

# BEST PRACTICES REPORT 2005

June 2005

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## INTRODUCTION

The Iowa Department of Public Health, Bureau of Health Care Access has been implementing the Medicare Rural Hospital Flexibility (FLEX) Program in Iowa since 1999. During this time approximately 42% of program funding, in the form of grants, has been dedicated to Critical Access Hospitals (CAHs), local emergency medical services (EMS) and communities they serve. This report highlights project success stories or “best practices” attributable to FLEX program support. Project selection was based on ingenuity, applicability to and replication ability, impact and outcomes, and connection to the six FLEX Program goals.

## BACKGROUND

The FLEX Program was established through the Balanced Budget Act of 1997. It is a national program that includes 45 states, including Iowa. In essence, the FLEX Program is comprised of two components – grants to assist states in implementing state specific program activities and an operating program that provides cost-based Medicare reimbursement to hospitals that convert to Critical Access Hospital (CAH) status. The federal Office of Rural Health Policy, Health Resources and Services Administration, U.S. Department of Health and Human Services (DHHS) administers the grant program, while the operating component of the program is administered by the Centers for Medicare and Medicaid Services (CMS), also located within DHHS.

Six priority areas have been established for states implementing the FLEX Program, they are:

- Creating and implementing a state Rural Health Plan
- Designating facilities as CAHs
- Fostering and developing rural health networks
- Enhancing Emergency Medical Services (EMS)
- Improving the quality of health care
- Evaluating FLEX Program activities and related outcomes

Iowa has 72 CAHs, the second largest number of all states, and has obtained approximately \$428,275 per year to administer the FLEX Program in Iowa. Over the past six years, Iowa’s FLEX Program has addressed all six FLEX Program priority areas.

## GRANTS

From 1999 to 2003 the Iowa FLEX Program directed local grants to hospitals interested in exploring CAH status for conversion activities (e.g. financial feasibility studies, developing network agreements, and making changes to hospital policies and procedures) as well as to EMS for regional coordination and planning activities. Although the CAH conversion grants are not highlighted as part of this report, the grant funding resulted in 37 hospitals converting to CAH status.

From 2000 - 2005, \$1,101,984 in local grants was directed to CAHs, EMS, networks, and economic development organizations through the Iowa Rural Hospital and Network Hospitals Grants Program; Quality Improvement Conference Grants; EMS System Development Grants; FLEX Individual Hospital Grants Program; Community Development Grants, and most recently the EMS Grants for CAHs. These grants were intended to foster the development of networks, enhance EMS, support CAHs, and improve hospital performance and quality of care. Grants administered through these programs and completed by grantees by January 2005 were considered for inclusion in this report.

## BEST PRACTICES

Many Iowa FLEX Program success stories have resulted because of grants made to local health care stakeholders and 11 are reported here. The success stories range from CAHs that have been working to develop leadership and management skills and upgrade information management systems to EMS agencies that have combined resources to centralize key operations. The success stories reported are categorized based on management and leadership training, equipment and information technology, planning and coordination, and performance and quality improvement. In many instances, project costs exceeded grant funds. Grantees reported that the grant funds either were the impetus to complete a project or they would not have completed the work without funding. On a scale of 1-10 (with ten being the highest rating), project management staff rated all projects as an eight or higher.

All project staff discussed factors that attributed to their projects' success. Common themes included:

- Attaining consultants/services that have experience working with and knowledge of CAHs
- Seeking recommendations from other CAHs
- Establishing and adhering to a realistic project timeline
- Dedicating staff time and resources to the project and making it a priority
- Anticipating that there will be project follow-up and/or additional action steps needed to assure project outcomes
- Identifying a project champion who can follow the project to completion

## MANAGEMENT AND LEADERSHIP TRAINING

Several CAHs, EMS, and economic development agencies have conducted or supported management development and leadership activities as part of the FLEX Program. Various training locations were used including on-site at the CAH and off-site as part of a larger conference or workshop. Samples of resources that have been used include: Cy Wakeman ([www.cywakeman.com](http://www.cywakeman.com)), the Atchison Consulting Group ([www.atchisongroup.com](http://www.atchisongroup.com)), and the Leadership Development Group ([www.contactldi.com](http://www.contactldi.com)).

