

Results and Impact at Montana Health Network

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Created in 1987, Montana Health Network (MHN) has 17 shareholding members, 15 critical access hospitals, one acute care facility and one large nursing home corporation. MHN provides services to 28 other healthcare facilities across Montana and Wyoming.

Measurement of results and impact is key to MHN's service lines and their ongoing success. MHN has successfully developed many programs for its members including self-funded health insurance, liability insurance and workers compensation programs. MHN also provides mobile MRIs, temporary staffing and educational programs.

MHN measures results by reviewing two or three different key indicators for each of its service lines. These key indicators are different than the bottom line financial measurements and are more indicative of success and impact than profitability. While it is always important to know where you are financially, the bottom line numbers do not necessarily drive improvements or drive MHN staff to ask the questions about different trends. Profitability only measurements, if positive, can hide other issues until it is too late to change direction when needed.

The key indicators, chosen for each service line, are tracked and trended over time so MHN can look quickly at the impact of policy/business changes. The key indicators are indicative of asking the question "if things are going as they should with this service line, what would be the appropriate outcomes?"

A retail store may look at its bottom line for indicators and measure its success based on profitability without realizing that the key drivers for that bottom line are customer service and repeat customers, as well as providing needed services. MHN tends to look more at the key indicators that drive process improvement and increased impact.

Samples of key indicators include the following:

- Health Insurance - % of fixed costs to premium
- Liability Insurance – Probability level of claim
- Workers Compensation – Incidence rate of OSHA recordable cases
- Mobile MRI – Average scans per machine
- Temporary Staffing – Shifts per month and call offs
- Education – Courses taught to clinicians, healthcare outreach under 18, healthcare outreach over 18

MHN's key indicators track results, which then will allow MHN to track its impact.

MHN annually provides each CEO with a value statement which details the benefits of MHN programs versus going outside of the network to purchase the above mentioned services. These value statements display cost savings against paid dues. It is not unusual to have returned cost savings several hundred times their initial annual dues.

As we look at the cost savings MHN has provided over its 28 year history, the impact becomes clearer. These facilities can push these funds towards other needed equipment, personnel and services so they can continue to provide quality healthcare and in some instances survive through the rash of CAH closures that have been in other states. Because of the strength and stability of its programs, in 2014 MHN was able to credit back the dues to its members towards its 2015 purchases of services. A sample value statement is provided below.

2014 IN REVIEW

XXXXXX Memorial Hospital

Status:	Shareholder
2014 Dues	150.00 (Due to rebate, typically 1,500)
2014 Savings	66,095.43
Basic Life	3,235.20
Supplemental Life	695.52
401(k)	8,977.00
Liability & Casualty Exchange	13,000.71
Liability & Casualty Loan	693.94
Elevator	1,397.88
Risk Management Dues	50.00
Workers' Compensation	6,329.00
Health	19,987.11
Flex Plan	-
Temp Pool Rebate	1,571.88
Directors & Officers Rebate	3,525.00
Legal	-
Navigator Grant	6,632.19
2014 Return on Investment:	440 to 1
2015 Dues:	1,500.00

Montana Health Network's (MHN) mission is to support and influence the evolution of healthcare organizations, and enhance the well-being of individual communities through:

- *networking to establish bonds and trustful relationships between healthcare executives;*
- *shared services and shared products to bring value through cost savings and efficiencies;*
- *research and development of products and services.*

Montana Health Network is a founding member of the National Cooperative of Health Networks (NCHN). Chris Hopkins has been an active member of NCHN for 9 years serving on the board of directors, a variety of committees, and as President of NCHN in 2013-2014. Janet Bastian, former executive director of MHN, served as NCHN board president in 1997 and 2004.