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Your *First* **STOP** for
Rural Health
INFORMATION



Rural Hospital Closures

Housekeeping

- Q & A to follow – Submit questions using Q&A area
- Slides are available at <https://www.ruralhealthinfo.org/assets/912-2968/hospital-closures-011818.pdf>
- Technical difficulties please call 866-229-3239

Featured Speakers



Tom Morris, Director, HRSA Federal Office of Rural Health Policy



George H. Pink, Ph.D., Deputy Director of the NC Rural Health Research Program and Humana Distinguished Professor in the Department of Health Policy and Management



Dr. Shao-Chee Sim, Vice President for Applied Research at the Episcopal Health Foundation



Nancy W Dickey, MD, A&M Rural and Community Health Institute

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Rural Hospital Closures

George H. Pink

Deputy Director, NC Rural Health Research Program

Humana Distinguished Professor

Rural Health Information Hub Webinar, January 18, 2018

This work is funded by federal Office of Rural Health Policy, Award #U1GRH07633



What is a hospital closure?

- Sometimes difficult to identify because:
 - Open, closed, open, closed
 - No media coverage because it is a community non-event or part of a system reconfiguration
 - Inpatient stays open, but ER closes, inpatient closes, but ER stays open, and other permutations
 - Hospital is being replaced by a new facility
- For this study, we defined closure as permanent cessation of acute inpatient care



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2005-17 rural hospital closures: Where were they?

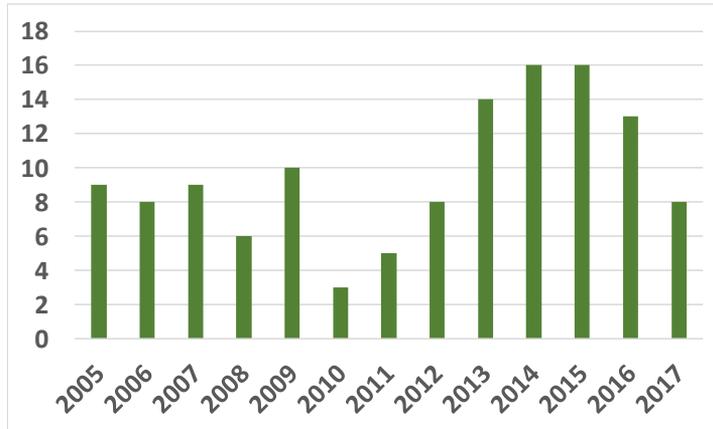


83 rural hospitals have closed since January 2010
125 rural hospitals have closed since January 2005

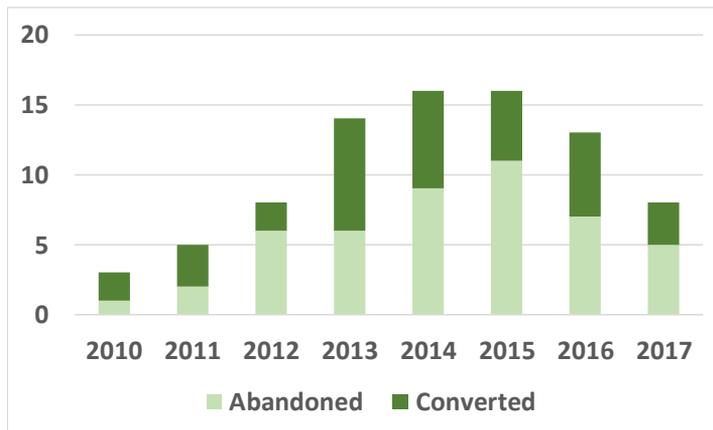


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**2005-17 rural hospital closures:
When did they close?**



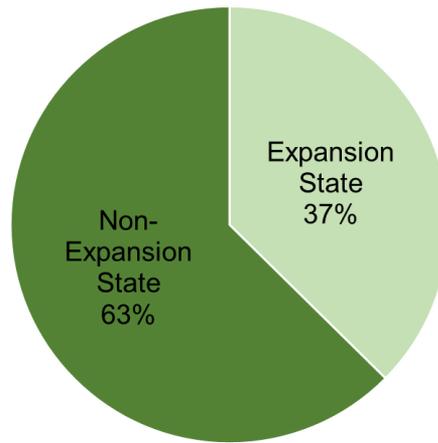
**2010-17 rural hospital closures:
Were they abandoned or converted?**



