



Nebraska Critical Access Hospital Conference on Quality

The Rural Health Safety Net and Key Considerations for Rural Healthcare Leaders

November 2019

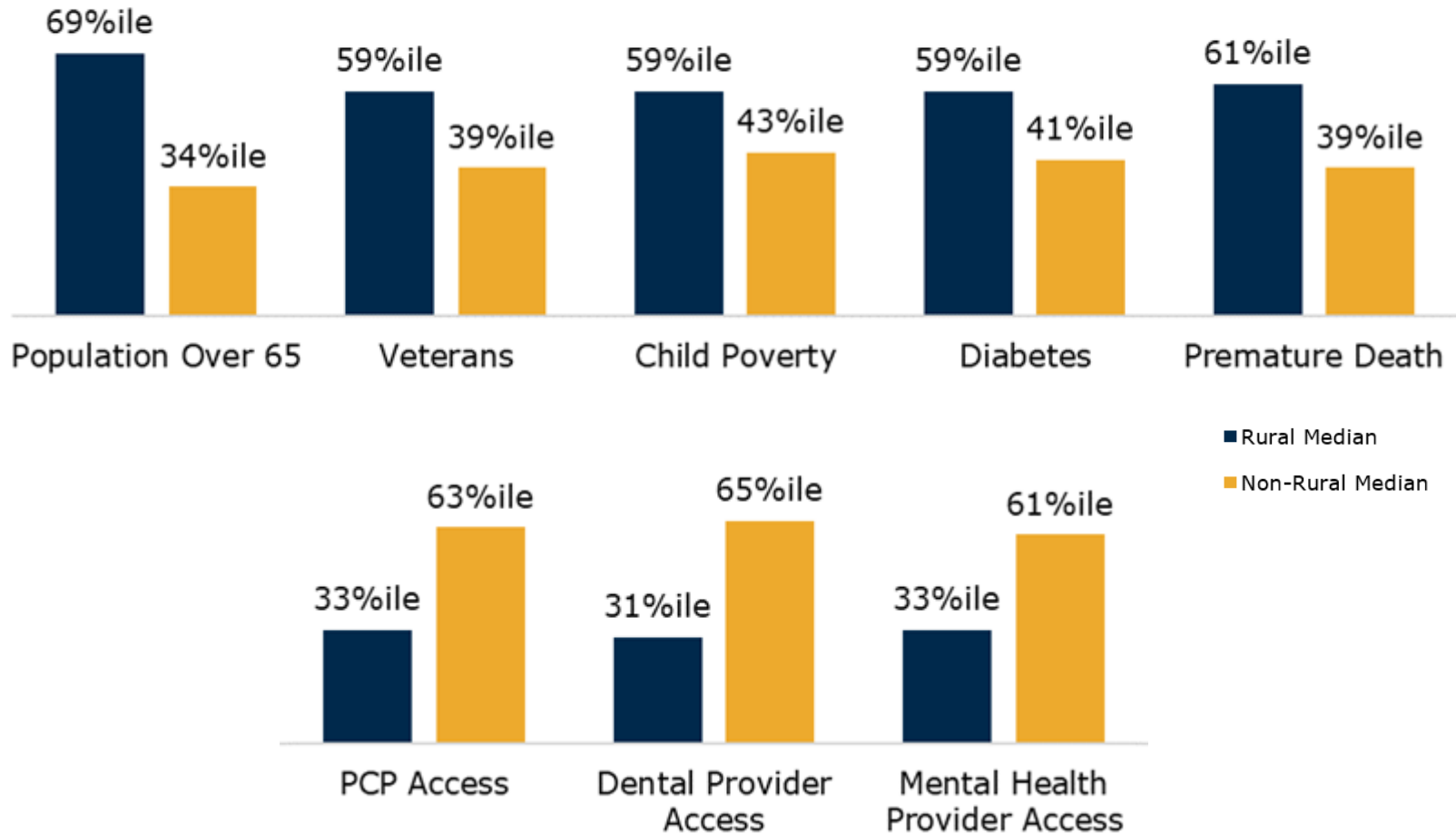


THE CHARTIS GROUP

CHARTIS CENTER FOR RURAL HEALTH

On the vanguard of thought. The future of healthcare requires nothing less.

Rural Populations are Older, Less Healthy, Less Affluent and Have Limited Access to Multiple Types of Care



