhat Agree</b> 3	<b>Strongly Agree</b> 4
Has developed efficient business processes and operations in all areas				
<a href="#">Continually improves quality and safety</a>				
<a href="#">Uses technology appropriately to improve efficiency and quality</a>				
<a href="#">Ensures continuous process improvement is embedded in the culture</a>				
<b>Impact and Outcomes</b> Our organization...	<b>Strongly Disagree</b> 1	<b>Somewhat Disagree</b> 2	<b>Somewhat Agree</b> 3	<b>Strongly Agree</b> 4
<a href="#">Regularly documents and assesses outcomes and impact of the care and services we provide</a>				
Reports quality outcomes to federal agencies, community, staff and other stakeholders				
<a href="#">Benchmarks outcomes with peers and internally</a>				
<a href="#">Documents value in terms of cost, efficiency, quality, satisfaction and population health</a>				



## RURAL HOSPITAL TOOLKIT FOR TRANSITIONING TO VALUE-BASED SYSTEMS

Links to The Center and other nationally recognized health care organizations are embedded throughout the toolkit to provide direct access to various online resources, trainings, best practice tools and actual hospital examples.

PE Blueprint Components / Critical Success Factors	Best Practice Recommendations	How Hospitals Implement Best Practices	Tools & Resources
<p><b>Leadership</b></p> <ul style="list-style-type: none"> <li>• Educating and engaging the board regarding <a href="#">health industry trends and their potential impact on the organization</a></li> <li>• Empowering and motivating hospital employees to achieve performance excellence, focusing on a systems-based approach to</li> </ul>	<ul style="list-style-type: none"> <li>• Educate Board of Directors (BOD) on Triple Aim, health care reform, and value based purchasing <a href="#">to prepare to develop a strategic plan for transitioning the hospital</a> to <a href="#">population health</a> and participate in Accountable Care Organizations (ACO), patient centered medical homes, and shared savings programs.</li> <li>• Work with hospital association to provide BOD orientation (dependent upon state).</li> <li>• Utilize current resources available through state offices of rural health, hospital associations and <a href="#">National Rural Health Resource Center</a> to provide BOD and hospital staff education on current performance improvement and future trend topics impacting the hospital’s financial position and quality of care.</li> <li>• Align, partner and <a href="#">engage with primary care physicians</a> to include both employed providers and other primary care providers (PCP) in service area to position the hospital for future value based system. Focus on primary care network development, alignment with employed providers and continued relationship building with unaligned PCPs. Best-practice rural hospitals work to increase alignment strategies with their PCP by retaining them and through increased governance structures. Enhance contractual alignments with employed providers where applicable.</li> <li>• Evaluate primary care network expansion and primary care provider recruitment opportunities as supported by a supply</li> </ul>	<ul style="list-style-type: none"> <li>• Have regular retreats for leadership, including physicians and board, to regroup and refocus on goals and teamwork. Retreats and teambuilding are a great motivator.</li> <li>• “<a href="#">Coach up or out</a>” for leaders - identify leadership needs for improvement and create a clear expectation of development.</li> <li>• Coach and hold department managers accountable for business side of clinical departments</li> <li>• Target specific trainings needs for leadership development,</li> <li>• Run bi-weekly productivity reports and</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Missouri Delta Medical Center (MDMC) Approach to Preparing to Participate in an Accountable Care Organization (ACO)</a></li> <li>• <a href="#">Leadership and Balanced Scorecard Development</a></li> <li>• <a href="#">MDMC Financial Operational Assessment and ACO development</a></li> <li>• <a href="#">Board Development</a></li> </ul>

PE Blueprint Components / Critical Success Factors	Best Practice Recommendations	How Hospitals Implement Best Practices	Tools & Resources
<p>creating value</p> <ul style="list-style-type: none"> <li>• <a href="#">Aligning with primary care providers to develop a common vision, goals and initiatives focused on creating value</a></li> </ul>	<p>study to determine if it plan meets the community needs and service area population.</p> <ul style="list-style-type: none"> <li>• Develop relationships with specialist in key growth areas, for example orthopedics and general surgery, and grow services by partnering with area hospitals.</li> <li>• Develop <a href="#">physician contract</a> terms and productivity based on a Relative Value Unit (RVU) incentives, to (include incentives for quality, outcomes, improved patient experience, reduced cost, growth, panel size and timely chart completion.)</li> <li>• Build relationships and partner with the local community health center (<a href="#">FQHC</a>).</li> </ul>	<p>send to managers for review</p> <ul style="list-style-type: none"> <li>• Create a growth mentality that includes management team and the board members</li> <li>• Push responsibilities down to directors and managers and created accountability, which also allowed for the CEO to focus on picture issues such as growth</li> <li>• Ensure that directors and managers understand the line of sight and how much what they do impacts the overall hospital</li> <li>• Identify staff with leadership potential and begin grooming for leadership role prior to vacancy</li> </ul>	
<p><b>Strategic Planning</b></p> <ul style="list-style-type: none"> <li>• Participating in meaningful strategic planning at</li> </ul>	<ul style="list-style-type: none"> <li>• Develop a strategic framework to <a href="#">transition the hospital to value-based model</a> by developing a plan that addresses the 1) needs of providers to deliver care, 2) progression to a new payment system, and 3) mechanism to operationalize population health initiatives. (Refer to Appendix C)</li> </ul>	<ul style="list-style-type: none"> <li>• Have a functional strategic plan in place to guide the organization</li> <li>• Align strategic plan with updates and reporting in</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">A Blueprint for Rural Hospital Performance Excellence: One Hospital's</a></li> </ul>

