



MEDIA RELEASE

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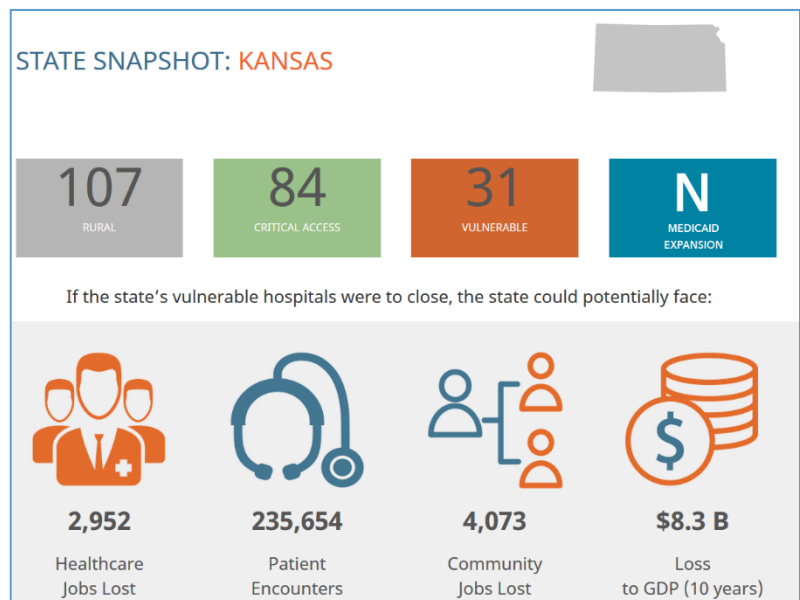
New Study Reports on the Vulnerability of Rural Kansas Hospitals

1 in 3 rural hospitals in Kansas are classified as vulnerable and “at risk” of closure.

(February 5, 2016) – iVantage® Health Analytics, a leading national provider of health care analytics and decision support tools, released its 2016 Hospital Strength INDEX Study this week, which assessed and benchmarked rural and Critical Access Hospital performance. Of the 107 rural hospitals in Kansas, 31 are classified as vulnerable and “at risk” of closure, according to the study. Last year, Kansas had 17 at-risk hospitals, according to the study. Nationally, 67 hospitals have closed since 2010. In Kansas, Mercy Hospital in Independence, closed in October 2015.

The 2016 analysis suggests the situation is worsening for many rural communities. The loss of a hospital can have a lasting impact on its community. In Kansas, the study estimates if the state’s 31 vulnerable hospitals were to close, the state could potentially face:

- 2,952 health care jobs lost
- 235,654 patient encounters
- 4,073 community jobs lost
- \$8.3 billion loss to the GDP (10 years)



A combination of factors contribute to the hospitals’ at-risk status. Significant downward pressure on rural hospital margins is fueled by:

- Rural hospitals tend to serve disproportionately poorer, sicker and older patients
- Failure to expand Medicaid: the number of uninsured patients is typically higher in states that have not expanded Medicaid, which means rural hospitals receive less money in reimbursements from Medicaid and provide more uncompensated care

- Rural hospitals have endured decreases in Medicare reimbursement that began in 2013, including sequestration, charity care/bad-debt reimbursement cuts and disproportionate share payment cuts

Keeping rural hospitals healthy is an urgent matter. Right now, Kansas hospitals are working to develop more sustainable health care systems and encourage the development of new models of health care delivery. With grant funding from the United Methodist Health Ministry Fund, Hutchinson, KS, five Kansas hospitals are testing the viability and effectiveness of two ambulatory care alternatives to full hospital services. These models were developed by hospital executives who began meeting in 2012 in response to the ever changing health care needs of rural communities in Kansas. Kansas hospitals welcome the opportunity to work with the Administration and its new rural health care working group; however, we need swift action as the deficit in revenue support for rural health care systems is a fundamental problem.

One way to keep health care accessible in our rural and urban communities is to insure more patients. The Bridge to a Healthy Kansas, a new, budget-neutral health care solution, will provide more low-income, hardworking Kansans with health care coverage, which in turn helps maintain access to local health care services in rural and urban Kansas communities. It also will reduce the occurrence of uncompensated care for the uninsured and the associated costs that are passed along to hospitals and other health care providers.

Kansans rely on hospitals to provide essential health care services in their communities 24 hours a day, seven days a week, 365 days a year. Hospitals are economic engines to Kansas communities and are critical to sustaining the overall resources of the State. Hospitals support job growth; for each individual employed by a Kansas community hospital, another 0.83 jobs were supported in other businesses and industries in Kansas.

The Kansas Hospital Association is a voluntary, non-profit organization existing to be the leading advocate and resource for members. KHA membership includes 212 member facilities, of which 126 are full-service, community hospitals. Founded in 1910, KHA's vision is: "*Optimal Health for Kansas.*"

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