



# Crises Collide

Ohio Rural Health Conference

August 2021



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Pre-pandemic Reality

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Pandemic Adds New Layer of Challenges

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A New Normal Emerges

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Health Disparity Gaps Widen

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Key Considerations and Questions

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# Instability of the Rural Health Safety Net

Operating Margin, Closures and Hospital Vulnerability



**46%**

Operating in the Red



**138**

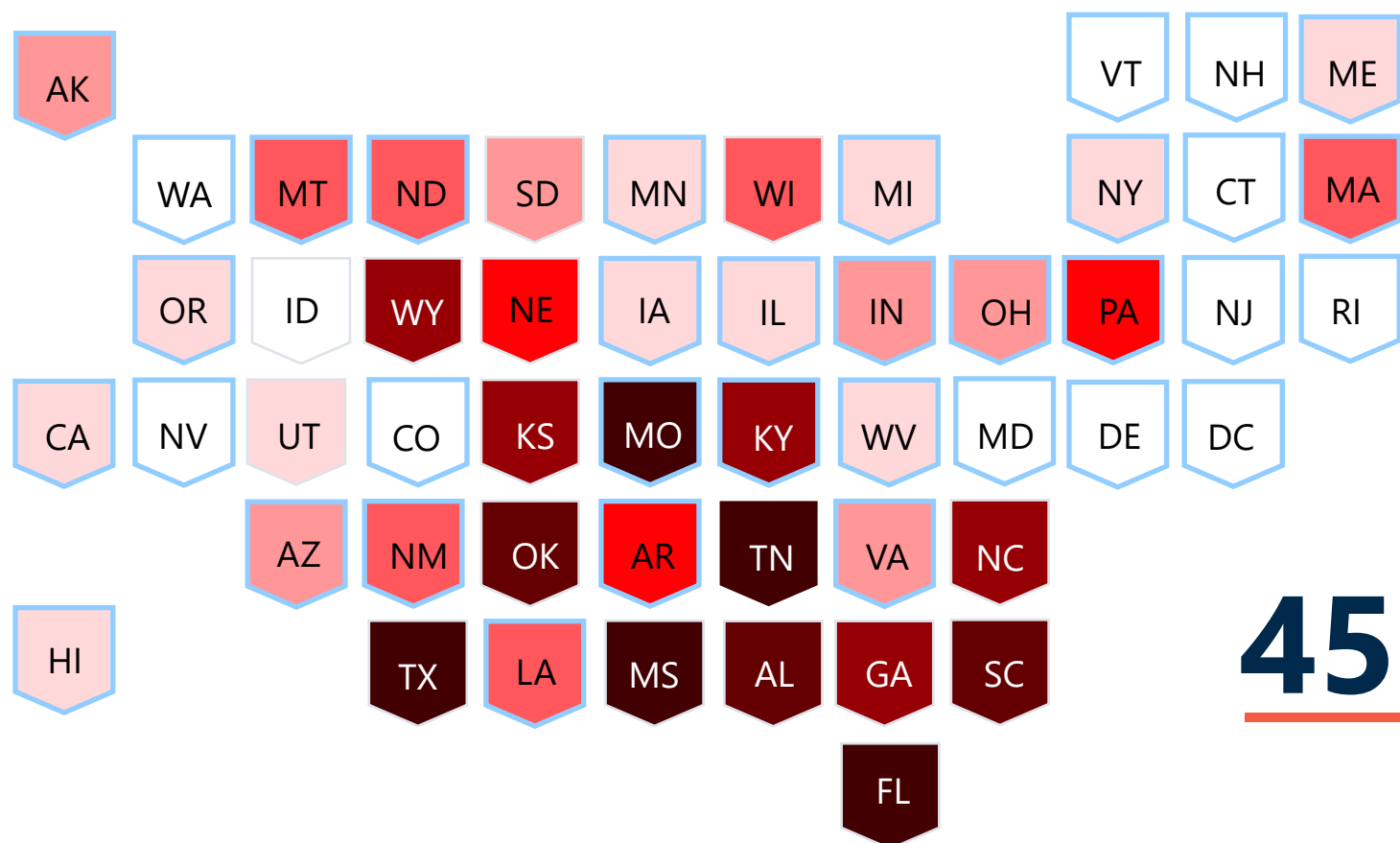
Rural Hospitals  
Closed since 2010



**453**

Rural Hospitals  
Vulnerable to Closure

# Rural Hospitals Vulnerable to Closure



**453**

0 1%—9% 10%—15% 16%—20% 21%—25% 26%—30% 31%—40% 41%+

Percentage of State Rural Hospitals Determined to be Vulnerable

Medicaid Expansion State (implemented as of 12/31/19)



# Crisis Snapshot

**Yes**

○ Expanded Medicaid?

