

Challenges Facing Rural Healthcare

Scott Manis, FACHE

Regional Vice President, HealthTech

May 17, 2023



The Road Ahead?



OR



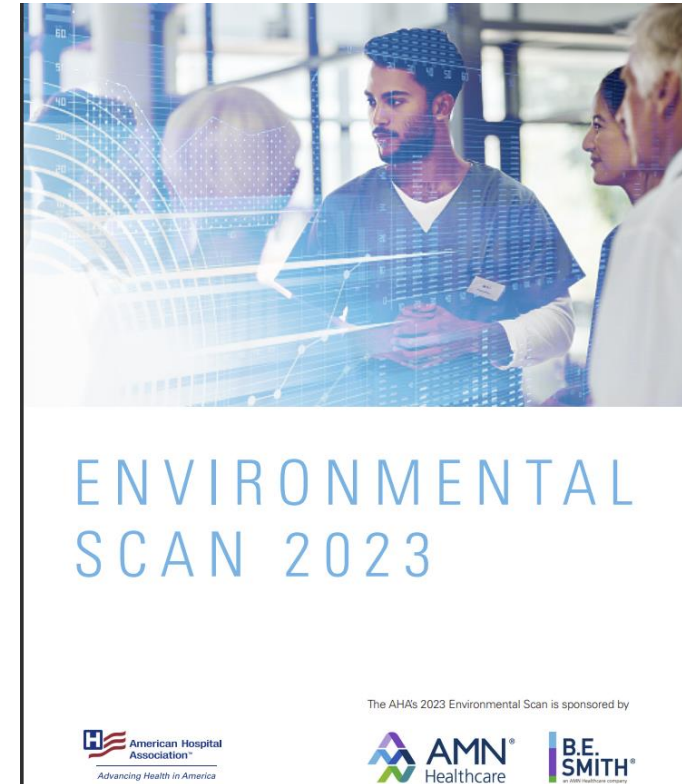
Today's Agenda

Key Headwinds

- Workforce
- Financial Viability
- Behavioral Health
- Access and Affordability
- Impact on Rural Health
- Dynamic Marketplace

Some Solutions

- Labor Productivity Tools
- Evaluate Financial Performance
- Innovation



Key Headwinds

Top Issues Confronting Hospitals: 2022

- Hospital CEOs [ranked](#) workforce shortages as their top concern

ISSUE	2022	WORKFORCE CHALLENGES (E.G., PERSONNEL SHORTAGES)	ALL RESPONDENTS (N = 281)
Workforce challenges (e.g., personnel shortages)	1.8	Shortages of registered nurses	90%
Financial challenges	2.8	Shortages of technicians (e.g., medical technicians, lab technicians)	83%
Behavioral health/addiction issues	5.2	Burnout among non-physician staff	80%
		Shortages of therapists (e.g., physical therapists, respiratory therapists)	70%
		Shortages of physician specialists	66%
		Shortages of primary care physicians	65%

ACHE, February 2023

<https://healthcareexecutive.org/archives/march-april-2023/top-issues-confronting-hospitals-2022>

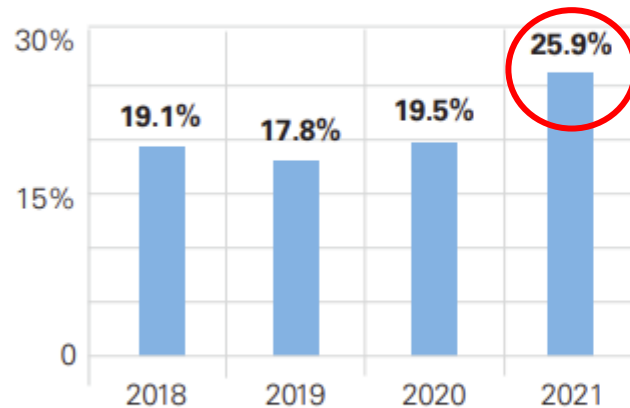
Workforce

Turnover and Vacancy Rates

—workforce shortages threaten the ability of hospitals to care for their communities

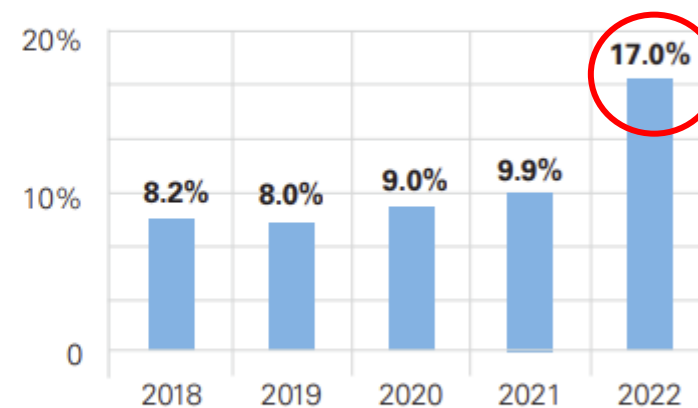
HISTORICAL TRENDS

Hospital staff turnover rate



- RN turnover rate in 2021: **27.1%**

Average RN vacancy rate



- **81.3%** of hospitals reported a vacancy rate of more than **10%** in 2022

"2022 NSI National Health Care Retention & RN Staffing Report," NSI Nursing Solutions Inc., March 2022

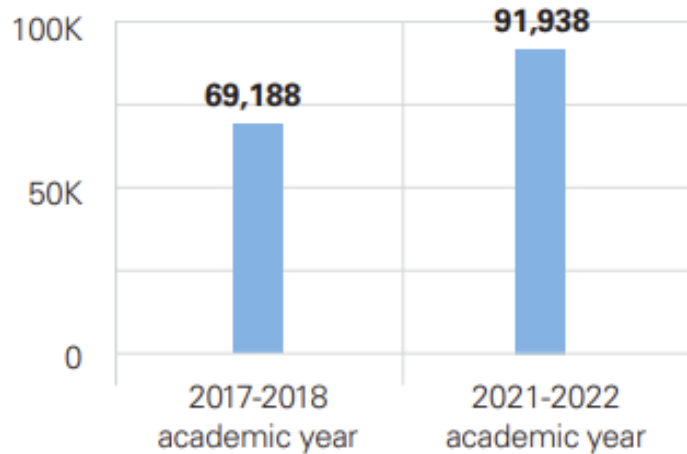
Healthcare employment by the numbers:

- Healthcare employment is projected to grow **13 percent** from 2021 to 2031
- The U.S. could face a shortage of **37,800** to **124,000** physicians by 2034
- Last year, the [turnover rate](#) for staff registered nurses increased by **8.4 percent**

Becker's Healthcare November 16, 2022

Workforce

Nursing schools: Denials of qualified nursing applicants increase*

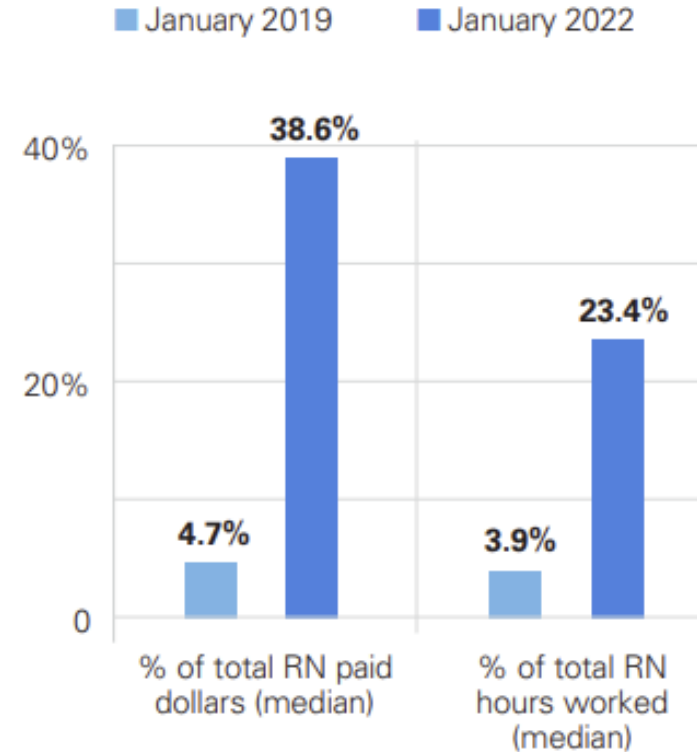


- Top reasons for denials include an insufficient number of clinical sites and faculty as well as resource constraints.*
- 8.8%: National nurse faculty vacancy rate.†

* "Data Spotlight: Regional Analysis of Qualified Application Denied Admission," American Association of Colleges of Nursing, April 26, 2022

† Byrne, Carrie et al. "Special Survey on Vacant Faculty Positions for Academic Year 2022-2023," American Association of Colleges of Nursing, October 2022

Significant growth of travel/contract registered nurses (RNs)



"Massive Growth in Expenses and Rising Inflation Fuel Continued Financial Challenges for America's Hospitals and Health Systems," American Hospital Association, April 2022

Workforce

Key Concerns:

- Security
- Peer on Peer Bullying
- Burnout/Emotional Health
- Other opportunities

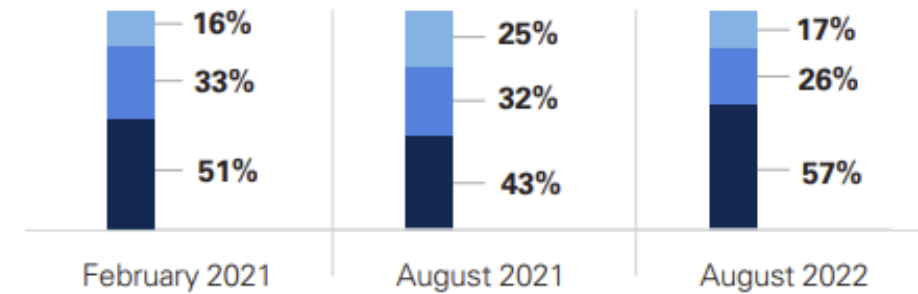
Rise of incivility

72% of nurse leaders have witnessed one or more incidents of bullying or incivility at work within the past year.

- Patient families were the leading perpetrators of bullying or incivility.

Nurse managers' emotional health over the course of the pandemic

■ Not emotionally healthy ■ Neutral ■ Emotionally healthy



Nurse leaders consider leaving jobs



Top reasons for leaving

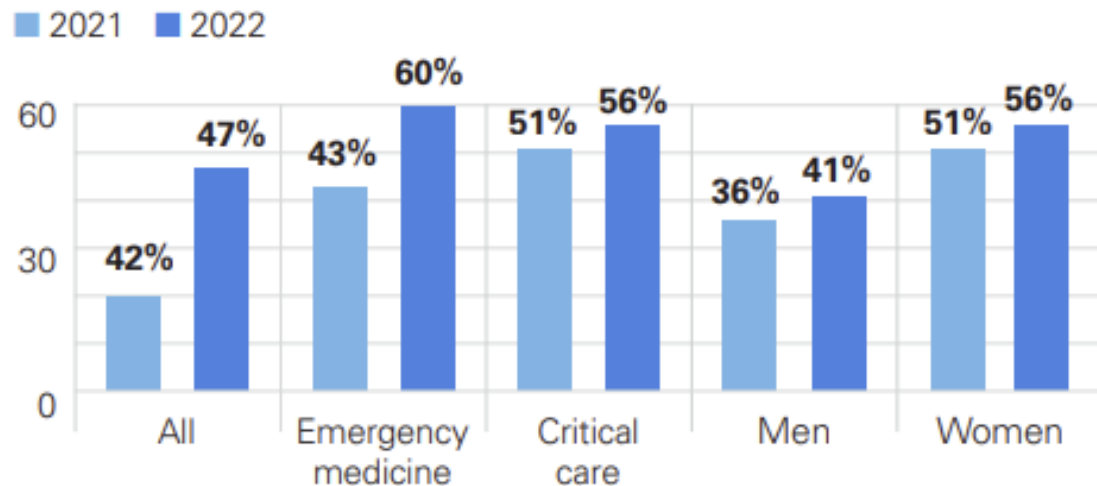
- Better work-life balance
- Burnout, exhaustion
- Looking for new opportunity
- Organizational challenges

"AONL Longitudinal Nursing Leadership Insight Study," American Organization for Nursing Leadership and Joslin Insight, October 2022

Workforce

The pandemic exacerbated burnout and related mental health challenges facing the health care workforce.