PE Blueprint Components / Critical Success Factors	Best Practice Recommendations	How Hospitals Implement Best Practices	Tools & Resources
<p>least annually</p> <ul style="list-style-type: none"> <li>• <a href="#">Using a systems framework for planning to ensure a holistic approach</a></li> <li>• Communicating the strategic plan organization-wide in easy to understand language</li> </ul>	<ul style="list-style-type: none"> <li>• Develop a strategy map to execute and manage the plan, and to link operations to strategies for ongoing monitoring of performance. (</li> <li>• Use a <a href="#">Balanced Scorecard (BSC)</a> with defined operational objectives, key performance indicators (KPI) for measuring that objective and goal targets for each measure. Track and monitor outcomes to improve performance and identify opportunities. (Refer to <a href="#">Appendix E in the PE Blueprint</a> Small hospital BSC and download a <a href="#">template of a Network BSC.</a>)</li> <li>• Share scorecards / dashboards with the BOD, and include quality scores on BOD agendas.</li> <li>• Align department goals, objectives and metrics with the administration scorecard. Design the dashboard metrics at the department level to monitor targeted goals. Department metrics support the hospital wide PI / QI initiatives, and move both the hospital and department towards performance excellence.</li> <li>• The 65+ age cohort (primary users of rural hospitals) is expected to grow in the next five years. To support operations, hospitals should continue to focus on strategic volume growth and market share capture.</li> <li>• Create a strategic IT vision that goes beyond meaningful use to leverage IT resources, preferably in collaboration with affiliated system or network.</li> <li>• Develop a transition of care committee to meet with all community providers to include Area Agency on Aging, Home Health providers, EMS and others. Discuss and strategize how to meet community needs and determine type of support needed to include:</li> </ul>	<p>board and manager meetings</p> <ul style="list-style-type: none"> <li>• Tie incentives to reaching goals</li> <li>• Develop and implement a performance dashboard to measure and report items from strategic plan and make it actionable</li> <li>• Identify and track measurable goals for each component</li> <li>• Update the dashboard and post results</li> <li>• Provide monthly education to hospital and medical staff, and board</li> <li>• Develop and implement an incentive program for staff.</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Baldrige Experience</a></li> <li>• <a href="#">Strategic Planning at North Sunflower Medical Center</a></li> <li>• <a href="#">Marcum &amp; Wallace Memorial Hospital Performance Excellence</a></li> <li>• <a href="#">Spotlight on Missouri Delta Medical Center</a></li> <li>• <a href="#">Ste. Genevieve County Memorial Hospital Addresses Quality and Service</a></li> <li>• <a href="#">Madison Medical Center's Strategic, Financial and Operational Assessment</a></li> <li>• <a href="#">LaSalle General Hospital's</a></li> </ul>

PE Blueprint Components / Critical Success Factors	Best Practice Recommendations	How Hospitals Implement Best Practices	Tools & Resources
	<ul style="list-style-type: none"> <li>○ Assessment of readmissions and population health data</li> <li>○ <a href="#">Community lay health works</a></li> <li>○ Transportation to services</li> </ul>		<ul style="list-style-type: none"> <li>• <a href="#">Strategic, Financial and Operational Assessment</a></li> <li>• <a href="#">Medical Center Barbour's Strategic Planning and Benchmarking</a></li> </ul>
<p><b>Patients, Partners, and Communities</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Excelling at customer service</a></li> <li>• <a href="#">Exploring partnerships with larger systems or rural health networks</a></li> <li>• <a href="#">Forging partnerships with other types of providers in the service area</a></li> <li>• <a href="#">Engaging and educating the</a></li> </ul>	<ul style="list-style-type: none"> <li>• Develop <a href="#">affiliation strategies</a> with other larger / regional hospitals (Refer to Appendix D)</li> <li>• <a href="#">Coordinate with local provider network</a> to generate referrals for specialty services and other inpatient services due to importance of these revenue sources in a fee for service payment environment, at least during the transition period.</li> <li>• Evaluate primary care network expansion and provider recruitment opportunities to include specialist.</li> <li>• Work with medical staff to identify specific primary and specialty care needs to fill service gaps and align with community needs.</li> <li>• Work with local providers to educate the impact of out-migration and develop a relationship to receive patients instead of transporting / transferring patients to outside market area and treat patients locally.</li> <li>• Provide excellent customer service and improve patient satisfaction and quality of care by: <ul style="list-style-type: none"> <li>○ Improve <a href="#">patient communications</a> through staff training</li> <li>○ Design a patient admission orientation and discharge planning process that educates patients and their</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Identify and utilize a variety of modalities to “tell own story”-</li> <li>• Be creative about ways to spread message beyond newspaper, radio, Facebook, website.</li> <li>• Provide speakers bureau for community where speakers will go to the site to educate rather than expect community to come to hospital</li> <li>• Identify key formal and informal leaders in the community in a variety of groups and cultures and collaborate and partner with them often</li> <li>• Remind staff the role they play in “marketing”</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Marcum and Wallace Memorial Hospital’s Approach to Developing a Patient Centered Medical Home (PCMH)</a></li> <li>• <a href="#">LaSalle General Hospital Designs an Innovative Marketing Strategy</a></li> <li>• <a href="#">Franklin Medical Center Improves HCAHPS and Core Measures</a></li> <li>• <a href="#">Union General Hospital</a></li> </ul>

PE Blueprint Components / Critical Success Factors	Best Practice Recommendations	How Hospitals Implement Best Practices	Tools & Resources
<a href="#">community to improve overall health</a>	<p>families about what they should expect from the care provided, how they are involved in the care they receive during the hospital stay and at discharge, and build awareness of other services available locally, to improve quality of care, transition of care, and <a href="#">community care coordination</a>. Refer to the <a href="#">Care Coordination toolkit</a> for additional guidance for development;</p> <ul style="list-style-type: none"> <li>○ Implement CEO rounding for all new admissions;</li> <li>○ Do <a href="#">hourly rounding</a> using <a href="#">6Ps or 7Ps</a> with the CNO or DON to document on daily rounding;</li> <li>○ Use <a href="#">white boards to improve communications</a> with the patient. Refer to the <a href="#">STAAR guide</a> for more information on white boards. Use in conjunctions with <a href="#">bedside shift Report</a>;</li> <li>○ Provide <a href="#">Stoplight patient education</a> based on diagnosis to improve patient communication. Examples – <a href="#">Diabetes</a> and <a href="#">Asthma</a>;</li> <li>○ Use <a href="#">‘teach back method’</a> to educate patients about medication and how to manage their disease / care at home;</li> <li>○ Enforce <a href="#">no pass zones</a></li> <li>● Market rehabilitation therapies services to clinic providers, the community, case managers, orthopedic surgeons and local schools to build community awareness.</li> <li>● Market imaging and laboratory services to local providers and community to build awareness.</li> <li>● Develop marketing program for new specialty services to grow volume.</li> </ul>	<p>their hospital and make sure staff are educated about services in the hospital so they can speak to and promote to neighbors, church, family, etc.</p> <ul style="list-style-type: none"> <li>● Communicate proactively with community about changes including those that might be perceived as negative such as hospital doing more upfront collections</li> <li>● Place someone in charge of marketing. If position can't be a full-time then designate a proportion of someone's time</li> <li>● Ensure that leaders (CNO, Quality Director, etc.) round daily on patients</li> <li>● Send thank you notes to patients</li> <li>● Have Pharmacists visit each patient to talk about medication and side effects</li> </ul>	<p><a href="#">Increases Outreach with Community Health Needs Assessment Project</a></p> <ul style="list-style-type: none"> <li>● <a href="#">Care Coordination Comparative Matrix: Examples of rural health networks and how they are developing value-based</a></li> </ul>