**58**

○ Rural Hospitals

**2**

○ Closed Rural Hospitals since 2010

**1**

○ # Vulnerable Hospitals

**14%**

○ % Rural Hospitals Vulnerable

**4.3%**

○ Median Rural Hospital Operating Margin

**32%**

○ % with Negative Operating Margin

**22**

○ Median Rural Hospital Days Cash on Hand

**80%**

○ % of Total Revenue tied to Outpatient Services

**47%**

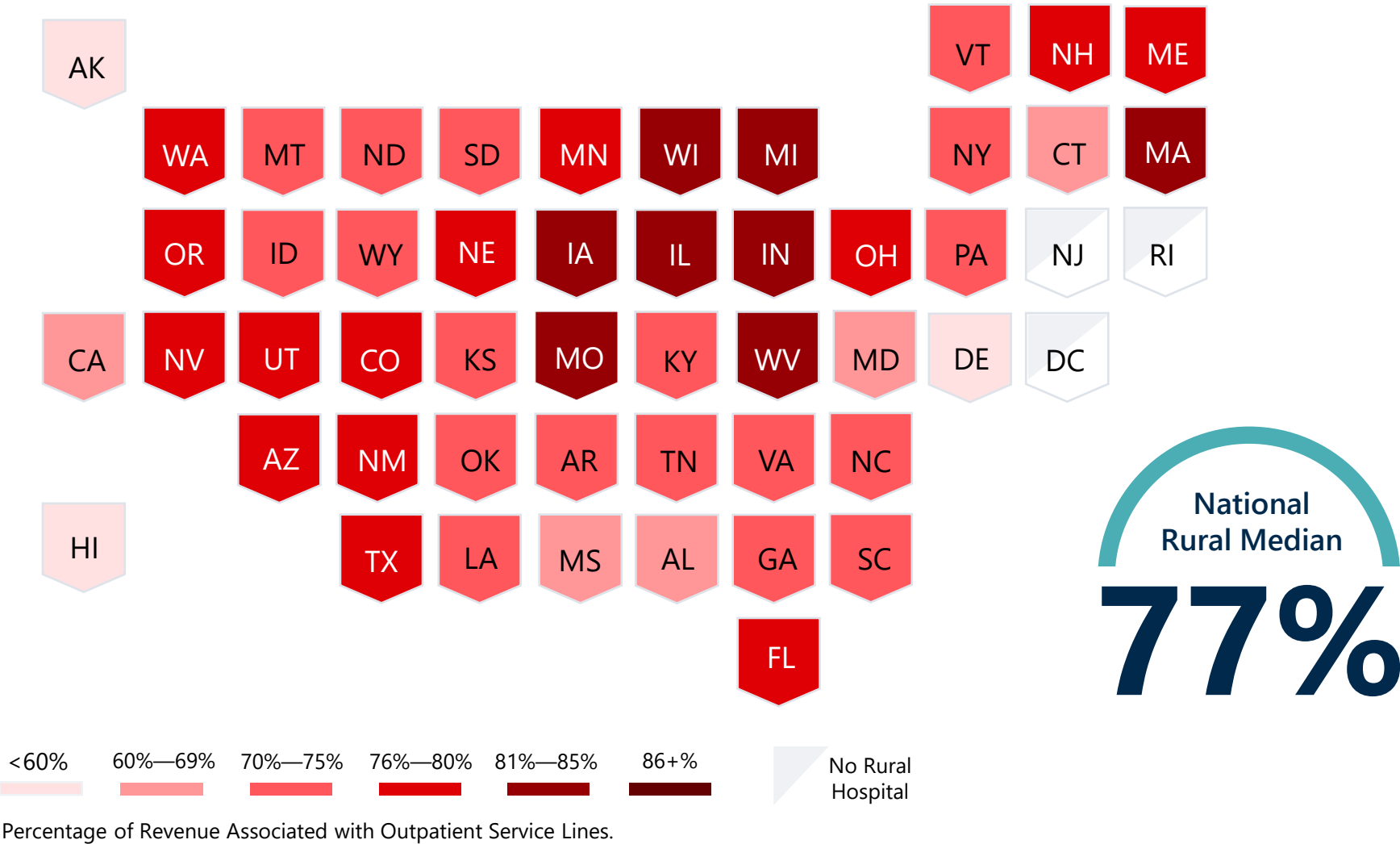
