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

THE SITUATION

Yoakum Community Hospital's (YCH) antiquated data network and low-speed internet fell short of meeting today's healthcare industry demands, including use of electronic health records. YCH needed to be up 24-7 with reliable connections and redundant circuits in case of a primary system failure. 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 John Olivares calls the upgrades a "quantum leap forward" for the 23-bed critical access hospital.

BACKGROUND

In addition to transferring patients' health records and images, Yoakum shares resources and basic business functions with Baptist Hospitals of Southeast Texas and needs reliable, high-speed internet connectivity for daily operations.

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 millions of dollars 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. The Federal Communications Commission's (FCC) funding cap for fund year 2021 (7/1/21-6/30/22) will top $600 million.

THE PLAN

In response to the ever changing needs of rural healthcare providers, USAC has expanded their funding opportunities, making it "time to rethink IT telecommunications strategy and the opportunities to financially support it over time," says Brian Doerr, CHC's Senior Vice President of Information Technology & Security and Privacy Officer.

CHC
Community Hospital Corporation

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 strategic 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

Reducing the cost of services, while improving the quality of services provided benefits hospitals and the USAC program. Since USAC funds are limited each year, our efforts to reduce cost also reduce demand on the USAC program. This allows for funding to be spread further to help achieve desired outcomes.

Whittney Walker
CHC Vice President of Telecom Services

THE RESULTS

With CHC's guidance, YCH has benefited in several ways over the past 10 years:

- Received over $1.2 million in funding, while improving speeds and optimizing gross costs
- Average net savings percentage is 86%
- Reduced gross costs by 75%
- Net circuit costs have remained stable over 10 years, going from $21,100 in 2012, to $21,555 in 2021
- Increased circuit speeds 20x during this period and implemented load balancing and redundancy

About Community Hospital Corporation

Community Hospital Corporation owns, manages and consults with hospitals through CHC Hospitals, CHC Consulting and CHC ContinueCARE, with the 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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