



Rural hospital leverages federal funding to save on telecom services, provide better care – Yoakum Community Hospital, Yoakum, TX

THE SITUATION

Yoakum Community Hospital's antiquated data network and low-speed internet fell short of meeting today's healthcare industry demands, including use of electronic health records. "We need to be up 24-7 with reliable connections and redundant circuits in case of a primary system failure," says Barbara Vasek, the hospital's IT director. CHC leveraged federal funding for IT upgrades including high-speed internet and disaster recovery. Citing improvements in patient care as well as operational and financial performance, hospital CFO Robert Foret calls the upgrades a "quantum leap forward" for the 25-bed critical access hospital in the heart of Texas Hill Country.

BACKGROUND

In addition to transferring patients' health records and images, Yoakum shares resources and basic business functions with Baptist Beaumont Hospital and needs reliable, high-speed internet connectivity for daily operations. "It's our lifeline," Vasek says. "If the circuits go down it's like cutting off our oxygen."

Rural hospitals in general need advanced telecommunications and information technology for ACA compliance, at a minimum, and for optimal patient experiences and clinical outcomes. Typically, they pay more for IT infrastructure than hospitals in more populated areas because the dearth of commercial business development discourages the expansion of infrastructure and services into rural areas.

Each year, the Universal Service Administrative Company (USAC) makes available \$400 million in federal funding through the Rural Health Care (RHC) Telecommunications Program to ensure that qualifying rural health care providers — or urban-area hospitals that draw from rural areas or have rural clinics — can obtain telecommunications and internet services at rates comparable to urban providers. However, only a fraction of available funding is granted due to a lack of program awareness and "ongoing, tedious" program eligibility and documentation requirements, says Brian Doerr, CHC's senior vice president of IT.

THE PLAN

With RHC expanding to include the Healthcare Connect Fund (HCF), which allows healthcare providers to request support as a single entity including non-rural hospitals that are part of a largely rural consortium, "it's time to rethink IT telecommunications strategy and the opportunities to financially support it over time," Doerr says.





CHC Consulting, the management and consulting arm of CHC, stands apart from other USAC consultants by not only assisting with the complicated process and multiple forms necessary to procure federal funding (for one-tenth the cost of a previous consultant, in Yoakum’s case), but also providing ongoing support.

The USAC funding process entails:

- Confirming and certifying eligibility
- Developing evaluation criteria for selecting a service provider
- Requesting and scoring bids from service providers
- Negotiating the most favorable contract through a required 28-day competitive bidding process
- Submitting documentation so USAC pays the service provider directly
- Monitoring service provider credits to hospital accounts
- Reapplying each year for funding

A hospital is only as healthy as its IT systems. IT upgrades not only improve efficiencies but they also improve patient experiences and outcomes.

Barbara Vasek, IT Director
Yoakum Community Hospital

THE RESULTS

With CHC’s guidance, Yoakum procured \$209,047 in USAC funding in 2013 to offset costs of \$229,656 for telecom and IT services needed to optimize operational and financial performance as well as patient care, for a savings of 91 percent. In addition, by bringing telephone services under contract, CHC identified further annual savings potential of \$32,148 for 2014.

All told, CHC saved rural hospitals \$500,000 on telecom and IT services in 2013 by leveraging USAC funding.

Simply by having information technology that supports electronic health records, the benefits to patients and hospitals include better clinical documentation, medical error reduction and improved, automatic cost capturing. Beyond that, telecom and IT upgrades made possible by USAC funding help hospitals reliably connect to their affiliates; maintain a picture archiving and communications system (PACS) to store and conveniently access medical images of all types; and provide telemedicine services with sounds and images transmitted in real time.

In Yoakum’s case, X-rays, CT scans and MRIs that previously took 10 to 15 minutes to send now transmit instantaneously. “These improvements reflect CHC and Yoakum’s shared mission of keeping healthcare local by bringing this technology — and, through it, top-quality care — to the patient’s own hometown hospital,” Doerr says.

Funding Year 2013: HOSPITAL	YEARLY IT EXPENSES	USAC FUNDING	PERCENT SAVINGS
Yoakum Community Hospital, Yoakum, TX	\$229,656.00	\$209,047.00	91%
St. Marks Medical Center, LaGrange, TX	\$170,940.00	\$153,318.00	90%
Artesia General Hospital, Artesia, NM	\$150,276.00	\$126,659.00	84%

About Community Hospital Corporation

Community Hospital Corporation owns, manages and consults with hospitals through three distinct organizations – CHC Hospitals, CHC Consulting and CHC ContinueCARE, which share a common purpose to guide, support and enhance the mission of community hospitals and healthcare providers. Based in Plano, Texas, CHC provides the resources and experience community hospitals need to improve quality outcomes, patient satisfaction and financial performance. For more information about CHC, please visit www.communityhospitalcorp.com.

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