○ % Rural Hospitals with no ICU beds

ohio

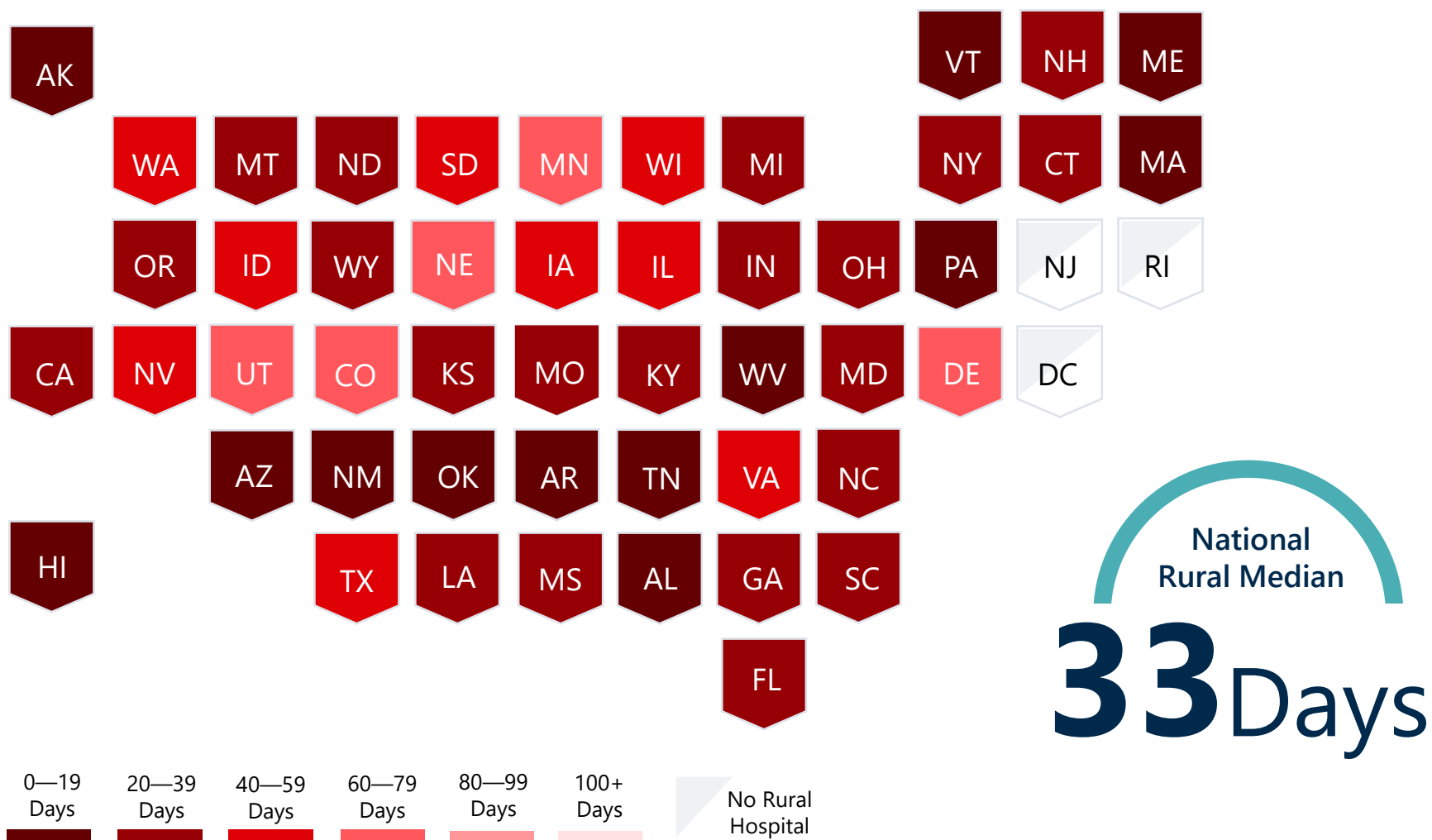
## **THE COVID-19 PANDEMIC**

# Impact on the Rural Health Safety Net

# Outpatient Services as % of Total Revenue



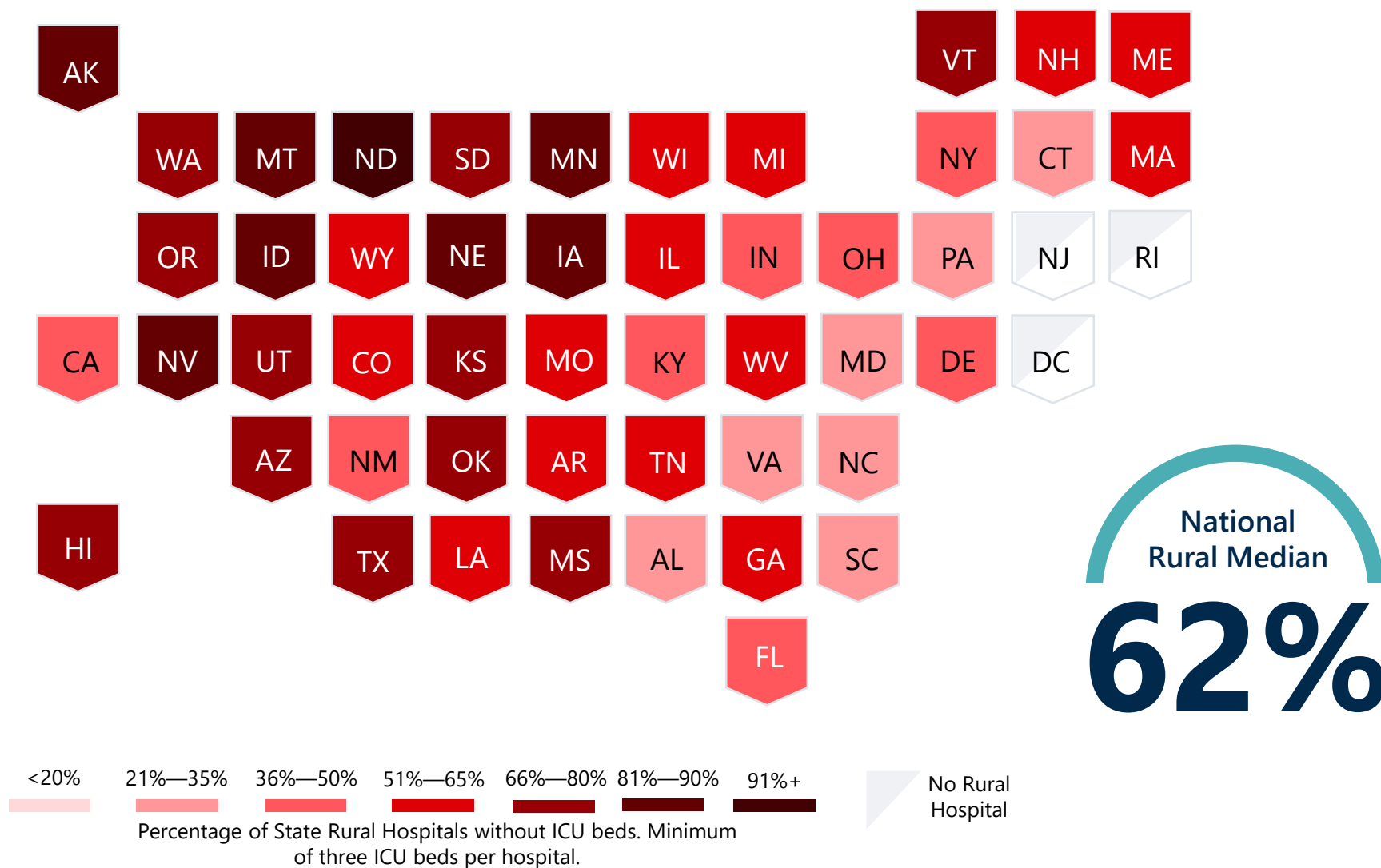
# Days Cash on Hand



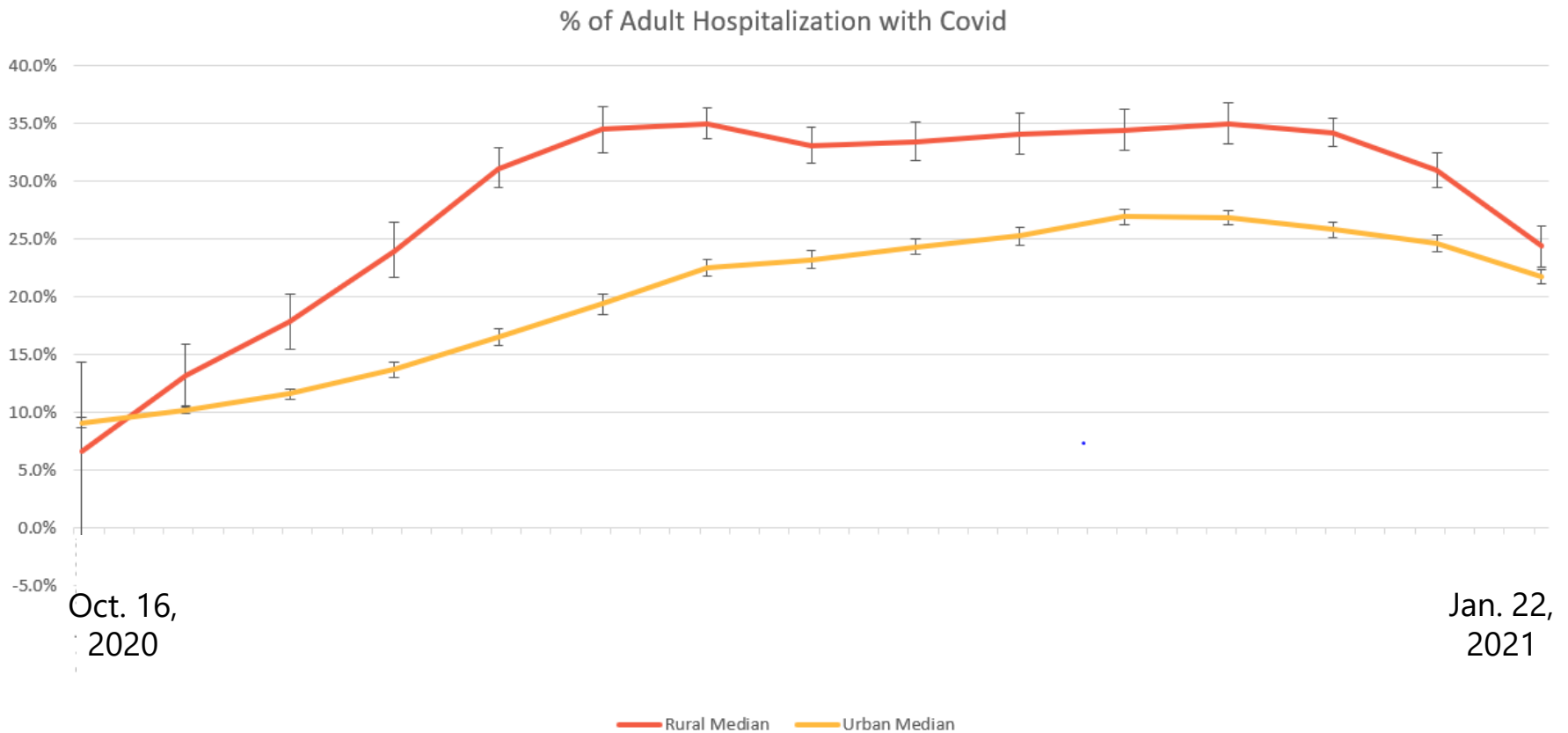
Median Days Cash on Hand for All Rural Hospitals within a State.