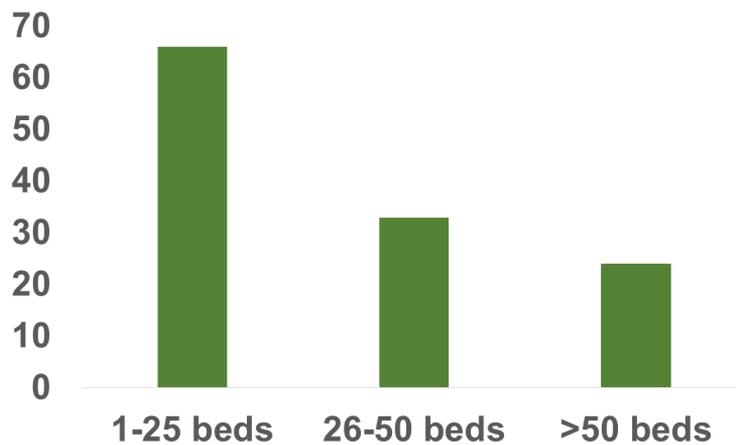
10 rural hospitals have closed and reopened as acute care hospitals



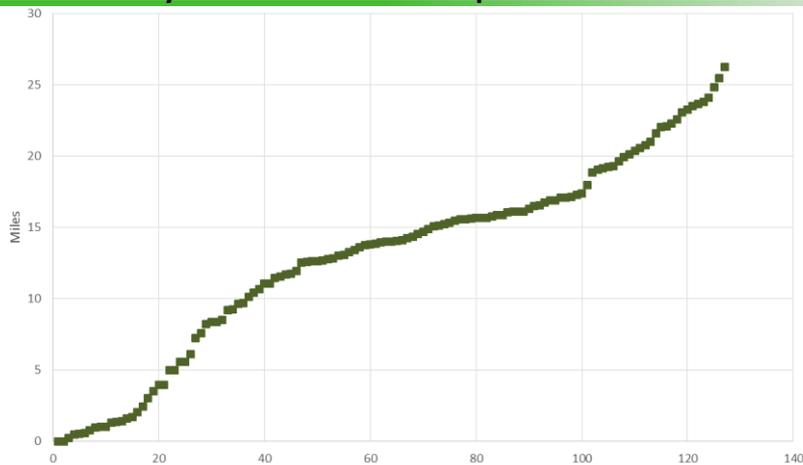
**2005-17 rural hospital closures:
Were they in Medicaid expansion or non-expansion states?**



**2005-17 rural hospital closures:
What were their bed sizes?**



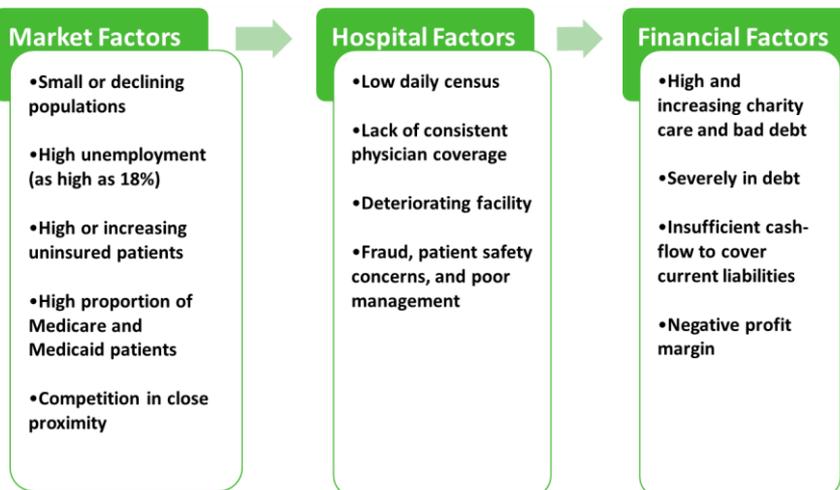
**2005-17 rural hospital closures:
How far away is the next closest hospital?**



