

Proposal for Healthcare in Franklin
County Florida and Weems Memorial
Hospital



Franklin County Florida
Commission Workshop
October 15, 2019

Agenda

- Who am I?
- Why partner with Alliant and Tallahassee Memorial Healthcare
- Current Situation
- Recommendation
- Questions

Who is Alliant?

Exclusive expertise in rural hospital management

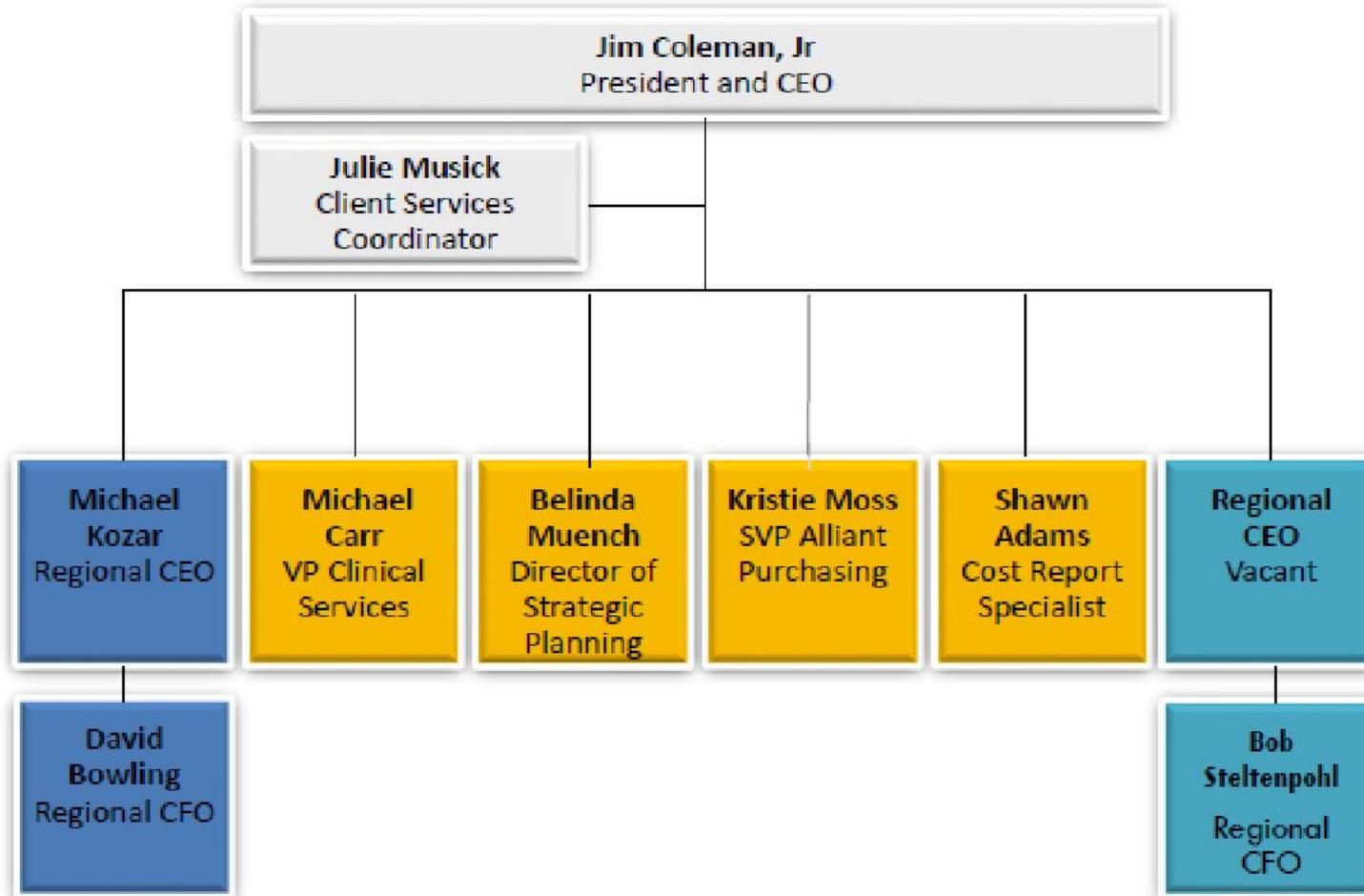
Owned/Managed/leased facilities since 1978

Currently in Illinois, Kentucky, Florida and Alabama but have worked with facilities in Indiana, Ohio, North Carolina and Tennessee

Based in Louisville, Kentucky

Key Leadership

ORGANIZATION CHART



Ownership

- Corporate owner is Blue & Company, LLC
 - Top 60 CPA firm with 450 employees nationwide
 - Over 150 associates dedicated to healthcare practice consulting
 - Sister companies focused on innovative solutions for healthcare organizations:
 - Alliant Premier Purchasing
 - Alliant Risk Services
 - Heartland Health System

Depth of Expertise in Healthcare with Blue & Co.