PE Blueprint Components / Critical Success Factors	Best Practice Recommendations	How Hospitals Implement Best Practices	Tools & Resources
	<ul style="list-style-type: none"> <li>• Focus marketing strategy on quality to build community awareness and increase transparency. Market high quality scores to build community awareness of quality and educate community on care competencies as compared to competitors.               <ul style="list-style-type: none"> <li>○ Leverage high quality and outcomes scores as a point of competitive differentiation for regional service marketing purposes and as a competitive asset.</li> </ul> </li> <li>• <a href="#">Prepare for Population Health Management</a>:               <ul style="list-style-type: none"> <li>○ Participate in a <a href="#">Patient Centered Medical Homes (PCMH) recognized through NCQA</a> or a similar model. Medical home models may allow hospitals to be reimbursed at potentially higher levels for standard primary care through participation in per member per month or other payment incentives.</li> <li>○ Use data to identify key populations that are responsible for large impact on the hospital and community to initiate population health planning and integrate population health initiatives as part of hospital strategy. Hospitals will be required to hot-spot high utilization patients, and to develop the value attribution model to recognize population health management efforts on hospital's financial statements.</li> <li>○ Use <a href="#">Community Health Status Indicators (CHSI 2015)</a> to initiate the population identification process</li> <li>○ Develop a care management infrastructure starting with claims analysis of hospital insured employees. (Consider using self-funded employee health plan to pilot population health interventions such as disease management programs to manage overall benefits costs</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Have a patient relations employee to greet and help patients and guests coming to the hospital</li> <li>• Post a visual of MBQIP and HCAHPS data in hallway / key traffic areas in hospitals</li> <li>• Provide staff education on customer service</li> <li>• Host monthly education for all staff,</li> <li>• Create a customer service hospital committee with department representatives</li> <li>• Tie Community Health Needs Assessment (CHNA) information into strategic planning and communicate this to the community</li> <li>• Create a Foundation for the hospital</li> <li>• When patients are transferred to other hospitals for care, contact patient and</li> </ul>	

PE Blueprint Components / Critical Success Factors	Best Practice Recommendations	How Hospitals Implement Best Practices	Tools & Resources
	<p>and learn how to provide high-quality, low-cost health care to sell to external markets.)</p> <ul style="list-style-type: none"> <li>○ Use claims analysis results to begin employee and patient education.</li> </ul>	<p>hospital to educate about recovery opportunities such as swing bed that are available locally</p> <ul style="list-style-type: none"> <li>• Be open and creative about developing partnerships with those outside of health care. Consider schools, businesses, churches, etc.</li> </ul>	
<p><b>Measurement, Feedback and Knowledge Management</b></p> <ul style="list-style-type: none"> <li>• Use a systems framework to manage information and strategic knowledge</li> <li>• <a href="#">Evaluate strategic progress</a> regularly and sharing information organization-wide</li> </ul>	<ul style="list-style-type: none"> <li>• Use a color-coded hospital-wide dashboard to illustrate strategic plan to determine performance improvement opportunities and gains.</li> <li>• Publically post the quality scores and share the scorecards with medical and hospital staff and BODs. Share hospital wide, and department scorecards with staff at regular meetings and use scorecards to drive department meetings.</li> <li>• Utilize storytelling and storyboards as methods to build organizational awareness of the importance and urgency of change.</li> <li>• Implement conversational techniques between staff and patients <a href="#">to engage patients to improve quality of care</a> and outcomes, and to increase patient satisfaction. Also include key concepts within the HCAHPS questions without actually sharing the survey question(s) with the patient, which isn't allowable. Conversations may be initially scripted to <a href="#">guide and educate staff</a> in this process. For example,</li> </ul>	<ul style="list-style-type: none"> <li>• Create and use a dashboard that is simple and manageable.</li> <li>• Use data for immediate planning to address issues</li> <li>• Post data for patients and customers to see</li> <li>• Post data for staff to see</li> <li>• Highlight and celebrate successes.</li> <li>• Involve Medical and hold accountable based on measurable data</li> <li>• Use data to make-decisions about adding or discontinuing services</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Quality Improvement Panel</a></li> <li>• <a href="#">Pinckneyville Community Hospital Celebrates Accomplishments from Balanced Scorecard Development</a></li> </ul>

PE Blueprint Components / Critical Success Factors	Best Practice Recommendations	How Hospitals Implement Best Practices	Tools & Resources
<ul style="list-style-type: none"> <li>Gather and use data to improve health and safety of patients in the service area</li> </ul>	<ul style="list-style-type: none"> <li>Share with the patient the hospital’s goal to provide excellent quality of care and the staff’s intention to meet the patient’s expectations;</li> <li>Ask the patient to indicate when expectations are not being met so the hospital can take action immediately;</li> <li>Inform the patient at discharge that they may be selected for a survey. Show the patient the survey envelope and say that the hospital greatly appreciates all patient’s feedback so that staff may improve services;</li> <li>Discuss discharge plan with patient to ensure that they have what they need at home and include conversations regarding financial concerns, and medications.</li> </ul>	<ul style="list-style-type: none"> <li>Enlist physician or hospitalist’s help to review transfer to determine cases that could have been treated locally</li> </ul>	
<p><b>Workforce and Culture</b></p> <ul style="list-style-type: none"> <li>Develop a workforce that is change ready and adaptable</li> <li><a href="#">Create a culture that is patient focused and customer driven</a></li> <li>Nurture ongoing <a href="#">staff</a></li> </ul>	<ul style="list-style-type: none"> <li>Create a culture of excellence for quality of care and patient safety through increased IT system training and integration of IT resources into clinical operations.</li> <li>Post patient satisfaction scores and core measures (and/or <a href="#">MBQIP) scores</a> in all departments on a weekly or monthly basis.</li> <li>Nurture a quality culture by: <ul style="list-style-type: none"> <li>Integrating quality improvement culture;</li> <li>Setting a target goals for quality measures and patient satisfaction scores;</li> <li>Including quality scores and process improvement discussions in weekly manager and department meetings and daily huddles;</li> <li>Developing a “patient experience team” that reviews all scores and action plans;</li> <li>Posting scores publically for greater transparency.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Consider needed skillsets when interviewing and hiring rather than just automatically replacing position. For example, seek out RN with ER skillset when hiring for floor nurse.</li> <li>Provide incentives for accomplishments in the hospital</li> <li>Build a stronger relationship with staff and medical groups by holding regular meetings and hosting team</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Culture Management</a></li> <li><a href="#">Spotlight on Tallahatchie General Hospital</a></li> <li><a href="#">Tallahatchie General Hospital Educates Staff Utilizing Recorded HELP Webinars</a></li> <li><a href="#">Spotlight on Culture Management</a></li> <li><a href="#">Union General Hospital's</a></li> </ul>