Physician burnout



- **Top cause of burnout:** too many bureaucratic tasks

Kane, Leslie. "Physician Burnout & Depression Report 2022: Stress, Anxiety, and Anger," Medscape, Jan. 21, 2022

Physicians face stigma and structural barriers

8 in 10 physicians believe there is stigma surrounding mental health and seeking mental health care among physicians

4 in 10 physicians were either afraid or knew another physician fearful of seeking mental health care given questions asked in medical licensure/credentialing/insurance applications

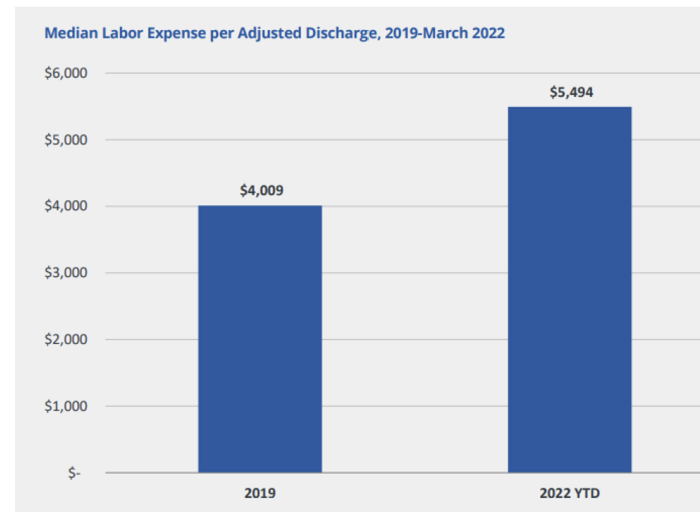
"2022 Survey of America's Physicians," The Physicians Foundation, July 2022

The cost of hospital contract labor

From 2019 to 2022, the hourly wage rate for contract nurses increased **106 percent**, according to Kaufman Hall.

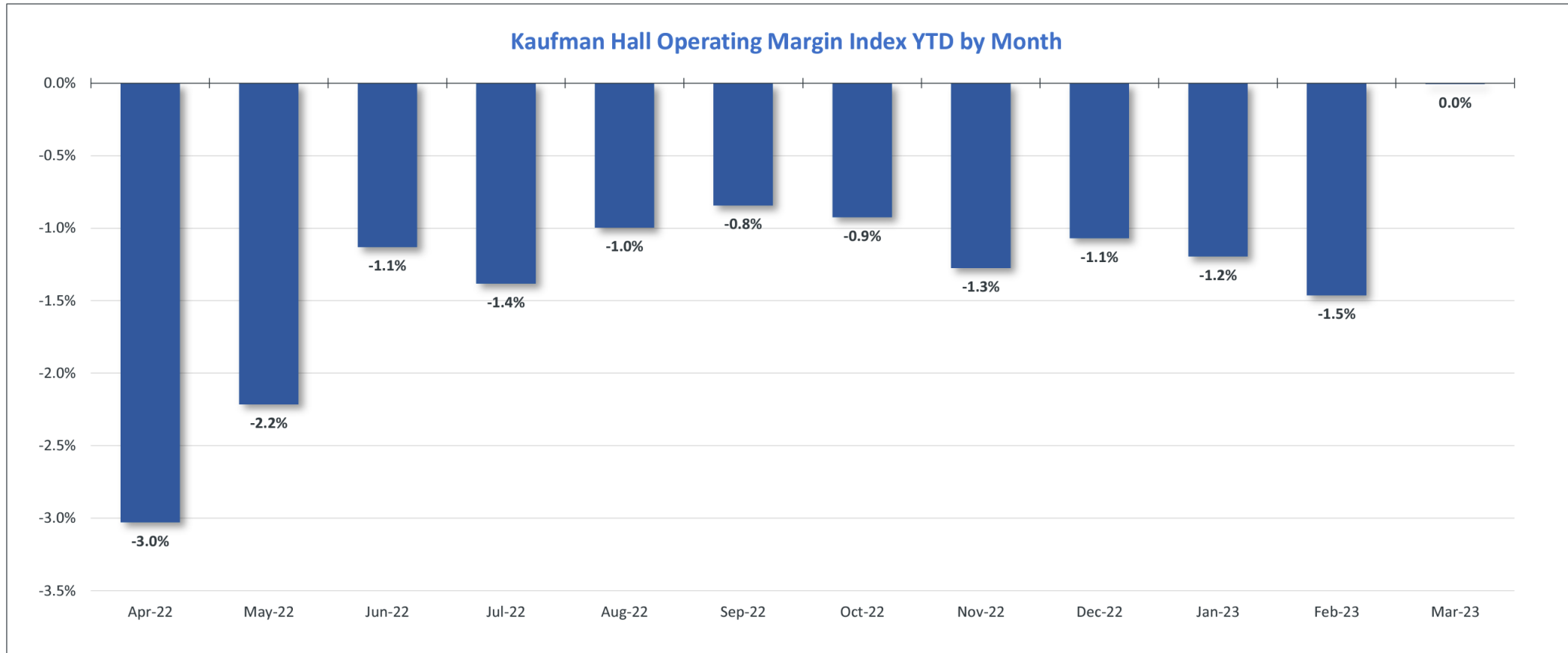
The rise in contract labor from 2019 through March of 2022 led to a **37 percent** increase in labor expenses per patient, equating to between **\$4,009** and **\$5,494** per adjusted discharge

Kaufman Hall, Oct 2022



Financial Viability

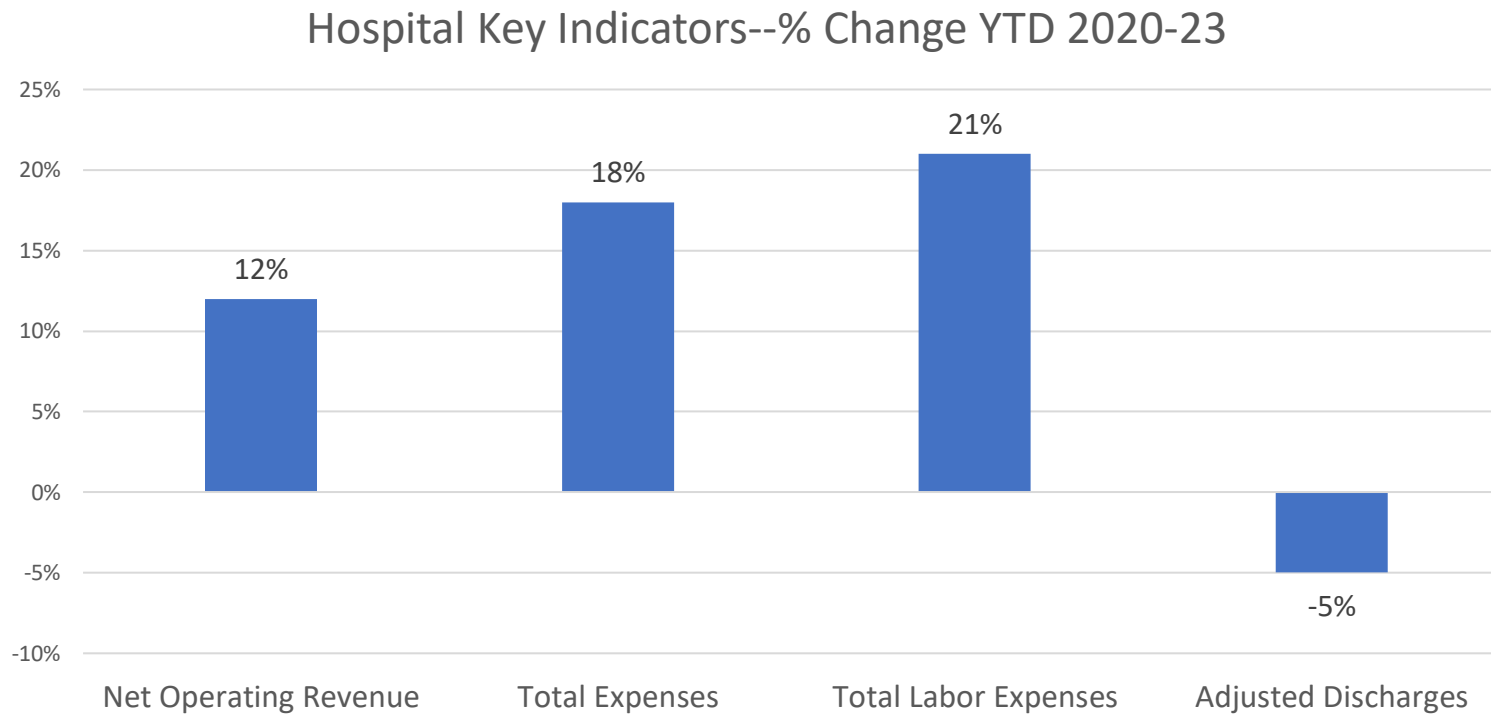
Operating Margin



Kaufman Hall, National Hospital Flash Report (April 2023)

Financial Viability

Not a formula for long-term success



Kaufman Hall Hospital Flash Report, Feb 2023

Financial Viability

Health system cash reserves plummet -faced with cost and revenue pressures

- Facing 'serious financial challenges', Billings Clinic cuts salaries, freezes most new hires

Yellowstone Public Radio, April 4, 2023

- Bozeman Health lays off 28 leaders , eliminates 25 other leadership positions

Bozeman Daily Chronicle, Aug 2, 2022



Financial Viability

Hospital Sisters Health System (HSHS) reports \$67M loss from operations in FY 2022

- 15-hospital health system in Illinois and Wisconsin.

Five things to know:

1. **\$67 million loss from operations**, a 156 percent drop from 2021, when the health system had \$119.1 million in income from operations
2. Revenue hit \$2.86 billion, up 2.3 percent from 2021. Patient service revenue nearly \$2.72 billion in 2022
3. Salaries, wages and benefits were up slightly to nearly \$1.2 billion for the year
4. Supplies, professional fees and other expenses grew to \$1.5 billion in 2022
5. **Cash and cash equivalents have dropped 10%** to \$91 million for FY2022



Becker's Hospital Review 2022 Becker's Healthcare 10/26/22

Financial Viability

Health system cash reserves plummet

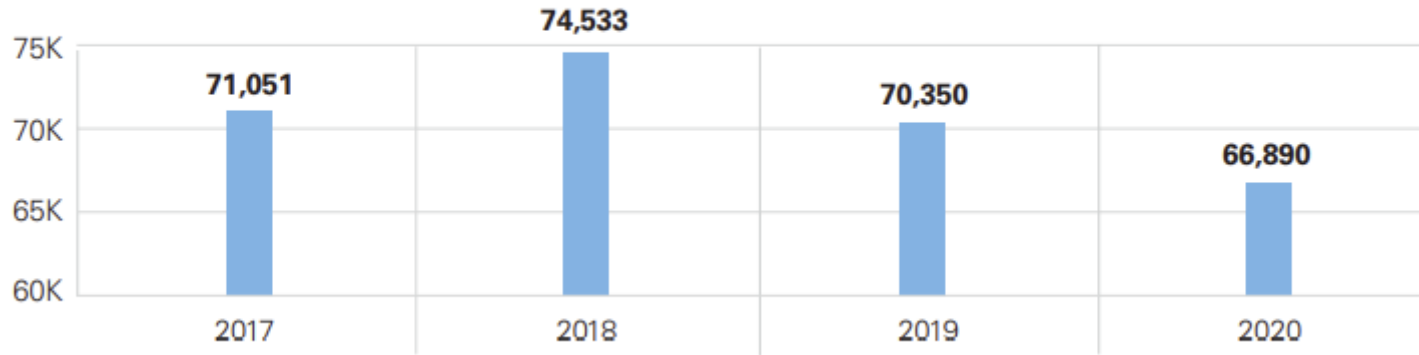
Both large and small health systems are affected by rising labor and supply costs while reimbursement remains low. St. Louis-based Ascension [reported](#) days cash on hand dropped from 336 at the end of the 2021 fiscal year to 259 as of June 30, 2022, the end of the fiscal year. The system also reported accounts receivable increased three days from 47.3 in 2021 to 50.3 in 2022 because commercial payers were slow, especially in large dollar claims.