BUSINESS STRUCTURE

Healthcare Practice Partial Client Listing

Akron General Health System
 Appalachian Regional Healthcare
 Assurance Health System
 Baptist Health System
 Barnesville Hospital
 Beacon Health System
 Berger Health System
 Cleveland Clinic Foundation
 Community Health Network
 Crittenden Health System
 Decatur County Memorial Hospital
 East Liverpool City Hospital
 Ephraim McDowell Regional Medical Center
 Fayette Regional Health System
 Firelands Regional Medical Center

Fisher-Titus Medical Center
 Franciscan Health
 Guernsey Health System
 Henry County Hospital
 Highlands Regional Medical Center
 Pomerene Hospital
 KentuckyOne Health
 King's Daughters' Health
 Knox Community Hospital
 Madison County Hospital
 Magruder Hospital
 Major Health Partners
 Marietta Area Health Care, Inc.
 Mary Rutan Hospital
 Memorial Hospital of Union County
 Mercer Health Hospital
 Mount Carmel Health System

Norton Healthcare
 Ohio Health
 Schneck Medical Center
 St. Elizabeth Healthcare
 Summa Health System
 The MetroHealth System
 The Ohio State University
 Wexner Medical Center
 T.J. Samson Regional Health
 UC Health
 University of Kentucky Hospital
 University of Louisville Hospital
 ValleyCare Health System of Ohio
 Van Wert County Hospital
 Wilson Memorial Hospital
 Witham Health Services
 Wood County Hospital

1,500

healthcare clients across the United States

49 

years in business

174,000

hours spent serving healthcare clients over the last 12 months

Blue & Co. Locations

A Strong Partnership





CONSUMER CHOICE AWARD

Winner of the National Research Corporation's Consumer Choice Award for the 10th year in a row.



WOMEN & CHILDREN'S HEALTH

The only center in the region to be a designated ACR Breast Center for Excellence and accredited by the National Accreditation Program for Breast Centers. The region's only Pediatric and Level III Neonatal Intensive Care Units.



NEUROSCIENCE

The Panhandle's most advanced neurosurgery program, including stroke and aneurysm treatments without opening the skull. The region's only Neurological Intensive Care Unit.



HEART & VASCULAR CENTER

A leader in the Southeast for advanced heart care, offering the region's only Structural Heart program and Certified Atrial Fibrillation Center.



TRAUMA CENTER

The only Level II Trauma Center in the region. Accredited Stroke Center and Chest Pain Center with the highest designation available for heart attack care.



TMH FOR LIFE

Promoting health beyond our walls by challenging our community to be active, eat healthier, know their numbers and find their happy through free events, screenings, programs, classes and educational opportunities.



STROKE CENTER

The region's first Certified Stroke Center and only state designated Brain & Spinal Cord Injury Center.



CANCER CENTER

The most powerful cancer program in the Big Bend region and accredited since 1951 by the American College of Surgeon's Commission on Cancer — making it the longest continuously accredited community cancer program in the state of Florida.

TMH Physician Partners



90% of Franklin County residents go to Leon County for healthcare

Alliant's focus



- Bridging the skills resource gap for rural hospitals
- Strength, financial accountability and oversight of a national firm
- Customized management solutions to address the clinical and operating challenge in rural/small markets

Who are Alliant Clients?

- Client Profile
 - Typical populations: 15,000 to 50,000
 - Ownership: county, city, private NFP, private for profit
 - Hospital type:
 - Critical Access
 - Free standing – city, county or privately owned PPS
 - Multi-hospital systems

Locations

- **Breckinridge Health, Inc.**
1011 Old Highway 60
Hardinsburg, KY 40143
www.breckinridgehealth.org
- **Calhoun Liberty Hospital**
20370 NE Burns Avenue
Blountstown, FL 32424
www.calhounlibertyhospital.com
- **Doctor's Memorial Hospital**
333 N Byron Butler Pkwy
Perry, FL 32347
www.tmh.org/doctors-memorial-hospital
- **Fayette County Hospital**
650 West Taylor Street
Vandalia, IL 62471
www.fayettcountyhospital.org
- **Medical Center at Barbour**
820 W. Washington St.
Eufaula, AL 36027
www.medctrbarbour.org
- **Mizell Memorial Hospital**
702 North Main Street
Opp, AL 36467
www.mizellmh.com
- **Northwest Florida Community Hospital**
1360 Brickyard Road
Chipley, FL 32428
www.nfch.org
- **Twin Lakes Regional Medical Center**
910 Wallace Avenue
Leitchfield, KY 42754
www.tlrmc.com
- **Wabash General Hospital**
1418 College Drive
Mount Carmel, IL 62863
www.wabashgeneral.com



