

STATUS OF RURAL HOSPITALS

House Health Care Presented by Andi Easton, Associate Vice President of Govn't Affairs April 13, 2015

OREGON'S RURAL HOSPITALS

- 32 Small and Rural Hospitals
 - 17 affiliated
 - 15 independent
 - 11 health district
 - 7 frontier
- ➤ Average Statistics for 2014
 - 37,071 discharges 11% of state
 - 335,834 ED visits 25% of state
 - 2,421,923 total outpatient 23% of state
 - 10,250 employees 17% of state hospital workforce
 - \$270M total community benefits 15% of state





FINANCIAL POSITION: CY 2014

OPERATING MARGINS: CY 2014

- > 17 of 32 operating in negative margins
 - 53% of small/rural hospitals
- > 26 of 32 operating under 5%
 - 81% of small/rural hospitals
 - Average operating margin of these 26 is -2.42%
- Large disparity among hospitals
 - From -25% to 14%
- > Type A: 8 of 12 operating in negative margins
 - Average for all 12 = -1.20%
- > Type B: 9 of 20 operating in negative margins
 - Average for all 20 = 0.67%
- > CAH: 14 of 25 operating in negative margins
 - Average for all 25 = -0.35%

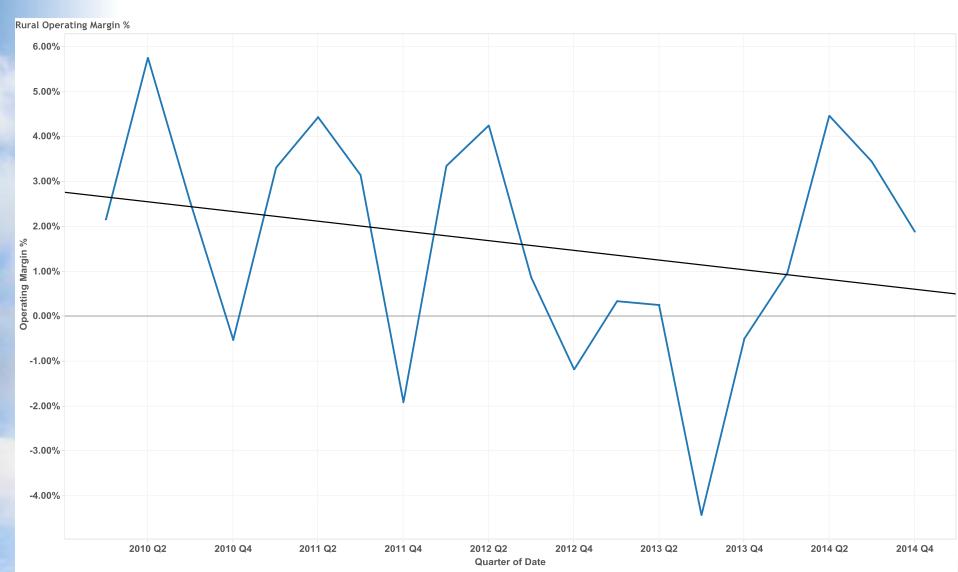


Rural Margin Analysis

CY 2010 - 2014

Hospital ID	Туре	2010 OM	2011 OM	2012 OM	2013 OM	2014 OM	Graph (Red indicates a negative value)	
Hospital 1	В	-9.28%	-5.41%	-25.23%	-5.46%	3.72%		
Hospital 2	В	-6.97%	-3.14%	-6.94%	-7.87%	-10.72%		
Hospital 3	В	4.43%	4.63%	4.81%	5.52%	12.25%		
Hospital 4	Α	2.34%	1.60%	-2.74%	-0.13%	-0.20%		
Hospital 5	В	1.74%	-2.52%	0.96%	-4.00%	3.07%		HANDOUT:
Hospital 6	Α	3.37%	-1.46%	0.89%	-2.50%	-2.39%		
Hospital 7	В	5.27%	13.27%	6.75%	-9.04%	-7.17%		CY 2014 Margin Trends
Hospital 8	В	-8.51%	-7.30%	-8.83%	-17.90%	-2.46%		by hospital
Hospital 9	В	1.19%	4.56%	5.46%	-3.46%	-0.27%		
Hospital 10	Α	1.08%	-11.99%	0.31%	-8.81%	-7.37%		THEME:
Hospital 11	Α	18.88%	13.13%	15.69%	-5.81%	10.39%		
Hospital 12	В	5.75%	7.44%	6.88%	2.20%	11.01%		Variability in Rural Areas
Hospital 13	В	-0.24%	6.63%	0.77%	4.54%	8.92%		
Hospital 14	Α	15.37%	14.40%	12.57%	14.81%	13.76%		
Hospital 15	Α	-19.13%	-9.43%	-2.21%	-15.22%	-0.95%		
Hospital 16	Α	-7.44%	-5.79%	-1.60%	-6.69%	-2.43%		
Hospital 17	В	-1.11%	-5.81%	-7.93%	-6.13%	-4.87%		
Hospital 18	Α	-7.01%	-7.03%	5.03%	1.94%	-1.06%		

MESSAGE - FRAGILE & VOLATILE



The trend of Operating Margin % for Date Quarter. The data is filtered on Region, which has multiple members selected.

WHY?

- Speed of transformation in rural areas
 - You have seen one rural hospital you have seen one rural hospital
 - EHR adoption and other capital requirements
 - Variability in CCO relationships
- Artificial methods of reducing costs
 - By-passing rural hospitals, long term impact
 - Impact to patients and families
 - Authorization requirements and delays in necessary medical care
- Margin of error very small: recruitment, catastrophic case or event, community dynamics
- Rural hospitals serve as hub of ALL health care note just acute care, need to fund appropriately



A SOLUTION'S OBJECTIVES

- The rural hospital work plan is to move forward with health care transformation
- Broader appreciation of the dynamics in health care in a rural environment
- Take a comprehensive approach to health care transformation that considers many factors, not only financial
- Support rural hospitals through time and resources; expectations are high and access is critical

