



How a Texas community saved its hospital — and vice versa

By Author | Date

Data Slice

23%

reduction in reliance on taxes from new revenue generating services

In the early 2000s, no one in Jacksboro, Texas thought much of Faith Community Hospital, the fifty-year-old hospital in the center of town. The building was substandard. Staff morale was low. Patients preferred to drive thirty miles or more to Fort Worth or Wichita Falls for care.

And when the hospital flunked a Medicare inspection due to mold and asbestos, voters rejected a bond issue to build a new hospital by a 3-to-1 margin.

Then, in 2010, Frank Beaman came to town, taking on the role of Faith's CEO with a keen understanding

Key Takeaways

- 1 Changing the internal culture of a rural hospital renews a community's support for a new building.
- 2 Determining the healthcare needs of community support guides planning for a new hospital.
- 3 Revenue-generating services complement core services to reduce tax burden on community.

of what was at stake. Rural hospitals are closing across the country — 71 in the last five years, 10 in Texas alone — devastating the health and the economies of small towns.

Beaman, an experienced hospital administrator, was determined to keep this hospital open. In central Texas — a region of ranching, oilrigs, and hunting — people need high-quality healthcare close at hand.

But to survive, the hospital would need the one thing it didn't have: the confidence and support of the people of Jacksboro.

Cleaning up the halls – and the hellos

Beaman knew that his first job would be to raise standards within the hospital. Along with sprucing up the place with fresh paint and new flooring, Beaman took a good look at his staff.

Comparing the operation to a boat, he recalls, “There were people hanging off the side of the boat who needed to get in the boat. There were people in the boat holding oars, but rowing in the wrong direction. They just needed training. But the ones sitting there with a drill, who would just as soon see the boat sink – and we had several – needed to go.”

Beaman let employees and staff know that “if we’re going to survive, it’s going to be because of you.” He launched a policy of zero tolerance for negative attitudes or interactions.

And he opened a line for patient complaints, installing a confidential phone number for patient messages and responding to every single complaint with a phone call, and with gratitude.

“I’d say, ‘Hey, I can’t fix anything if I don’t know it’s broken,’” Beaman says. “You are doing me a favor by calling and complaining.”

No detail was overlooked. When dinner was brought to an evening board meeting – “fried meat of some kind, potatoes and gravy, and Jell-o in a Styrofoam container,” Beaman recalled – he looked up from his meal and asked, “Are we serving this to the patients?”

The next day, he stopped by the dietary department to say, “If we’re going to change our image, it has to start here.”

Beaman instructed the kitchen staff to do better. “I’m not going to tell you what to do and I don’t want to discuss the \$1.25 tray cost. Just impress me,” he told them.

A new staff member with a passion for cooking led the way. Then the staff asked for permission to grow a garden beside the hospital. Soon the kitchen was supplied with fresh vegetables and salads. The

garden was so bountiful that community members began coming by to collect the extra fresh produce.

Six months after Beaman arrived, he knew the hospital was on the right track. Complaints were down and positive comments were up. “People were saying, ‘Hey, have you checked out Faith Community Hospital lately? The food’s better and the floors look great.’”

‘Excited about healthcare again’

With operations in order, Beaman was ready to take on the next essential project: Raising money for a new hospital building, better suited to modern care and technology.

The economic argument made sense, says Clint Myrick, vice president of The Bank of Jacksboro. “They could spend \$15 to 20 million on fixing up an old facility, or spend \$25 million and have a new facility.”

But support from civic leaders would be vital to raising that money. So Beaman reached out to business leaders, school leaders, and civic groups such as the Lion’s Club and Chamber of Commerce, giving presentations and sharing his vision for the future.

His energy and vision were contagious, Myrick says.

“Everybody got excited about healthcare again,” says Myrick. “The passion Frank brought to the project sold the community that this was something that needed to be done: ‘Now that we have Frank behind it, can you imagine if we got a new building, how good it can be?’”

Beaman’s vision for a new Faith was shaped by a challenge faced by few other rural hospitals. Interstate Highway 380 happens to run through Jacksboro. It may be a two-lane road with an unimproved shoulder, but it disqualifies Faith Community Hospital as a critical access hospital, and the full-cost reimbursement rates that come with the designation.

So despite being a public hospital, Faith had to operate like a for-profit business, with revenue-generating services. Focus groups, community meetings and evaluating historical vital statistics determined the core services Faith needed:

obstetrics, MRIs, scope procedures, minor surgery, and a focus on ambulatory care.

Hospital leaders also considered the changing shape of health care: an increase in outpatient and post-acute care, and decreased use of inpatient services. While the old hospital was licensed for 41 beds, only 14 were ever operated. A new facility would need only 17 beds. Twice as large as the old hospital, it would have an outpatient clinic with 24 exam rooms and a lab, as well as space for post-acute care services, cardiac rehab, and physical therapy.

Wellness programs and the only fully-equipped fitness center in the county would bring the community – and revenues – into the hospital.

And the hospital's improved kitchen was getting so many requests for recipes that a restaurant with catering services was added to the mix.

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"People from the community would call and say, 'Hey, is it possible for me to buy your stuffed acorn squash?'" recalls Beaman. "We looked at each other and said, 'Well, why not?'"

With community support and a business model in place, the hospital was able to secure a \$28 million bank loan, to be paid back through hospital revenues. Increased taxes would support maintenance and operations, thus freeing up revenue to pay the debt.

Following a mutually beneficial land swap with the town, construction began. The new Faith Community Hospital opened its doors in September 2015.

A new beginning

A year later, Jacksboro's hospital is at the center of life in this small town, improving the quality of residents' lives in myriad ways. Babies are being born there again. Local nonprofits borrow its conference rooms for their meetings. The hospital's Shape Up in Faith initiative has already helped 187 people lose 1,204 pounds in a 12-week span.

And the Faith Café is one of the most popular restaurants in town.

"The food is fantastic," says Myrick. "For the hospital to provide the option of a healthy meal, it's kind of an anomaly in Jacksboro, where we've got a lot of barbecue, pizza and fast food. We forget how important good nutrition is."

And the taxpayers of Jacksboro are already seeing the results.

"The whole idea," says Beaman, "was to build a hospital that can generate more revenue, bring in more resources, expand, and eventually reduce the need for tax revenue." In its first year, Faith Community Hospital reduced its reliance on taxes by 23 percent. "We're hitting our stride faster than we thought."

That momentum is spreading across Jacksboro, where new businesses are moving in to be near the new hospital.

"In small towns, you're either growing or you're dying," says Myrick. "When you're able to get projects of this size done, you keep jobs in the community. Without this hospital, this community would not be the same."

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