Alliant Services/Comprehensive Expertise

Below is a partial listing of the many services we provide through Alliant Management:

Strategy

- Acquisitions
- Mergers
- Alliances
- Divestures
- Replacement facility analysis

C-Suite

- Recruitment
- Mentoring
- Reviews

Governance

- Monthly reporting
- Annual training
- Strategic planning

Benchmarking

- Operating
- Clinical
- Productivity

Clinical/Operating

- Operations assessments
- Accreditation & licensure
- Survey prep
- Best practices
- Monthly operating reviews

New Services

- New opportunities for top line growth that fit community needs

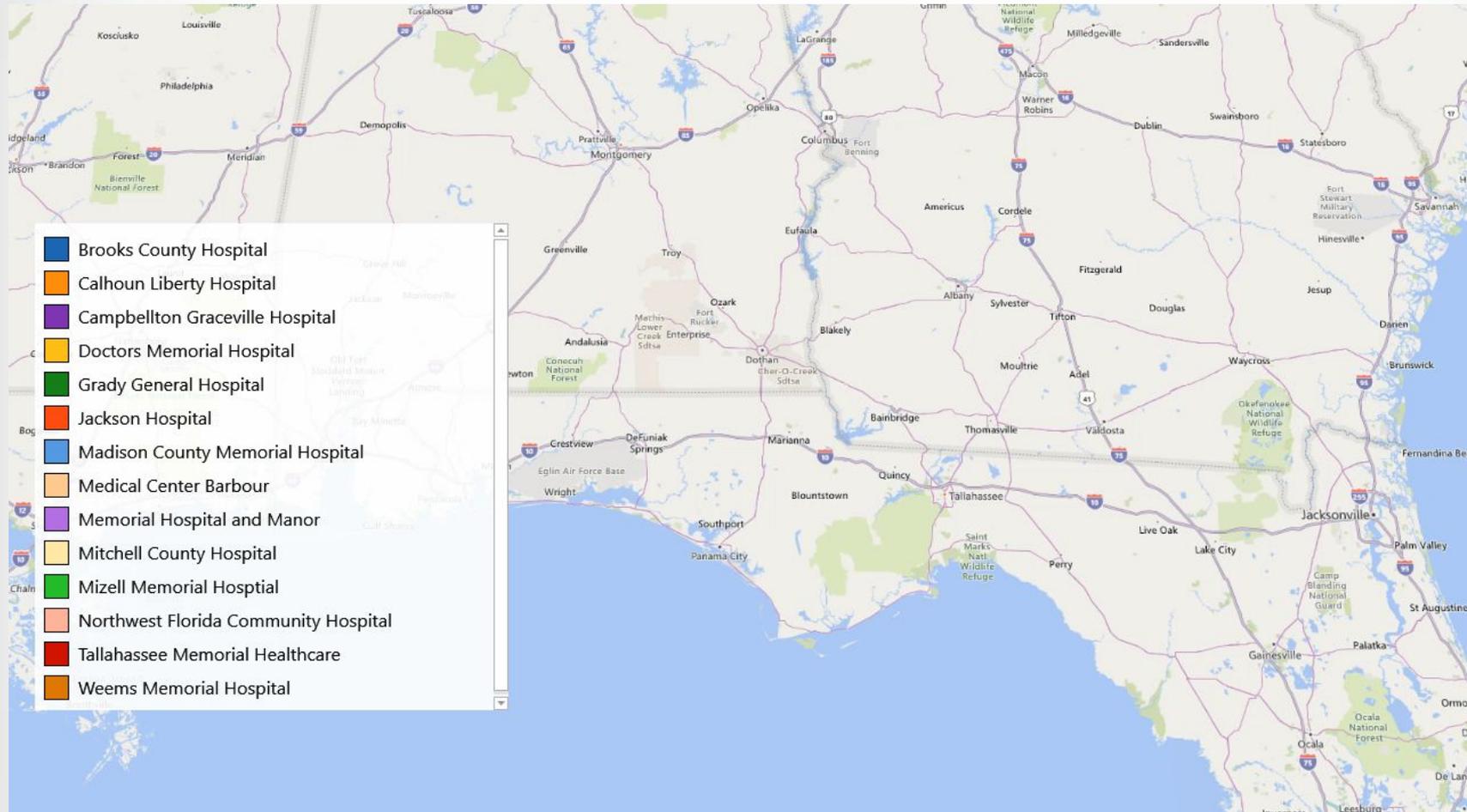
Supply Chain

- Premier Purchasing Partner volume discount

Financial

- Standard reporting
- Business office improvement
- Collections improvement
- Cost report optimization
- 340B optimization
- Medicare bad debt recovery