**Staff Leadership and Management Skills Training.** *Baum Harmon Mercy Hospital, Primghar networking with Hawarden Community Hospital, Hawarden* obtained grant funding from 2003 to the present for staff leadership and management skills development. The project started as a collaborative through the Mercy Sioux City network. Regional retreats were conducted to foster relations among the networks' CAH hospitals as well as to provide training and development education. Consultant Cy Wakeman acted as the facilitator/educator for the retreats while the Gallup Organization was used for employee engagement training. The work associated with Gallup was aimed at converting employee input into action using the philosophy that the more engaged the employees, the more dedicated the staff, and the higher the quality of services.

According to hospital staff, this project has made a significant impact on leadership responsibilities and action, including: communications, problem solving, management courage, conflict management, staff orientation, delegation, and monitoring. It has also improved staff morale and helped one of the hospitals to be better prepared for the absence of its administrator. The most surprising outcome reported from this project was the on-going use and satisfaction with 1:1 manager and employee meetings. These sessions improved communications between managers and staff and have allowed issues to be resolved before they escalate.

FLEX Grant Funding:

- \$19,740 (multi-year)
- Funds were used for consultant fees, resource tools, and a training video

Project Rating by Staff: 8

Other Staff Comments:

- This project is considered, “very valuable” by staff, and is recommended for other hospitals.
- Small to moderate sized hospitals, particularly those with managers that were promoted because of their clinical leadership skills without management training and/or experience, will find this training approach most useful.
- This training approach requires scheduling training sessions for a large number of staff. Although this may be a challenge, scheduling well in advance and setting the training as a high-priority activity for staff can overcome this barrier.

Project Contact: Linda Bindner, telephone: 712-757-2300

**E2 Conference: Energizing Entrepreneurship in Rural America.** *Howard, Allamakee, and Fayette County Development Corporations; City of Hawarden; Rock Rapids development Corporation; and West Central I-80 Development Corporation* participated in the E2 Conference through the Center for Rural Entrepreneurship in Lincoln, Nebraska (<http://www.ruraleship.org/index.html>). Participants networked with other economic developers, obtained tools and new ideas to advance economic development and better assist their customers. By investing in the economic health of Iowa’s communities, the FLEX Program encourages local cooperation in creating a more desirable environment for the recruitment and retention of health care providers and other essential services.

Attendees reported specific examples where they were better able to engage future entrepreneurs or assist new clients in their communities with developing their business ideas and interests. In addition, conference participants reported that they have been able to maintain a network with other economic developers around the country to discuss ideas, opportunities, and solutions.

FLEX Grant Funding: \$1,800 per participant

Project Rating by Staff: 9

Project Contact: Jacque Hahn, Howard County Economic Development Commission, telephone: 563-547-3434

**EQUIPMENT AND INFORMATION TECHNOLOGY**

Some CAHs have used FLEX Program funding to update and purchase new equipment and information technology. These purchases are geared towards improving quality of care and hospital performance.

**Care Medic Software.** *Van Buren County Hospital, Keosauqua* purchased, installed, and received training for Care Medic Software in order to improve hospital billing and coding. Four staff were trained on the software as well as five other staff in areas related to compliance, coding, and medical necessity. The Care Medic Software was selected by the hospital after discussions with peer hospitals and viewing demonstrations on the Internet. Some key issues that influenced product selection were past experience with the vendor, accessibility to an installed base of application users located in other hospitals that can provide answers to questions, and integration with other applications being used in the hospital.

Staff using the software reported that they are “overwhelmingly satisfied”, with the Care Medic system. They also stated that it is user-friendly, manual entry time and claims denials have decreased, claim outcomes are reported in a more timely manner to patients, and software support is “unbelievable”. In addition, the project has eliminated Medicare denials for medical necessity (as denials are real-time at data entry), which saves four hours per week of staff time that used to be dedicated to filings related to medical necessity. Hospital staff also reported that turn around time for filing to Medicare secondary payers has been reduced by 20 days while payment from secondary payers is often received before or near the same time as the Medicare payments. Other outcomes included decreased training time for staff and increased job satisfaction.