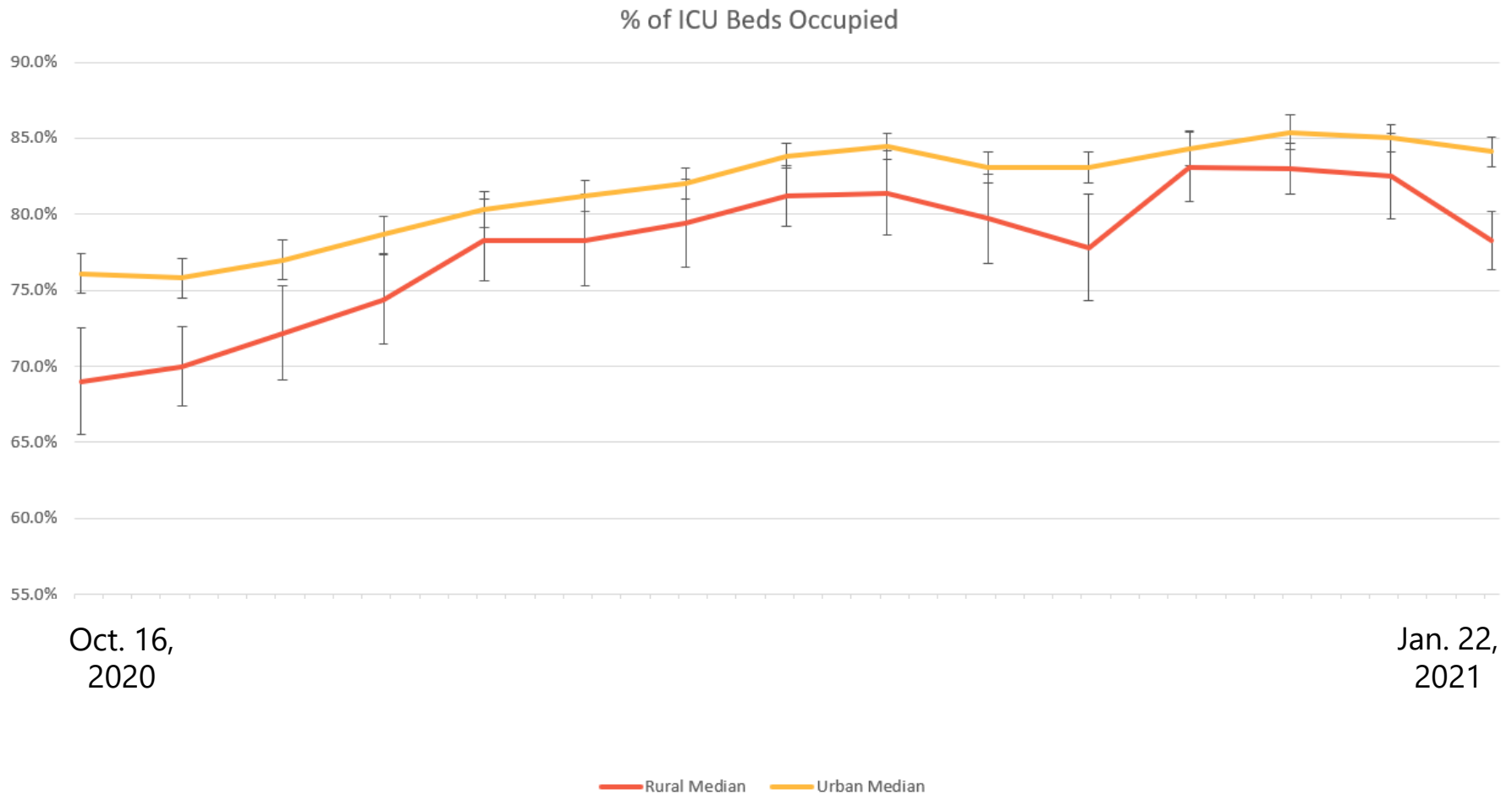
# % of Rural Hospitals without ICU beds



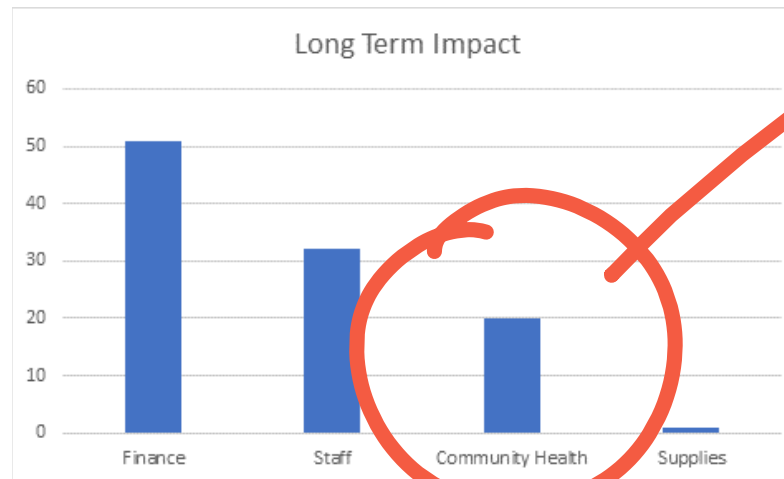
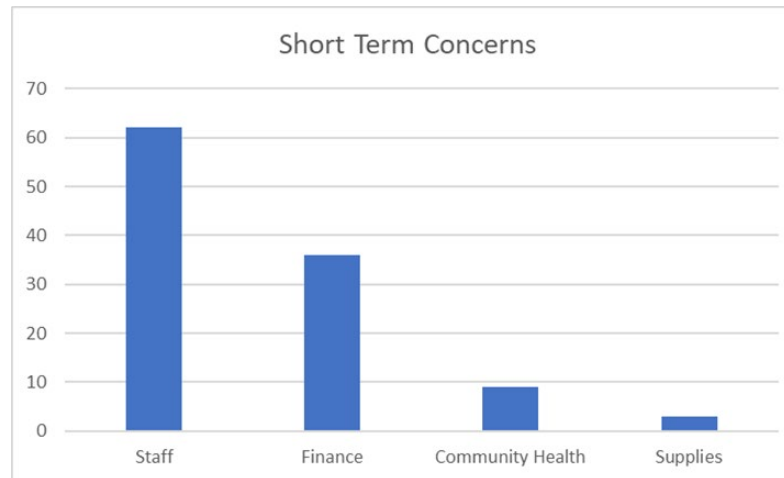
# Rural America's Fall COVID Surge



# Rural America's Fall COVID Surge



# How are rural hospitals thinking about what comes next?



Distrust of healthcare/govt

Delays in care

Higher use of telemed

# COVID Vaccination Survey

## Respondent Perspective



- 82% say vaccination rates lag those of Influenza
- Nearly half of respondents say 21%-50% of healthcare personnel are opting-out
  - **44%** of respondents cite 'matter of personal choice;' **31%** cite 'lack of trust' in vaccines.
- Attitudes are improving but education/outreach takes time
- COVID-19 will almost certainly linger in rural communities
  - Stretching hospital resources
  - Amplified risk for communities that are at increased risk for COVID and increasingly vulnerable due to health disparities and socio-economic factors

Survey data captured March 12 to April 15, 2021

# COVID Vaccination Survey

## Education Efforts

*"Providers and staff are encouraged to converse with general population to consider the science behind vaccine, rather than social media's link to other 'authority' sites."*

*"We continue to educate and stress the importance of immunization to your staff."*

*"Highlighting highly respected physicians who got the vaccine and their 'why.'"*

*"We utilize Physician Champions and multiple communication pieces and videos."*

*"We've had our physicians speak to everyone 'on the fence' and most have agreed to be vaccinated."*

*"Ongoing education using our medical staff as the experts to convince people that the vaccine is safe and can be lifesaving."*



Survey data captured March 12 to April 15, 2021

# COVID Vaccination Survey

## Personal Choice/Freedom

*"We offered it and if they declined we made no further push. No mandate."*

*"America allows choice. Many instances of misinformation and trust gaps have not helped those who have concerns."*

*"This is America, we still have medical freedom. Why should we be using specific actions or strategies. Employees (ANYONE) has a choice."*



*"Those that have declined have a variety of concerns including safety of the vaccine, and strong feelings of independence."*

*"We legally have to allow our employees to choose their own healthcare actions. There will never be a legal foundation to mandate employees taking the vaccine in healthcare."*

*"You should not have to use strategies to encourage healthcare personnel to receive the vaccination. This is a personal choice. We live in America if you haven't heard."*

Survey data captured March 12 to April 15, 2021

# However...Vaccine Mandates are Gaining Traction

## Hospital Staff Vaccine Mandates

*Today, **more than 50 hospitals and health systems** are mandating vaccines for staff, including\*:*