Building a Rural network in the Region



Challenges Faced in Rural Facilities

- **Care delivery shifts**
 - Inpatient to outpatient focus
- **Behavioral health**
 - Opioid epidemic
 - Violence in communities
 - Suicide
 - Elderly needs
- **Economic and demographic shifts**
 - Workforce shortage
 - Including physician and other providers
 - Low patient volumes
 - Aging population
 - Younger population moving to urban locations
 - Loss of major employers
- **Reduced reimbursement**
 - Health plan designs
 - Medicaid expansion
 - Regulatory burdens
 - Payer Mix
- **Geographic isolation**
- **Aging infrastructure**

Current Status

- Weems is a Critical Access Hospital
- Two Clinic Locations
- EMS operations
- Declining volumes and market share
- Strong support from Franklin County financially

Critical Access Hospitals (CAHs)

“Critical Access Hospital” is a designation given to eligible rural hospitals by the Centers for Medicare and Medicaid Services (CMS). Congress created the Critical Access Hospital (CAH) designation through the Balanced Budget Act of 1997 in response to a string of rural hospital closures during the 1980s and early 1990s. Since its creation, Congress has amended the CAH designation and related program requirements several times through additional legislation.

Critical Access Hospitals (CAHs)

The CAH designation is designed to **reduce the financial vulnerability** of rural hospitals and **improve access to healthcare** by keeping essential services in rural communities. To accomplish this goal, CAHs receive certain benefits, such as cost-based reimbursement for Medicare services.

Critical Access Hospitals (CAHs)

Eligible hospitals must meet the following conditions to obtain CAH designation:

- Have 25 or fewer acute care inpatient beds
- Be located more than 35 miles from another hospital (exceptions may apply).
- Maintain an annual average length of stay of 96 hours or less for acute care patients
- Provide 24/7 emergency care services

Critical Access Hospitals (CAHs)

Also authorized in the Balanced Budget Act of 1997, Congress created the Medicare Rural Hospital Flexibility Program (Flex Program) to support new and existing CAHs.

This guide provides resources concerning the following CAH-related areas:

- Payment/reimbursement and financial information
- Regulations and information regarding CAH status and the Flex Program
- Key organizations in the field
- Funding opportunities
- Challenges to operation

What are the benefits of CAH status?

CAH status includes the following benefits:

- Cost-based reimbursement from Medicare. As of January 1, 2004, CAHs are eligible for allowable cost plus 1% reimbursement. In some states CAHs may also receive cost-based reimbursement from Medicaid.
- Flexible staffing and services, to the extent permitted under state licensure laws.
- Capital improvement costs included in allowable costs for determining Medicare reimbursement.
- Access to Flex Program educational resources, technical assistance, and/or grants.

Alliant's approach

- No “silver bullet”
- Many facets to building a sustainable business model in rural facilities
 - Focus on operations
 - Engage the entire management team
 - Respectful accountability
 - Finding additional revenue streams
 - Recruiting
 - Engaging the Board in establishing strategic direction

Results

Alliant Management

MERGER INTEGRATION AND OPERATIONAL TURNAROUND

success stories

Southern Ohio Hospital

Net Income
LOSS of \$0.3M



Net Income
PROFIT of \$1.6M

Northern Indiana Hospital

Net Income
LOSS of \$2M



Net Income
PROFIT of \$3.2M

Southern Illinois Hospital

Net Income
LOSS of \$1.7M



Net Income
PROFIT of \$1.4M

Kentucky Hospital

Net Income
LOSS of \$1.7M



Net Income
PROFIT of \$1.3M

Southern Indiana Hospital

Net Income
LOSS of \$0.6M



Net Income
PROFIT of \$3.2M

Recommendations for Franklin County Healthcare

- Decision regarding the hospital
- Engage with Alliant and Tallahassee Memorial
- Focus on operations while:
 - Strategic Plan development for what models would work for Franklin County's healthcare needs
- Identify sustainable models
- Develop an action plan with timelines for execution

Questions



Thank you



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