PE Blueprint Components / Critical Success Factors	Best Practice Recommendations	How Hospitals Implement Best Practices	Tools & Resources
<a href="#">development and retention</a>	<ul style="list-style-type: none"> <li>• Use InterQual admission criteria as a means to educate ED physicians on admission criteria and improve processes.</li> <li>• Educate medical and hospital staff on core measure and HCAHPS to build awareness and understanding of how to <a href="#">engage the patients</a>.</li> <li>• Implement weekly or monthly scheduled staff educational trainings.</li> <li>• Develop script for employees having patient contact at time of discharge to promote patient surveys.</li> <li>• Train nursing staff to use '<a href="#">Teach back method</a>' to improve communications with patients.</li> <li>• Create department accountability through the use of metrics and key performance indicators.</li> <li>• Implement an employee orientation program to include competency testing for all new hires.</li> </ul>	<p>building activities such as special luncheons.</p> <ul style="list-style-type: none"> <li>• Eliminate positions that are no longer supported by census, rather than continuing to call staff off</li> <li>• Create a staff recognition program tied to patient experience that supports and reinforces the hospital brand</li> </ul>	<a href="#">Customer Service Training</a>
<p><b>Operations and Processes</b></p> <ul style="list-style-type: none"> <li>• Develop <a href="#">efficient business processes</a> with a particular focus on <a href="#">revenue cycle management (RCM)</a></li> <li>• <a href="#">Continually improve</a></li> </ul>	<ul style="list-style-type: none"> <li>• Ensure long-term financial viability of <a href="#">CAHs</a> and <a href="#">PPS facilities</a> by: <ul style="list-style-type: none"> <li>○ Building department accountability through education of department managers to increase understanding of financial management;</li> <li>○ Build department accountability by involving managers in operational financial management through departmental budget preparation and ongoing monthly revenue and expense variance reporting;</li> <li>○ Investing in facilities and technology;</li> <li>○ Expanding primary care services;</li> <li>○ Controlling expenses;</li> <li>○ Increasing service revenue</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Dig down into processes that dissatisfy patients or staff to see if there is a better way to do it.</li> <li>• For business office practices concerning sensitive issues such as increasing POS collections, provide lots of training, scripting, and follow up to staff</li> <li>• Create a report to show items such as cash collections, error list per</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Guadalupe County Hospital's Approach to Improving Quality of Care and Community Care Coordination</a></li> <li>• <a href="#">Financial and Operational Assessments</a></li> <li>• <a href="#">Future Hospital Finance Panel</a></li> </ul>

PE Blueprint Components / Critical Success Factors	Best Practice Recommendations	How Hospitals Implement Best Practices	Tools & Resources
<p><a href="#">quality and patient safety processes</a></p> <ul style="list-style-type: none"> <li>• <a href="#">Maximize information technology to improve both efficiency and quality</a></li> </ul>	<ul style="list-style-type: none"> <li>○ Expanding services based on community needs;</li> <li>○ Continuing to grow volume, and</li> <li>○ Developing a plan for transitioning to value based system.</li> <li>• Improve operating profitability and organizational liquidity in preparation for transitioning to value based system by: <ul style="list-style-type: none"> <li>○ Growing volume and revenue through increased utilization of specialty, acute and ancillary services, and;</li> <li>○ Increasing referrals and primary care network development and alignment.</li> </ul> </li> <li>• Improve revenue cycle management and business office (BO) processes by: <ul style="list-style-type: none"> <li>○ Track and monitor KPIs to drive performance and department meetings (See <a href="#">RCM Best Practice Manual</a> for KPIs and strategies of revenue cycle performance improvement).</li> <li>○ Hold weekly <a href="#">revenue cycle meetings</a>;</li> <li>○ Develop <a href="#">policy and procedures for BO</a> processes, particularly POS collections and <a href="#">charity care</a> (see example <a href="#">charity care policy</a>).</li> <li>○ Implement <a href="#">process to regularly review and update the charge master</a>;</li> <li>○ <a href="#">Develop competitive pricing strategies</a> and adjusting current fees to within 125%-150% target levels of Medicare pricing as a PPS hospital</li> <li>○ <a href="#">Re-negotiate fees with commercial payers</a> targeting minimum of 120% of Medicare</li> </ul> </li> </ul>	<p>clerk and follow up with support geared towards improvement</p> <ul style="list-style-type: none"> <li>• Follow up with department heads about every late charge</li> <li>• Create utilization review (UR) processes that are clear and consistent and include someone responsible for handling UR 24/7</li> <li>• Respond quickly when a process isn't followed</li> <li>• Include Health Information Management (HIM) department in all strategies to improve patient safety and outcomes. HIM should be the backbone of patient safety</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Emergency Department Assessment</a></li> <li>• <a href="#">Care Management &amp; Transitions of Care Process Improvement</a></li> <li>• <a href="#">Medical Center Barbour Prepares for the Future with Financial and Operational Assessment</a></li> <li>• <a href="#">Sparta Community Hospital Improves Care Transitions</a></li> <li>• <a href="#">Methodist Hospital Union County Seeking to "Super Satisfy" Patients with Emergency Department Operations Assessment Project</a></li> </ul>

PE Blueprint Components / Critical Success Factors	Best Practice Recommendations	How Hospitals Implement Best Practices	Tools & Resources
	<ul style="list-style-type: none"> <li>○ Establish a best practice minimum payment plan with determined amount at the balance divided by 12 months</li> <li>○ Develop a procedure to ensure that bad debt claims between 120-150 days old are returned from the collection agency so that bad debt amounts can be included on the cost report for reimbursement. Combined bad debt and charity care levels should be targeted for improvement to best practice levels of 9% of gross revenue. (Best practice hospitals write off patient accounts once they have been sent to collections at no more than 120 days).</li> <li>○ <a href="#">Prepare for ICD-10 implementation deadline</a>. Refer to <a href="#">CMS ICD-10 readiness page for requirements</a>.</li> <li>● Target <a href="#">swing-bed</a> ADC at a minimum of 4.0 (best practice level) since it provides <a href="#">access to care within the community</a> and supports <a href="#">volume growth opportunity for the hospital</a>. Grow swing-bed volume by marketing to the community as 'rehabilitation services' and educating physicians. Track surgeries and ED transfers to return the patient to the rural hospital. Refer to <a href="#">Medicare Billing Information for Rural Providers and Suppliers</a>.</li> <li>● Implement best practice ER redirect program and processes for POS collections. Once patients are deemed non-urgent and <a href="#">EMTALA</a> requirements are met, ER nurses escort patients back to registration before the physicians provide final services and prescriptions. Patients are offered payment options for continuation of treatment within the ER or redirected and/or scheduled to a more appropriate OP clinic care setting. Best performers require down payment of \$100</li> </ul>		<ul style="list-style-type: none"> <li>● <a href="#">Holmes County Hospital and Clinics Uses Lean to Improve Emergency Department</a></li> <li>● <a href="#">Reeves Memorial Medical Center Focusing on Chronic Disease Program to Decrease Readmissions</a></li> <li>● <a href="#">Richland Parish Hospital Experiencing Important Outcomes from a Business Office Assessment Project!</a></li> <li>● <a href="#">Pointe Coupee General Hospital Improves Emergency Services!</a></li> <li>● <a href="#">Jackson Medical Center</a></li> </ul>