**The New York Times**

**A judge dismisses Houston hospital workers' lawsuit about vaccine mandates.**

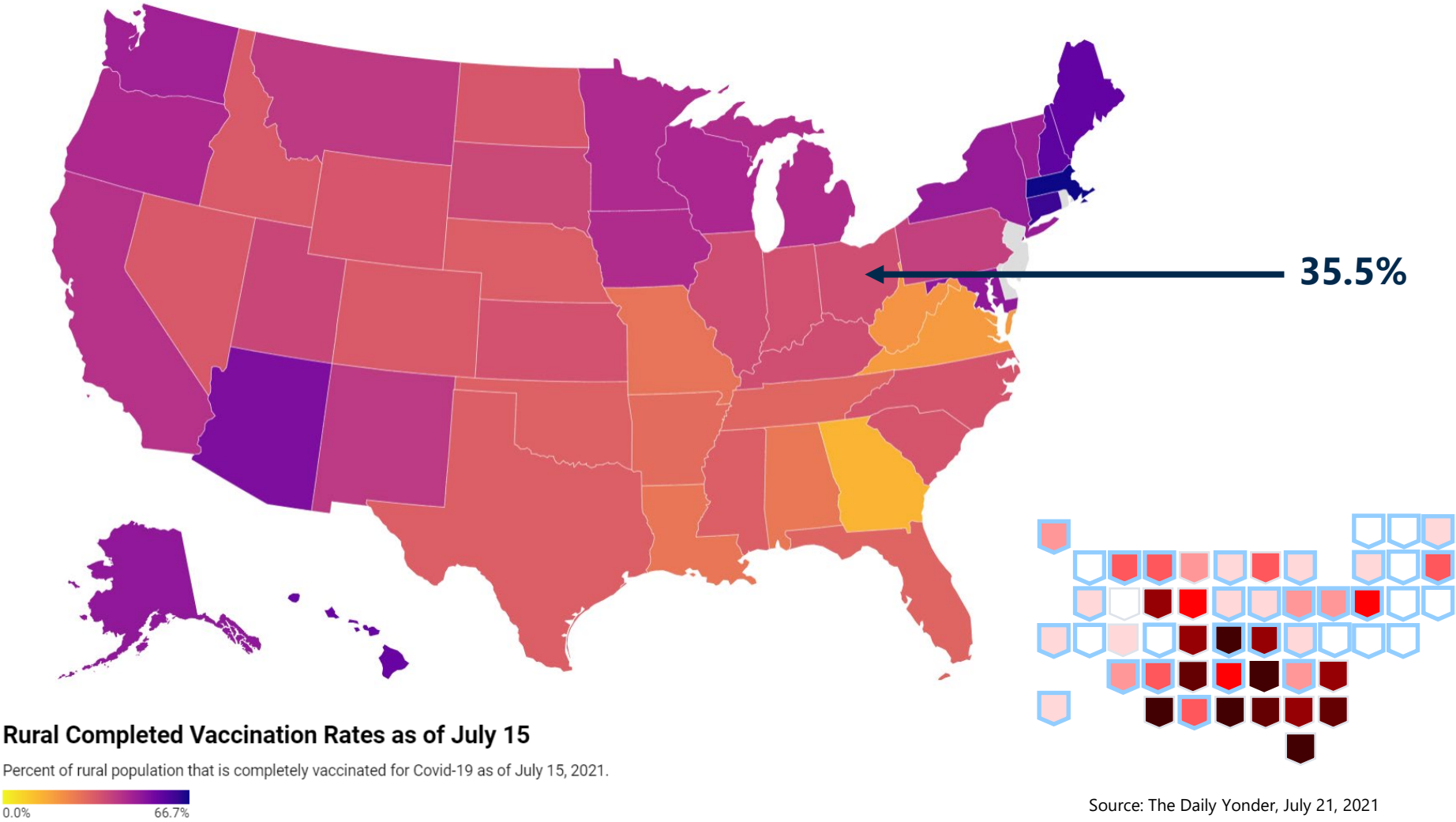
June 13, 2021



Source: Becker's Hospital Review, July 22, 2021



# Vaccination Rates and Health Disparities Collide



**AFTER THE SURGE**

A 'New Normal'

# New Challenges in the Aftermath of the Pandemic

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- Pre-pandemic reality persists
- Services disappearing at hospitals that remain open
- Rural communities are vulnerable
- Gaps in health disparities may be widening
- Access to care is dwindling
- Safety net is weakest where hospitals are vulnerable to closure:
  - Lower rates of insurance coverage
  - Higher rates of premature death
  - Less access to primary care and mental health services

# Pressure Points – Old and New - from All Directions



# Diminishing Access to Services

Vanishing or service pauses even though hospital doors stay open

## The Dallas Morning News

BUSINESS > HEALTH CARE

### 12,000 square miles with no obstetrics unit? It happens in this part of far West Texas

By Charlotte Huff, Kaiser Health News  
6:00 AM on Aug 1, 2021 CDT

*"COVID has caused a resetting of market rates and a reshuffling of nurse staffing."*



### St. Luke's Jerome Medical Center temporarily pausing obstetric and operating room services

By Jack Schemmel

Published: Jul. 30, 2021 at 10:42 AM EDT

*"We have had candidates turn down offers due to housing concerns."*

# Diminishing Access to Services



166

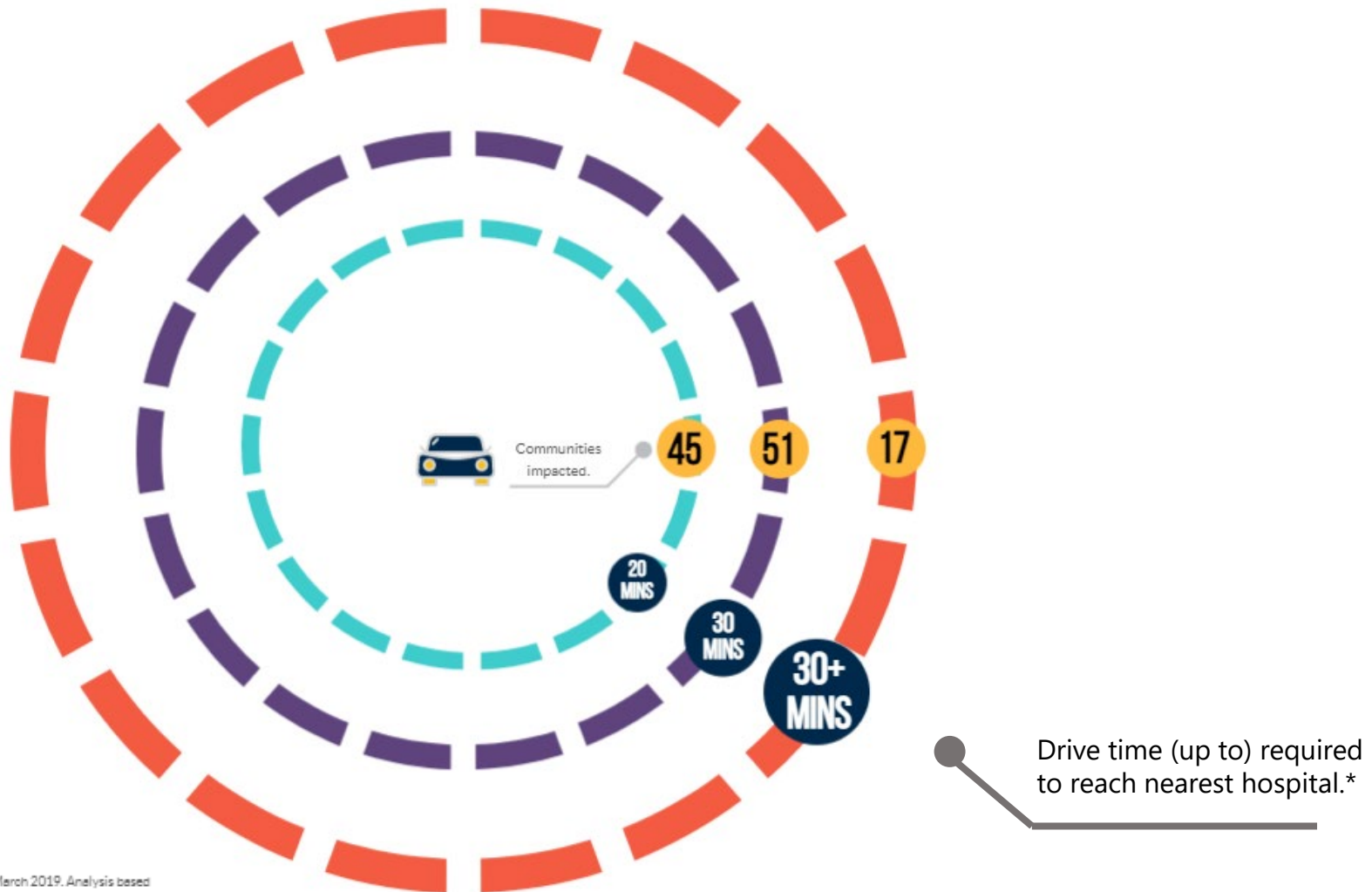
rural hospitals ceased to provide  
Obstetrics from 2011-2021.