Becker's Hospital Review 2022 Becker's Healthcare 11/14/22



Behavioral Health

Number of psychiatric care hospital beds in the U.S.



U.S. drug overdose deaths: A record increase in 2021

Drug	2020	2021*
All	94K	108K
Synthetic opioids (fentanyl)	58K	71K
Psychostimulants (methamphetamine)	25K	33K
Cocaine	20K	25K
Natural/semi-synthetic (prescription)	14K	14K

- 15% increase in drug overdoses in 2021*
- More than 1 million Americans have died from drug overdoses since 2001.
- Drugs involved in overdose deaths are not mutually exclusive and can involve more than one drug. As a result, the sum of deaths of each drug type are more than the total number of overdose deaths.

*Estimate

"U.S. Overdose Deaths In 2021 Increased Half as Much as in 2020 — But Are Still Up 15%," CDC, National Center for Health Statistics, May 11, 2022

Psychiatrist shortage

51.5% of counties have no psychiatrists*

70.0% of counties have no child psychiatrists†

*Beck, Angela et al. "Estimating the Distribution of the U.S. Psychiatric Subspecialist Workforce," University of Michigan Behavioral Health Workforce Research Center, December 2018

†Jenco, Melissa. "Study: 1 in 5 children lives in county without a child psychiatrist," AAP News, Nov. 4, 2019

Behavioral Health

Need to focus on and invest in the behavioral health ecosystem

Hospitals increase telebehavioral health services

- 44% increase since 2017



American Hospital Association Annual Survey, 2018-2021

Telehealth remains a critical access point for behavioral health services

206% INCREASE Telehealth use in counseling during the pandemic

"NRC Health 2022 Healthcare Consumer Trends Report," NRC Health, Jan. 19, 2022

Behavioral health dominates telehealth in the U.S.

Service or diagnosis	% of telehealth claims (May 2022)
Psychotherapy services: 1 hour, 45-minute, 30-minute sessions	41.0%
Mental health condition diagnosis	62.8%

"Monthly Telehealth Regional Tracker, May 2022," FAIR Health Inc., <https://www.fairhealth.org/states-by-the-numbers/telehealth>, accessed Aug. 23, 2022, Copyright 2022, FAIR Health, Inc. All rights reserved. Used with permission.

Access and Affordability

Medicare growth

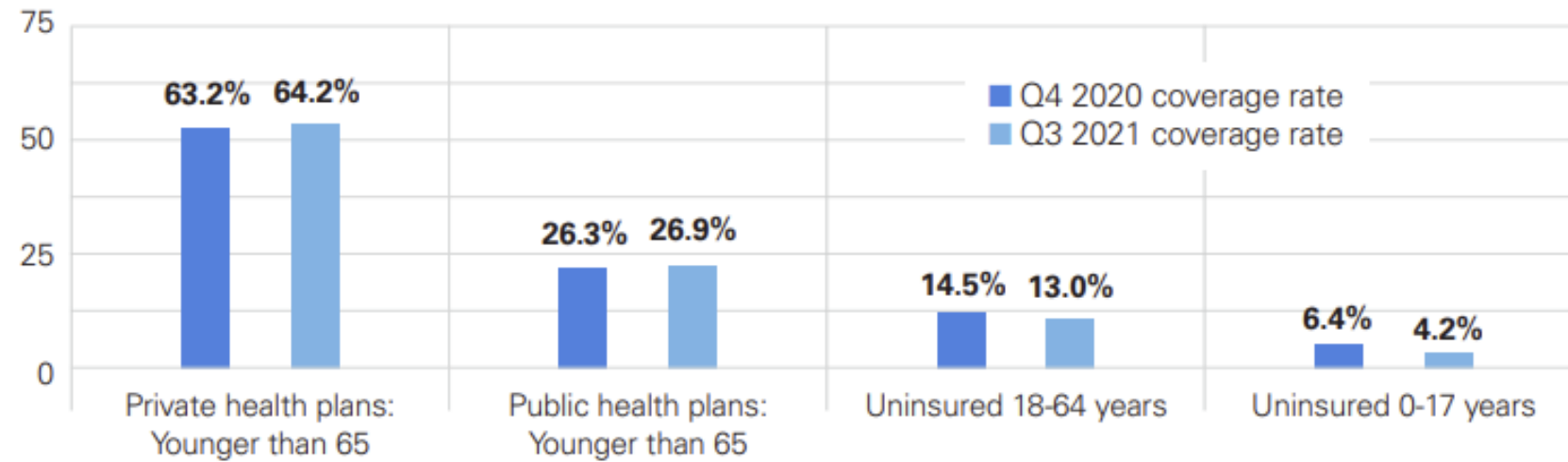
Year	Number of enrollees	Spending as a % of Gross Domestic Product (GDP)
2017	58.7 million	3.64%
2018	60.0 million	3.65%
2019	61.5 million	3.76%
2020	62.9 million	3.98%
2021	63.8 million	3.93%
2022*	65.0 million	3.91%
2023*	66.6 million	4.02%

*Projected

- **Projection:** By 2030, there will be 77.4 M Medicare enrollees and associated spending will be 5.0% of GDP.
- **Projection:** By 2028, Medicare's Hospital Insurance Trust Fund will be depleted.

"Trustees Report and Trust Funds," 2022 Expanded and Supplementary Tables and Figures, CMS, cms.gov/OACT/TR, accessed Oct. 2, 2022

Insurance coverage improves



Note: Private health plans include the Affordable Care Act Marketplace coverage and employer-sponsored insurance

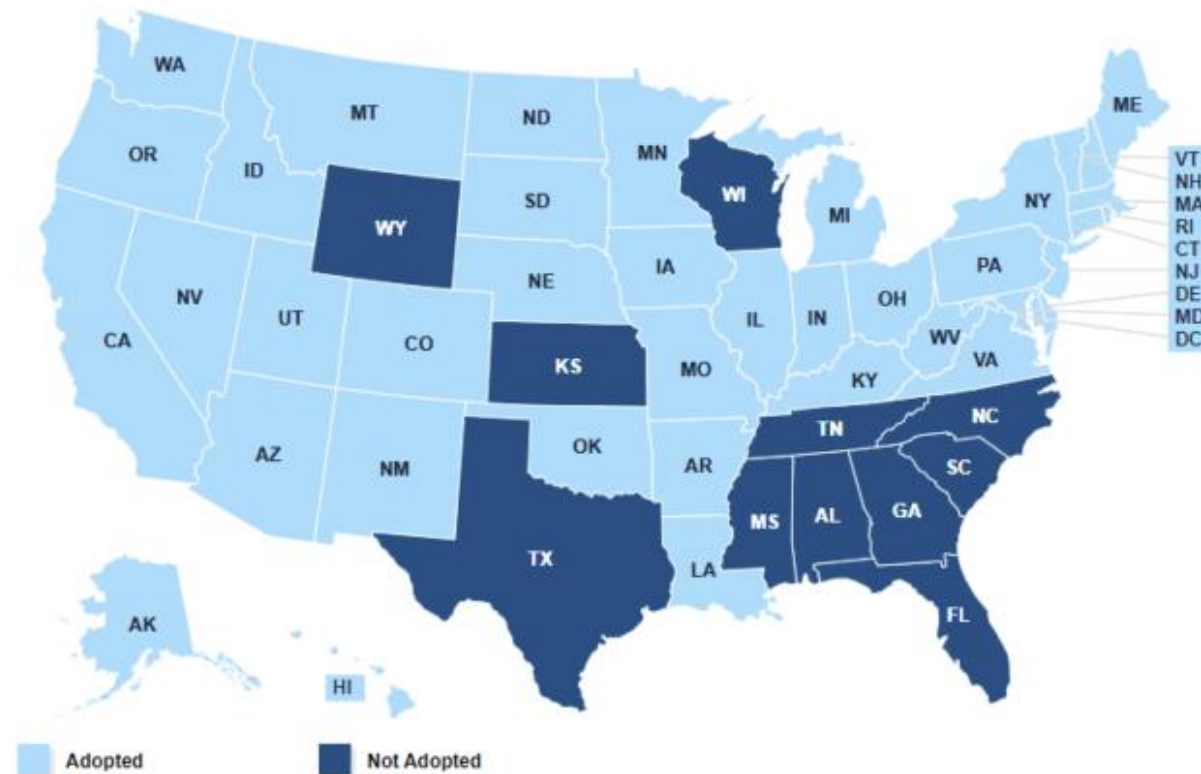
Chu, Rose C. et al. "Health Coverage Changes from 2020-2021," Assistant Secretary for Planning and Evaluation Office of Health Policy, Department of Health & Human Services, Jan. 27, 2022

Access and Affordability

Medicaid eligibility and enrollment in Wyoming

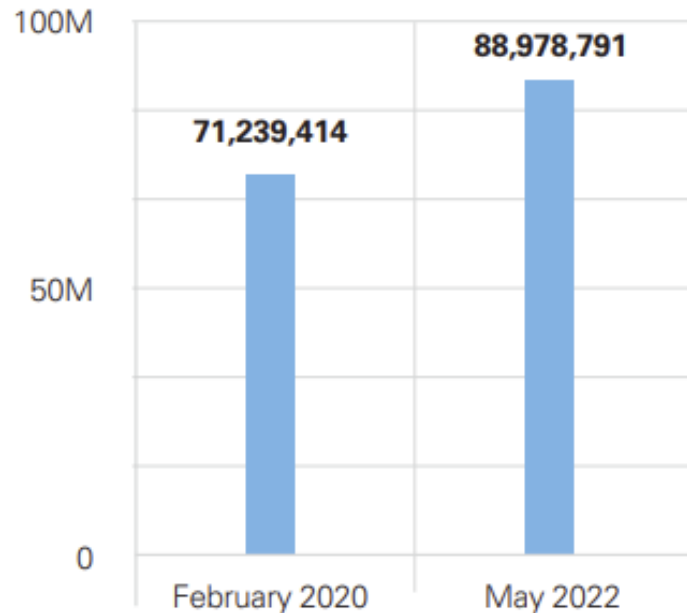
- WY House advanced the Medicaid expansion bill in 2023 session, but it died without reading on House floor
- 9th time Expansion Bill has failed in WY

Cowboy State Daily Feb 2, 2023



Access and Affordability

Medicaid and the Children's Health Insurance Program (CHIP) enrollment increases



- Represents a **24.9% increase**.
- Medicaid grew by **27.0%** while CHIP grew by **4.9%**.