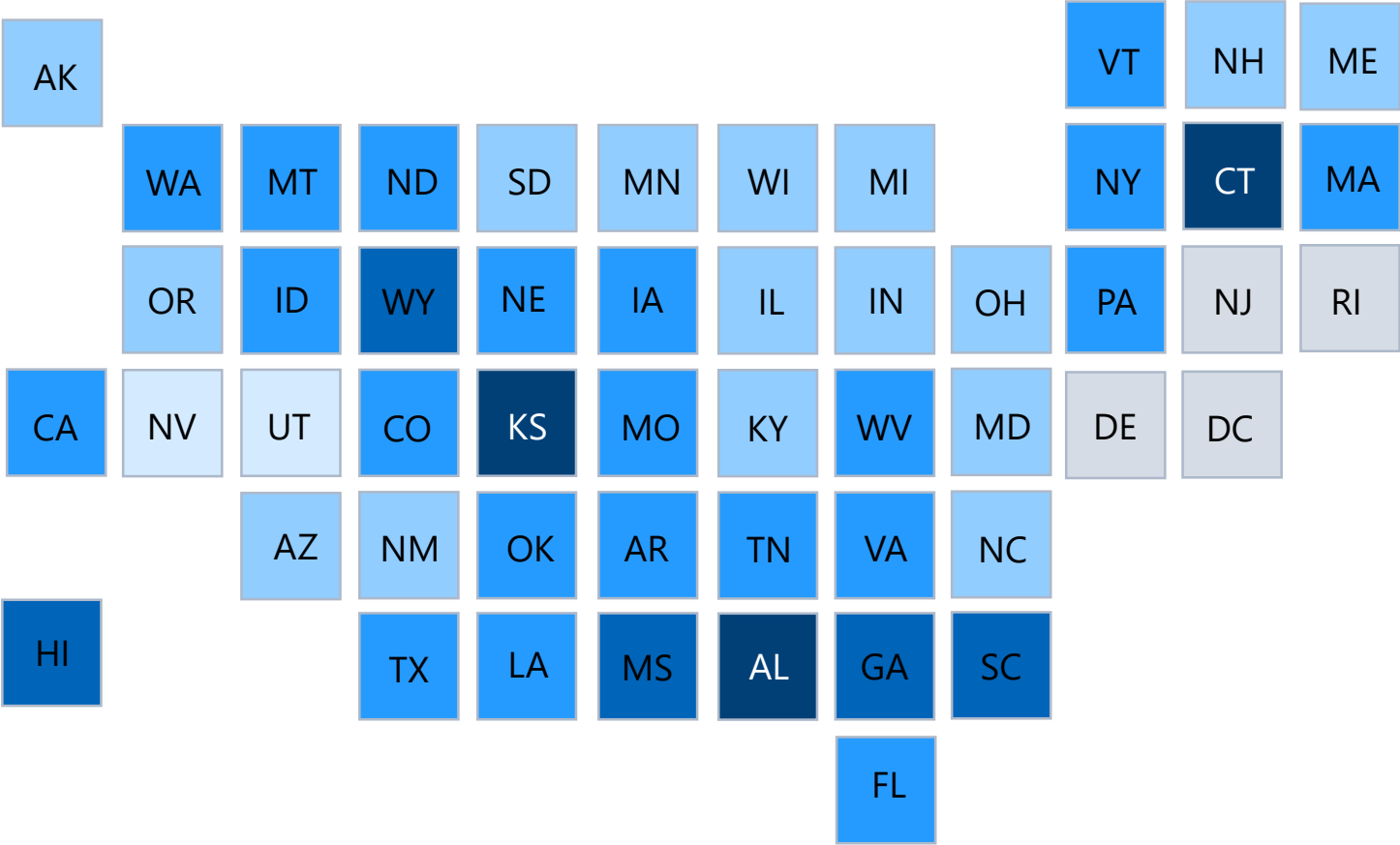
Source: The Chartis Center for Rural Health

Convergence of Multiple Pressure Points

Local and national pressure points creating downward pressure on rural providers.



48% of all Rural Providers have a Negative Operating Margin



State-level percentage of rural hospitals with negative operating margin.



Source: The Chartis Center for Rural Health, 2019.

