Community Health Needs Assessment 2018

Implementation Strategy

Introduction:

Boulder City Hospital (BCH) is an independent, non-profit, Critical Access Hospital (CAH) in Boulder City, Nevada. The hospital is located in close proximity to metropolitan Clark County. Approximately 12 miles separates BCH from the nearest acute care hospital in Henderson, Nevada. BCH circumvented the 25 mile rule to qualify has a CAH because it received designation as a "Necessary Provider" by the State of Nevada in 2004. The community of Boulder City is designated as a Medically Underserved Area (MUA) and a geographic Health Professional Shortage Area (HPSA). BCH is an independent 501(c) 3 and does not receive any financial support from taxes, mining or corporate funds. BCH's financial viability is a function of the billable services it provides and to a smaller extent, the funds it raises through the Boulder City Hospital Foundation events, the annual Art in the Park and the Heart of the Community Gala.

The above description and designations are important to provide context for the following Implementation Strategy (IS). While the Community Health Needs Assessment (CHNA) strives to identify areas of health and wellness needs of the community, many of the efforts to address those needs requires financial focus, timing, and strategies in their own right.

Brief financial history of the hospital:

The leadership of BCH began to realize that the hospital could not remain viable under the Prospective Payment System (PPS) in a small community. Hospital leadership looked to have BCH designated as a Critical Access Hospital in order to receive cost based reimbursement. In 2004, the Nevada Office of Rural Health determined that BCH met the requirements to be designated as a Necessary Provider and forwarded the CAH application to the Nevada Bureau of Licensure and Certification for CAH survey in 2005.

Medicare cost based reimbursement as a CAH created a short-term improvement and a longer-term stabilization of BCH's finances. However, market forces accelerated challenges to the hospital to the point where hospital leadership reached out to the governor for assistance. Governor Sandoval's emergency regulations in late 2012 encouraged commercial insurance companies to recognize market adjustments to the hospital's charge master while minimizing discounts. The improvement in the hospital's reimbursement at this time allowed BCH to qualify for a USDA direct loan to improve the physical plant and create new revenue generating services such as an inpatient psychiatric program.

Despite this positive turn of events, the hospital continued to struggle financially. The main reason is that not all departments or service lines of the hospital are reimbursed the same. Long Term Care, Home Health and the inpatient psychiatric program are "distinct part"/separately licensed units of the hospital. As such, not all the costs that are allocated to the operation of those units are fully reimbursed. This is especially true of Home Health and Long Term Care. Significant overhead costs related to capital improvements such as new and remodel construction depreciation are allocated to

these departments proportionally. Unfortunately, the reimbursement Home Health and Long Term Care generated fell far short of covering this allocation. Therefore, despite the increases in revenue generated by the new programs, Home Health and Long Term Care incurred combined losses of over a million dollars annually.

We have included the previous (2015) Implementation Strategy along with the current one to help the reader understand the priorities hospital leadership garnered from past and current CHNA processes as well as illustrating BCH's record of accomplishment in pursuing those strategies. Concurrent with these strategies are leadership's assessment of and concern regarding the financial health of the organization. To that end, leadership defined strategies that were expected to address the assessed needs and desires of the community while contributing to the financial health of the hospital.

CHNA 2015 – Implementation Strategy

The following Implementation Strategy was intended to address the predominant issues of Access and Cost as identified in the 2015 CHNA.

