North Dakota Critical Access Hospital and Flex Program Survey - 2005

Presented to:
The 2005 Dakota Conference on Rural and Public Health

Presented by:
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CAH and Flex Program

**Purpose:** CAH CEO attitudes toward rural health issues and the role of CAH designation and the Flex Program in addressing issues.

**Process:** Mailed survey to 30 CAHs.

**Focus:** Hospital demographics, hospital infrastructure, rural health issues facing hospitals, impact of CAH and Flex, network relationships.
Hospital Demographics:

"Over the next 24 months my hospital will..."


Number of Beds:

- <10: 4%
- 11 to 15: 15%
- 16 to 20: 15%
- 21 to 25: 66%
Hospital Demographics:

Affiliate With More Than One Hospital/Health System

- Yes: 52%
- No: 42%
- No Response: 8%

Hospital Demographics:

Affiliation Partners

- Urban: 52%
- Rural: 8%
- Both: 28%
**Hospital Demographics:**

"Over the next 24 months my hospital will..."

- **De-certify as CAH**
  - 1998: 0%
  - 2005: 0%

- **Add LTC**
  - 1998: 4%
  - 2005: 21%

- **Eliminate acute care**
  - 1998: 0%
  - 2005: 21%

- **Close**
  - 1998: 0%
  - 2005: 0%

- **Affiliate w/another hospital**
  - 1998: 4%
  - 2005: 54%

- **Stay the way we are**
  - 1998: 85%
  - 2005: 0%

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**Hospital Demographics:**

If we do not link closely with another hospital or health system, our survival will be jeopardized?

- **Unsure**
  - 1998: 11.5%
  - 2005: 25%

- **Disagree**
  - 1998: 25%
  - 2005: 50%

- **Agree**
  - 1998: 35%
  - 2005: 50%
Hospital Demographics:
Local Citizens are Aware of our Financial Situation

- Yes: 85%
- No: 11%
- Unsure: 4%

Hospital Demographics:
Hospital Receives County and/or City Tax Support

- Yes: 4%
- No: 15%
- No Response: 81%
Hospital Demographics:

Likelihood of Receiving Local Tax Support
Over Next 5 Years

Unsure: 11.5%
Will Not Happen: 8%
Not Likely: 50%
Likely: 11.5%
Very Likely: 4%

CAH and Flex Program

Hospital Demographics (CAH Provider Composition)

The average CAH has the following (based on median scores):
2 - Primary Care Physicians
1 - Physician Assistant
1 - Nurse Practitioner
1 - Certified Nurse Anesthetist
9.5 - RN
6 - LPN
2 - Laboratory Services
2.97 - Radiology
1 - Occupational Therapy
1.93 - Physical Therapy
2.4 - Other therapy
0.8 - Pharmacy
1 - Paramedic
1 - Mental/Social Health
3 - Administration
3 - Health Information

The median number of employees in a CAH is 67.2
CAH and Flex Program

Finance:
Financial Impact of CAH Status by Years of Designation
Hospital’s Net Income (Median)

- Fiscal Year of Conversion: $11,000
- First Full Year of Conversion: $15,000
- Second Full Year of Conversion: $47,030
- Third Full Year of Conversion: $62,000
- Fourth Full Year of Conversion: $80,000
- Fifth Full Year of Conversion: $11,720

Net Income/Loss for the Year Prior to Conversion
-$237,000

Issues Facing Rural Hospitals

Highest “Severe Problem” score was BCBSND reimbursement at 54.2%
Issues Facing Rural Hospitals

<table>
<thead>
<tr>
<th>Issue</th>
<th>Problem</th>
<th>Minor Problem</th>
<th>No Problem</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology</td>
<td>63.3%</td>
<td>23.1%</td>
<td>6.6%</td>
</tr>
<tr>
<td>Physician Workforce</td>
<td>72%</td>
<td>20%</td>
<td>8%</td>
</tr>
<tr>
<td>Mental Health</td>
<td>73%</td>
<td>25.1%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Life Safety Code</td>
<td>73.1%</td>
<td>19.2%</td>
<td>7.7%</td>
</tr>
<tr>
<td>Access to Capital</td>
<td>73.1%</td>
<td>19.2%</td>
<td>7.7%</td>
</tr>
<tr>
<td>Regulation Non-HIPAA</td>
<td>76%</td>
<td>20%</td>
<td>4%</td>
</tr>
<tr>
<td>Neg. Workforce</td>
<td>80.8%</td>
<td>19.2%</td>
<td>4%</td>
</tr>
<tr>
<td>Medicare</td>
<td>84.6%</td>
<td>11.5%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Asked: “What is your number one concern today?”