PE Blueprint Components / Critical Success Factors	Best Practice Recommendations	How Hospitals Implement Best Practices	Tools & Resources
	<p>to be treated as non-urgent in the ED and include assistance with <a href="#">patient enrollment in Insurance/Medicaid</a>. ER-redirect programs reduce over utilization of ER services and costs, and initiate a process that directs patients to the clinic, which provides an initial start to coordinating local primary care services. Consider changing the name to walk-in or urgent care to create alternative primary care.</p> <ul style="list-style-type: none"> <li>• Develop an innovative <a href="#">hospitalist model</a> that leverages ED physicians with a goal to create relief for PCP(s).</li> <li>• Ensure that registration has completed the pre-certification calls for non-Medicare patients.</li> <li>• Increase compliance with Medicare by implementing a process to provide the <a href="#">Advanced Beneficiary Notice of Non-coverage (ABN)</a> to Medicare patients in situations where Medicare payment is expected to be denied. <ul style="list-style-type: none"> <li>○ Ensure that an <a href="#">Important Medicare Message (IMM)</a> letter is given and explained to the Medicare patients on admission to IP and prior to discharge.</li> <li>○ Ensure that "<a href="#">HINN letters (Hospital-Issued Notices of Non-coverage) were given</a> is give and explained to Medicare patients prior to admission, at admission, or at any point during an inpatient stay if the hospital determines that the care the beneficiary is receiving is not covered because it is not medically necessary".</li> </ul> </li> <li>• <a href="#">Improve utilization review processes</a> to ensure that patients are <a href="#">placed in the appropriate level of care</a> when admitted as an inpatient (IP), review physician documentation to clarify why the patient is in <a href="#">IP versus Observation</a> to include an explanation for why the patient will need a <a href="#">2 midnight (MN) stays</a>, what is the risk of discharge, and what are the</li> </ul>		<p><a href="#">Improves Case Management Processes</a></p> <ul style="list-style-type: none"> <li>• <a href="#">Muhlenberg Community Hospital's ED Operational Assessment</a></li> </ul>

PE Blueprint Components / Critical Success Factors	Best Practice Recommendations	How Hospitals Implement Best Practices	Tools & Resources
	<p>comorbidities impacting the need for an IP stay of 2MN or greater.</p> <ul style="list-style-type: none"> <li>• Ensure that Medicare patients understand that they are in an Observation status since it is an outpatient (OP) service, and therefore, are responsible to pay 20% of the bill.</li> <li>• Apply <a href="#">condition code 72</a> on the 1-day IP stay when applicable signifying that the patient already had 1 MN as an OP.</li> <li>• Implement a daily chart review process to ensure medical necessity criteria is met.</li> <li>• Apply <a href="#">condition code 44</a> for patients that are admitted to IP but then determined as not meeting IP criteria afterwards.</li> <li>• Develop and implement a policy to notify Medicare patients in writing that they did not meet IP criteria and that they are now in Observation status, which requires them to be financially responsible for the OP co-pay.</li> <li>• Implement <a href="#">concurrent coding</a> and educate UR nurse / care management team on <a href="#">ICD-10</a> to increase accuracy and efficiency in medical necessity documentation and billing.</li> <li>• Adopt IHI, AHRQ, Medicare, Joint Commission, and AHA suggested processes and implement their tools and worksheets to improve care management, discharge planning, transitions of care processes, quality of care and scores, and to reduce readmissions and manage chronic disease. Protocols and tools include: <ul style="list-style-type: none"> <li>○ <a href="#">IHI SMART Discharge Protocol toolkit</a>, which includes downloadable <a href="#">protocol PowerPoint</a>, <a href="#">discharge forms</a>, <a href="#">self-learning packet</a>, and SMART FAQ form;</li> <li>○ <a href="#">Re-Engineered Discharge (RED) Toolkit</a>;</li> </ul> </li> </ul>		

PE Blueprint Components / Critical Success Factors	Best Practice Recommendations	How Hospitals Implement Best Practices	Tools & Resources
	<ul style="list-style-type: none"> <li>○ <a href="#">Whole-Person Assessment</a>;</li> <li>○ <a href="#">Taking Care of Myself website</a> and <a href="#">guide for When I Leave the Hospital</a>;</li> <li>○ <a href="#">Improving transition from hospital to community setting to reduce avoidable re-hospitalizations</a> – developed as part of <a href="#">STAAR initiative</a>;</li> <li>○ <a href="#">Your Discharge Planning Checklist</a>;</li> <li>○ <a href="#">STAAR Readmissions Diagnostic Worksheet A and B</a> to evaluate review the last five re-hospitalizations and for interviews with patients, family members, and care team members;</li> <li>○ <a href="#">Implementation Guide to Reduce Avoidable Readmission</a>;</li> <li>○ <a href="#">Partnerships for Patient resources and tools</a> for care management and transition of care.</li> <li>○ <a href="#">Transitions of Care: The need for a more effective approach to continuing patient care</a></li> <li>● Involve the <a href="#">patient and family</a> in the discharge planning process. All patient discharge planning documentation should be charted to include the completion of a risk assessment at discharge</li> <li>● Complete a risk for readmission assessment early during the patient stay to assist in developing a sustainable discharge plan and use the information during the am rounds.</li> <li>● Complete post-discharge plan based on patient’s risk level and schedule post-discharged PCP appointment based on risk assessment.</li> </ul>		

PE Blueprint Components / Critical Success Factors	Best Practice Recommendations	How Hospitals Implement Best Practices	Tools & Resources
	<ul style="list-style-type: none"> <li>Discuss the outcome of the discharge risk criteria and readmission risk assessment at the <a href="#">am huddles</a> with the provider.</li> <li>Prevent admissions and reduce adverse event by implementing '<a href="#">IDEA Discharge Planning</a>' and <a href="#">improving care transition from hospital to home</a>.</li> <li>Use <a href="#">Modified LACE Tool</a> to <a href="#">assess patients' risk of readmissions for CAHs</a> and PPS facilities.</li> </ul>		
<p><b>Impact and Outcomes</b></p> <ul style="list-style-type: none"> <li>Publically report and communicate outcomes broadly</li> <li><a href="#">Document value in terms of cost, efficiency, quality, satisfaction and population health</a></li> </ul>	<ul style="list-style-type: none"> <li>Use <a href="#">IHI Plan Do Check Act (PDCA)</a> process to determine opportunities to improve and modify processes.</li> <li>Use <a href="#">Root Cause Analysis (RCA) tool</a> to trace a problem to its origins and help determine the most appropriate action plan</li> <li>Use <a href="#">Lean Process planning</a> to improve performance and measures, and gain better understanding of the issue(s). Apply <a href="#">Value-Stream Mapping and 5S worksite organization</a>, and build a <a href="#">lean culture with measurements</a>.</li> <li>Invest in external benchmarking resources to assist units in targeting improvement opportunities through benchmarks.</li> <li>Utilize existing staffing methodologies to right-size staffing.</li> <li>Utilize OR statistics such as turnaround time and block utilization to improve surgeon performance and OR efficiency.</li> <li>Track in the ED measures by physician to include left without being seen (LWBS), door to admit time, and door to provider time. Best practice rural hospitals targets 17 minutes for door to provider median time and ED admission rates (percent of ED visits) between 7% and 10%.</li> <li>Track nurse productivity by floor to determine opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>Create a "brand" with a tagline that is used across all services</li> <li>Be very visible in community by telling the hospital story</li> <li>Use a variety of sources to highlight hospital successes on a regular basis</li> <li>Create a strong discharge planning and transition of care process that is multi-departmental</li> <li>Create a strong discharge follow up process which reaches out to the patient within 48-72 of discharge</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Union General Hospital "It's a Girl Thing: Making Proud Choices"</a></li> <li><a href="#">St. James Parish Hospital's Lean Project a Success</a></li> </ul>