A closure in August 2015 (Nye Regional in Tonopah, NV has 109 driving miles to the nearest hospital) is not pictured in the graph



**2010-17 rural hospital closures:
Why did they close? (As reported by news media)**

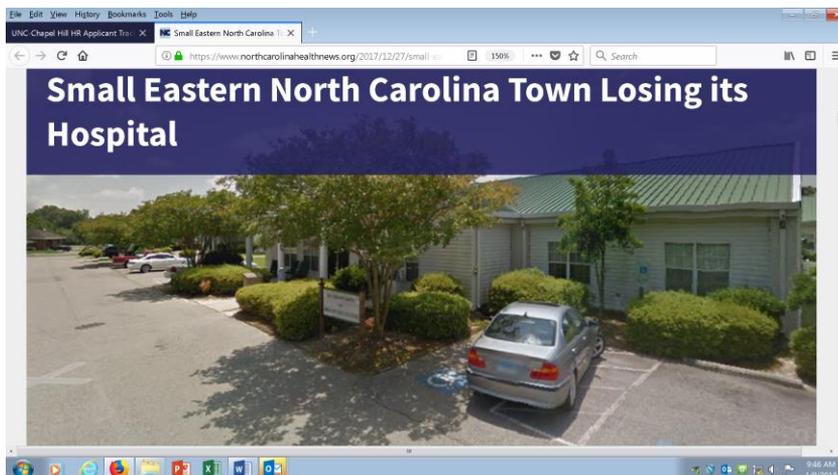


2005-17 rural hospital closures: How bad was their financial performance and condition?

In the year before they closed:

- Most hospitals were unprofitable, illiquid, and unable to service debt
- Most had less than:
 - 150 FTEs, \$10 million in salary expense, and 30% occupancy rate
 - Negative or close to zero net income and net assets
- Most had already closed obstetrics

Here is the latest closure



Here is the latest closure

- Our Community Hospital, a CAH in Scotland Neck, NC closed on December 31, 2017.
- Due to financial issues and low inpatient volume, the hospital closed its emergency room and all acute care inpatient and outpatient services.
- Officials will continue to operate the 60-bed nursing home that is part of the hospital and will be talking to local physicians about operating a part time primary clinic as well.
- The FQHC next door will also be extending their office hours to evenings and half a day on Saturdays.
- The nearest hospital is approximately 20 miles away.



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2005-17 rural hospital closures: Summary

- Most closures in South (60%)
- Annual number of closures increasing until 2016
- Most are CAHs and PPS hospitals
- Most are in states that have not expanded Medicaid
- Patients in affected communities are probably traveling between 5 and 30 or more miles to access inpatient care
- Most hospitals closed because of financial problems



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Rural hospital closures – the future

Beyond scheduled changes such as 340B, closures could rapidly increase if:

- Bizarro legislation such as Brady and Neal Medicare extenders bill that includes “modification of payments for critical access hospital swing beds, including HHS OIG recommendations”
- Loss of Medicaid expansion / block grants
- A rapid return to larger numbers of uninsured / underinsured patients. Effect of loss of individual mandate is uncertain but Congressional Budget Office has estimated that about 13 million people would give up their coverage by 2027.



<http://bit.ly/ruralclosures>



UNC THE CECIL G. SHEPES CENTER FOR HEALTH SERVICES RESEARCH

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NC Rural Health Research Program

83 Rural Hospital Closures: January 2010 – Present

Send Us Rural Hospital Closure Information

NC RHRP *(Left icon for display options; Click i for Definitio...)