Impact of ending the COVID-19 public health emergency

➔ **17.4%** of enrollees or 15 million people will lose coverage through Medicaid and CHIP

Issue Brief: Unwinding the Medicaid Continuous Enrollment Provision: Projected Enrollment Effects and Policy Approaches," Assistant Secretary for Planning and Evaluation Office of Health Policy, Department of Health & Human Services, Aug. 19, 2022

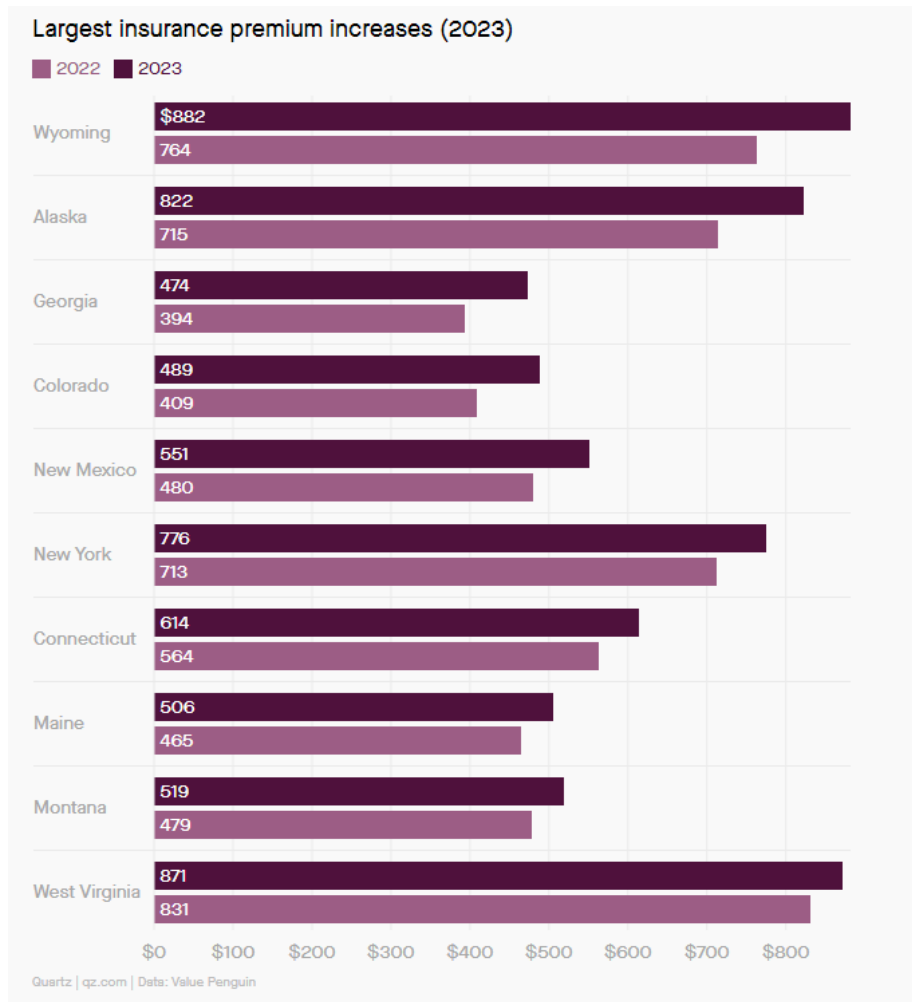
Corallo, Bradley and Moreno, Sophia. "Analysis of Recent National Trends in Medicaid and CHIP Enrollment," Kaiser Family Foundation, Sept. 12, 2022

Access and Affordability

Health insurance rates will rise faster in 2023 in these US states

15.7% Increase 

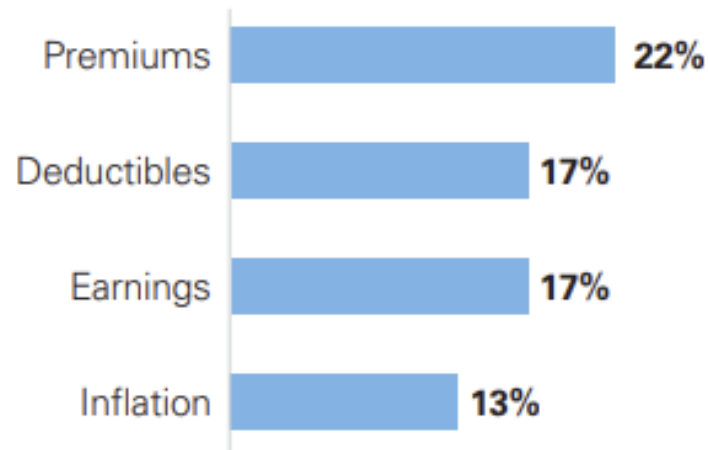
- 3.5% U.S. Average Increase YoY 22 to 23
- Silver Plan on the Exchange



Access and Affordability

Insurance premiums and deductibles outpace workers' earnings and inflation

Percentage increase: 2016-2021



"2016-2021 Employer Health Benefits Surveys," Kaiser Family Foundation, Nov. 10, 2021

Bureau of Labor Statistics (BLS) Consumer Price Index, U.S. City Average Inflation. BLS Seasonally Adjusted Data from Current Employment Statistics.

Employers are spending more as premiums rise

Average annual employer contributions to premiums

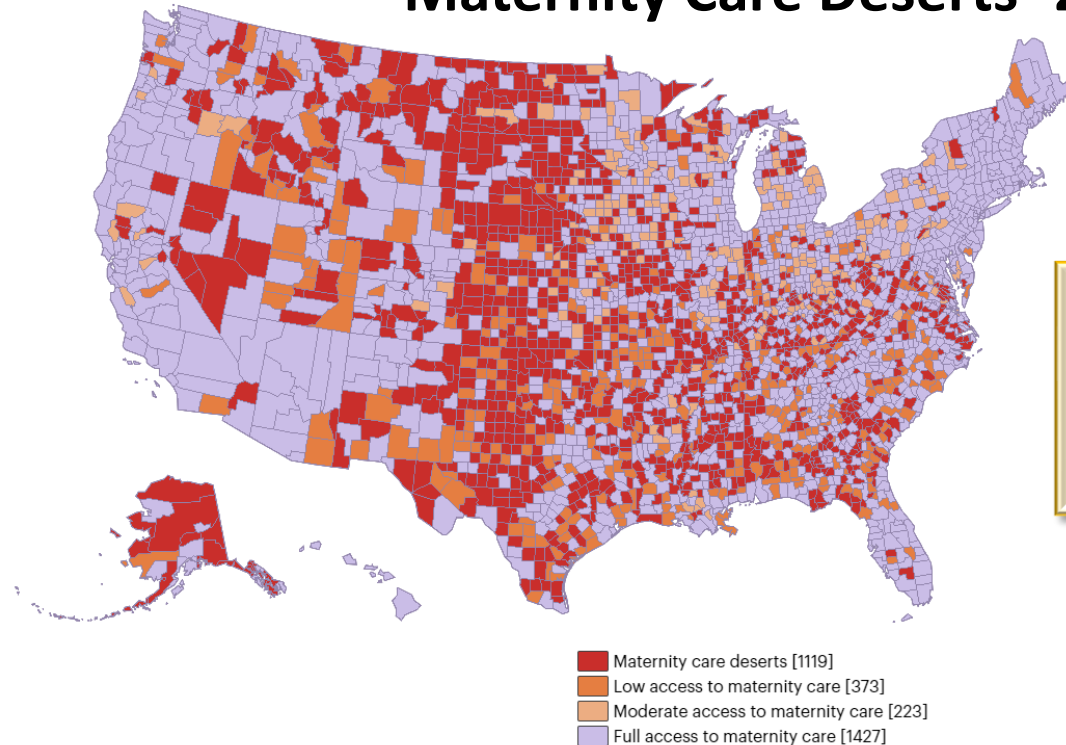
	Family coverage	Single coverage
2019	\$14,561	\$5,946
2020	\$15,754	\$6,277
2021	\$16,253	\$6,440

"2019-2021 Employer Health Benefits Survey," Kaiser Family Foundation, Nov. 10, 2021

2-Year increase of 11.6% for Family Coverage

Access and Affordability

Maternity Care Deserts -2020



3,143
 Total Number
 of US Counties

Maternity Care Deserts, 2020
 Source: U.S. Health Resources and Services Administration (HRSA), Area Health Resources Files, 2021

CENTER FOR
HEALTHCARE
QUALITY &
PAYMENT REFORM

THE CRISIS IN RURAL MATERNITY CARE

Most Rural Hospitals in the U.S. No Longer Deliver Babies

Fewer than half (46%) of the rural hospitals in the U.S. currently offer labor and delivery services, and in 8 states, less than one-third do. Over the past decade, nearly 200 rural hospitals across the country have stopped delivering babies.

Proportion of Rural Hospitals Without Labor and Delivery Services

- ≤47%
- 50-66%
- 25-50%
- 0-25%

Many More Rural Communities Are at Risk of Losing Maternity Care

Hundreds of additional communities are at risk of losing maternity care because of the financial challenges rural hospitals are facing. Rural hospitals typically lose money on obstetric care, so if a hospital can't make enough money on other services to offset those losses, it may be forced to eliminate maternity care in an effort to keep the hospital from closing entirely.

More than 1/3 of the rural hospitals that still have labor & delivery services have been losing money on patient services, so their ability to continue delivering maternity care is at risk.

Proportion of Rural Maternity Care Hospitals Losing Money on Patient Services

- ≥50%
- 33-50%
- 10-33%
- <10%

Maternity Care is Far Away for Mothers in Many Rural Communities

If the closest hospital does not offer labor and delivery services, a pregnant woman may have to travel to a different community to deliver her baby. In most urban areas, the travel time to a hospital with labor and delivery services is under 20 minutes, but in rural areas, the travel time is likely to be at least 30 minutes, and it is often 40 minutes or more.

There is a higher risk of complications and death for both mothers and babies in communities that do not have local maternity care services. Women are less likely to obtain adequate prenatal and postpartum care when it is not available locally.

Travel Time from Non-Maternity Care Hospitals to Closest Hospital with Maternity Services

Location of Hospital	>40 Minutes	30-40 Minutes	20-30 Minutes	10-20 Minutes	≤ 10 Minutes
Rural	~10%	~20%	~30%	~25%	~15%
Urban	~0%	~0%	~0%	~10%	~90%

Small Communities Are Most at Risk

Smaller rural hospitals are more likely to be losing money on patient care services than larger hospitals, and they are more likely to experience large losses. More than half of small rural maternity care hospitals lost money in 2021-22. In most cases, if these hospitals are forced to eliminate maternity care, community residents would have to travel more than 40 minutes to reach a hospital with obstetric services.

Small Rural Maternity Care Hospitals Are Experiencing the Greatest Financial Problems

Size of Local Patient Services at Rural Maternity Hospital	% of Hospitals with Loss on Patient Services
≥ 10%	~75%
\$-10%	~25%
0-5%	~0%

Source: CMS Healthcare Cost Report Information System data for the most recent fiscal year available (2021, or 2022).