252

rural hospitals ceased to provide  
Chemotherapy from 2014-2017.

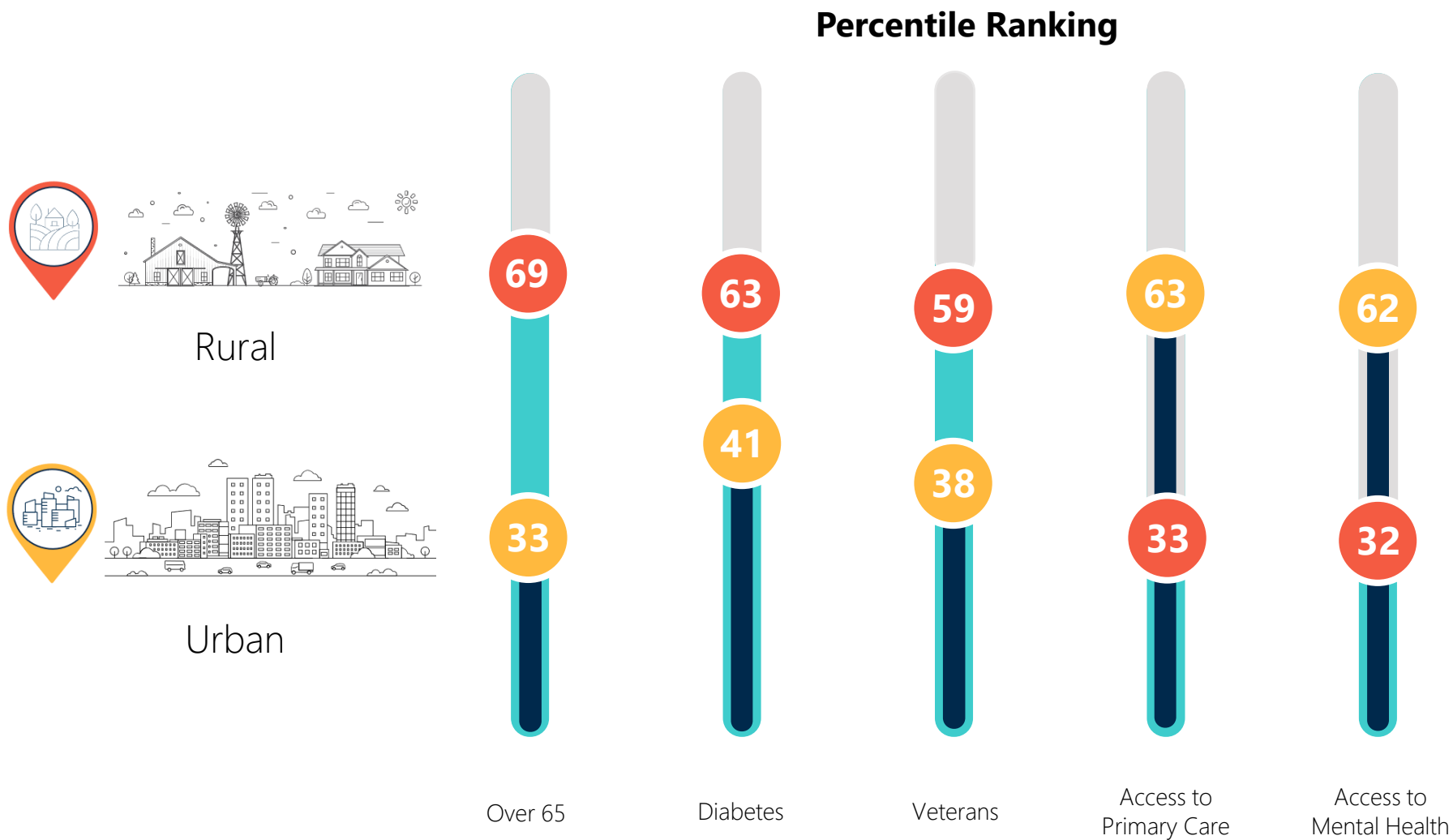
# When OB Vanishes, Drive Times Increase



\*The Chartis Group, March 2019. Analysis based on 113 closed hospitals (1/2020 - 3/2019).