Hospital Operating Margins: Medicaid Expansion and Non-Expansion States



Expansion State

Non-Expansion State

Nebraska



Median Operating Margin

1.5%

-0.2%

1.1%



% with Negative Operating Margin

41%

51%

41%

The Rural Hospital Closure Crisis



The New York Times

A Sense of Alarm as Rural Hospitals Keep Closing

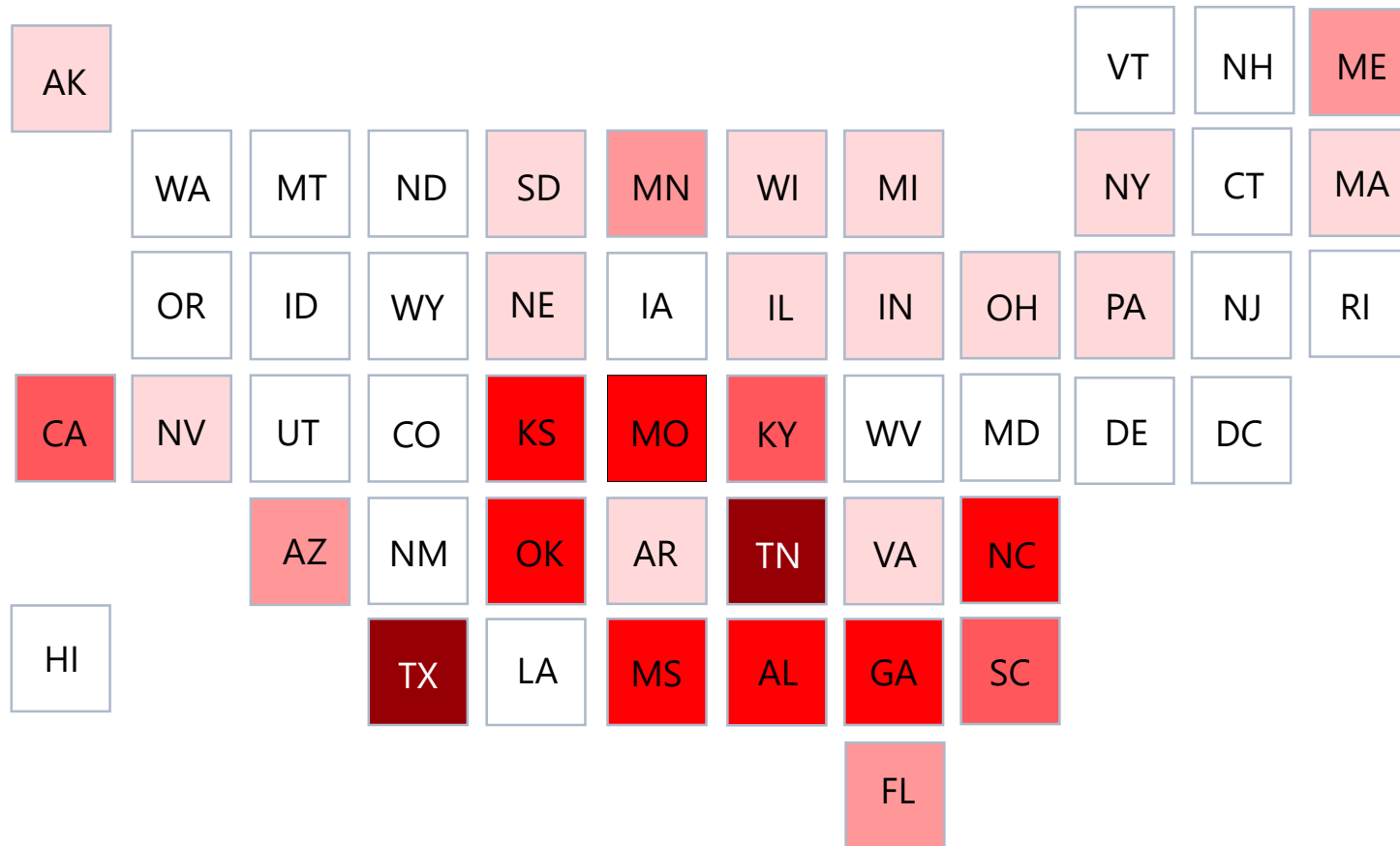
The Washington Post

‘Who’s going to take care of these people?’

As emergencies rise across rural America, a hospital fights for its life



Hospital Closures – 113 and counting

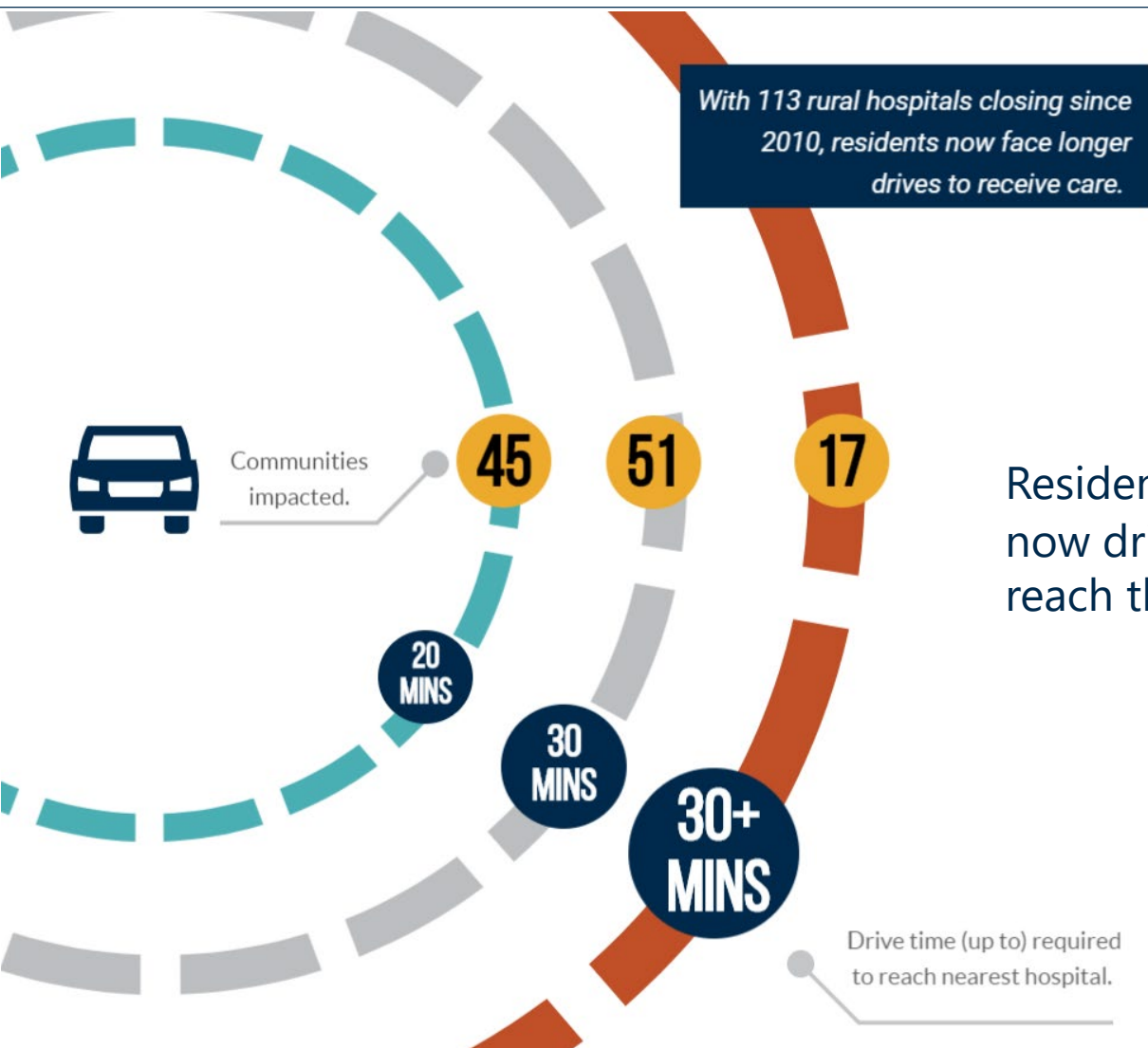


Number of rural hospitals closed since 2010.



Source: Sheps Center, UNC

Rural Closures and Impact on Access to Care



Residents of **68** communities must now drive **30 minutes more** to reach the nearest hospital.