- Reimbursement: 47%
- Workforce: 27%
- Community Support: 7%
- Clinic Relations: 7%
- Population: 3%
- Rules/Regs: 3%
- Aging Plan: 3%
- Technology: 3%
# Rural Network Relationships

<table>
<thead>
<tr>
<th>Statement</th>
<th>Disagree (%)</th>
<th>Neutral</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. The rural network is <strong>strong</strong></td>
<td>4</td>
<td>32</td>
<td>64</td>
</tr>
<tr>
<td>b. The rural network is <strong>flexible</strong></td>
<td>8</td>
<td>26.9</td>
<td>64</td>
</tr>
<tr>
<td>c. The rural network is <strong>comprehensive</strong> in terms of services provided</td>
<td>8</td>
<td>34.6</td>
<td>44</td>
</tr>
<tr>
<td>d. The rural network is <strong>supportive</strong> of the rural hospital</td>
<td>0</td>
<td>15.4</td>
<td>76</td>
</tr>
<tr>
<td>e. The rural network is <strong>progressive</strong></td>
<td>4</td>
<td>30.8</td>
<td>64</td>
</tr>
<tr>
<td>f. The rural network has <strong>open discussions</strong> of issues</td>
<td>4</td>
<td>34.6</td>
<td>64</td>
</tr>
<tr>
<td>g. The rural network fosters a <strong>sense of trust</strong> between providers</td>
<td>4</td>
<td>42.3</td>
<td>68</td>
</tr>
<tr>
<td>h. My opinion and <strong>voice is heard</strong> within this network.</td>
<td>4</td>
<td>26.9</td>
<td>72</td>
</tr>
<tr>
<td>i. I am optimistic that this <strong>network will grow and positively impact</strong> my hospital</td>
<td>4</td>
<td>15.4</td>
<td>76</td>
</tr>
</tbody>
</table>

**Averages:** 4.4 28.77 65.78

# Tertiary Network Relationships

<table>
<thead>
<tr>
<th>Statement</th>
<th>Disagree (%)</th>
<th>Neutral</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. The CAH/tertiary network is <strong>strong</strong></td>
<td>19.2</td>
<td>26.9</td>
<td>53.9</td>
</tr>
<tr>
<td>b. The CAH/tertiary network is <strong>flexible</strong></td>
<td>19.2</td>
<td>26.9</td>
<td>53.9</td>
</tr>
<tr>
<td>c. The CAH/tertiary network is <strong>comprehensive</strong></td>
<td>19.2</td>
<td>34.6</td>
<td>46.1</td>
</tr>
<tr>
<td>d. The CAH/tertiary network is <strong>supportive</strong> of the rural hospital</td>
<td>19.2</td>
<td>15.4</td>
<td>65.3</td>
</tr>
<tr>
<td>e. The CAH/tertiary network is <strong>progressive</strong></td>
<td>26.9</td>
<td>30.8</td>
<td>42.3</td>
</tr>
<tr>
<td>f. The CAH/tertiary network has <strong>open discussions</strong> of issues</td>
<td>26.9</td>
<td>34.6</td>
<td>38.4</td>
</tr>
<tr>
<td>g. The CAH/tertiary network fosters a <strong>sense of trust</strong> between providers</td>
<td>23</td>
<td>42.3</td>
<td>34.6</td>
</tr>
<tr>
<td>h. My opinion and <strong>voice is heard</strong> within this network.</td>
<td>30.7</td>
<td>26.9</td>
<td>42.3</td>
</tr>
<tr>
<td>i. I am optimistic that this <strong>network will grow and positively impact</strong> my hospital</td>
<td>26.9</td>
<td>15.4</td>
<td>57.7</td>
</tr>
</tbody>
</table>

**Averages:** 23.47 28.2 48.27
Observation/Analysis

• Organizational structure
  ➢ Basically the same at the community level. CAH has not changed this. North Dakota rural hospital addressed vertical integration prior to CAH.