Sortable List of Closed Rural Hospitals

Printable List of Closed Rural Hospitals

Frequently Asked Questions

Projects

- North Carolina Rural Health Research and Policy Analysis Center
- Medicare Rural Hospital Flexibility Program Evaluation (Flex Program)
- Rapid Response Project
- Creating a Culture of Health in Appalachia: Disparities and Bright Spots
- U.S. Hospital List

Resources

Infographics

Product Search

Publications

- Publication Archives
- Cartographic Archives

People

Tools

North Carolina Rural Health Research Program

Location:

Cecil G. Sheps Center for Health Services Research

University of North Carolina at Chapel Hill

Website: <http://www.shepscenter.unc.edu/programs-projects/rural-health/>

Email: ncrural@unc.edu

Colleagues:

Mark Holmes, PhD

George Pink, PhD

Kristin Reiter, PhD

Denise Kirk, MS

Julie Perry

Randy Randolph, MRP

Sharita Thomas, MPP

Kristie Thompson, MA



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Resources

North Carolina Rural Health Research Program

<http://www.shepscenter.unc.edu/programs-projects/rural-health/>

Rural Health Research Gateway

www.ruralhealthresearch.org

Rural Health Information Hub

www.ruralhealthinfo.org/

National Rural Health Association

www.ruralhealthweb.org

National Organization of State Offices of Rural Health

www.nosorh.org



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GEOGRAPHIC SERVICE AREA

57 counties in Southeast Texas

42 are rural counties

- 10.7 million people
- 38 Rural Hospitals
- 33 FQHCs
- 72 Rural Health Clinics
- 14 Local Mental Health Authorities



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OVERVIEW OF RURAL TEXAS



177 out of 254 Texas counties are “rural”

11% of the population in Texas lives in rural areas (3.1 million people total)

Rural areas in Texas experience significant healthcare provider shortages:

- 185 counties have no psychiatrist
- 158 counties have no general surgeon
- 147 counties have no obstetrician/gynecologist
- 80 counties have five or fewer physicians
- 35 counties have no physician



***1 in 5 hospital closures in the country occurred in Texas (19 out of 78 since 2010)**

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WHY IS RURAL HEALTH IMPORTANT TO EHF?



75% of EHF service area is rural



Rural health system resources & structure are fundamentally different



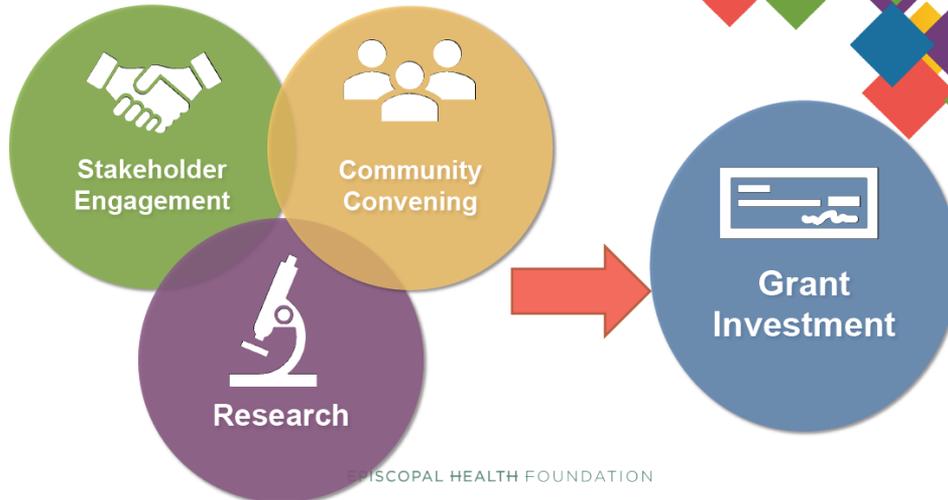
Adequate and equitable access to health services



Ensure rural residents have a voice in their healthcare

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EHF RURAL HEALTH WORK



EHF RURAL HEALTH WORK



Stakeholder Engagement

- **State Associations** (Texas Organization of Rural & Community Hospitals & Texas Association of Rural Health Clinics)
- **State Agencies** (Texas State Office of Rural Health & Texas Office of Primary Care)
- **Funding Partners** (St. David's Foundation, Methodist Healthcare Ministries, T.L.L. Temple Foundation, Robert Wood Johnson Foundation)

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EHF RURAL HEALTH WORK



Community Convening

- **Madison, Grimes and Robertson Counties** (Texas A&M University Southwest Rural Health Research Center)
- **11 rural counties in Northeast Texas** (UT Health Northeast)