Offsetting Revenue Pressure: *The Decline of Access to OB Services in Rural America*



➤ Rural hospitals dropping OB since 2011: **134**

➤ Rural hospitals offering OB that have closed: **21**

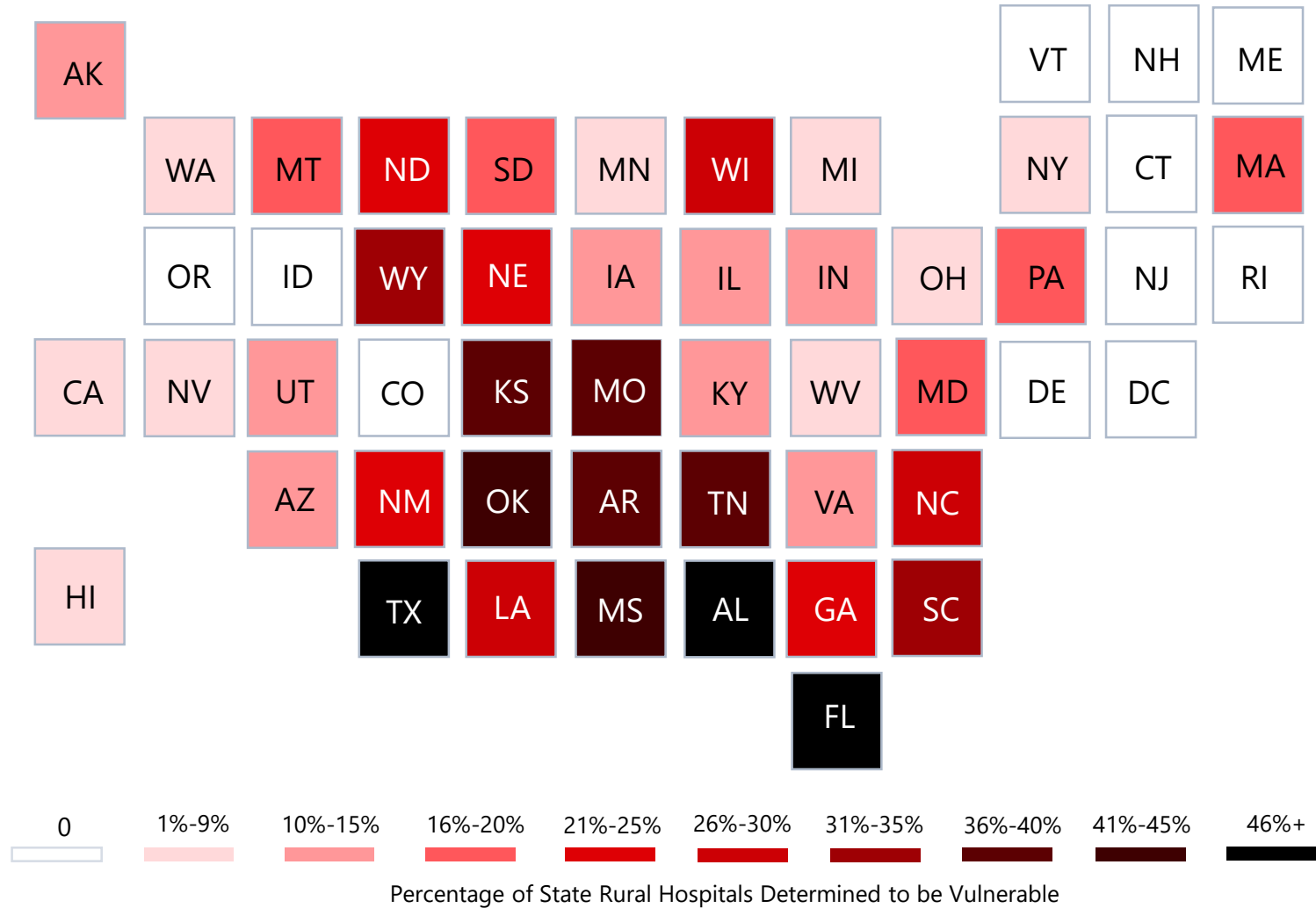
Rural communities that have lost access to OB since 2011.

