



## North Dakota CAH Administrators' Attitudes Toward Issues Facing Rural Hospitals

Part of a series of fact sheets on Critical Access Hospitals and the North Dakota Medicare Rural Hospital Flexibility (Flex) program.

In three time periods, (2011, 2008, and 2005), the Center for Rural Health surveyed North Dakota Critical Access Hospital (CAH) administrators on a wide range of subjects. This fact sheet discusses CAH administrators' attitudes to a variety of common issues or problems facing rural hospitals.

### Background

- North Dakota has 36 Critical Access Hospitals (CAHs) (See Figure 1). All rural hospitals, with the exception of the two Indian Health Service hospitals, have been designated as CAHs. The CAH designation by the Centers for Medicare and Medicaid Services (CMS) started in 1999 as part of the Balanced Budget Act (BBA) of 1997. The Medicare Rural Hospital Flexibility (Flex) program, also in the BBA, was developed to provide technical assistance to CAHs and to improve the overall rural health delivery system.
- Hospital administrators were asked to rate a series of issues on a five point scale from no problem to severe problem. For reporting purposes, those indicating problem, moderate problem, and severe problem were grouped together which is reflected in both the fact sheet narrative and the figures.

Figure 1. North Dakota CAHs

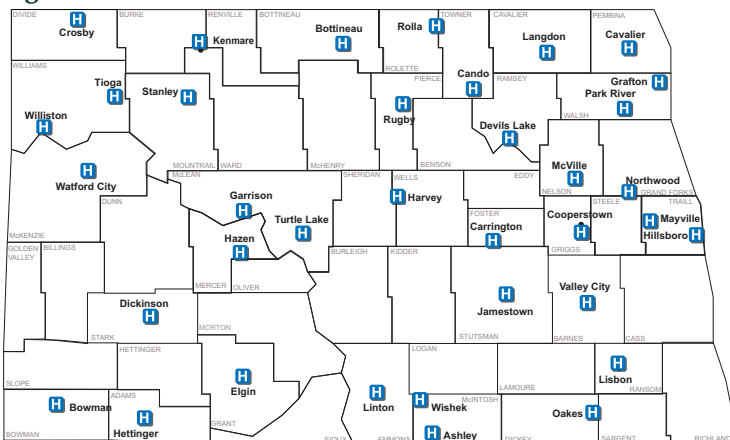


Figure 2. Rural Hospital Issues Comparison of CAH Administrator Surveys 2011, 2008, 2005

Issue	2011*	2008	2005*
Hospital Reimbursement (non-Medicare 3rd Party Payer)	94%	96%	95%
Health Care Reform Readiness	94%	Not Asked	Not Asked
Physician Workforce Supply	91%	82%	72%
Impact of Uninsured	91%	79%	96%
Impact of Underinsured	91%	75%	95%
Hospital Reimbursement - Medicare	88%	86%	84%
Nursing Workforce Supply	85%	89%	81%
Physical Plant Building Issues	79%	64%	88%
Access to Mental Health Services	79%	79%	73%
Ancillary Workforce Supply (lab, x-ray, PT, etc.)	73%	86%	88%

\*Totals represent the combination of problem, moderate problem, and severe problem

### Rural Hospital Issues

- Overall, issues associated with money (reimbursement of services or factors that can impact payment or the ability to pay), and health workforce were the two primary issues in all three time periods (See Figure 2).
- The highest rated issue, in all three years, was hospital reimbursement from a non-Medicare third party payer. In 2011, 94% of administrators indicated this was a problem, with 96% stating this in 2008 and 95% in 2005. This was the only issue where over 90% of administrators indicated it was a problem in all three years.
- The high degree of concern regarding private third party payments contrasts to some degree with the other primary payer, Medicare. While Medicare payments were a concern, it was to a lesser extent than third party private payments (88%, 2011; 86%, 2008; and 84%, 2005). In 2011, Medicare reimbursement was the sixth highest concern.
- Health workforce was a high concern (physician, nursing, and ancillary such as laboratory, x-ray, and physical



therapy). In 2011, physician workforce (91%) was the highest concern followed by nursing workforce (85%) and ancillary (73%). In 2008, nursing workforce (89%) was of more concern than either ancillary or physician. In 2005, ancillary workforce was the primary workforce issue.

- Another financial concern was related to insurance coverage. While an access to care issue for the individual and/or family, it is a payment concern for hospitals. In all three years, both impact of the uninsured and impact of the under-insured were significant issues facing CAHs.
- Another concern with financial overtones was physical building issues. “Mortar and brick” capital financing can consume hundreds of thousands of dollars and even a few million in necessary investments for CAHs. It was identified by 79% of administrators as a problem in 2011.
- A new issue was identified in the 2011 survey – health care reform readiness. Fully 94% of respondents said this was a problem.
- Another way to understand the information from the survey is to look at the degree of intensity as measured by the highest severe problem scores (See Figure 3). In 2011, 62% of administrators indicated that physician workforce supply was a severe problem. This was followed by third party payments, access to mental health services, impact of the uninsured, and Medicare reimbursement.

**Figure 3. Issues Rated a Severe Problem, 2011 Survey**



- At the other end of the continuum were issues not perceived as problems. Fully 38% of hospital administrators said the relationship with their designated support hospital was not a problem. This was followed by providing pharmacy coverage (32%), community support for the hospital (26%), and adequate patient transport services – EMS (26%).

## Conclusions

- The issues facing CAHs cover a wide range of subjects that can be viewed by the hospitals as critical factors impacting not only how they do business and operate, but if they are severe enough can be impediments to survival. Some of the issues can be seen as chronic as they have been significant problems as expressed by the administrators at three separate points in time.

- Hospital payment/reimbursement along with health workforce has remained serious problems for North Dakota CAHs as measured at three different time periods since 2005.
- While Medicare reimbursement has remained a strong concern, the degree of concern for private third party payment is stronger. It was the only issue measured where over 90% of respondents rated it a problem in all three years. In 2011 over half (56%) of respondents rated third party payment as a severe problem while only 38% rated Medicare reimbursement as a severe problem.
- Other contributory issues to financial viability (e.g., impact of the uninsured, underinsured, and capital costs) are seen as serious problems.
- Health workforce is a serious concern and each of the three types of workforce personnel (physician, nursing, and ancillary) has been the highest concern at one point (physician in 2011, nursing in 2008, and ancillary in 2005). Workforce has never had less than almost three-quarters (72%) of the respondents indicating it was a problem.
- In general, issues not seen as problems include relationships with the referral/tertiary hospital, pharmacy coverage, community support, and EMS.

## References

- 2011 Flex CAH Administrator Survey, Center for Rural Health, UND School of Medicine and Health Sciences, August 2011.
- 2008 Flex CAH Administrator Survey, Center for Rural Health, UND School of Medicine and Health Sciences, 2008.
- 2005 Flex CAH Administrator Survey, Center for Rural Health, UND School of Medicine and Health Sciences, 2005.

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