

2023 Lilypad® Award Methodology

Lilypad® annually recognizes individual Rural Health Clinics (“RHC”) and states with Lilypad Awards (“Lilies”) based on their financial and operational performance to peers. The Awards program applies a set of five metrics to rate every RHC in the country and assign national Clinic ranks; the aggregate Clinic rank in each state is used to assign an overall State rank. All metrics are derived from the publicly available January 2023 Medicare Cost Report data files.

Step 1. Data Management. Lilypad warehouses Medicare Cost Reports for every RHC in the United States and analyzes both Provider-based (“PB-RHC”) and Independent (“I-RHC”) data files. As part of the data management process, we evaluate the integrity of each Cost Report to determine if the data furnished by CMS are complete and accurate. Cost Report data are evaluated on a field-by-field basis and are included only if our integrity analysis confirms that the data are valid. Cost Reports that violate our 20+ integrity checks are eliminated to prevent erroneous data from corrupting the rankings.

Note: The count of completed Cost Reports is driven by the methodology applied in Cost Report preparation; specifically, organizations have an option to report RHCs individually or to consolidate clinics when filing their Cost Report. Therefore, in most cases the count of completed Cost Reports value will be fewer than the non-duplicated count of RHCs in a State as enumerated in the Quality, Certification and Oversight Reports ([QCOR](#)) resource.

Step 2. Metrics. We calculate five metrics for every RHC and use the scores to apply national ranks:

1. *Expense:* Total Clinic Allocated Cost per Patient Visit
2. *Utilization:* Patient Visits per FTE Provider (APP and Physician)
3. *Staffing:* Total Clinic Allocated Cost per FTE Provider (APP and Physician)
4. *Productivity:* Achievement of CMS Minimum Productivity Standards
5. *Leverage:* Distance from target for ratio of FTE APPs to FTE Physicians

Step 3. Metric Weighting. After each metric is calculated for each RHC, the clinics are ranked and then a weighted score is applied to produce a final clinic rank. Note that for some metrics, a higher absolute score is considered better. Each of the five (5) clinic metrics are assigned a different weight that reflects the relative importance and relevance of each metric. For example, the *Utilization* metric is weighted more heavily than the *Expense* metric.

Step 4. Clinic Lilies. Based on the total score earned by each RHC, the Lilypad Awards program recognizes the top five I-RHCs and top five PB-RHCs in each of five [geographic regions](#). These 50 clinics earn “Lilies” and are considered the top performing RHCs in the United States for CY 2023.

Step 5. State Lilies. Based on the aggregate value of the weighted total score earned by RHCs in each state, the Lilypad Awards program recognizes the top five states. These five states earn “Lilies” and are considered the top performing states in the United States for CY 2023.