FLEX Grant Funding:

- \$10,000 (funding supported over a third of the project costs)
- Funds were used for purchasing software and training staff

Project Rating by Staff: 10

Project Contact: Linda Goldstein, telephone: 319-213-3171

**Datascope Mobile, Cardiac Monitoring System.** *Hegg Memorial Hospital, Rock Valley* purchased a Datascope mobile, cardiac monitoring system for its central monitoring station. With assistance from its network hospital, Avera McKennan, central station/mobile monitoring system hardware and software options were evaluated, selected, purchased, and installed. Acute care nursing staff were trained on the new cardiac system protocol.

Hospital staff reported that the new cardiac monitoring system has the capacity for 16 patients, however, 2-3 use the system per day. The system consists of a screen; wireless patient monitoring units measuring pulse, respiration, oxygen saturation, heart rhythms; as well as alarms for arrhythmia. It allows hospital staff to review 24 hours of patient cardiac monitoring data. The Datascope system was selected based on prior product experience, as well as system components, including the wireless option. Physicians and nurses have reported liking the new system and nursing staff have indicated that the equipment improves their job satisfaction and ability to monitor patients. Patients have acknowledged that the wireless system allows them to be more mobile.

FLEX Grant Funding:

- \$9,900 (funding supported a portion of the \$101,000 project costs)
- Funds were used for software and staff training

Project Rating by Staff: 10

Project Contact: Alma Post, telephone: 712-476-8000

**PLANNING AND COORDINATION**

Several Iowa CAHs are in the process of planning for and/or conducting hospital renovations, expansions, or new building projects while others are planning for new services or working with other community health stakeholders to address local health issues and concerns. Below are some examples of successful projects.

**Kidney Dialysis Feasibility Study.** *Marengo Memorial Hospital, Marengo* conducted a kidney dialysis feasibility study through a contract with the Iowa State University Economics Department. The project included using existing patient, facilities, and population data to determine the potential market for renal dialysis services. In addition to examining existing resources, a projection of regional population was done to identify the potential for future demand. The data was analyzed to determine the potential for increases/decreases in demand for renal dialysis services in the area.

This project resulted in a report that identified current access to End State Renal Disease (ESRD) services with a focus on the service area of Marengo Memorial Hospital. The study determined that there will be growth in demand for renal dialysis services in Iowa and in the service area; however, establishing a new service at Marengo Memorial Hospital may not be cost effective due to equipment costs. As a result of the study, service options are currently being explored to identify a partner to support project equipment and staffing needs. The hospital plans to provide kidney dialysis services in the future and has incorporated these plans into its current hospital renovation and addition project.

FLEX Grant Funding:

- \$9,460
- Funds were used for the study completed by Iowa State University

Project Rating by Staff: 9

Other Staff Comments:

- This project is considered, “very valuable” by staff.
- The process used to analyze the need for kidney dialysis services has provided a research template for examining other hospital services being considered in Iowa and around the country
- Findings from the kidney dialysis feasibility study can be used by other hospitals in Iowa as part of their service planning.

Project Contact: Donna Watts, telephone: 219-642-8012

**Community Health Needs Assessment.** *Central Community Hospital, Elkader* worked with Clayton County Public Health and other local health care stakeholders to conduct a community health needs assessment and to establish a community health action committee. The committee met monthly to develop action plans and identify County health priorities. Issues that were identified and that are being addressed as a part of sub-committees include: uninsured, chronic disease with a focus on diet and exercise, lead poisoning in children, well water contamination and sewage, and mental health.