155

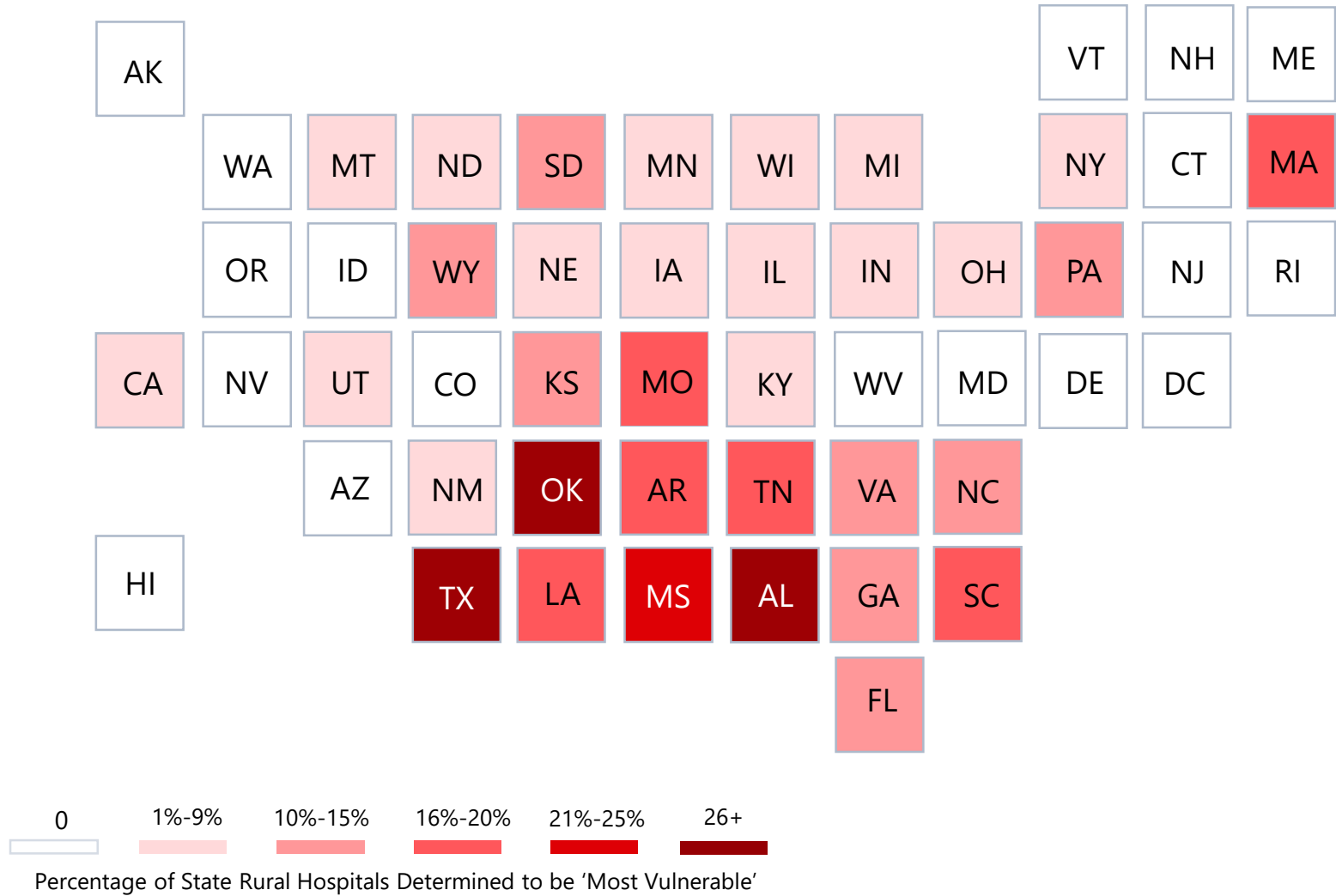
The Tipping Point Emerges at 12 Months Prior to Closure



Rural Hospital Vulnerability



The 'Most Vulnerable'



7 Factors with Greatest Impact on Sustainability

- Case Mix Index
- Government Control Status
- % Capital Efficiency
- % Occupancy
- % Outpatient Revenue
- % Change Total Revenue
- Medicaid Expansion Status

One % increase in proportion
of Outpatient Revenue

4%

**decrease in
likelihood of closure**

Key Considerations for Rural Providers

Engaging Rural Hospital Leadership Teams Across the Country



**500+ healthcare executives
and their trustees.**

Key Considerations for Rural Hospitals



Remote **geography** presents both opportunities and challenges for rural providers



Physician **recruitment, retention, retirement, and burnout** are significant patient barriers to access in rural healthcare



Reliance on **government reimbursement disproportionately impacts** the rural health safety net



Improving access and quality of care requires **clinical integration**



EHR integration is critical to effective clinical partnerships



Virtual care may improve access and patient experience at low cost, but may be a disruptor to current care delivery and payment models



Value is incentivized by alternative payment models, under which strong performance is essential to secure bonus revenues



Investment in **primary care networks** by rural acute care providers is critical