Access and Affordability

➔ Between 2015 and 2019, there were at least **89 Obstetric Unit closures** in US rural Hospitals

More than **2.2million** women of childbearing age live in maternity care deserts (1,119 counties) where no hospital offers obstetric care and there are no birth centers nor obstetric providers

➔ **2/3 of maternity care deserts** are in rural counties

“Nowhere to Go: Maternity Care Deserts Across the U.S.: 2022 Report,” March of Dimes, Oct 11, 2022

32 hospitals closing departments or ending services

- 15 of 32 were OB-related services

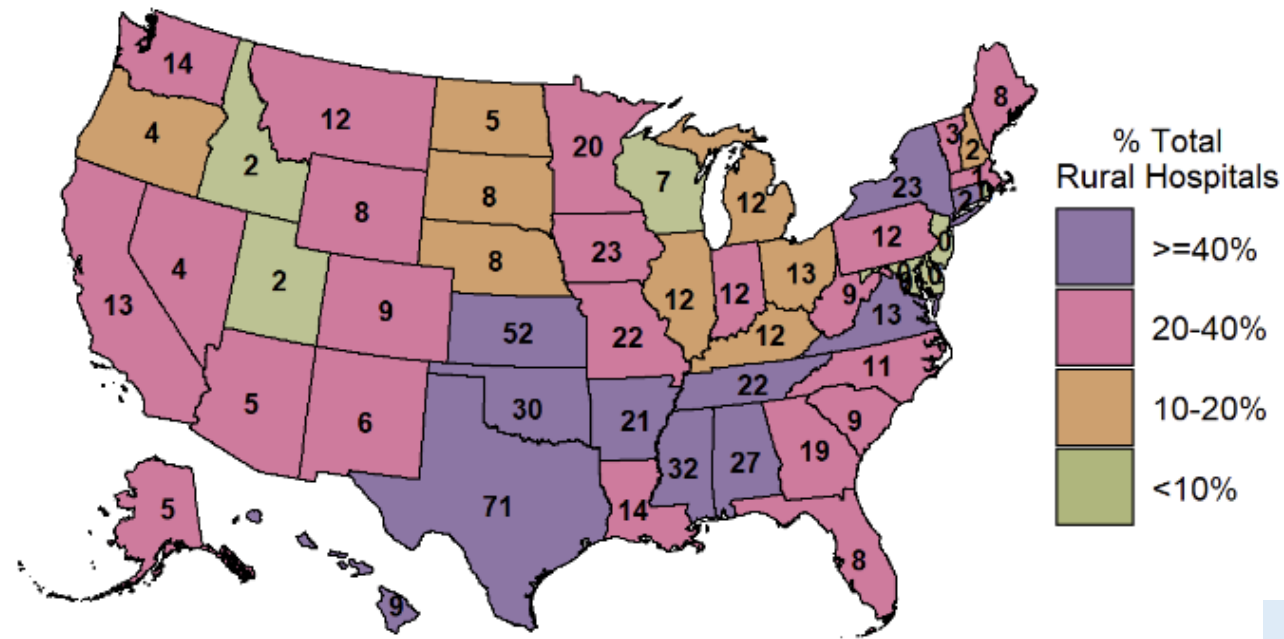
May 11, 2023 (Becker's Healthcare)

Impact on Rural Health

- **1,796** Number of rural community hospitals
 - represents 35% of all community hospitals
- **1,325** Number of Critical Access hospitals
 - represents 26% of all community hospitals
 - 58% of all rural community hospitals

Impact on Rural Health

Rural Hospitals at Risk of Closure



Risk of closure is defined as persistent financial losses on patient services and insufficient financial reserves to allow continued operation unless the hospital receives large grants, local taxes, or other revenues not derived from services to patients.

Center for Healthcare Quality and Payment Reform, Apr 2023

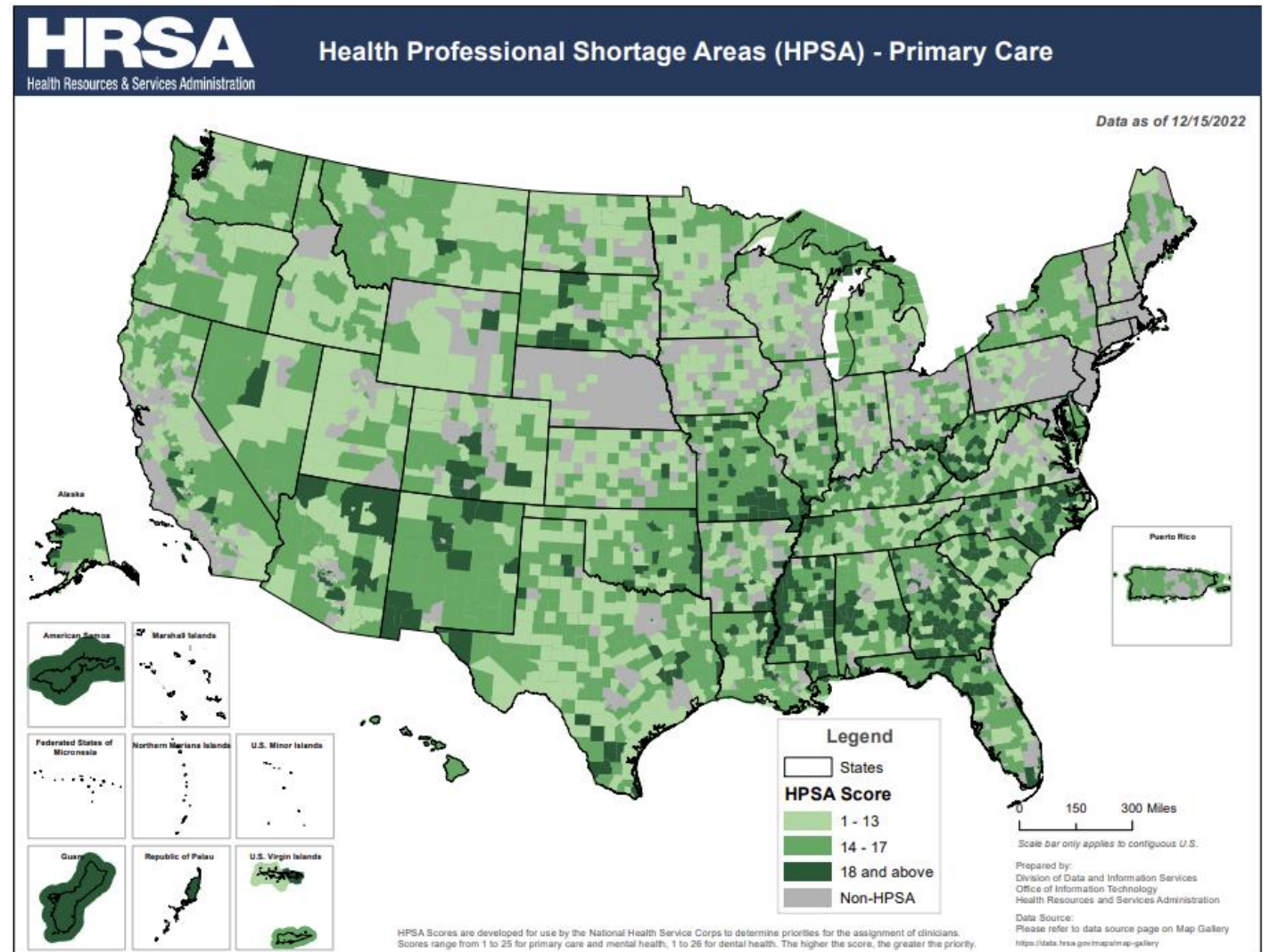
- **>136** rural hospitals **closed** between 2010-2021
 - 74% in states without MCD expansion or where in place <1 yr
- **>600** rural hospitals **at risk of closure**
- **Represents ~30%** of all rural hospitals in US

Key Determinants:

- Losses on Operations
- Inadequate Cash Revenues to Cover Expenses
- Low/Very Low Financial Reserves

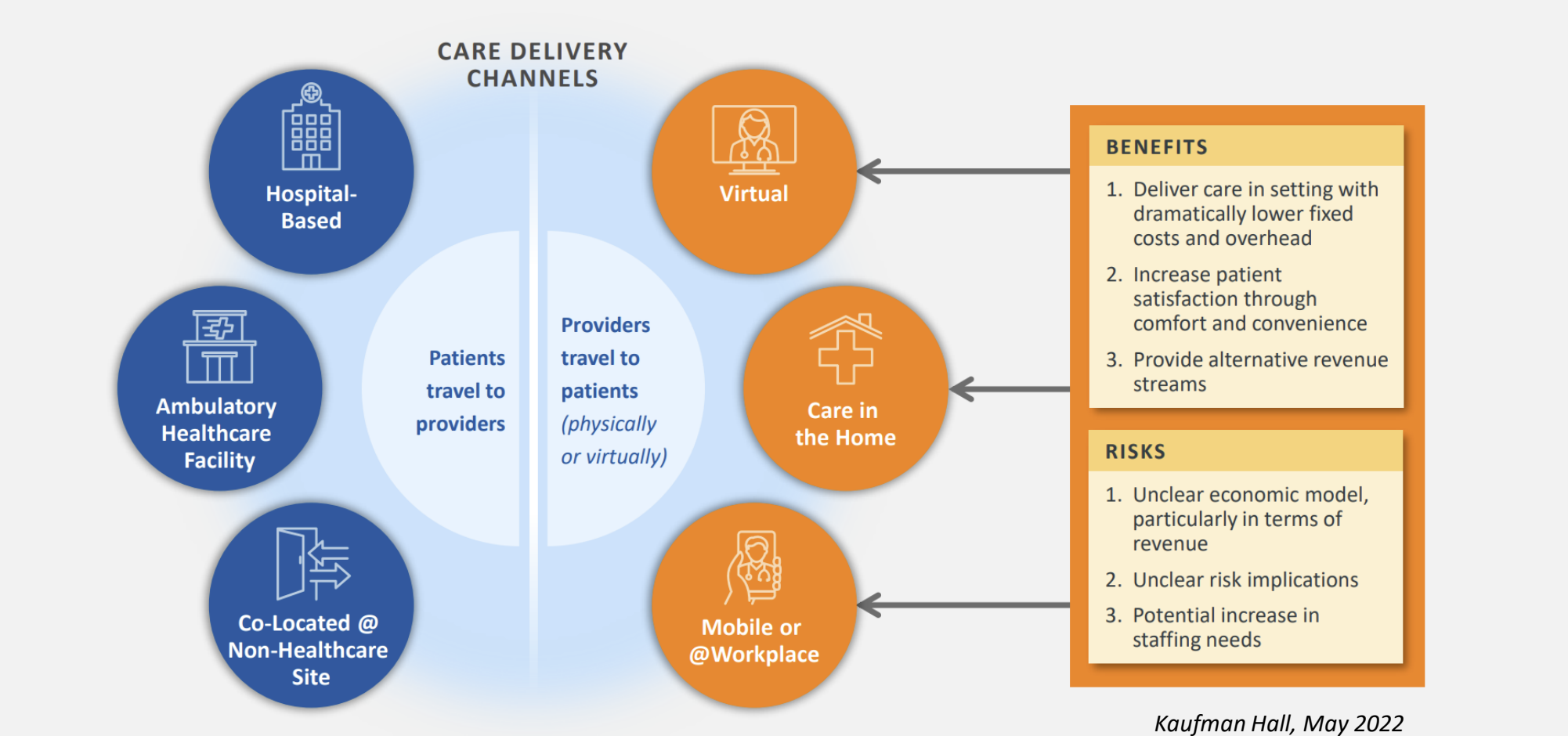
Impact on Rural Health

70% of primary care Health Professions Shortage Areas (HPSAs) are in rural or partially rural areas