PE Blueprint Components / Critical Success Factors	Best Practice Recommendations	How Hospitals Implement Best Practices	Tools & Resources
	<ul style="list-style-type: none"> <li>• Track, monitor, benchmark and report <a href="#">MBQIP measures</a>, if CAH, to improve quality of care and scores. Refer to the <a href="#">MBQIP Guide</a> for more information.</li> <li>• Track, monitor, benchmark and report <a href="#">Core Measures</a> to improve <a href="#">quality of care and scores</a>.</li> <li>• Track, monitor, benchmark and report <a href="#">HCAHPS</a> to improve <a href="#">patient satisfaction</a>. Compare your hospital's results to nearby facilities through online resources such as <a href="#">Hospital Compare</a>. Target core measures at 100% and patient satisfaction scores to improve to being the highest score amongst competitors within the region.</li> <li>• Target observation days as a percentage of total acute days at rural hospital best practice range of 15% to 25%</li> <li>• Track and monitor the key utilization review (UR) Indicators to improve care management / UR processes to include: <ul style="list-style-type: none"> <li>○ Number of admissions and days for IP and Observation</li> <li>○ Average Length of Stay (ALOS) for the fiscal year to date (FYTD) for all payors and Medicare only for both acute and Observation</li> <li>○ Quantify percentage of patients placed in the correct level of care at arrival</li> <li>○ Number of patients changed from IP to Observations and vice versa</li> <li>○ Number of patients and days not meeting any criteria</li> <li>○ One (1) day IP stays due to 1st MN being in ED or Observation</li> <li>○ One (1) day IP stays that were admitted to IP and remained as IP until discharge the next day</li> </ul> </li> </ul>		



PE Blueprint Components / Critical Success Factors	Best Practice Recommendations	How Hospitals Implement Best Practices	Tools & Resources
	<ul style="list-style-type: none"> <li>○ Day in overage (past GMLOS - Geometric Mean Length of Stay)</li> <li>○ Number of patients who were provided a (<a href="#">HINN letters (Hospital-Issued Notices of Non-coverage)</a> for non-coverage</li> <li>○ Percent of patients who did not received the <a href="#">Important Medicare Message (IMM)</a> for IP and Observation Status letter for others</li> <li>● Track and monitor the key readmission indicators to improve discharge planning and care management processes to include: <ul style="list-style-type: none"> <li>○ Number of readmissions to IP in 30 days or less to include: <ul style="list-style-type: none"> <li>○ Number of readmissions from an acute discharge</li> <li>○ Number of readmissions from a swing bed discharge</li> <li>○ Number of readmissions from a home D/C – no HH</li> <li>○ Number of readmissions from a nursing home discharge (SNF or LTC) – total and by nursing facility</li> <li>○ Number of readmissions from a Home Health discharge – total and by Home Health system</li> <li>○ Number of patients discharged with palliative care or hospice</li> <li>○ Numbers by physicians</li> </ul> </li> </ul> </li> </ul>		

# APPENDICES

## Appendix A: Performance Excellence (PE) Blueprint

### What is the PE Blueprint?

With the support of FORHP, The Center developed the Rural Hospital [Performance Excellence \(PE\) Blueprint](#) in 2013. The PE Blueprint provides rural hospital leaders a comprehensive systems approach to improving performance and achieving organizational excellence. The [PE Blueprint](#) provides rural hospital leaders a system approach to improving performance and achieving organizational excellence.

PE Blueprint is based on the [Baldrige Framework for health care criteria](#). According to Baldrige, a performance excellence framework helps hospital leaders to manage all the components of their organization as a unified whole, so that plans, processes, measures, and actions are consistent.<sup>2</sup> The Baldrige framework is based on core values and concepts that represent beliefs and behaviors found in high-performing organizations. Baldrige has become a nationally recognized approach to performance and quality improvement. Currently, the national and state Baldrige quality awards presented annually to the highest achievers in various industries represent the highest achievement in organizational excellence.

The fundamental concept behind the PE Blueprint and the Baldrige criteria is that hospitals need to manage a diverse set of critical success factors to achieve and sustain excellence. These factors and strategies are categorized into seven key components of strategy planning and include the following:

- Leadership
- Strategic Planning
- Patients, partners and communities
- Measurement, feedback and knowledge management
- Workforce and culture
- Operations and processes
- Impact and outcomes

The [PE self-assessment tool](#) is specifically designed for small rural hospitals because it simplifies the [Baldrige Performance Excellence model](#). The PE self-assessment tool is applicable to the needs of small rural hospitals because it targets the most critical areas of performance and quality improvement and process changes. The PE Blueprint and self-assessment tool grants hospital leaders an opportunity to identify strengths, gaps and performance improvement opportunities.

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<sup>2</sup> [Baldrige Framework for health care criteria](#)

## How Does PE Blueprint Support Hospitals Transitioning to Value Based System?

Rural hospitals navigating from the current volume-based payment system to the emerging value-based purchasing need to manage a number of critical success factors, which can be incorporated into an action plan built around the categories in the PE Blueprint. Leadership, for example, must be both informed and aligned with the basic strategies of change. A comprehensive strategic plan must be crafted outlining the progression into value and population health. Partners must be identified and then become part of a seamless continuum of local health services, and the community must be actively engaged. Patient and population health information must be generated, analyzed and then acted upon to improve quality and overall health. The hospital workforce needs to be engaged in the change processes, must develop new skills and must understand the 'why' of change. The efficiency of hospital financial, clinical and operational processes must be maximized. Moreover, outcomes and impact must be documented and reported to establish a persuasive value statement.