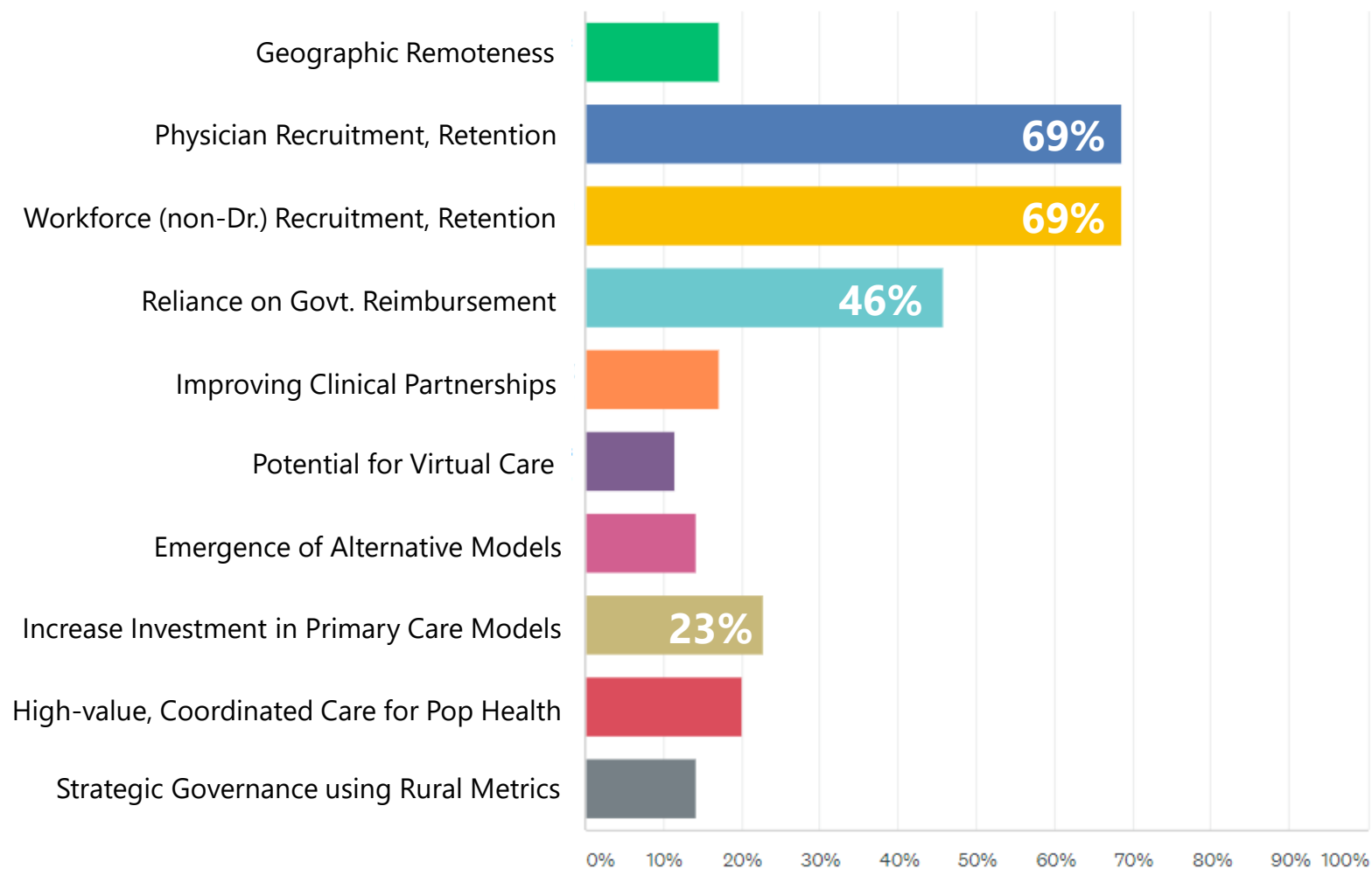


Population health management demands high-value, coordinated care, incentivized by alternative payment models that reward improved community health



Strategic governance must be informed by the latest rural-relevant research

Survey Response: Top 3 considerations



Sample Questions and Challenges Facing Key Stakeholder Groups



Hospitals and Healthcare Systems

- How do we attract more commercial patients to improve margins near-term? How do we optimize revenue?
- How can we better understand and control our costs?
- Where do we get access to capital?
- How can we grow our physician group?
- What services will be needed in the future?
- What IT systems should we invest in?
- How do we break into digital health? Where do we begin?
- Do we need a partner?



Physicians/Clinicians and Medical Groups

- Can I survive as an independent practice? How do I keep costs down? How can I grow my revenue? Should I combine with another practice, group or health system? Should I retire early?
- What new capabilities do I need, by when, and how will I afford them? Where do I find them? How do I implement them?
- Do we have the right leadership in place to guide us into the future?
- What do my patients want and how do I provide it?
- How do I tackle all of this *and* stay abreast of new medical advancements, billing and coding, continuing medical education – and avoid burnout?

Critical Access Hospital Performance in Nebraska

A Framework for Understanding and Assessing Rural Provider Performance

Used by leading health systems to better understand individual facility performance as well as to compare with systems with similar rural investments.

IDNs

**State
Assoc.**

Utilized today by Tennessee and Colorado to provide rural-relevant analytics to all rural facilities. Previously leveraged state-wide in Iowa, California, Arkansas and Oklahoma.

**Nat'l
Assoc.**

Utilized by NRHA and NOSORH for advocacy efforts and basis of annual award programs.

**HOSPITAL STRENGTH
INDEX®**

**Dept
Health**

Leveraged by DoH in Ohio, Maine, New Mexico and Mississippi as cornerstone of rural health programming.

CMMI

Cornerstone for monitoring performance across 25 Montana CAHs participating in a 3-year innovation program.

