

FACT SHEET

Rural Hospitals

Clouds are on the horizon for rural healthcare

- Rural hospitals across the country are struggling financially!
- 673 rural hospitals are vulnerable to closure based on financial stability, patient satisfaction, and quality indicator data
- More than 70 rural hospitals have closed since 2010 and many more may be headed down the same path (Beckers Hospital Review).
- In July 2016 – Medicaid cut our reimbursement by 5% for inpatients and 3% for outpatients
- New Mexico is struggling to fill a \$500,000,000+ shortfall and additional cuts to the Medicaid program may be part of the solution.
- Medicare currently pays 79% of our cost to provide care!
- Everything we hear from the government and from our commercial payers says that our revenues will continue to decline and we all understand that our expenses will continue to grow.
- The Critical Access Model (CAH)
- The Critical Access reimbursement model is one of the few remaining options we have to offset the trend of declining reimbursement! This model will allow us to continue to provide acute care services in a more financially sustainable manner.
- “Critical Access Hospital” (CAH) is a designation given to certain rural hospitals by the Centers for Medicare and Medicaid Services (CMS).

CAH designation was created by Congress in the 1997 Balanced Budget Act in response to a string of hospital closures in the 1980’s and early 1990’s.

The CAH designation is designed to reduce the financial vulnerability of rural hospitals and improve access to healthcare by keeping essential rural services through cost-based Medicare reimbursement.