Hospital staff reported that this work resulted in establishing: the on-going committee to identify and address County health issues, the application for a federal grant to address County uninsurance issues, projects with the local schools to address youth related diet and exercise issues, and the development of educational information to inform County residents of the extent of well water contamination. This project also re-connected key health care stakeholders in the community. The most surprising outcomes reported by hospital staff were learning about and creating action plans to address the extensive well-water contamination, and discovering the extent of the mental health issues affecting the community.

FLEX Grant Funding:

- \$1,000
- Funds were used to support the community needs assessment

Project Rating by Staff: 9

Other Staff Comments:

- This project was considered “extremely valuable” because, “we all need to be working in the same direction.”
- FLEX Program funding, “provided an incentive” to assure the hospital was involved.

Project Contact: Fran Zichal, telephone: 563-245-7000

**County EMS Planning and Coordination.** *Pocahontas County Board of Supervisors, Pocahontas* conducted a county EMS assessment, developed a strategic plan, and hired a County EMS Coordinator. The project was intended to centralize EMS activities in the County, including sharing education and training opportunities with emergency responders.

EMS staff reported that they developed unified protocols used by all of EMS in the County, combined the medical direction responsibilities of three services under one medical director, and established unified run reports. These activities improved communication between EMS, streamlined County EMS operations, decreased the “pressure” on EMS directors, and resulted in a countywide dispatch system.

FLEX Grant Funding:

- \$22,769 (multi-year project)
- Funds were used for software and staff training

Project Rating by Staff: 9

Other Staff Comments:

- Staff reported that the project was important because, “coordination will be key to our success.”

Project Contact: Dennis Volkman, telephone: 712-335-4044

**PERFORMANCE AND QUALITY IMPROVEMENT**

Performance and quality improvement projects related to hospitals working to implement the Balanced Scorecard and health promotion and disease prevention, as well as other activities. Some of the projects were initial steps towards long-term strategic planning and continuous quality improvement while others addressed reimbursement and reporting issues.

**Balanced Scorecard Education and Implementation.** *Central Community Hospital, Elkader* implemented the Balanced Scorecard (BSC) as part of its hospital performance improvement plan. This included obtaining BSC training and discussing BSC implementation with CAHs in other states. Using the technical expertise of Mercy Hospital of North Iowa, BSC indicators and strategic initiatives were created.

Hospital staff reported that prior to BSC they had a six page reporting tool with a lot of data that needed extensive explanations in order to understand the information. By using the BSC they have established a one sheet of paper reporting format to present the hospital’s performance improvement data and progress. Using the BSC approach they have been able to engage all staff and the hospital Board of Directors in hospital decision-making based on quality of care and community needs.

FLEX Grant Funding:

- \$2,000
- Funds were used for staff training, staff hours to work with network hospital staff, and to purchase a color printer

Project Rating by Staff: 10

Other Staff Comments:

- Staff reported that they consider the project to be “on the cutting edge” and it “opened our minds.”

Project Contact: Fran Zichal, telephone: 563-245-7000

**Coding Quality Assessment.** *Wright Medical Center, Clarion* completed an assessment of coding quality in health information management of inpatient and outpatient records. They used the services of HIM Consulting in Nebraska to complete the project. Sixty-one medical records, randomly selected from a group of records with an open date between August 2003 and February 2004, were reviewed for accuracy.

Hospital staff reported that most of the project findings were surprising, since prior to the assessment they did not fully understand the hospital’s coding compliance and they were unaware of the many errors and discrepancies that existed. As a result of the project activities, an encoder was purchased to decrease errors to billers and returned bills. In addition, both hospital coders received advanced billing training and are now required to attend two coding educational seminars per year.

Both steps have improved staff morale and coding compliance. A follow-up coding review is planned for the future.

FLEX Grant Funding:

- \$3,200
- Funds were used for the coding assessment

Project Rating by Staff: 10

Other Staff Comments:

- Staff reported the project as “extremely important.”

