



Oregon  Association  
of Hospitals and Health Systems

# STATUS OF RURAL HOSPITALS

House Health Care

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# 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



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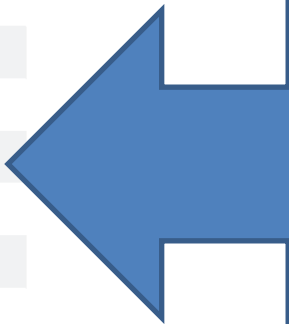
# FINANCIAL POSITION: CY 2014

# 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



**HANDOUT:**

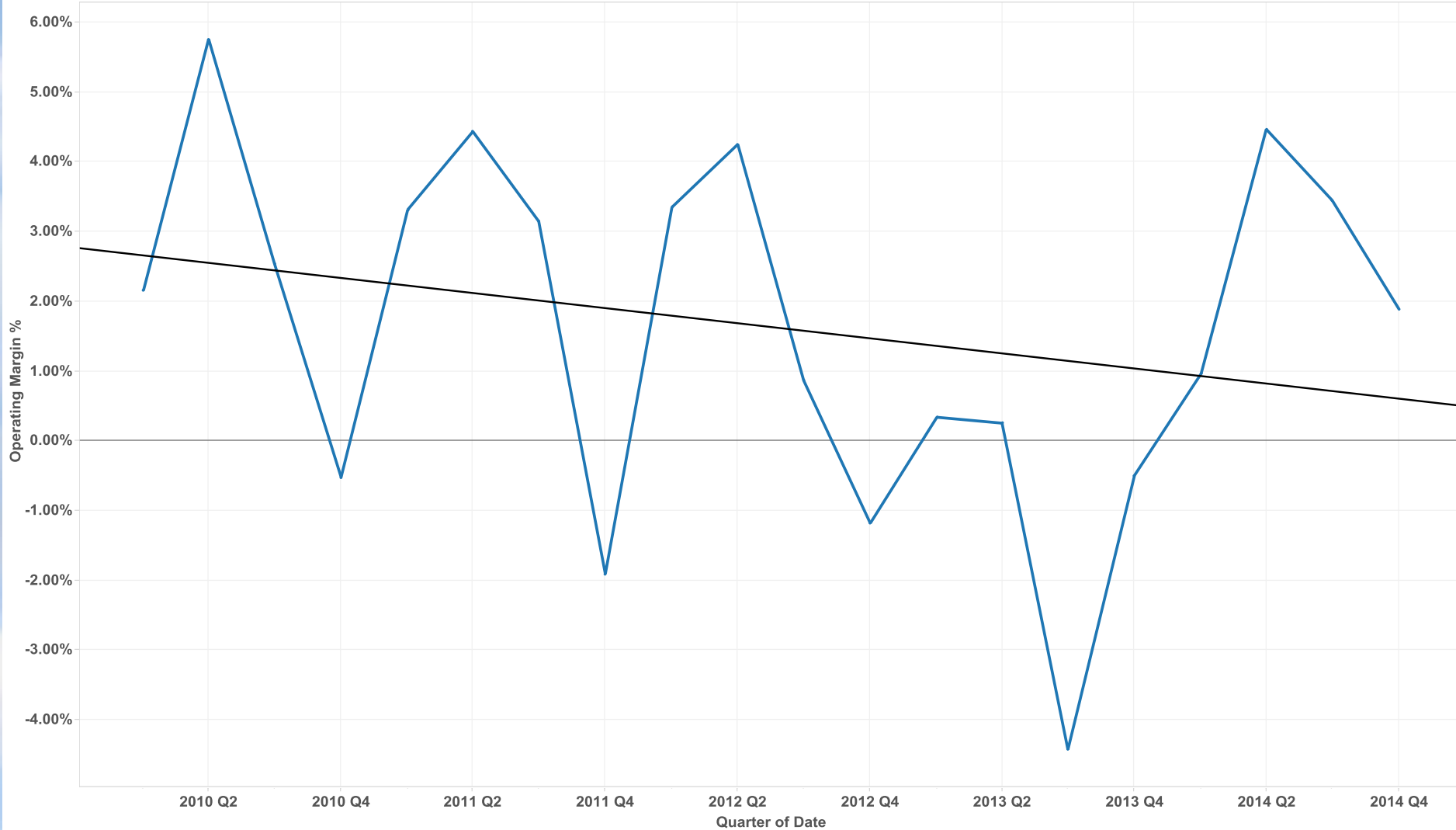
CY 2014 Margin Trends by hospital

**THEME:**

Variability in Rural Areas

# MESSAGE - FRAGILE & VOLATILE

Rural Operating Margin %



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