The seven Baldrige categories in the Blueprint are not separate, but rather are interdependent. Success or failure in one will have impact, either positively or negatively, on the others. **Figure 1** below illustrates how the seven components are intertwined to impact quality of care, financial performance and overall operations.

The PE Blueprint enables the measurement of the most successful determinants of predicted outcomes. Results in all seven categories are measured regularly, and information is fed back to hospital leaders for ongoing improvement. Rural hospitals generally are not short of information; rather they have so much information they often struggle to sort the important strategic information from the less important. The PE Blueprint helps to sort the hospital information to answer the questions: Are we making progress toward this important goal?; and, what can we do now to improve the performance of any strategy that is producing results that are under target?

The PE Blueprint assists hospital leaders in mapping strategies to target performance improvement opportunities and position the hospital for the future. Rural hospitals navigating from the current volume-based payment system to the emerging value-based purchasing need to manage a number of critical success factors. The PE Blueprint provides rural hospital leaders a mechanism to effectively coordinate and manage the information for the transition process, and thereafter.

**Figure 1: Components of the Performance Excellence (PE) Blueprint**



Modified from [Baldrige Framework](#)

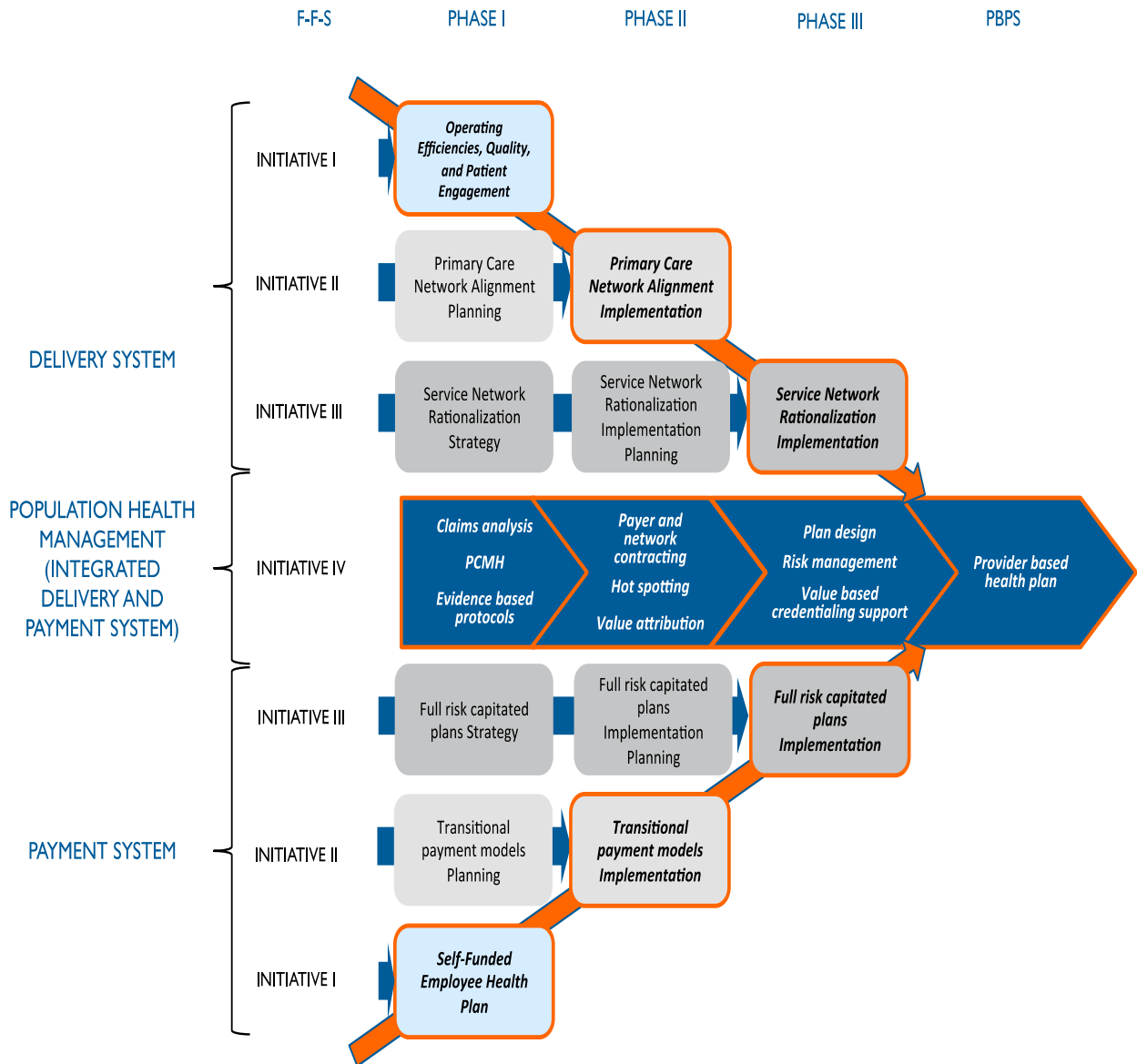
## Appendix B: Key Best Practice Recommendations

Baldrige Component	Key Best Practice Recommendations	Common Hospital Outcomes Due to Implementation of Recommendations
Leadership	<ul style="list-style-type: none"> <li>• Build awareness and greater understanding of new payment and care delivery models with the board of Directors (BOD) and hospital and medical staff</li> <li>• Include quality on the BOD reports</li> <li>• Align, partner and engage with primary care physicians</li> <li>• Build relationships with other providers</li> </ul>	<ul style="list-style-type: none"> <li>• Developed leadership, including mid-level leaders within the hospital</li> <li>• Increased accountability of leaders for their departments</li> </ul>
Strategic planning	<ul style="list-style-type: none"> <li>• Develop a Patient Centered Medical Home (PCMH) or similar model to prepare for care coordination, or become a part of one</li> <li>• Collaborate with physicians and other provides to increase readiness to market changes and the opportunity to participate in an ACO</li> <li>• Align with primary care providers through the contractual, functional, and governance relationship</li> <li>• Develop affiliation strategies with other facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Prepared for a new health care system and payments</li> <li>• Created a foundation for successfully moving forward in areas of community health management and value-base reimbursement</li> </ul>
Workforce and culture	<ul style="list-style-type: none"> <li>• Develop a culture of excellence throughout the hospital by making quality everyone’s responsibility and include the BOD</li> </ul>	<ul style="list-style-type: none"> <li>• Improved collaboration between the leadership, management teams and BOD</li> <li>• Created a culture of quality and a focus on excellence</li> <li>• Encouraged and empowered mid-level management and front-line staff education</li> </ul>
Operations and processes	<ul style="list-style-type: none"> <li>• Implement industry accepted best practices to improve operating efficiencies, quality of care and the financial position of the hospital</li> </ul>	<ul style="list-style-type: none"> <li>• Improved medical necessity documentation, and utilization review as well as discharge planning</li> <li>• Developed new or implemented changes to current processes to improve operations and quality of care</li> <li>• Grew volume and expanded services</li> </ul>

