

A Case Study of Rural Success

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Rural providers have been somewhat insulated by the transformation in the health care market over the past decade. Caught between understanding and implementing population health strategies, they are still heavily reliant on fee-for-service reimbursement models versus value-based care. Rural hospitals are fighting for their margins, with few resources available to pilot innovative care strategies or make capital upgrades. Recruiting physicians is expensive and difficult and rural populations are increasingly aging and less affluent.

Modern Healthcare's in-depth feature on rural health care from June 2018 outlines the clinical and economic drivers acutely impacting rural hospitals today. While the series points to many challenges and risks, there are promising examples of success that show us there is hope for the future of access to care in rural areas.

One such example highlighted by Modern Healthcare was CHRISTUS Good Shepherd in Longview, Texas. Juniper Advisory was engaged by Good Shepherd Health System, an integrated health system with two hospitals, in 2016 to conduct a strategic partnership exploration process aimed at helping the system continue to deliver on its mission.

At the outset of the process, the GSHS board put forth a set of objectives for a partnership, including:

- Continue the mission, vision and values of GSHS to meet the healthcare needs of East Texas
- To grow services available within the system
- Provide capital for physician recruitment, new programs and plant renovations
- Continue a strong local voice in the governance of the health system

The competitive process elicited a variety of structural alternatives from a broad range of potential partners, allowing the GSHS board and leadership team to make a sound decision based on their objectives and the best interests of their patients, staff and community.

Since the board elected to join CHRISTUS in 2017, GSHS has become an important center for care delivery in CHRISTUS' growing east Texas service area. GSHS' Moody's credit rating jumped by four positions from Caa1 to Ba3 and the once financially strained system is now operating in the black. The results of this transaction exemplify how a small rural system can leverage the support and resources of a larger system to the benefit of the communities it serves and its stakeholders, and can serve as a model for like systems facing financial and operational stress.