Project Contact: Amy McDaniel, telephone: 515-532-9285

**Diabetes Self-Management Education and Prevention Program.** *Greene County Medical Center, Jefferson* is developing a diabetes self-management education and prevention program. The program is intended to provide local access to diabetes services to educate participants in successful self-management of diabetes to prevent and/or minimize complications related to diabetes. The program was started by contacting other sites implementing diabetes programs, accessing information on the Web, and following the American Diabetes Association Recognition Guidelines and the National Standards for Diabetes Self-Management. Program staff also consulted blood glucose monitor companies to assist with determining the most appropriate blood glucose monitors for patients and for downloading capabilities for reporting blood glucose results. The software, cable connections, and training for downloading the monitors were provided at no cost and the representatives of the companies were identified by program staff as “very helpful, friendly, and resourceful.”

The diabetes program is described by program staff as needing a lot of staff time including new staff. Four staff work on the program, all part-time. Staff time has focused on: developing forms (e.g. referral, charting, billing), program planning, writing policies and procedures, conducting and participating in staff in-services, scheduling patients, developing patient education and assessment materials, conducting patient follow-up services, downloading blood glucose meters, entering data, and collecting and submitting data for quality improvement and American Diabetes Association Recognition related activities. Since working on the program, staff have learned that 1) the need to use Spanish translators has grown primarily with gestational diabetes patients, 2) physicians are ordering in-patient consultations for diabetes education thus increasing demand for an in-patient diabetes program, and 3) there is a need for services to provide continuous subcutaneous insulin infusion training and follow-up.

Program staff reported that at the end of the program’s first year, 11 patients were being served while nearing the end of year two more than 50 patients are being served. Most patients have had pre- and post-program HgbA1c labs and have shown improved results. Program staff reported that they were most surprised with patients’ satisfaction with the program while most patients rated the program as “excellent” and would recommend the program to someone else with diabetes. In addition, patients expressed gratitude for the program content, expressed how the program helped them to make positive behavior changes for self-care, and expressed appreciation for the warm, friendly, and local diabetes services. All six medical practitioners at a local medical clinic have been the primary providers referring patients to the program.

FLEX Grant Funding:

- \$19,900 (multi-year project)
- Funds were used for the dietician/diabetes program coordinator staff salary and education programs, laptop computer, and patient education materials

Project Rating by Staff: 10

Other Staff Comments:

- “We’ve had patients that were diagnosed early because of the program and this has been so important.”
- Staff reported that they are “grateful to have received the FLEX Program funding for this needed project and are excited about the growth and potential of the program and services.”

Project Contact: Kathy Moen, telephone: 515-386-2114, extension 334

**Chargemaster Review.** *Wright Medical Center, Clarion* completed a chargemaster review under contract with Hospital Financial Services, Inc of Nebraska. Billing clerks and coding clerks were interviewed on-site and all charge codes in the chargemaster were reviewed for appropriate CPT coding (if applicable) and appropriate summary billing codes. Patient charges were compared to other CAHs, including recommendations for charge increases and the resulting impact of such changes. The work concluded with an exit interview and final report.

The chargemaster review resulted in system improvements to the hospital’s billing department, including: price increases (raising them to the geographic area’s average levels); billing updates (billable and non-billable supplies, therapy supplies, and electronic billing claims); transferring of all billable supply charge codes with summary bill codes of 270 to the Medical Supplies Charge Revenue center; and bundling of some procedures into one charge (e.g. IV set-up). Staff reported these changes reduced the number of charge codes, decreased paper work, increased compliance with Medicare, and eliminated billing for equipment used during the course of procedures.

FLEX Grant Funding:

- \$5,000
- Funds were used for the consultant that conducted the chargemaster review

Project Rating by Staff: 9

Other Staff Comments:

- Staff recommended that hospitals selecting firms to conduct chargemaster reviews use a firm with CAH experience.
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Project Contact: Amy McDaniel, telephone: 515-532-9285

**Additional Information**

For additional information about upcoming FLEX Program grant opportunities and project outcomes, contact: Kate Payne, Program Planner/Contract Manager at the Iowa Department of Public Health, FLEX Program, telephone: 515-281-8154 or e-mail at [kpayne@idph.state.ia.us](mailto:kpayne@idph.state.ia.us).



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