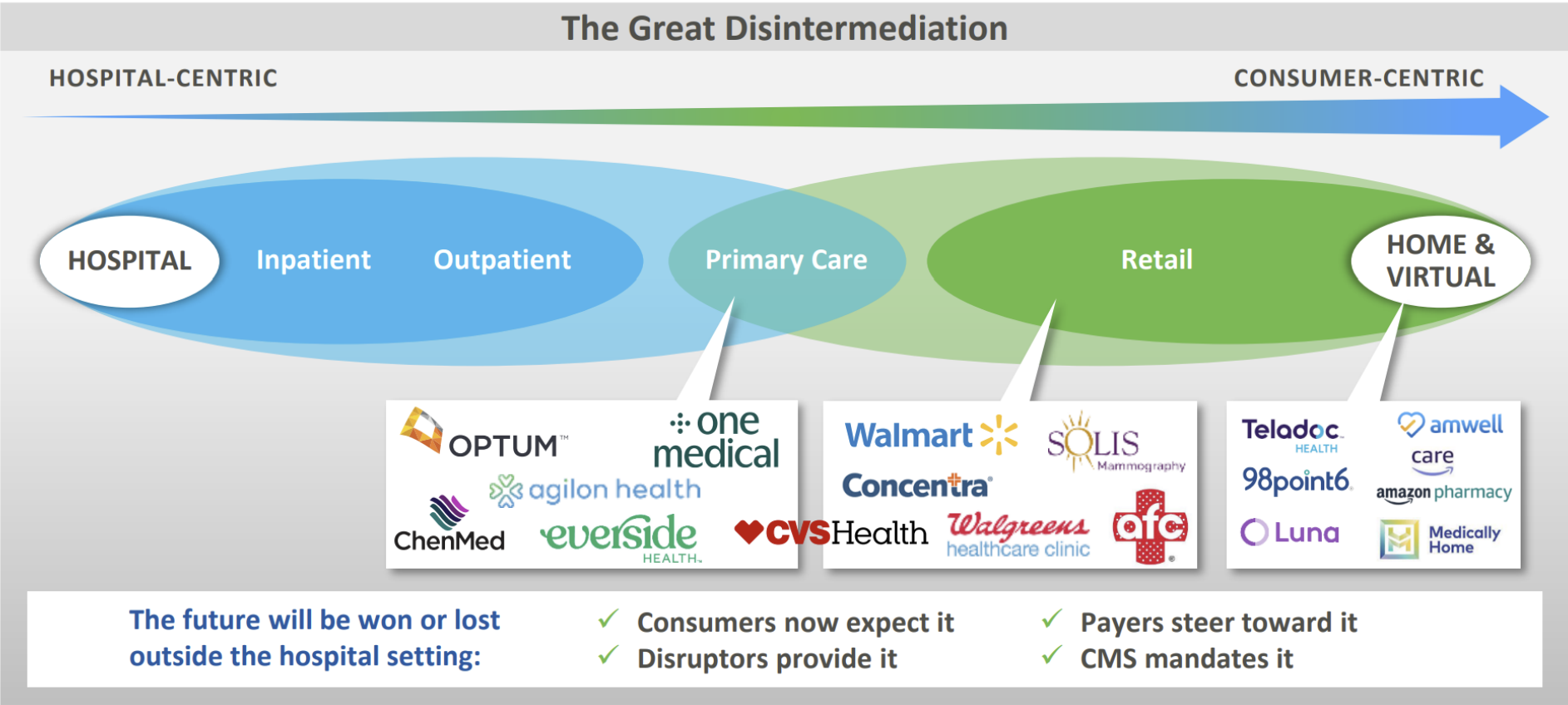
Dynamic Marketplace

More Options Are Emerging as Healthcare Decentralizes



Dynamic Marketplace

Consumer Demand, Technology Transformation, and Clinical Innovation Are Accelerating Care Delivery Towards the Home



Dynamic Marketplace



**CVS-branded hospitals?
What's next for company after
Signify acquisition**



CVS Footprint:

- \$95B CVS Current Market Value
- 10,000 Clinicians in 50 states
- 1,100 MinuteClinics
- Owns Aetna
- \$8B Acquisition of Signify Health
- \$10.6B Acquisition of Oak Street Health
- Focus on Medicare Advantage customers

Becker's Hospital Review, 3/31/23

Dynamic Marketplace



Services:

- Medical
- Behavioral Health
- Dental
- Virtual Care
- Vision

Best Buy utilizing the “Geek Squad” for in-home deliver and set-up



“Best Buy is never going to deliver care. That’s not what Best Buys is about.” Deborah Di Sanzo, President of Best Buy Health

Modern Healthcare, March 20, 2023

Dynamic Marketplace

But look who might be next door ?



Modern Healthcare, February 6, 2023

6 Key Solutions

- ❖ **Implement and utilize Labor Productivity Tool** and Metrics if not already doing so
- ❖ **Actively utilize Benchmarking Tools** to gauge performance against **Best Practices**
- ❖ **Reevaluate all service lines** for financial viability—at least know if you are making/losing money on a particular service line (ex. Vein Clinic)
- ❖ **Explore Growth Opportunities**
- ❖ **Establish Priorities**--You can't tackle everything at the same time
- ❖ **Be Open-minded** to doing things differently (Innovation)

Labor Productivity

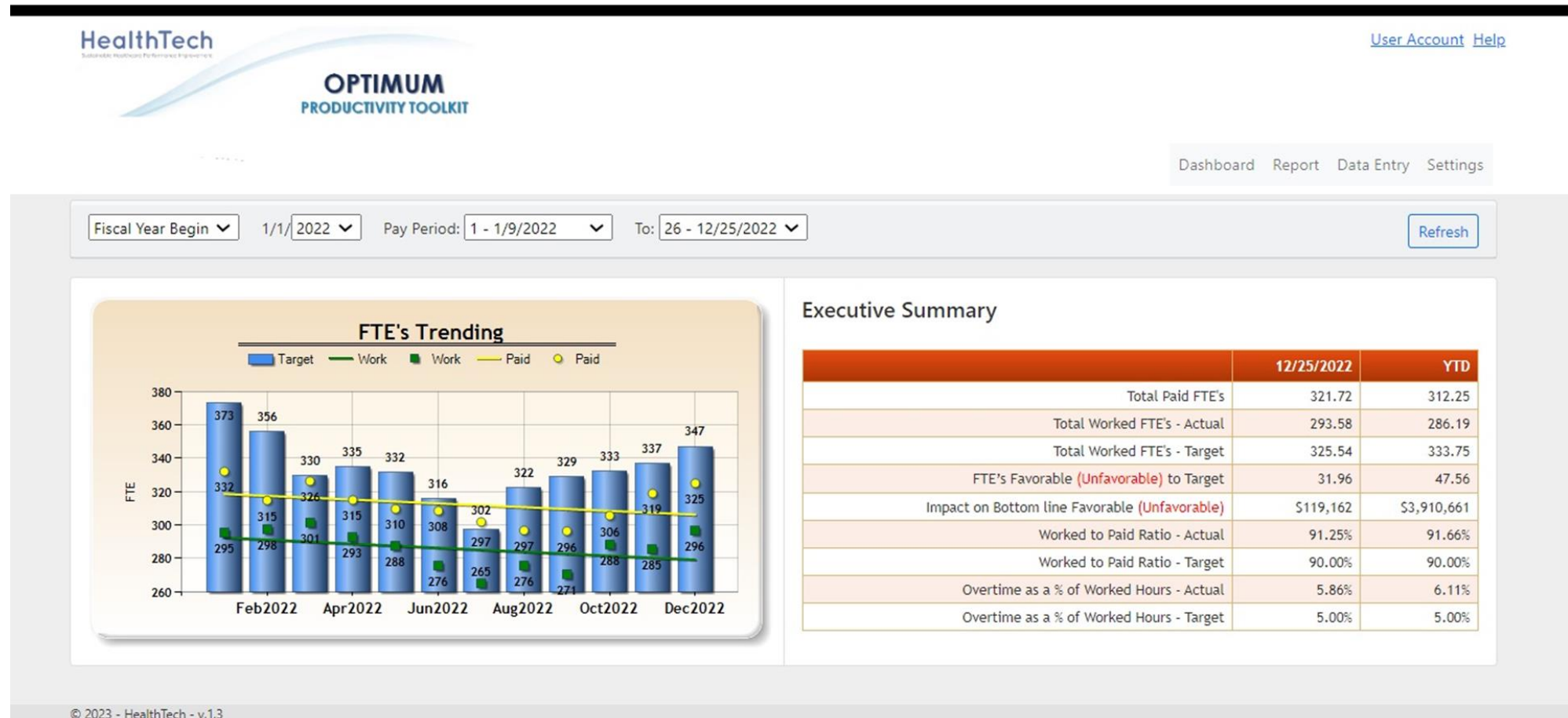
Optimum Productivity Toolkit™ FTE Trending Reporting

Advantages:

- Accountability
- Budgeting
- Labor Targets
- Trending
- Affordability

Why?

- Largest Expense
- Benchmarks
- Trends
- Granularity
- Accountability



© 2023 - HealthTech - v.1.3

Labor Productivity

Labor Expense Trending by Period Drives Accountability

Productivity for Fiscal Year Ending 12/31/2022

Pay Period: 1/9/2022 to 2/20/2022

Cardiopulmonary	YTD	12/25/22	12/11/22	11/27/22	11/13/22	10/30/22	10/16/22	10/02/22	09/18/22
Regular Work Hours	11,020.92	507.17	530.75	485.00	468.75	461.00	414.75	460.75	415.75
Overtime Work Hours	280.63	14.66	5.75	13.25	13.50	23.68	27.25	10.00	20.50
Contract Hours	1,185.00								
Total Paid Hours to Employees	12,330.06	591.83	564.50	574.25	498.25	484.68	528.00	470.75	468.25
Total Paid \$\$'s for Period	\$641,218.49	\$27,999.78	\$25,581.48	\$26,756.28	\$24,051.44	\$23,873.03	\$25,594.47	\$22,204.82	\$21,663.12
Paid FTE's	6.50	7.40	7.06	7.18	6.23	6.06	6.60	5.88	5.85
Worked FTE's	6.00	6.52	6.71	6.23	6.03	6.06	5.53	5.88	5.45
Hospital Target Worked FTE's	2.56	2.48	3.96	3.75	1.88	3.64	1.45	1.88	2.57
FTE's Favorable (Unfavorable) to Hospital's target for PP	(3.45)	(4.04)	(2.74)	(2.48)	(4.15)	(2.41)	(4.08)	(4.00)	(2.88)
Hours Favorable (Unfavorable) to Hospital's target for PP	(7,168.75)	(323.53)	(219.40)	(198.55)	(332.25)	(193.08)	(326.20)	(320.15)	(230.75)
Labor Costs Favorable (Unfavorable) to Hospital's target for PP*	(\$338,645.58)	(\$15,306.37)	(\$9,942.56)	(\$9,251.13)	(\$16,038.32)	(\$9,510.20)	(\$15,812.34)	(\$15,101.16)	(\$10,675.42)
Cardiopulmonary									
Statistical Basis:									
Worked hours per procedure									
Regular Work Hours	11,020.92	507.17	530.75	485.00	468.75	461.00	414.75	460.75	415.75
Overtime Work Hours	280.63	14.66	5.75	13.25	13.50	23.68	27.25	10.00	20.50
Contract Hours	1,185.00								
Total Paid Hours to Employees	12,330.06	591.83	564.50	574.25	498.25	484.68	528.00	470.75	468.25
Total Paid \$\$'s for Period	\$641,218.49	\$27,999.78	\$25,581.48	\$26,756.28	\$24,051.44	\$23,873.03	\$25,594.47	\$22,204.82	\$21,663.12
Average Hourly Rate (AHR)	\$47.52	\$47.31	\$45.32	\$46.59	\$48.27	\$49.26	\$48.47	\$47.17	\$46.26

Case Management-Var | Clinics | Clinics-Var | Emergency Department | Emergenc



Workforce Development

Other Initiatives

- Build an engaged leadership team
 - Connection to Purpose
- Focus on enhancing organizational culture
 - Leader rounding
 - Transparency in communications
 - “Always be recruiting”
- Unique partnerships for nursing and other technical training programs
- Virtual training programs

Financial Viability

Financial Statements with Integral Benchmarking Indicators

- Insist on Operational Excellence

BALANCE SHEET

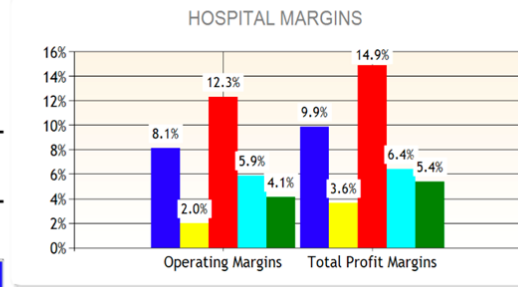
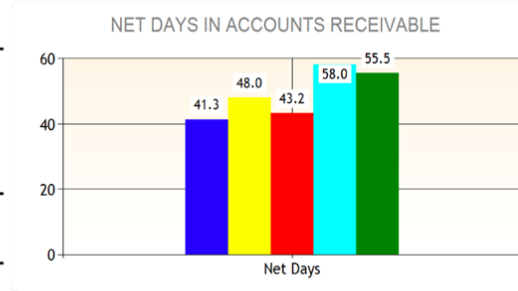
ASSET	YTD 8/31/2022	Prior FYE 12/31/2021
Current Assets	\$95,127,360	\$91,873,206
Assets Whose Use is Limited	\$2,443,277	\$2,633,574
Property, Plant & Equipment (Net)	\$35,552,531	\$37,120,674
Other Assets	\$146,898	\$152,498
Total Unrestricted Assets	\$133,270,066	\$131,779,953
Restricted Assets		
Total Assets	\$133,270,066	\$131,779,953
LIABILITIES & NET ASSETS		
Current Liabilities	\$21,996,777	\$21,200,650
Long-Term Debt	\$31,464,837	\$33,102,102
Other Long-Term Liabilities	\$11,205,130	\$10,896,552
Total Liabilities	\$64,666,744	\$65,199,304
Net Assets	\$68,603,322	\$66,580,648
Total Liabilities and Net Assets	\$133,270,066	\$131,779,953