Issue and recommended actions	Follow up and outcomes
Establish a Rural Health Clinic (RHC): The feedback from the CHNA identifying access as a deficiency is particularly relevant to primary care. Family Doctors of Boulder City (FDBC) are the only primary care providers in the community. They have three full time primary care doctors for a city of approximately 15,000. Boulder City is designated as a Medically Underserved Area (MUA). This designation allows BCH to establish a provider based RHC. An RHC is very conducive to the recruitment of new physicians due to its cost-based reimbursement. Physician salaries and other overhead expenses are factored into the cost-based reimbursement. The establishment of a RHC will help to address the widespread issue of Primary Care Access in a number of ways: • Business model is attractive to physicians and will improve recruitment efforts • The RHC will increase access to Medicaid recipients of which only a small percentage are able to access other traditional primary care providers • The RHC will accept other insurance like Medicare Advantage programs that have been previously terminated by other local primary care providers	To generate the necessary startup capital, the hospital pursued a USDA 90% guaranteed loan to refinance existing debt and provide money for new capital equipment and facility improvements. The savings in debt service cost allowed the hospital to pursue the startup and operations of the RHC now called Boulder City Primary Care. The clinic opened in the third quarter of 2018 and received CMS certification in December of that year. The clinic at 999 Adams Blvd, Boulder City is on the hospital campus and opened with one suite and three exam rooms. This limited space and the limited working capital only allowed for operating hours of 1 p.m. to 5 p.m. M-F to start.

The hospital will need to generate the necessary startup capital and clear some space in the medical office building. The hospital will also need to recruit the doctor and mid-level providers required for clinical operations of the clinic.	
Pursue Affiliation with Universal Health Services, Inc. The hospital will pursue an Affiliation with UHS. Such a relationship will not only bolster the hospital's financial viability going forward, it will address the much needed issues identified in the CHNA related to cost of care, acceptance of insurance as well as general access to care and to specialists. UHS is the largest system provider in Clark County with six acute care hospitals plus a Critical Access Hospital in Pahrump. UHS also has a vast network of physician practices and an Accountable Care Organization (ACO). While maintaining its status as a locally owned, locally governed Critical Access Hospital, BCH will this this relationship through UHS's physician recruitment advantage and other services it can offer to make BCH more viable going forward.	Discussions between BCH administration and that of the Valley Health System (the local organization of hospitals in Las Vegas owned and managed by Universal Health Services, Inc.) began in earnest in late 2016. The parties began exploring inter-organizational relationships, levels of financial and/or clinical integration and other operational synergies that could be pursued in an Affiliation. The parties executed an exclusive Letter of Intent in early 2017 to move the process along. The parties recognize this could be a lengthy process and agreed to keep the LOI in effect so long as progress is being made

CHNA 2018 – Implementation Strategy

Issue and recommended actions	Follow up and outcomes
Expansion of Boulder City Primary Care clinic: This clinic is the Rural Health Clinic identified in the 2015 CHNA Implementation Strategy. It became operational and fully certified in December 2018. The clinic is currently in suite 102 of the 999 medical office building of the hospital. Suite 102 only has two exam rooms and the clinic is currently staffed and operational for 1p.m. to 5p.m. Monday through Friday. With USDA guaranteed loan money the hospital received in 2018, the 999 building will be remodeled to add an additional 12 exam rooms. Once completed, the clinic will expand hours and related staffing for six days per week and 48 hours of operation at a minimum.	Boulder City Primary Care (Rural Health Clinic) became operational and certified in late 2018. Current capacity is three exam rooms in one suite with operating hours of 1 p.m. to 5 p.m. M-F. As of April 1, the clinic expanded hours to 10 a.m. to 5 p.m. M-F. On May 6, 2019, an additional full time Nurse Practitioner will join the clinic