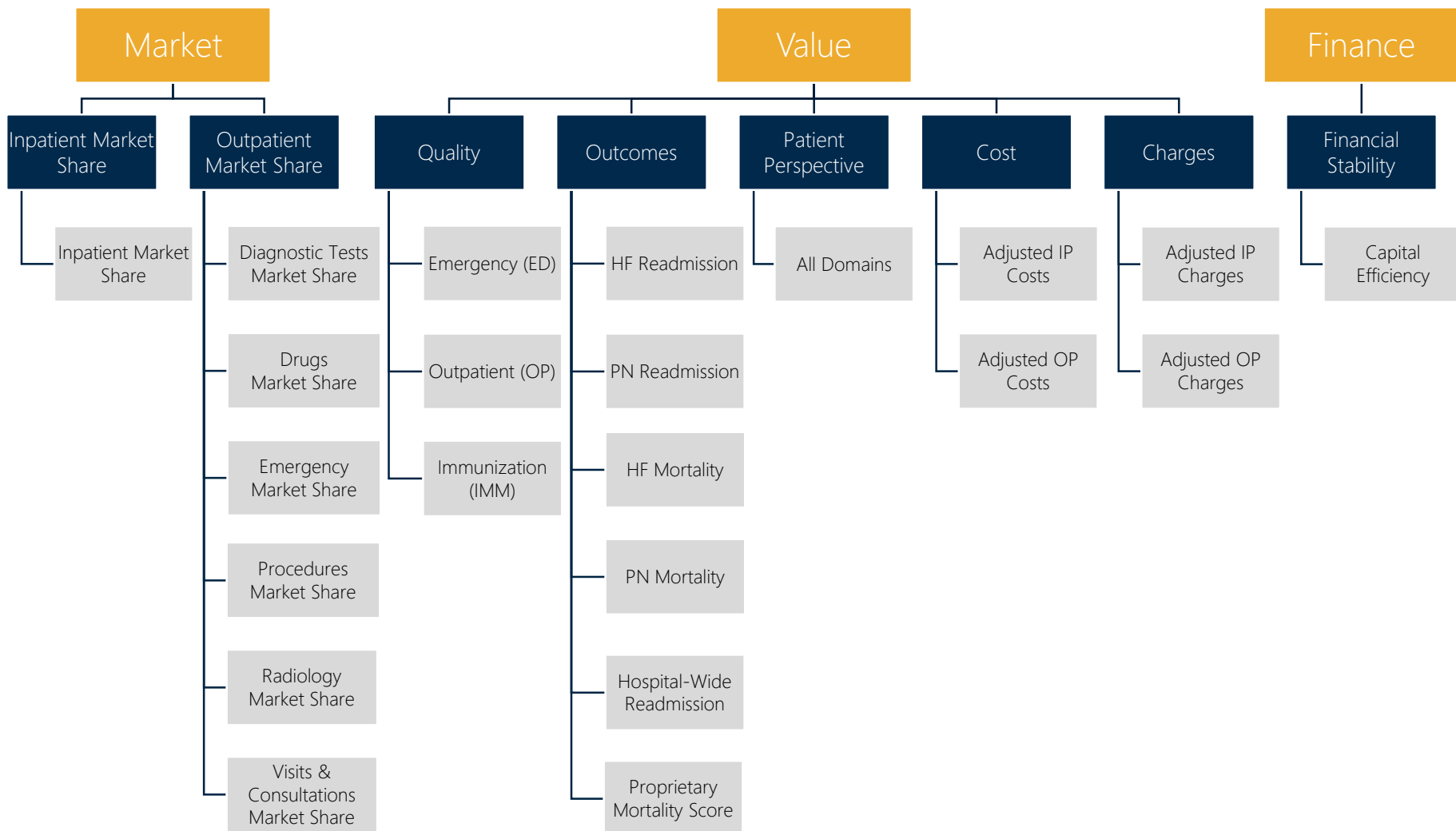
**Rural
Hosp.**

Trusted by Critical Access and Rural & Community Hospitals nationwide as a comprehensive and objective tool for measuring performance.

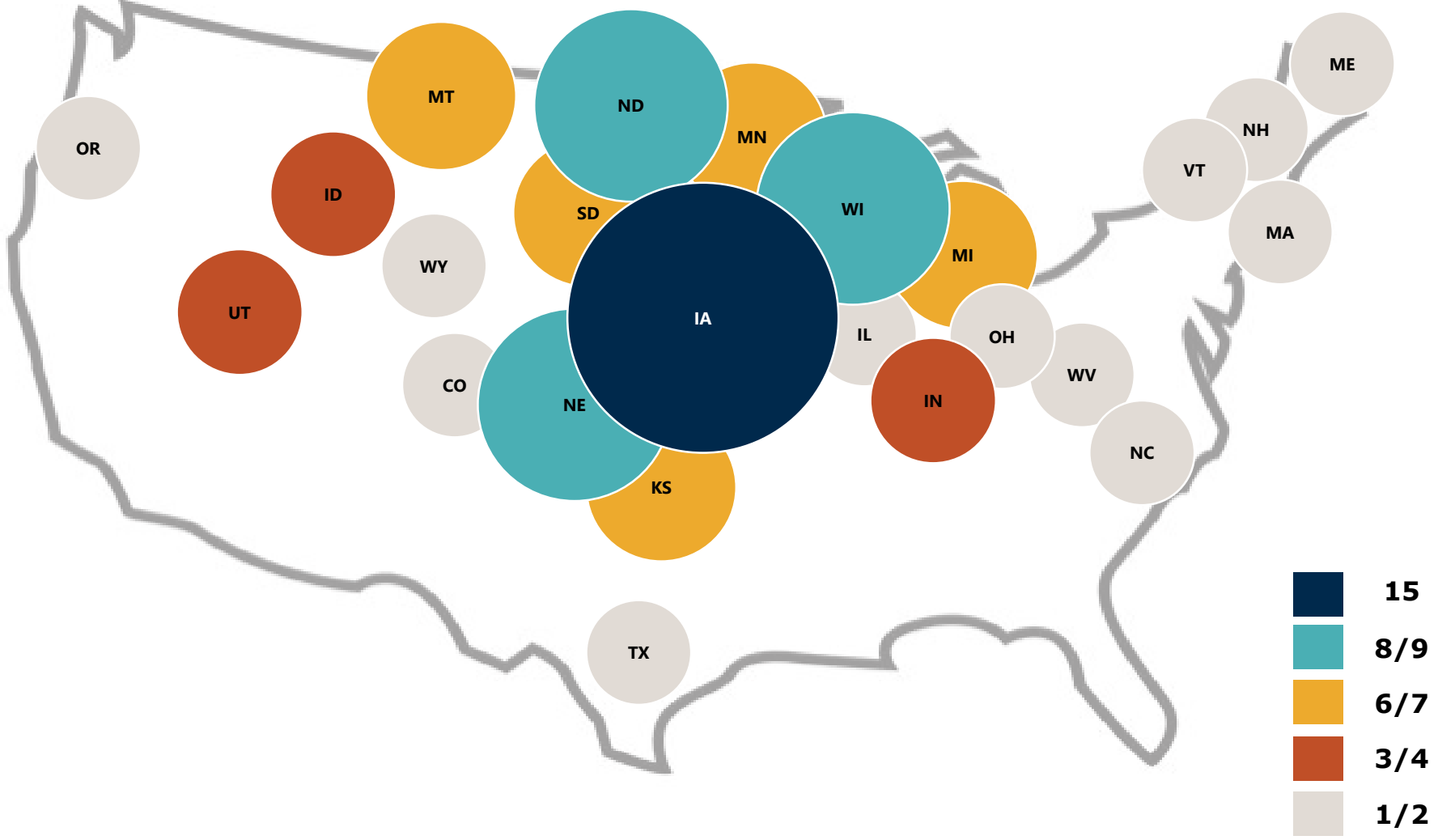
Univ.

Penn State and Michigan State rely on INDEX analytics as foundation for state-wide rural programming. Other participating universities have been, Wisconsin and University of Nevada.