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EHF RURAL HEALTH WORK



Research

- **State of rural hospitals** in Texas (TORCH)
- In-depth analysis of **rural health clinics** (TORCH and TARHC)
- Development of community options to address **rural hospital closures** (TAMU College of Medicine)
- Key factors related to the sustainability of community **health resource centers** (HRCs)
- Rapid response survey of Texas Gulf Coast residents impacted by **Hurricane Harvey**
- Environmental scan of current **telehealth** services in the region

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EHF RURAL HEALTH WORK



Grant Investment

- \$9.5 million total investment
- 13 FQHCs, 3 RHCs, 2 LMHAs, 5 Charity Clinics
- Focus on **partnerships/collaborations**, rather than silo investments

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OPTIMIZING RURAL HEALTHCARE PROJECT



- EHF collaborates with **Robert Wood Johnson Foundation** & **T.L.L. Temple Foundation**
- **TAMU team** to develop a process that can be used by **rural communities, healthcare systems, state offices of rural health or others** to evaluate the resources and needs of a community that are facing challenges in maintaining their current healthcare delivery systems



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THANK YOU!



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Shao-Chee Sim, PhD
Vice President for Applied Research
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**OPTIMIZING RURAL HEALTH
CARE:**

Identifying Tools/Tactics That May Help

Nancy W Dickey, MD
A&M Rural and Community Health Institute
January 18, 2018

THE SITUATION:

- As described by George and Shao-Chee, the issue(s) are not limited to Texas
 - 20% of the population in 80% of the geography
- The rapidly changing healthcare delivery system is contributing to the demise of rural healthcare
 - Specialization
 - Technology
 - Mergers and acquisitions
- Most communities remain anchored in an outdated perception of possibility

GETTING DOWN TO SPECIFICS:

- Following the paper regarding Rural Closures: What's Next
- Identification of 3 communities who were facing closure
 - Seeking commonalities
 - Seeking understanding of the processes and underlying assumptions being followed
- Examination of specific issues
 - Situation leading to crisis
 - Hospital leadership
 - Sophistication of leadership/business acumen

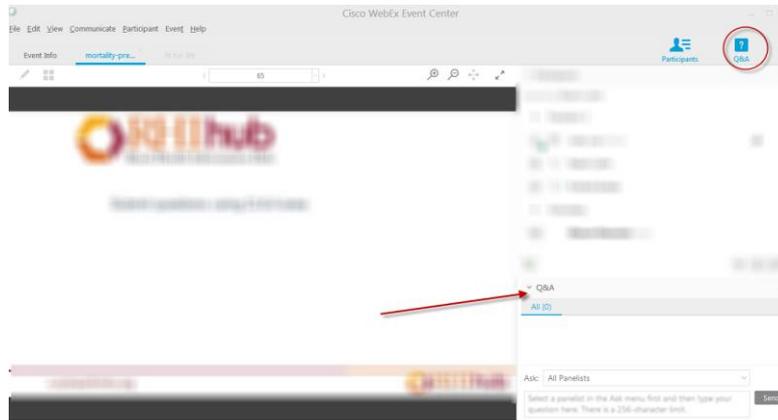
DISCERNMENT OF ISSUES/OPPORTUNITIES:

- Identifying the need for discussion/planning before a crisis exists
- Perception that there is a need for training and support systems for rural facility leadership
- Developing a robust set of alternatives that are “off the shelf”
 - 24 hour emergency centers
 - Telemedicine
- Developing facilities and workforce for a different approach to rural delivery

WHAT'S NEXT?

- Development of a “blue print” or plan with each community about how they will maintain access to health care for their community
- Identification of common steps/processes for development of an algorithm for other communities to follow
- Consideration of issues that might be addressed through legislation/regulation

Questions?



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Thank you!

- Contact us at ruralhealthinfo.org with any questions
- Please complete webinar survey
- Recording and transcript will be sent to you
 - Slides are available at <https://www.ruralhealthinfo.org/assets/912-2968/hospital-closures-011818.pdf>

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