



PERFORMANCE UPDATES & PLANS

HHSC-Kauai Region FY2014 to FY2015

Wade Lord, Kauai Region Board Chair

Scott McFarland, Kauai Region Interim CEO

Freddie Woodard, Jr., MBA Kauai Region COO/CFO

"A Patient, Resident and Family Centered Culture that is Accountable and Provides Quality Care"



BUILDING a SUSTAINABLE FUTURE for KAUAI REGION

Immediate/FY2014 Actions and Results

- ✓ Implemented sound fiscal metrics and processes for cash management, cash collections, claims processing, accounts payable, expenditure approvals, budgeting, and cost reductions.

Result: April and May 2014 resulted in over \$4M/month collected, increased clinic utilization, and monthly charges target of \$1,050,000 for Clinics exceeded.

- ✓ Revenue production/cost reduction assessments.

Result: Increase in utilization of LTC facilities at SMMH to 55 beds.

Result: FY2015 budgets developed with fiscally responsible guidance.

- ✓ Prioritize, define team(s), and schedule strategic initiatives for FY2015 and beyond.

Result: Plan strategic initiatives to revitalize & optimize Kauai healthcare.

HHSC-Kauai Region - Access to care

- Kauai's population to primary care physician ratio was lowest among all counties according to County Health Rankings and roadmaps 6/25/13 Kauai Community Health Needs Assessment
- Kauai Island suffers from consistent access to primary care as reported in the Kauai Community Health needs assessment 14.30% of total population Age 18 reported not having a regular doctor
- HHSC-Kauai medical group is an asset to the community, services provided are critical
- KVMH has done an excellent job with keeping expenses low when compared to industry benchmarks according to 2012 practice assessment by Stroudwater Associates
- Approximately 34,000 patient clinic visits; 13,000 ED visits. (\$11 million professional fees revenue)
- Approximately \$61 million hospital revenue FY13

Ongoing Performance Improvement Actions FY2013-FY2014

- Increased Executive Management Oversight of the revenue cycle for Kauai
- Significantly improved our charge capture process
- Daily cash management
- Implemented monthly revenue cycle meetings in the region to identify issues timely that pose barriers to payment
- Redesigned Billing workflow process 9/13 to gain efficiencies and increase cash collections
- Analyzed clinic practice structure to best provide care to outpatients communities served
- Increased access to care with Saturday Clinics at Waimea and Kalaheo
- Achieved high quality scores by providing right personalized care

Ongoing Cost Control Actions FY2013-FY2014

- Currently assessing staffing needs
- Staff utilization: (Reduction of overtime)
- Increased participation, education and auditing regarding quality initiatives to maximize incentive payments
- Implemented purchasing controls
- Re-evaluating purchased service contracts
- Establishing consistent performance expectations for medical staff to meet facilities financial goals
- Developing plan to reduce A/P and rebuild relationships with vendors
- Engaged in workflow redesign in critical areas to gain efficiencies and reduce costs
- Re-allocating resources in the region looking to achieve maximum benefit

Next Steps for FY2015

- Reduce days in A/R to below 45 days
- Decrease days in A/P, and restore reputation with local vendors
- Continue to develop policies and processes that better integrate to and align with the Living Strategic Plan (LSP) of the Kauai Region
- Engage Staff and increase performance
- Continue to deliver QUALITY care
- Advance and redesign services (provide access to appropriate service)
- Increase cash collections
- Continue to develop and meet financial goals and targets