Performance Pillars Span Market, Value, and Finance



2019 Top 100 Critical Access Hospitals



Nebraska's Top 100 CAH Footprint - 2019

- Brodstone Memorial
- Memorial Health Care Systems
- Jefferson Community Health Center
- Howard County Medical Center
- **Community Medical Center**
- Pender Community Hospital
- Providence Medical Center
- Phelps Memorial
- Johnson County Hospital





Nebraska's Top 100 Alumni

Brodstone Memorial Hospital

- 8-time recipient

Memorial Health Care, Jefferson Community Health Center

- 5-time recipients

Boone County Health Center, St. Francis Memorial Hospital, Ogallala Community Hospital, York General, Cherry County, Howard County Medical Center

- 4-time recipients

Avera St. Anthony's, Community Medical Center, Pender Community Hospital

- 3-time recipients

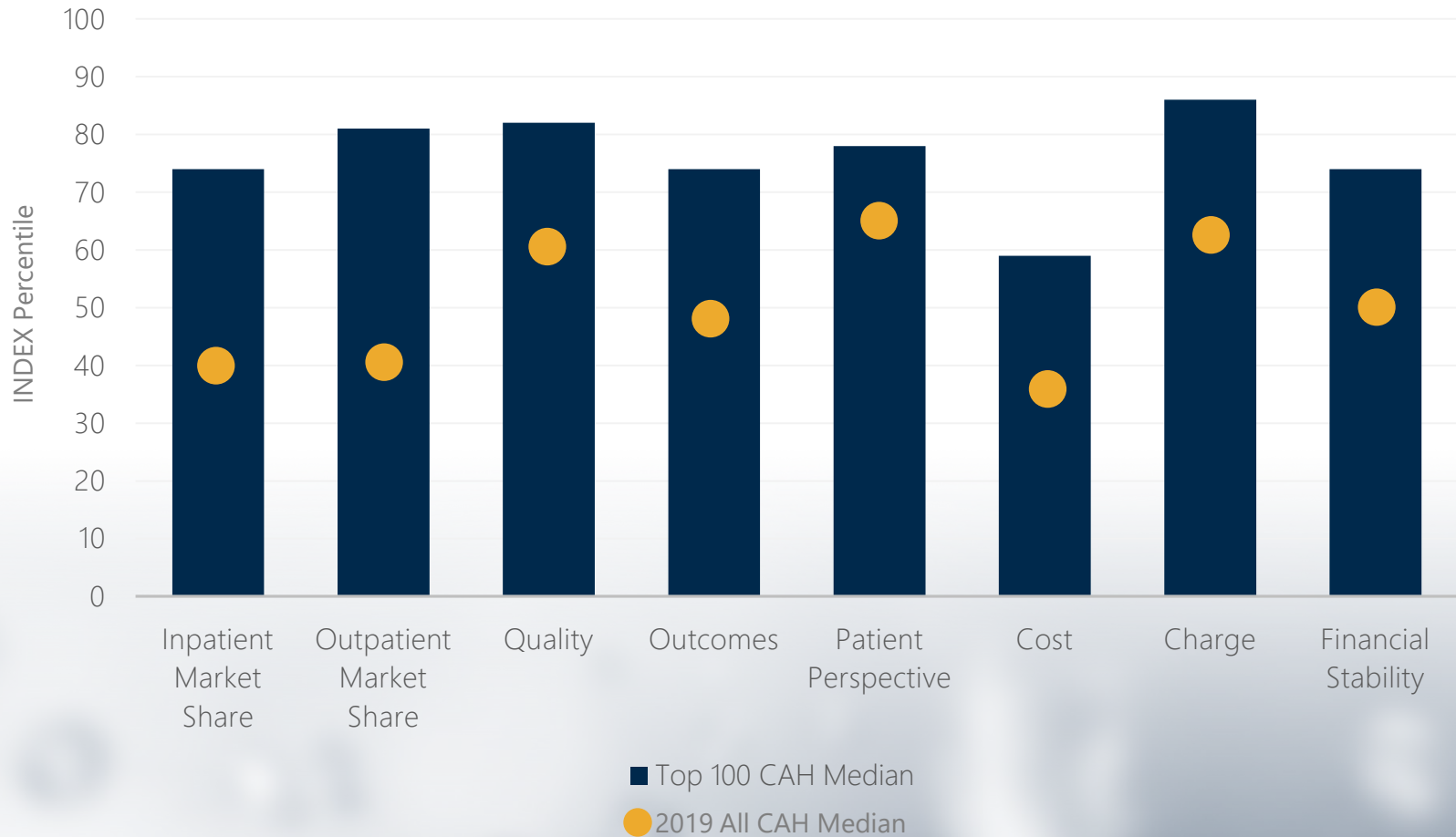
Phelps Memorial, Memorial Community Hospital, Community Hospital, Box Butte General, Sidney Regional Medical Center, Providence Medical Center

- 2-time recipients

Crete Area Medical Center, West Holt Memorial Hospital, Gordon Memorial, Antelope Memorial, Brown County Hospital, Johnson County Hospital

- 1-time recipients

How the 2019 Top 100 CAHs Measure Up to Rural Peers



Nebraska Critical Access Hospital Performance

QUARTILE RATING SCALE



	Overall INDEX Score	IP Market Share	OP Market Share	Quality	Outcomes	Patient Sat.	Cost	Charges	Finance
NEB CAHs	80	60	82	93	51	78	14	65	55
All U.S. CAH Median	53	40	47	64	49	66	34	58	51
NEB CAHs v US CAHs									

Save the Dates



- National Rural Health Day (Nov. 21)
 - Performance Leadership Awards



- Top 100 (February 2020)



Thank You For Your Time and Attention

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