• Affiliation with more than one hospital/health system – doubled from 1999 to 2005
  ➢ Greater need
  ➢ Change in attitude
  ➢ Positioning in the market
  ➢ Uncertainty with urban market

Observation/Analysis

• Change over next 24 months
  ➢ No significant change - status quo
  ➢ No elimination of services
  ➢ No plans to look at closure

• In 1999, 50% agreed and 25% disagreed with the statement, “If we do not link with another hospital or health care system, it will jeopardize our survival. In 2005, 35% agreed and 50% disagreed.
  ➢ More affiliation has and is occurring.
Observation/Analysis

• Workforce has not changed significantly
  ➢ Physician, nurse practitioner, and physician assistant numbers are the same
  ➢ Nursing numbers are slightly smaller (15 vs. 19)
  ➢ Administrative numbers are down (3 vs. 5.5)

Observation/Analysis

• Issues facing rural hospitals are reflective of natural concerns but also show unique ND concern
  ➢ National
    - Impact of uninsured
    - Impact of the under-insured
    - Rural community economy
    - Workforce
    - Physical Plant
    - Medicare reimbursement
  ➢ State
    - BCBSND
    - Demographics
Observation/Analysis

• Reimbursement is still an issue, but it is more complex than just Medicare. Fully 96% said BCBSND reimbursement was a severe problem, moderate problem, or problem while 85% said Medicare was a problem.
  ➢ BCBSND needs to be aware of this issue
  ➢ Policymakers at both the state and federal level also need to be aware

Observation/Analysis

• When hospital CEO’s were given the chance to review the list of 30 issues and select only one as their number one concern, fully 47% said reimbursement followed by workforce at 27%.
  ➢ Reinforces opinion and conjecture that reimbursement and health professional workforce are dominant issues.
  ➢ Medicare Modernization Act (MMA) had positive features but Congress can’t assume that the problem is solved.
  ➢ Reimbursement is inclusive of both federal and state attention.
  ➢ Workforce is more comprehensive than physicians as ancillary workforce supply and nursing supply were rated as higher problems.
Observation/Analysis

• Relationships with other local and rural providers are seen as positive.
  ➢ Over 60% said there was no problem with other rural hospitals, local clinics, local/area public health, and local/area nursing home.
  ➢ This contrasts with urban hospitals and urban clinics where only 15% and 19%, respectively said there was no problem. 42% said there was a problem with urban hospitals and 35% said problem with urban clinics.
  ➢ The rurals seem to be either identifying a way to work and collaborate together or at the very least, co-exist; however, relationships between rural and urban are still problematic.

Observation/Analysis

• Access to and impact of Flex grants had the highest positive score (88.4% each) ahead of even reimbursement (76.9%)
  ➢ Importance of finance
  ➢ Financial (grants, access to capital was #1 request)
  ➢ Reimbursement is positive but there are provider concerns
Observation/Analysis

• Network formation/relationships with other rural hospitals/CAHs (69.2% positive) was higher than with tertiary providence (53.8% positive)
  ➢ Both are a majority
  ➢ More work to be done in strengthening rural-urban relationships

Observation/Analysis

• Important to and for the program and to and for the CAH that 2/3 believe CAH/Flex has positively impacted the overall stability of the hospital and addressed quality of care issues.
Observation/Analysis

• The high neutral scores for some conditions can lead to new opportunities
  ➢ EMS (65% neutral)
  ➢ Access to capital (76% neutral)
  ➢ Recruitment and retention (76-80% neutral)
  ➢ Staff morale (60%)
  ➢ Access to technical assistance (61%)

Future Action

• How to address the need to strengthen networks, particularly rural-urban?

• How to address reimbursement, both Medicare and BCBSND?

• How to address the opportunities such as EMS, access to capital, access to technical assistance, recruitment/retention, etc.?
Focused on Access, Financing and Quality Through:
- Health services research
- Health policy
- Education
- State and community health services development
- Information Resource

Where: Grand Forks, ND
When: Established 1980

How: Through partnerships