Baldrige Component	Key Best Practice Recommendations	Common Hospital Outcomes Due to Implementation of Recommendations
		<ul style="list-style-type: none"> <li>• Created new service lines</li> <li>• Implemented new programs such as the 340B Drug Pricing Program</li> </ul>
Measurement, feedback and knowledge management	<ul style="list-style-type: none"> <li>• Implement a dashboard such as a Balance Scorecard or Performance Model for measuring and monitoring quality and performance hospital wide</li> </ul>	<ul style="list-style-type: none"> <li>• Created new, actionable dashboards with better use of metrics</li> <li>• Built accountability for department managers</li> </ul>
Patients, partners and communities	<ul style="list-style-type: none"> <li>• Partner and align with physicians to secure primary care lives</li> <li>• Develop affiliation strategies with a system or join a network</li> <li>• Align health services with community needs</li> </ul>	<ul style="list-style-type: none"> <li>• Improved community and patient perception of the hospital and its services</li> <li>• Improved collaboration and communication with physicians</li> </ul>
Impact and outcomes	<ul style="list-style-type: none"> <li>• Track and monitor key financial performance indicators (KPI) for all departments</li> <li>• Track and monitor key quality indicators</li> <li>• Publically report to Medicare Beneficiary Quality Improvement Project (MBQIP), if CAH, or Hospital Compare, if PPS facility</li> <li>• Use claims data to identify key populations within their service area that have the greatest impact on the hospital</li> <li>• Initiate strategy development for population health management based on identified key populations and their health needs</li> </ul>	<ul style="list-style-type: none"> <li>• Improved the financial position of the hospital</li> <li>• Improved quality of care, satisfaction scores, reporting and transparency</li> <li>• Prepared for transition to population health management</li> </ul>

## Appendix C: Population Health Transition Framework

This framework is designed to assist hospitals in developing a plan for transitioning from a volume-based system to population health models, where payment is determined by value and quality. Strategies must be developed and initiated simultaneously to address the delivery and payment systems, along with the integration of the population health management approach.<sup>3</sup>

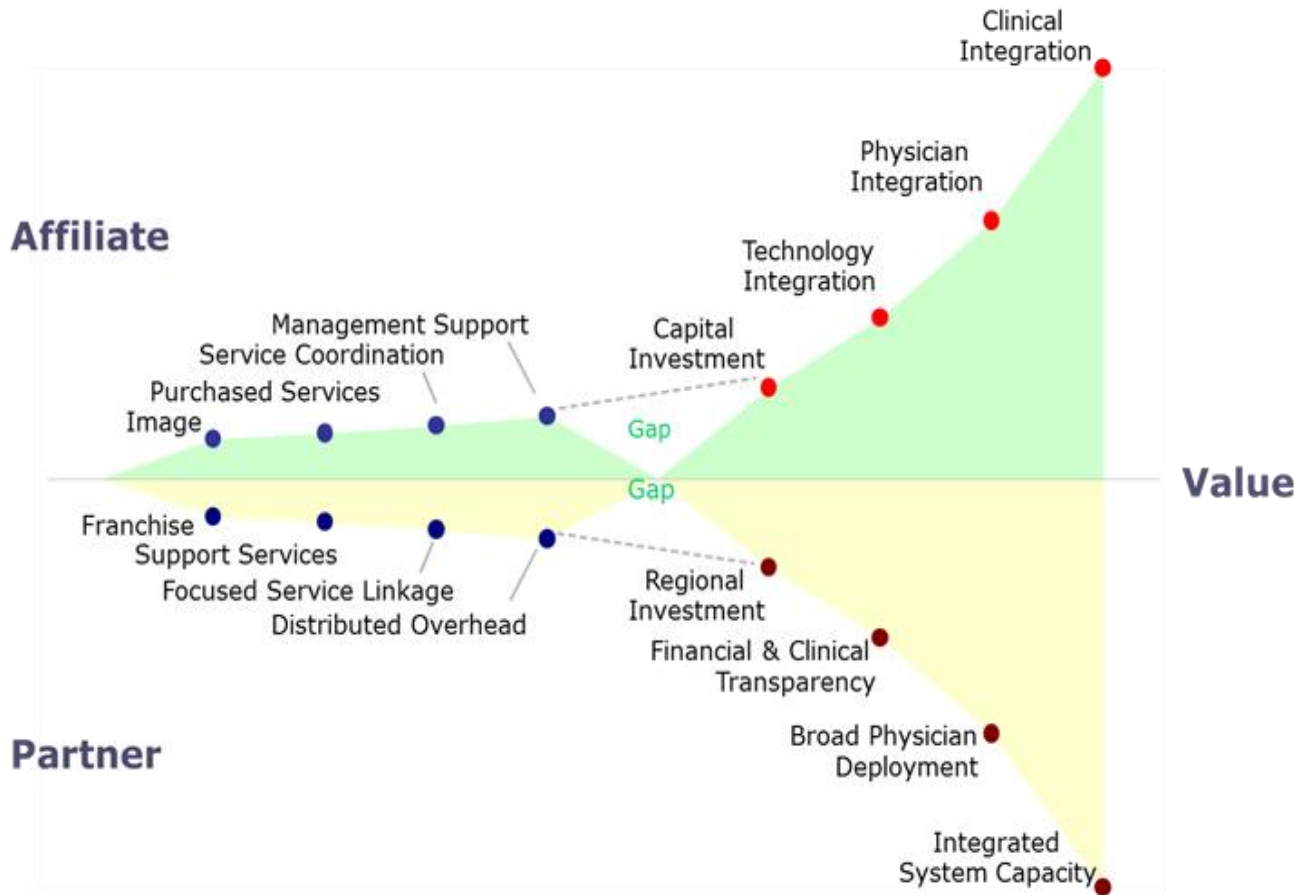


<sup>3</sup> Framework obtained from Stroudwater Associates through the SRHT and RHPI Projects



## Appendix D: Affiliation Continuum Chart

Affiliation benefits are arranged along a diverse continuum and mutual commitment from both partners is required to yield maximum outcome.<sup>4</sup>



<sup>4</sup> Affiliation model obtained from Stroudwater Associates through the SRHT and RHPI Projects

## Appendix E: Additional Online Resources

[Quality Improvement in Rural Hospitals: How Networking Can Help](#)

[Aiming for Impact Using a Systems Framework](#)

[“Together We Are Better” Network Board Development Webinar](#)

[Shared Services: The Foundation of Collaboration](#)

[Pathways to Value with Population Health](#)

[Rural Health Virtual Training Gateway](#)

[Rural Health Value Tools and Resources](#)

[TASC Framing Rural Health Value Series: 2014 Flex Conference Webinar Series Recordings and Materials](#)