STATEMENT OF REVENUE AND EXPENSES - YTD

	4/30/2023	YEAR TO DATE		
	ACTUAL	BUDGET	ACTUAL	BUDGET
Total Expenses	\$3,848,979	\$3,797,224	\$32,917,925	\$34,536,165
NET OPERATING SURPLUS	\$177,239	\$41,382	\$419,027	\$395,141
Non-Operating Revenue/(Exp.)	\$88,359	\$37,938	\$501,055	\$345,232
TOTAL NET SURPLUS	\$265,598	\$79,320	\$920,082	\$740,373

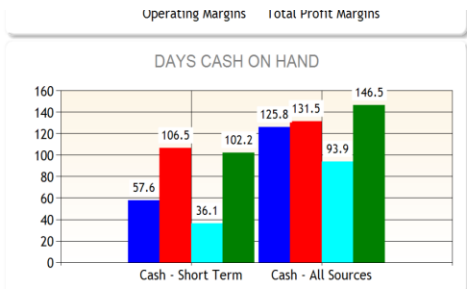
KEY STATISTICS AND RATIOS

Page 4

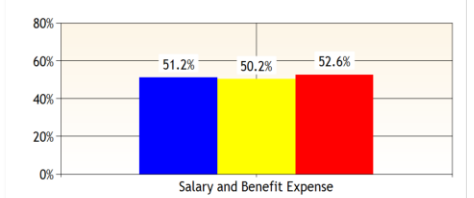


OF REVENUE AND EXPENSES - YTD

4/30/2023		YEAR TO DATE	
ACTUAL	BUDGET	ACTUAL	BUDGET
\$7,646,243	\$7,566,100	\$67,948,995	\$68,851,508
(3,653,594)	(3,700,428)	(35,165,068)	(33,673,897)
(1,200)	(45,395)	(75,651)	(413,099)
\$3,991,449	\$3,820,277	\$32,708,276	\$34,764,512
\$34,769	\$18,329	\$628,676	\$166,794
\$4,026,218	\$3,838,606	\$33,336,952	\$34,931,306
\$2,239,175	\$2,105,628	\$18,746,657	\$19,161,217
\$661,167	\$675,555	\$6,168,092	\$6,147,554
\$405,860	\$433,630	\$3,254,375	\$3,946,031
\$211,575	\$195,766	\$2,179,150	\$1,781,472
\$83,828	\$119,844	\$370,415	\$1,090,581
\$247,374	\$266,801	\$2,199,236	\$2,409,310



SALARY AND BENEFIT EXPENSE AS A PERCENTAGE OF NET REVENUE



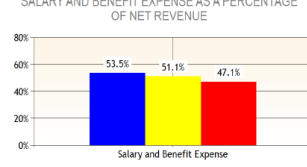
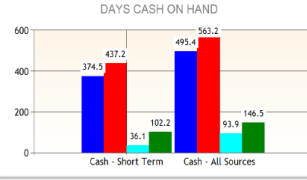
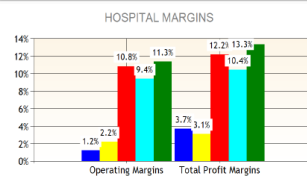
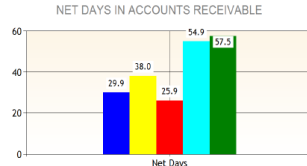
CARLINVILLE AREA HOSPITAL	4/30/2023
Budget	4/30/2023

Sample Financial Statement

BALANCE SHEET				
ASSET	YTD		Prior FYE	
	4/30/2023	6/30/2022		
Current Assets	\$34,339,205	\$36,565,187		
Assets Whose Use is Limited	\$9,744,843	\$9,396,641		
Property, Plant & Equipment (Net)	\$10,946,797	\$11,046,353		
Other Assets	\$0	\$0		
Total Unrestricted Assets	\$55,030,844	\$57,008,181		
Restricted Assets	\$285,000	\$285,000		
Total Assets	\$55,315,844	\$57,293,181		
LIABILITIES & NET ASSETS				
Current Liabilities	\$5,041,053	\$7,397,286		
Long-Term Debt	\$3,224,832	\$3,525,853		
Other Long-Term Liabilities	\$0	\$0		
Total Liabilities	\$8,265,885	\$10,923,139		
Net Assets	\$47,049,959	\$46,370,042		
Total Liabilities and Net Assets	\$55,315,844	\$57,293,181		

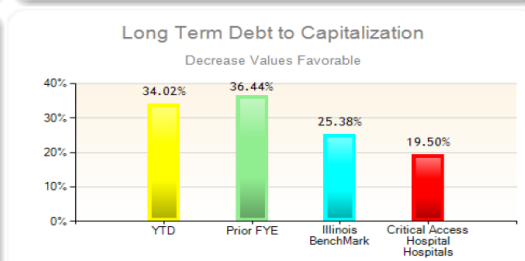
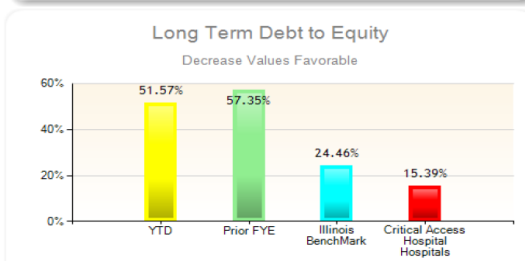
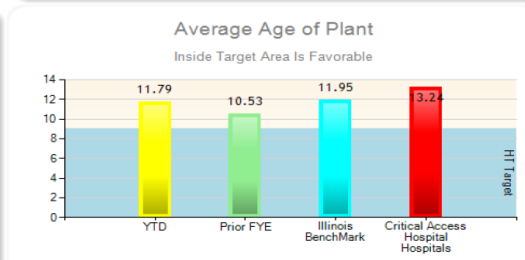
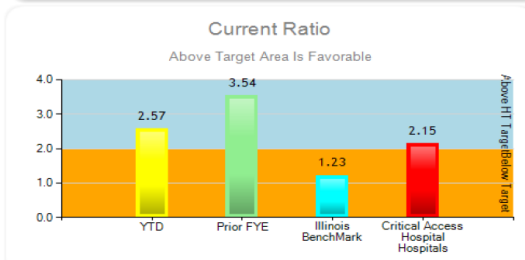
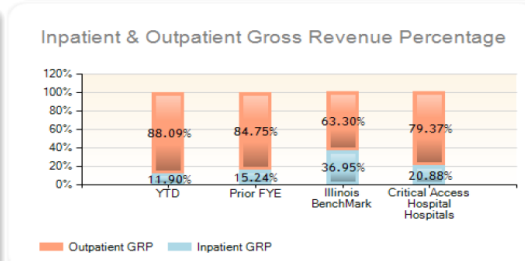
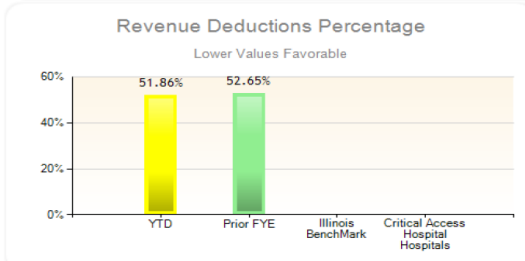
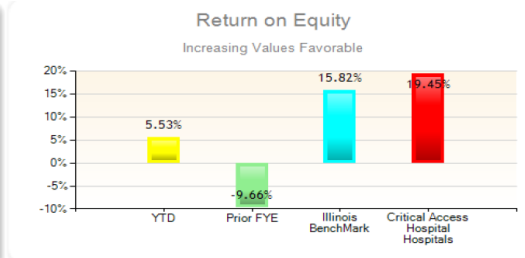
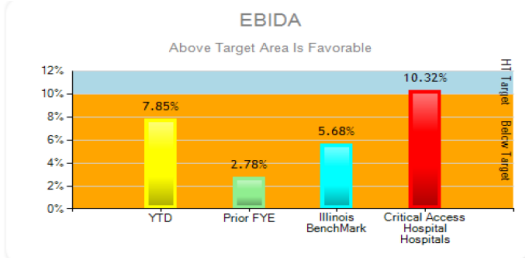
STATEMENT OF REVENUE AND EXPENSES - YTD				
	4/30/2023		YEAR TO DATE	
	ACTUAL	BUDGET	ACTUAL	BUDGET
Gross Patient Revenues	\$5,030,295	\$5,990,027	\$56,935,728	\$60,429,157
Discounts and Allowances	(2,640,136)	(3,418,568)	(29,481,667)	(32,445,060)
Bad Dbt & Char. C. Write-Offs	(30,391)	(71,308)	(1,945,070)	(2,759,061)
Net Patient Revenues	\$2,359,768	\$2,500,151	\$25,508,990	\$25,225,036
Other Operating Revenue	\$24,121	\$48,094	\$336,943	\$526,870
Total Operating Revenues	\$2,383,889	\$2,548,245	\$25,845,934	\$25,751,906
Salaries, Benefits & Contr. Lbr	\$1,512,952	\$1,317,170	\$14,175,631	\$13,548,184
Purchased Serv & Phys Fees	\$508,845	\$485,312	\$4,855,678	\$4,932,194
Supply Expenses	\$211,279	\$259,552	\$2,724,933	\$2,729,871
Other Operating Expenses	\$257,787	\$280,795	\$2,631,238	\$2,814,273
Depreciation & Interest Exp.	\$125,565	\$122,214	\$1,145,235	\$1,180,234
Total Expenses	\$2,616,428	\$2,465,044	\$25,532,716	\$25,184,755
NET OPERATING SURPLUS	(\$232,539)	\$83,201	\$313,217	\$567,151
Non-Operating Revenue/(Exp.)	\$82,300	\$14,649	\$643,442	\$232,349
TOTAL NET SURPLUS	(\$150,239)	\$97,850	\$956,659	\$799,500

KEY STATISTICS AND RATIOS				
	4/30/2023		YEAR TO DATE	
	ACTUAL	BUDGET	ACTUAL	BUDGET
Total Acute Discharges	13	21	206	232
Average Acute Length of Stay	5.2	3.4	3.5	3.4
Total Emergency Room Visits	458	448	4,704	4,471
Outpatient Visits	1,683	1,583	17,532	15,964
Total Surgeries	55	83	717	821
Total Worked FTE's	165.88	166.99	166.77	166.99
Total Paid FTE's	179.47	184.95	177.32	184.95
Net Revenue Change from PY	-1.78%	7.58%	3.78%	8.10%
EBIDA - 12 Month Rolling Avg.			11.75%	6.70%
Current Ratio			6.81	
Total Adult Avg. Daily Census	3.0	5.1	4.4	4.6



Legend	Category
Blue	HOSPITAL
Green	Budget
Red	Prior FYE
Yellow	ILLINOIS
Light Blue	Critical Access Hospital

FINANCIAL STRENGTH INDEX
9.67 **Excellent**
 - Greater than 3.0 = Excellent
 - 0.0 to 3.0 = Good
 - (2.0) to 0.0 = Fair
 - Less than (2.0) = Poor