In addition to operational expansion, the hospital is negotiation with various insurers to include Boulder City Primary Care on our payer contracts. These strategies will help to address the multiple aspects of access desired by the community.	and we will add the exam rooms in suite 103 and 104 (for an additional six rooms) at that time.
Continue fostering relationship with UHS to bring additional physician specialties to hospital and clinic and other viable opportunities to improve service, quality and organizational performance: The Affiliation with UHS was met with some legal issues that terminated the idea of entering in to a management agreement. A major anticipated benefit of the management agreement was to enable UHS to negotiate insurance contracts on behalf of BCH as well as including BCH on insurance contracts that UHS held exclusively in the market. UHS legal determined that the management agreement would not demonstrate the requisite financial or clinical integration to allow such intervention, therefore BCH leadership concluded that there was no reason to pursue the management agreement while still supportive of fostering the relationship. The relationship with UHS has already yielded increases in sub-acute referrals from UHS facilities and has assisted in the acquisition of a general surgeon.	In January 2019, BCH recruited a new general surgeon on staff introduced to the hospital by the Valley Health System.
Lead/facilitate/support efforts to bring full cost reimbursement for LTC to fruition. The long-term care program is considered an essential service of the community according to the responses of the 2018 CNHA. Unfortunately only a small percentage of Boulder City have used or intend to use the service. While these results seem contradictory, the program has maintained a steady census in the mid-thirties. The Long Term Care program at current census levels has incurred almost $1 million is unreimbursed costs for each of the past three years. To maintain the program BCH must either outsource the program to a freestanding Skilled Nursing provider or persuade the state to pay full cost reimbursement.	In late 2018, BCH leadership created a consortium of Nevada Critical Access Hospitals, all of whom were receiving less than full cost based reimbursement for LTC. We worked with our primary advocate, the president of NRHP to deliver the message that we are under paid for services and may have to consider closing the program. The state initiated a re-basing of the routine cost limited, which resulted in increased payment effective April 2019. Further rebasing will continue every two

Efforts to outsource have not been fruitful, however, the state is receptive to the change in reimbursement and hospital leadership and advocates will continue to pursue this strategy to completion.	years with the next one based on the 2018-cost report year.
Expansion and full benefit of 340B drug program. The 340B Drug Discount Program is a US federal government program created in 1992 that requires drug manufacturers to provide outpatient drugs to eligible health care organizations and covered entities at significantly reduced prices. Implementation of this program serves two purposes: to save money for the hospital and to reduce cost to patients needing medication, particularly Medicaid patients	The hospital implemented the 340B drug program in 2018. Because the hospital's outpatient prescriptions were only generated from the ER, there was too little volume to create contracts with local pharmacies to honor the pricing. With the opening and expansion of Boulder City Primary Care Clinic, outpatient volume is expected to increase significantly to allow for the expansion and full benefit of the program to be realized.
Lead/facilitate/support efforts to bring Provider Fee opportunity to fruition. The Provider Fee program is the result of 2017 legislation that allows the state to negotiate provider fees with defined hospital groups. The Fee (or tax) is leveraged against federal matching funds to create enhance reimbursement for hospitals as well as increasing state funds for healthcare reimbursement. Not all hospitals "win" under the Provider Fee program. However, all private Critical Access Hospitals do. Private CAHs are considered a distinct group of hospitals to participate in the program. The most recent available models demonstrate a 6 to 1 federal match of the provider fee dollars for BCH. A major challenge for BCH will be to generate the sizable Provider Fee, which is expected to be approximately $810K. This strategy will address the historical concern of the hospital's financial viability and therefore its efforts to meet the healthcare needs of the community.	Recognizing the opportunity for financial stability and viability, BCH leadership lobbied the private CAHs in Nevada to support the Provider Fee program. The Nevada Hospital Association (acting as the administrative agent of the program) required a 75% vote in favor of the program for a hospital group to participate (which we got). The state will require a 2/3rds vote in favor. The state vote will take place after the final models have been created sometime during the second quarter of 2019. Should we move forward after the state vote, the program is expected to begin July 2020.

Explore/pursue opportunities to provide solar power for BCH campus. An unexpected opportunity was presented to the hospital in early 2019 to provide solar power to the hospital through the construction of a solar canopy over the hospital's parking lot. Should the project prove to be feasible, BCH will pay rent for the capital for six years and own it outright at the end of that period. The energy produced by the panels will offset traditional electricity by up to 40%. The hospital will save tens of thousands of dollars in electrical bills during the rental period and much more after that. The canopy will provide added value with covered parking during the hot summer months for our visitors and employees.	We are currently in the research phase of the project. Given the progress made thus far, it is possible that the canopy and related infrastructure can be completed in 2020. The panels will be under a 25-year warranty with an expected life span of up to 50 years thus minimizing maintenance concerns for the foreseeable future.