



rupri

RURAL POLICY RESEARCH INSTITUTE
Center for Rural Health Policy Analysis

Rural Health Value

UNDERSTANDING
AND FACILITATING
RURAL HEALTH
TRANSFORMATION.

StratisHealth

Rural Innovation Profile

Experience in the Pennsylvania Rural Health Model: Barnes-Kasson County Hospital

What: A critical access hospital's experience participating in the [Pennsylvania Rural Health Model](#) (PARHM).

Why: To explore and test a new payment model and methods designed to improve community health and stabilize rural hospital finances.

Who: Barnes-Kasson County Hospital is a 25-bed critical access hospital (CAH) located in Susquehanna, Pennsylvania.

How: Participation in the PARHM, an alternative payment model designed to address the financial challenges of small rural hospitals by aligning incentives for providers to provide value-based care and address community health needs.

Key Points

- Transformation plans with goals focused on addressing community health needs help guide the hospital's PARHM activities as well as overall hospital strategic planning.
- Participation in PARHM has led to reallocation of staff into new or changing roles to address chronic conditions and to put population health into practice.
- Although Barnes-Kasson hospital leadership identifies the global budget as a useful motivator for re-designing care to be more value-oriented, they have found the payment approach to be complicated, and it has been challenging to establish a predictable budget from year-to-year as a critical access hospital.
- Extensive and valuable peer learning and support has been available through the Rural Health Redesign Center that is supporting model implementation.



OVERVIEW

Barnes-Kasson County Hospital is a 25-bed Critical Access Hospital with three hospital-based Rural Health Clinics and a 58-bed skilled nursing facility located in Susquehanna, Pennsylvania. In 2019, the hospital signed on to participate with 17 other rural hospitals in the PARHM. As stated by the Center for Medicare & Medicaid Innovation, the PARHM “seeks to test whether care delivery transformation in conjunction with hospital global budgets increase rural Pennsylvanians’ access to high-quality care and improve their health, while also reducing the growth of hospital expenditures across payers, including Medicare, and improving the financial viability of rural Pennsylvania hospitals to improve health outcomes of and maintain continued access to care for Pennsylvania’s rural residents.” The model offers global budgets incorporating all Medicare, Medicaid, and commercial payers that are set in advance to cover inpatient and outpatient service costs. In return, hospitals redesign care delivery to improve quality and better address community health needs. The model is being implemented over seven performance years: an initial year of pre-implementation planning and start-up (Year 0), and Years 1-6 which are the performance and transformation periods.

ONE HOSPITAL’S EXPERIENCE WITH PARHM

Barnes-Kasson fully participates in the PARHM with intentional awareness that the model is new, no hospital has experienced it, extensive learning has been required for all involved, and they recognize that it is a stepping-stone towards attempting to stabilize rural hospital finances. Hospital leadership’s primary aims are to be part of the learning and development through model participation, and contribute to improving their community’s health and the financial stability of rural hospitals across the U.S.

Key components of the PARHM are global budgets, and implementation of transformation plans that are updated annually. In its simplest terms, the global budget involves each payer setting a budget at the beginning of each year, based on baseline budgets and various adjustments.

The budgets are adjusted to accommodate for market shifts, new services lines, inflation, and other factors. Predictable payments, either bi-weekly for Medicare or by other arrangement with other payers, are paid to the participant hospitals.

In addition to global budgets, participation in the PARHM requires development and implementation of transformation plans. During the first three years of the PARHM, Barnes-Kasson’s transformation plan goals have included: 1) improved discharge planning for chronic obstructive pulmonary

“The model has definitely impacted how we strategically plan.”

Sara F. Adornato
CEO





disease (COPD), 2) expansion of medically assisted opioid use disorder treatment services in clinics, and design of discharge planning processes that supports inpatient and emergency department patients in receiving those services, and 3) implementing social determinants of health (SDoH) assessment surveys with the inpatient population. All three of these initiatives have advanced through their completion. In Year 3, the COPD initiative was developed further into a remote patient monitoring system, and the medically assisted treatment services were further expanded after receiving a competitive grant award from the Health Resources and Services Administration (HRSA) to support a comprehensive opioid use and overdose prevention program.

Now in Year 4 of the program, Barnes-Kasson's transformation plan includes four new goals: 1) establishing a diabetes management program, 2) expanding the SDoH survey from the inpatient setting into its three clinics and emergency department, 3) addressing food security, as identified in the SDoH surveys, in coordination with community partners, and 4) closing the gap in access to behavioral health services. This final goal will require leveraging the resources and infrastructure established through the opioid initiative, and the resources and services of other community partners as well as educating patients and the community on what services are available and how to access them.

Barnes-Kasson keeps its PARHM transformation plans aligned with the organization's strategic plan. Additionally, the SDoH surveys continue to shed light on patient and community needs. Within the hospital, a community outreach department was established by repurposing three staff to work on quality initiatives, staff development, community outreach, and the opioid programs. The team is currently shifting their primary focus from opioid related strategies to SDoH and more specifically, addressing food insecurity and behavioral health issues. Staff meet quarterly with community partners to strategize and develop and communicate programs and opportunities.

While hospital staff agree the concept of global budgets is a good idea and PARHM is a "great first try," they are challenged to understand and unable to predict the budget beyond the current year. The COVID-19 pandemic has proven disruptive as well in the early years of implementation and is requiring exogenous factor considerations. As a CAH, Barnes-Kasson continues to be cost-based reimbursed, and the pandemic created significant variability in rural healthcare.

“Three years in and it has not resulted in the predictable, set budget that we thought we could depend on.”

Sara F. Adornato
CEO





PEER LEARNING AND NETWORKING

Hospitals implementing the PARHM receive support and technical assistance through the Rural Health Redesign Center (RHRC). The RHRC hosts bi-weekly meetings of the 18 participating hospitals, rotating meetings between peer learning/sharing and learning from subject matter experts. During peer learning sessions, hospitals present on projects that are part of their transformation plans. Barnes-Kasson has found this peer sharing and learning to be a highlight of PARHM. It has led to significant networking, collaboration in the development of transformation plans, and hospitals' ability to work towards common goals with peer insight. Provider Summits are also held each year and include both providers and payers and offer the opportunity for everyone to ask questions, learn from one another, network, share, and use a team-based approach to tackle challenges. Individual assistance and technical support are also available through the RHRC.

NEXT STEPS

In Year 4 of the PARHM, Barnes-Kasson is focusing on executing its transformation plan well. Given the success of prior transformation plan activities, the aim is to advance each goal within 18 months so plans can be adjusted for additional transformation activities in the coming years with continued alignment with the organization's strategic plan. Additionally, they will continue to actively participate in offerings through the RHRC and to share the impacts, successes, and challenges of the model.

(August 2022)

The Rural Health Redesign Center (RHRC) has supported the implementation of the PARHM since its formal launch as a non-profit organization in 2020.

Prior to creation of the RHRC, the PARHM's implementation was led by staff within the Pennsylvania Department of Health who transitioned to the RHRC upon its inception. The RHRC was created for the distinct purpose of advancing rural health innovation. It provides technical assistance to both participant hospitals and payers and engages with CMMI on behalf of the program. The RHRC is uniquely positioned to drive transformation as it responds to lessons learned within its learning lab. www.rhrco.org

