

Dallas Healthcare Conference

Rural & Community Hospital Challenges

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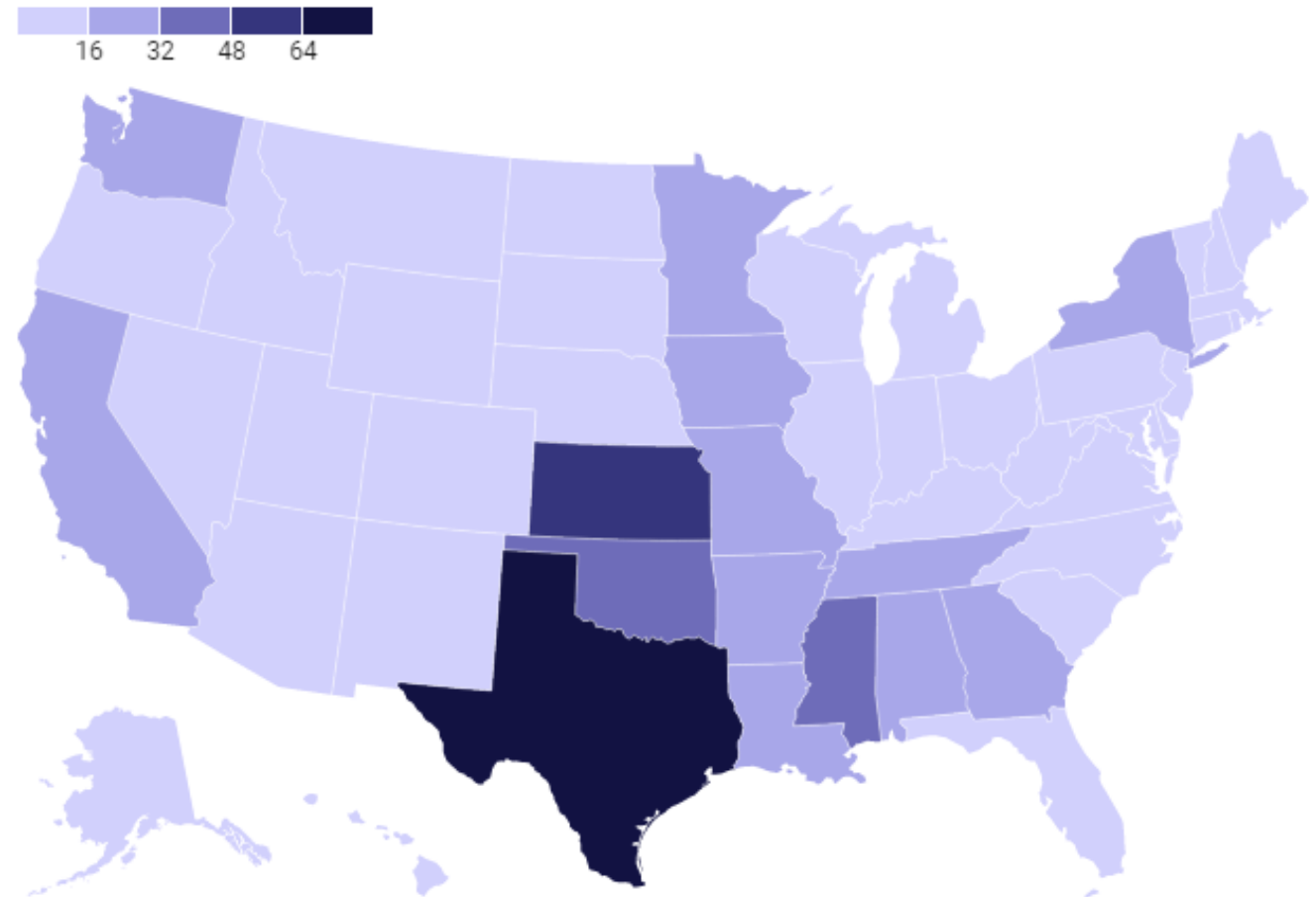
RISK

- Nationally, more than 700 rural hospitals are at risk of closing
- 30% of all rural hospitals
- Fewer than 50% of rural hospitals still offer labor and delivery care
- Center for Healthcare Quality and Payment Reform

<https://www.healthcarediver.com/news/hundreds-rural-hospitals-risk-closing-center-healthcare-quality-payment-reform/723555/>

Nearly every state has rural hospitals at risk of closing

Number of rural hospitals at risk of closing by state



Map: Emily Olsen/Healthcare Dive • Source: [Center for Healthcare Quality and Payment Reform](#) • [Get the data](#) • Created with [Datawrapper](#)

CLOSED

- Since 2005, 195 rural hospitals closed, including 100 that closed and 95 that no longer provide inpatient services
- Since 2005 leading in closures are Texas, Tennessee, North Carolina, Georgia, Missouri, Oklahoma, Kansas, California, Florida, and Alabama
- Cecil G. Sheps Center for Health Services Research at the University of North Carolina

WHY

- High Medicare Utilization
- Medicare Advantage Increasing Market Share
- Low Volume
- High Fixed Cost
- “Inadequate” Payments from Private Health Plans (Lack of Negotiating Experience and Leverage)
- Staffing Challenges
- Physician Shortages in Rural Areas
- Approx ½ of Rural Hospitals Have Negative Margin
- High Technology Costs and Privacy Risks

IMPACT OF RURAL CLOSURE

- Loss of Major Employer
- Loss of Economic Driver
- Higher Unemployment
- Lower Per Capita Income
- Lower Median Household Incomes
- Worsening Health Outcomes due to Lack of Access

SOLUTIONS

- Consolidation
- Supplemental Funding Programs
- Strong Management
- Strong Revenue Cycle
- Payer Negotiation
- RHCs and FQHCs
- GPO Participation
- Taxing Entities

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Questions?