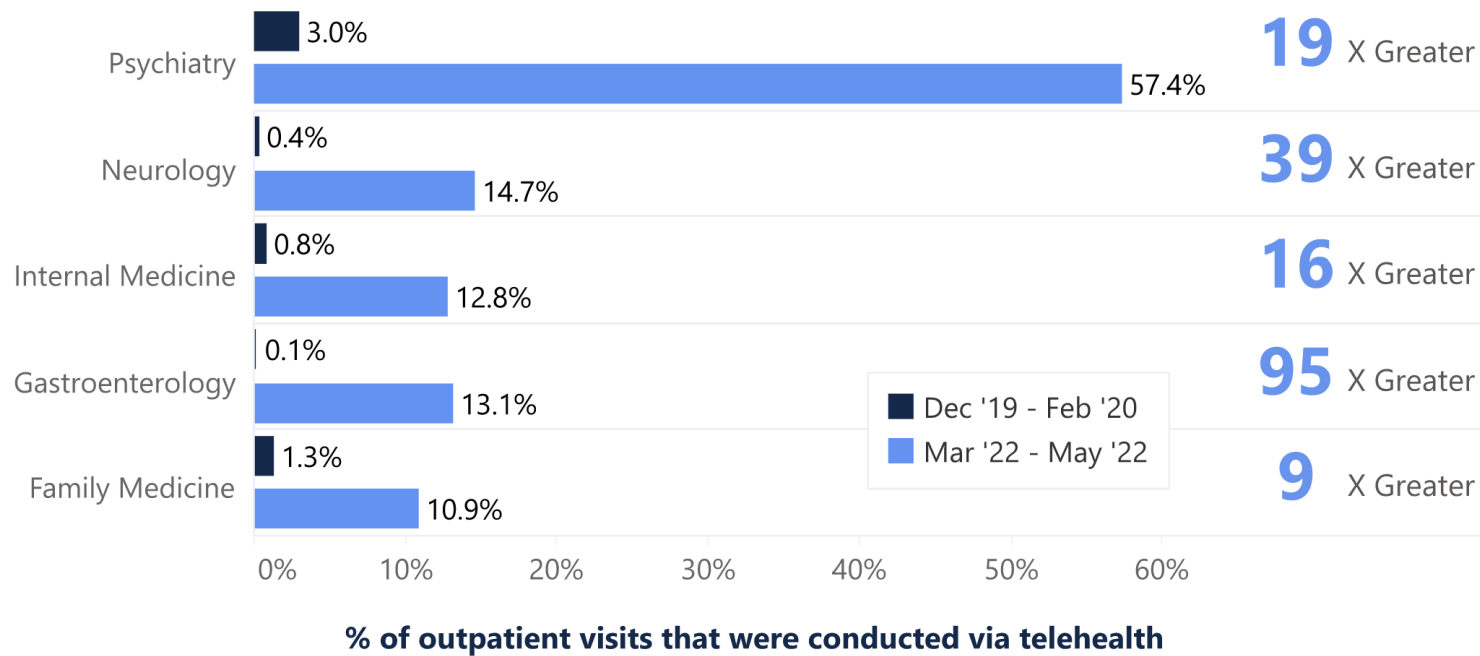


Innovation

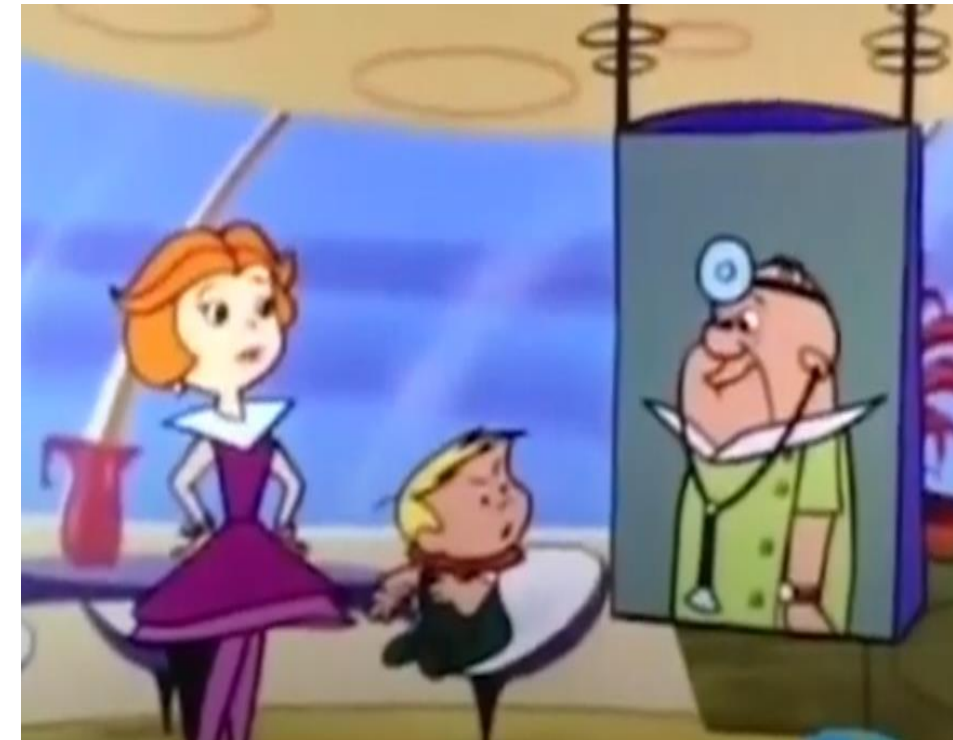
Telehealth is Growing Rapidly

<https://www.youtube.com/watch?v=9EewbXIZNXo>

Telehealth's Staying Power: Top 5 Clinical Specialties



Chartis Goup, 1/9/2023



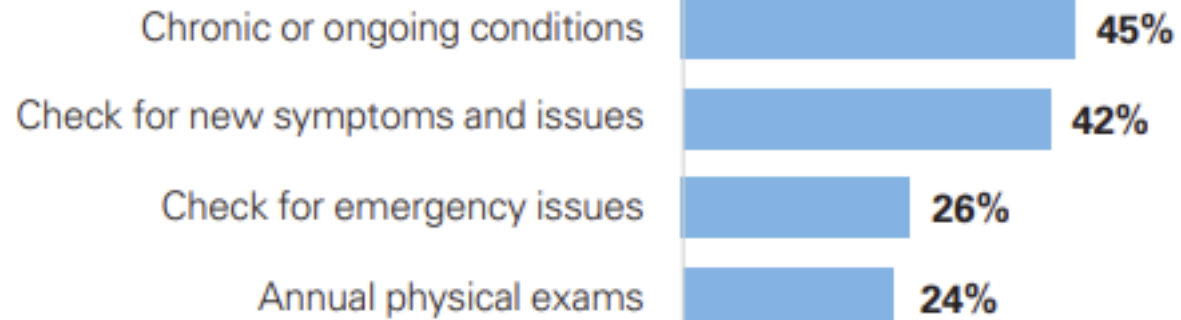
Innovation

TELEHEALTH

Consumers attending virtual appointments

49% of consumers say they attended at least one virtual medical appointment in the past year, with 59% of millennials leading the trend

Consumers intend to keep using virtual or hybrid options for future health needs

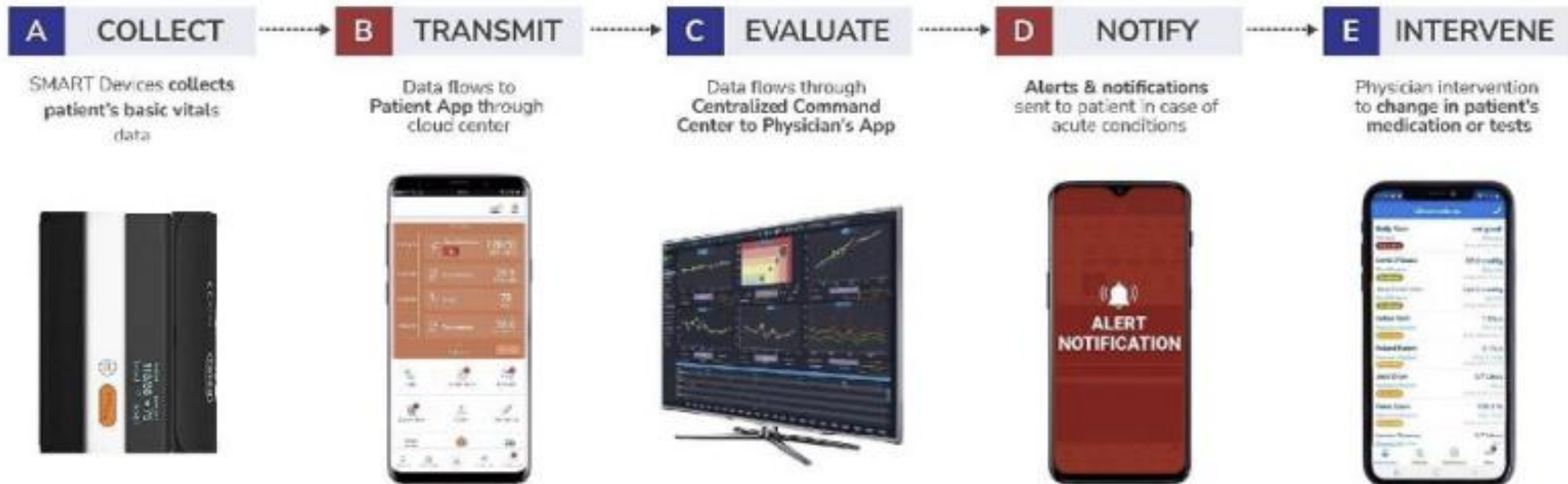


Note: 45% of rural residents report technical issues as an obstacle to accessing telehealth



Innovation

Improving Patient Experience and Outcomes with New Sources of Revenue for Healthcare Providers



Innovation



Valley Baptist Health System

3,199 followers
1h • 🌐

This week at Valley Baptist Medical Center - Harlingen our occupational, physical and speech therapists worked with patients with neurological conditions using virtual reality as a rehab tool. This VR rehabilitation provides individualized therapy for our patients and helps them to make progress towards meaningful life tasks.

Our team of therapists have been trained in the use of this technology and are able to tailor treatment plans for each patient. This technology allows our therapists to create a 3D environment in which patients can interact with objects, animals, and other characters, allowing the therapist to assess their ability to react in certain situations. [...see more](#)

👍 5

1 comment • 3 reposts

👍 Like 💬 Comment ↻ Repost ✉ Send

The Road Ahead?



OR



So Where do we go?

- Don't be afraid to **ask tough questions** on organizational performance
- **Benchmark** with Peer Organizations
- Implement systems and processes that have **staying power**
- Labor Management is **Key**
- Ensure your organization has the financial resources to weather a storm—Days Cash On-Hand—**Cash is King**
- Soliciting expertise is a **sign of strength**, not weakness

Questions ??



Scott Manis



Scott Manis brings over 30 years of healthcare experience to his role as Regional Vice President, most of which have been in improving hospital operations and developing strategic business partnerships. His early career clinical bedside experiences molded his perspective and focus on excellence in patient care. Scott's experience includes CEO positions in for-profit, not-for-profit and government owned hospitals ranging from 18 to 460 beds.

Scott Manis, FACHE
Regional Vice President
Scott.manis@health-tech.us
561.352.0947

Thank you +

HealthTech

<https://www.health-tech.us> | scott.manis@health-tech.us

Challenges Facing Rural Health Care—G. Scott Manis, FACHE

Today's community hospital is a threatened species. The challenges of balancing community need against hospital solvency and success present a tall order for hospital board members.

There is hope though in this environment, especially for organizations that are well-prepared.

Scott will lead a discussion of the key headwinds facing rural healthcare boards and leaders. He will also discuss some potential solutions to these challenges.

Template