# Rural Health Disparity

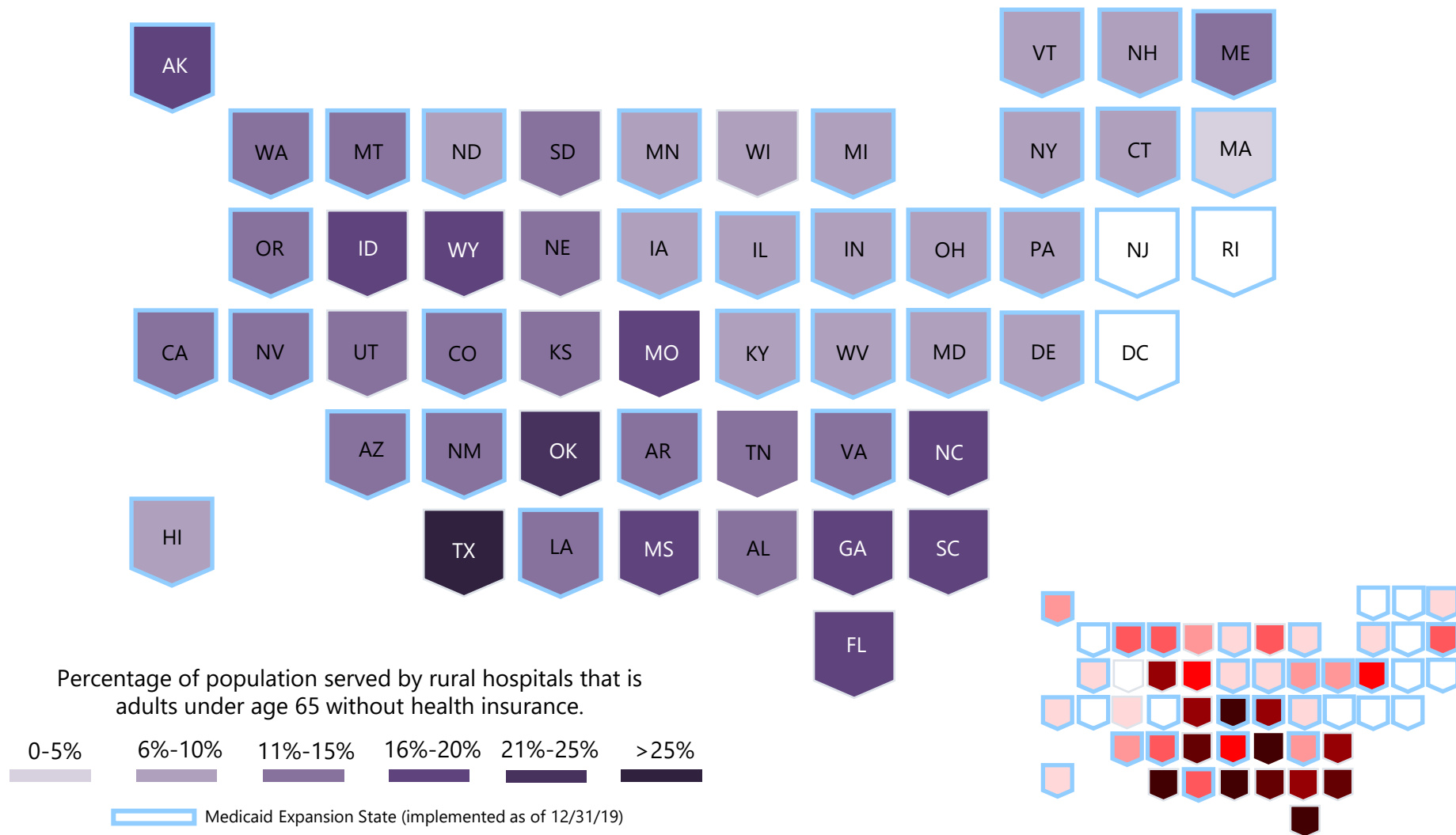
Rural v. Urban





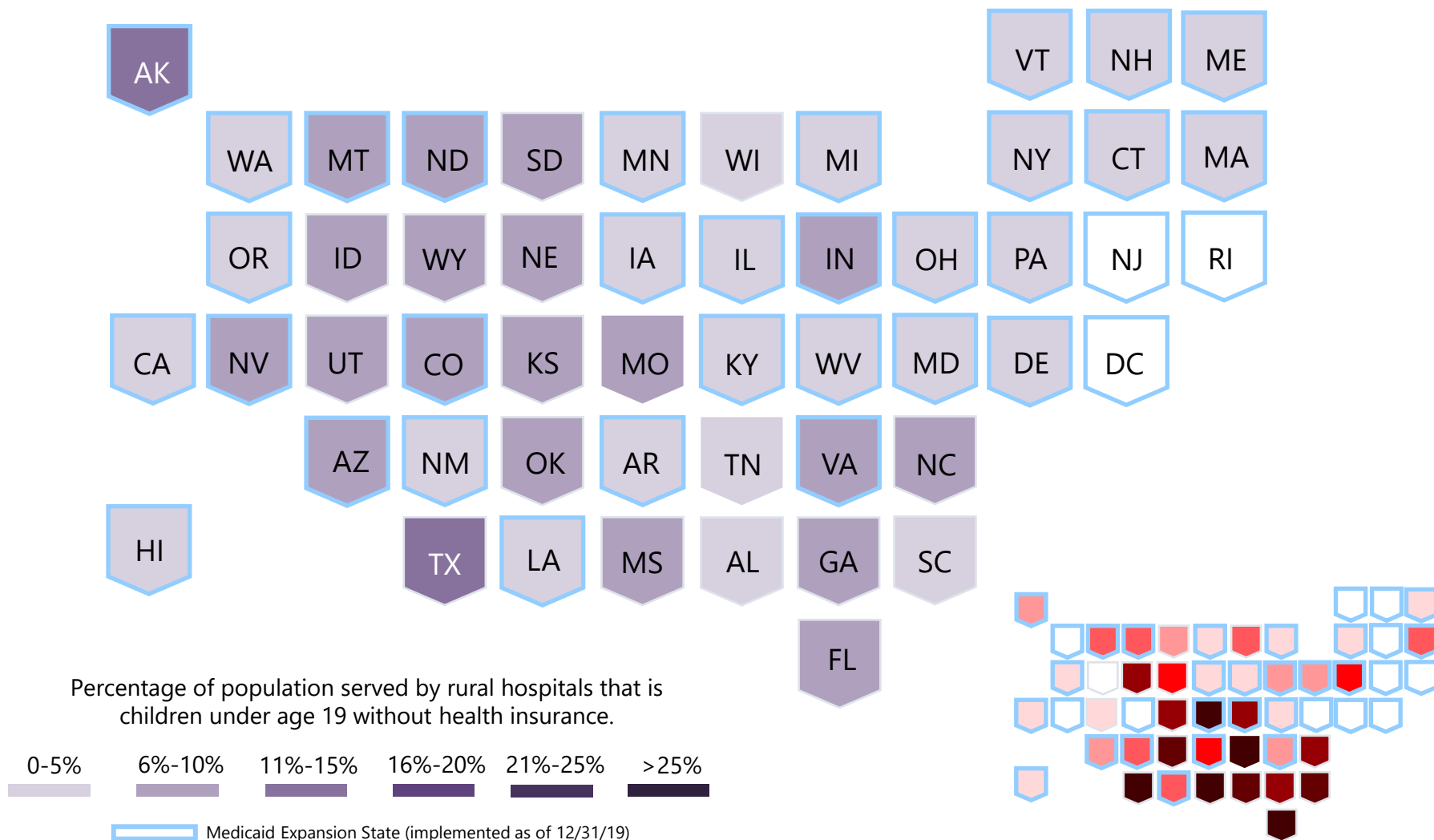
# Rural Population Disparity

## Adults Uninsured



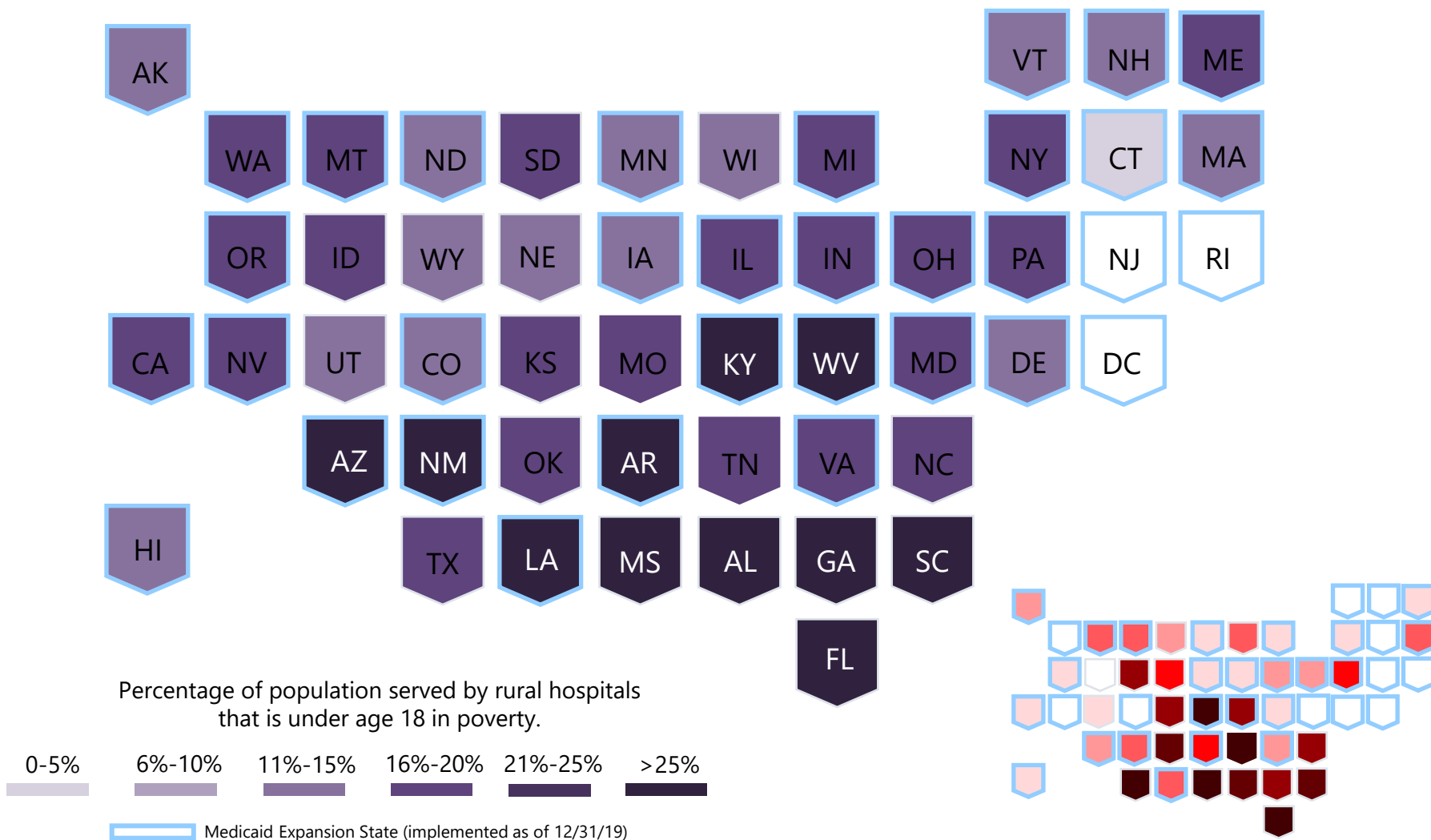
# Rural Population Disparity

## Children Uninsured



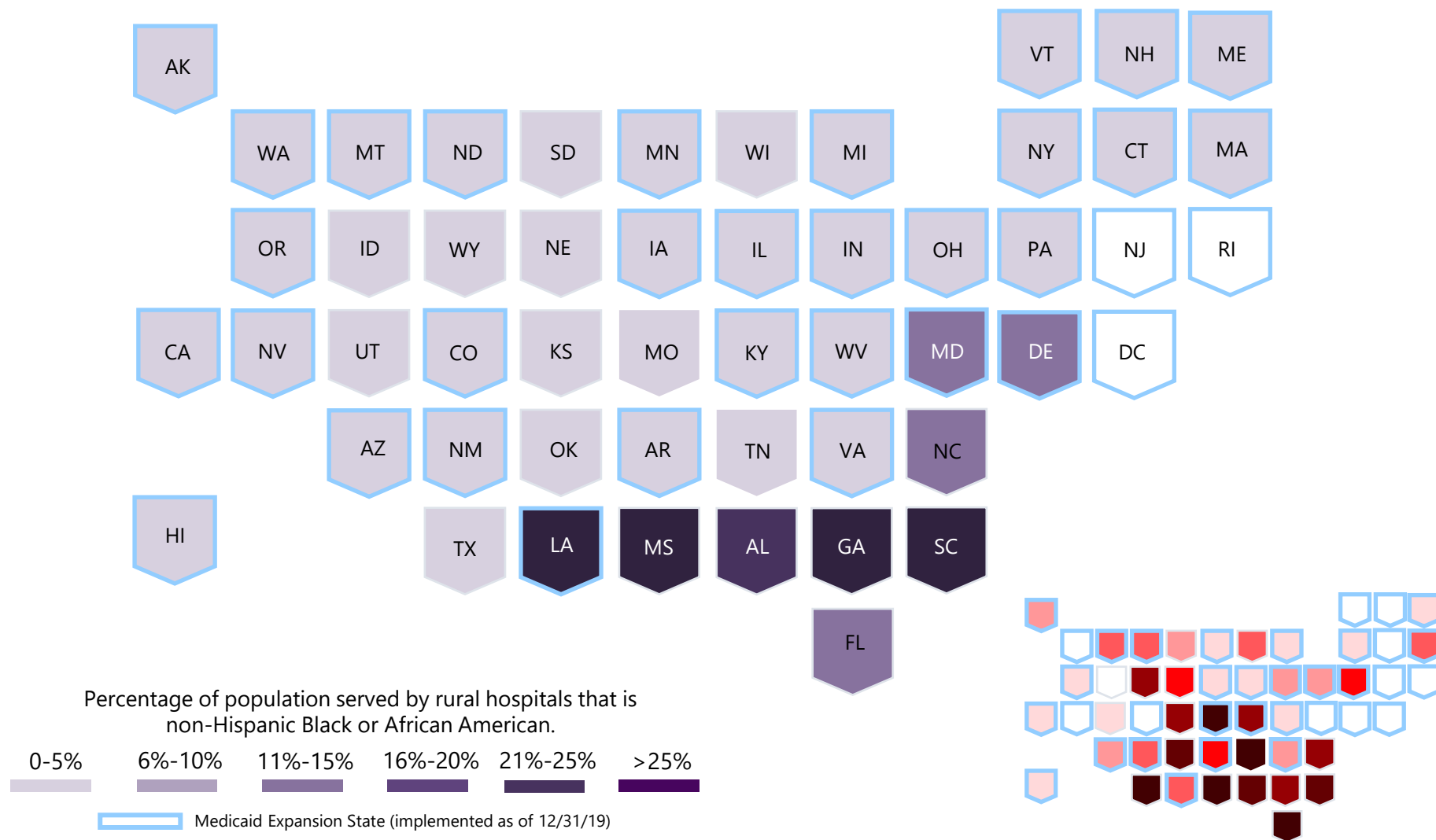
# Rural Population Disparity

## Child Poverty



# Rural Population Disparity

## Non-Hispanic Black



# Rural Health Disparity

Vulnerable Hospital Communities v. Rural and v. Urban

DISPARITY MEASURE	URBAN	RURAL	VULNERABLE HOSPITAL COMMUNITY	CHANGE (+/-) RURAL VS. VULNERABLE RURAL
	PERCENTILE RANKING	PERCENTILE RANKING	PERCENTILE RANKING	PERCENTILE RANKING
Primary Care Access	63	33	23	-10
Mental Health Access	62	32	17	-15
Uninsured Adult	48	53	73	20
Uninsured Child	40	60	69	9
Premature Death	40	61	77	16

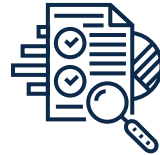
# Racial Health Disparity

## Urban/Rural Divide for Black Americans

STATE	PREMATURE DEATH (BLACK AMERICANS) URBAN	PREMATURE DEATH (BLACK AMERICANS) RURAL	CHILD POVERTY (BLACK AMERICANS) URBAN	CHILD POVERTY (BLACK AMERICANS) RURAL
	PERCENTILE RANKING	PERCENTILE RANKING	PERCENTILE RANKING	PERCENTILE RANKING
Alabama	70	86	72	79
Georgia	46	76	54	80
Louisiana	78	86	80	88
Mississippi	68	87	76	88
South Carolina	65	79	63	75

# A 'New Normal' for Rural Hospitals

## Considerations and Questions as the Pandemic Recedes



- Worsened Community Health Status
- Higher Marginal Cost of Care
- Persistence Staff Burnout & Shortages
- Reduced Market Share
- Evolved Clinical Care Models

*Are population health dynamics in your rural markets changing?*

*How fast can hospitals identify opportunities for improvement?*

*How will hospitals support staff while maintaining quality goals?*

*Where are patients going, for which services and at what cost?*

*Are rural hospitals ready to leverage telehealth long term?*

*The pandemic will reverberate in rural communities for some time, amplifying the challenges associated with providing care to populations that are already vulnerable.*

# About

We deliver a rural-relevant framework through which leadership teams and frontline staff can better understand performance and initiate further clinical and financial improvement.

Our expertise and research has been featured in:



The New York Times



## Helping Rural Providers Navigate a New Era through:

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Network Collaboration

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Strategic & Operational Advisory

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Quality Improvement

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Advanced Analytics

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Rural Relevant Research

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# Connect with Our Team



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