Welcome to the Real World: Understanding the Challenges in a Small Community Hospital

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I have no conflicts of interest...........

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Objectives:
- Describe how CMS affects all patient care practices
- Better understand the challenges in rural community hospitals
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In August 2013 I left Children’s Hospital and Medical Center in Omaha, Nebraska.

- Only pediatric hospital in Nebraska
- 150 acute care beds
- Level 4 NICU, 46 beds
- Heart transplant for pediatrics
- Level 2 trauma center

In September 2013 I began my employment as the Director of Women’s and Children’s Services in Norfolk, Nebraska.

- 136 acute care beds
- CV and stroke program
- Behavioral health unit
- Affiliated nursing home
- 1000 deliveries/yr. with level 2 nursery

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- Nearly 60% of rural hospital revenue comes from public programs
- Rural hospitals are more likely to offer home health, skilled nursing, and assisted living services
- Medicare payment shortfalls are even greater for outpatient, home health, and skilled nursing
- Individuals living in rural areas represent 20% of the U.S. population, but only 9% of the country’s physicians practice in these locations

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- There are half as many specialists and higher percentage of primary care physicians nearing retirement age in rural areas than in urban areas
- Shortages force rural residents to travel long distances for care
- Rural facilities have a greater proportion of adverse events with the elderly, partly due to the rural community serves an older population
- Rural hospitals use more generalists and see more adverse events related to lack of expertise
- Rural caregivers are more familiar with their patients which eases sharing of information but also potential for complacency
- Triage and transfer decisions—may see adverse events related to lack of expertise, distance, lack of resources
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- Critical Access Hospitals have no more than 25 beds, are paid at 101% of costs for all outpatient services
- Accountable care organizations must serve 5000 Medicare beneficiaries
- Hospitals in rural areas experience greater fluctuation and more unstable demand for inpatient services than urban and suburban hospitals
- Rural hospitals have less predictable costs and operating margins, especially under fixed payment systems
- Rural hospitals often lag in information technology implementation and lack the capital for widespread EMR adoption

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- Value-based purchasing
- Bundled payment pilots
- HCAHPS
- IOM recommendations
- Two-midnight policy
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- Obstetrics in rural areas
- Distance from providers
- Fluctuation in census
- VBACs
- Provider engagement
- Role of referral hospitals
- Community engagement

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- Herman, B. (2014). When the tiny hospital CAN'T SURVIVE. Modern Healthcare, 44(36), 0014.