



Center for Rural Health Policy Analysis

January 29, 2015

Rural Health Value

UNDERSTANDING
AND FACILITATING
RURAL HEALTH
TRANSFORMATION.



Rural Innovation Profile

Proactive System Affiliation

What: An alliance of small rural hospitals contracting to affiliate with a regional medical center.

Why: To enable the allied rural hospitals to participate in population health management, access a fully integrated electronic health record (EHR), improve the referral and transfer of patients, increase patients' access to specialty care services, and access hospital support services.

Who: Health care organizations in the state of Washington, including Forks Community Hospital, Forks; Jefferson Healthcare, Port Townsend; Olympic Medical Center, Port Angeles; Providence Regional Medical Center, Everett; and Swedish Health Services, Seattle.

How: Identifying common concerns and priorities, soliciting proposals for affiliation with a large regional medical center, and selecting an affiliation partner.

Key Points

- Alliance hospitals structured partnership agreements to benefit all organizations and the communities they serve.
- Alliance hospitals identified their shared priorities, built partnerships, leveraged market share, and controlled the process, while ensuring community needs were met.
- Alliance hospitals developed a thorough understanding of the organizations involved, including conducting site visits to ensure the organizations and their cultures were compatible.
- All partners were proactive and deliberate in their planning and implementation, understanding that change would not happen on its own.

Cooperative Agreement funded by the
Federal Office of Rural Health Policy:
1 UB7 RH25011-01

On the go? Use the adjacent QR code
with your smart phone or tablet to view
the RuralHealthValue.org website.





OVERVIEW

Forks Community Hospital, Forks; Jefferson Healthcare, Port Townsend; and Olympic Medical Center, Port Angeles, are geographically isolated rural hospitals in North Olympic, Washington. In 2010, with support from the state's Medicare Rural Hospital Flexibility Program, these hospitals made a proactive and deliberate decision to form an alliance in order to establish a mutually beneficial affiliation with a large regional medical center while remaining locally owned and controlled.

PROCESS

From June to October 2010, representatives of the rural hospital alliance identified their affiliation priorities, sent a request for information (RFI) to area regional medical centers as potential affiliation partners, and met to discuss the RFI findings. The RFI's 15 questions sought information on each medical center's clinical services, EHRs, participation in health reform initiatives, and overall strategic vision. Using this RFI process, the rural hospitals were able to get answers to questions that had been clearly defined and agreed upon and reflected both community and operational needs. Board members, medical staff leaders, and senior leaders from the three rural hospitals reviewed and discussed the RFI findings. The rural hospital alliance's criteria in selecting an affiliation partner included increasing access to local health care services; improving quality, safety, efficiency, and coordination of local delivery systems; accessing an EHR system and support services; mission and cultural compatibility; accountable care organization readiness; collaboration experience; long-term opportunities; and feedback from references.

“We were looking for a partner, not an owner or a vendor.”

John Nowak, Jefferson Healthcare

Six regional medical centers responded to the RFI. After reviewing the responses, the rural hospital alliance selected three finalists for further consideration. Representatives from the rural hospital alliance made site visits to each regional medical center, and further examined aspects of the regional medical centers' philosophy, services, EHR, and geography. In March 2011, the alliance selected Swedish Health Services in Seattle as its affiliation partner. Two of the greatest deciding factors in this selection were the EHR being implemented by Swedish Health Services and the accessibility of Swedish Health Services to patients from each of the rural hospitals.

OUTCOME

After all parties had signed the affiliation agreement, Swedish Health Services merged with Providence Regional Medical Center. Due to the merger, and to the status and EHR experience of Providence Regional Medical Center (in particular, installing its EHR in Critical Access Hospitals and other small rural





hospitals), Olympic Medical Center and Jefferson Healthcare decided to proceed with the EHR implementation and received Providence's version of Epic. Forks Community Hospital elected to continue with its Meditech system. The primary impact of the Swedish/Providence merger was the rural hospitals' ability to access Epic from Providence Regional Medical Services and, consequently, to share patient health information. Even after the merger, Swedish Health Services continues to serve as the primary regional partner because of its geographic proximity and the referral patterns of the three rural hospitals. All three rural hospitals continue to operate as independent facilities.

Since affiliation, the three rural hospitals have made improvements in the patient referral process, including establishing a single point of contact at Swedish Health Services for all referrals. This change has reduced patient transfer times. Market share has also changed.. Swedish Health Services has realized a 6 percent (from 10 percent to 16 percent) increase in its market share from Jefferson County residents, while Jefferson Healthcare has seen a drop from 42 percent to 40 percent. Providers at the three rural hospitals are increasingly referring patients to Swedish Health Services for tertiary care, which has also resulted in patients starting to self-refer there.

All three affiliation hospitals have increased their communities' access to specialists through placement of Swedish Health Services' specialty care providers in each of their hospitals. In addition, Jefferson Healthcare has been working with Swedish Health Services to develop orthopedic center of excellence services and a tele-stroke program. The three rural hospitals have also gained access to quality improvement expertise and support through site visits by Swedish Health Services quality improvement staff to present their quality improvement approach. Overall, communication between all of the hospitals participating in the affiliation has improved through quarterly meetings, regular meetings of all the hospital CEOs, and informational meetings to discuss a myriad of issues, such as Epic implementation.

For more information about Rural Health Value, contact:

Rural Health Value
University of Iowa | College of Public Health
Department of Health Management and Policy
Web: <http://www.RuralHealthValue.org>
E-mail: cph-rupri-inquiries@uiowa.edu
Phone: (319) 384-3831

Tell the Rural Health Value team about your rural health care delivery or financing innovation.
Go to <http://www.RuralHealthValue.org> and click on "Share Your Innovation."

