



TENNESSEE HOSPITAL ASSOCIATION

2017

RURAL IMPACT REPORT





TENNESSEE'S SMALL AND RURAL HOSPITALS: THE CORNERSTONES OF THEIR COMMUNITIES

SMALL AND RURAL HOSPITALS BY THE NUMBERS



Rural Hospitals **61**



Critical Access Hospitals **15**



Jobs **15,654**



Charity Care **\$94.6 million**



Babies Delivered **12,224**



Emergency Room Visits **980,808**

Tennessee's rural hospitals are the cornerstones of their communities.

They provide access to healthcare to residents and visitors, jobs for individuals who live nearby and serve as major economic engines in their communities.

Rural hospitals are an integral part of our state's healthcare system. They comprise nearly 50 percent of Tennessee's total number of acute care hospitals, with an annual impact of more than \$994 million on the state's economy.

More often than not, these hospitals are the largest employer in their counties. In 2015, Tennessee's rural hospitals provided a total of 15,654 jobs and a payroll of more than \$791 million. These employee salaries often are spent within their local communities, which supports other businesses and services in their hometowns. Healthcare in rural areas can represent up to 20 percent of the community's employment and income.

Rural hospitals also face challenges, such as the recruitment of physicians and other healthcare professionals, limited financial resources and capital, and finite opportunities to see an increase in the number of paying patients.

Tennessee's 61 rural hospitals provided more than \$292 million in uncompensated care in 2015. This includes approximately \$124 million in unreimbursed TennCare costs for care delivered to TennCare patients that same year.

PATIENT SAFETY AND QUALITY CARE

To provide the highest quality of care to patients, 57 (93 percent) of Tennessee's rural hospitals participate in the Tennessee Hospital Association's Tennessee Center for Patient Safety.

These hospitals are involved in various patient safety programs, including the Hospital Improvement Innovation Network; obstetric programs, such as early elective delivery prevention, breastfeeding and safe sleep, culture of safety, surgical quality, flu immunization, and Tennessee's Patient Safety Organization (PSO).



CRITICAL ACCESS HOSPITALS

Tennessee's critical access hospitals (CAHs) also serve as key players in the healthcare system. By federal regulation, a CAH must have fewer than 25 acute care beds and an annual average length of stay of no more than 96 hours. Hospitals must receive approval from the Tennessee Department of Health and Centers for Medicare & Medicaid Services (CMS) to be designated as a CAH.

In Tennessee, 15 hospitals are designated as CAHs.

The average annual impact of a CAH in Tennessee includes 90 jobs and \$4.9 million in salaries. Nationally, CAHs represent nearly 30 percent of acute care hospitals but receive less than 5 percent of total Medicare payments, according to the National Rural Health Association.

CAHs are lifelines for their communities, serving a critical role in the delivery of healthcare to rural areas.

RURAL HOSPITAL CLOSURES INCREASE ACROSS TENNESSEE

Since 2014, six rural hospitals have closed in Tennessee, which led to layoffs, reduced wages, economic loss and reduced healthcare services. Three communities in Tennessee have lost their only local hospital, leaving these communities without access to a local source for care, especially in an emergency.

Reductions in hospital payments also have had a significant impact, forcing closures and leaving many rural communities without timely access to care. Since 2010, 80 rural hospitals have closed across the U.S. according to the University of North Carolina's Cecil G. Sheps Center for Health Services Research.

If a hospital closes in a rural community, health providers, including physicians, also may decide to relocate. This presents an even greater loss for communities and jeopardizes access to care.

Currently, 53 rural counties in Tennessee have a local hospital to provide health care to its residents.

To address these issues, THA has formed the Future of Rural Health Taskforce to develop recommendations and strategies to assist Tennessee's rural hospitals in strategically and operationally addressing and meeting the changing environment. This work includes the development of recommendations to assist rural hospitals in addressing these challenges.



Data in this report is from the 2015 Joint Annual Report of Hospitals.

This definition of rural area in this report was based on the Office of Management and Budget (OMB)'s designation of counties as metropolitan, micropolitan or neither. All counties that are not part of a Metropolitan Statistical Area (MSA) are considered rural. One additional hospital was included due to a recent change in the definition of rural hospital by the Tennessee Department of Health.

WHEN A SMALL OR RURAL FACILITY CLOSES,
**PATIENTS LOSE DIRECT ACCESS TO CARE WHILE
THE LOCAL ECONOMY SUFFERS.**



ECONOMIC IMPACT OF RURAL HOSPITALS

COUNTY	EMERGENCY ROOM VISITS	BIRTHS	COST OF BAD DEBT AND CHARITY CARE	EMPLOYEES	SALARIES	TOTAL ECONOMIC IMPACT
						
STATEWIDE	980,808	12,224	\$94,628,754	15,654	\$791,518,116	\$994,787,250
Bedford County	18,953	1	\$1,691,291	233	\$10,223,730	\$12,721,662
Benton County	7,089	-	\$682,317	60	\$2,754,338	\$3,206,155
Bledsoe County	14,606	-	\$1,486,792	90	\$4,842,174	\$5,267,468
Bradley County	50,533	1,036	\$3,324,408	784	\$42,578,861	\$57,823,885
Campbell County	24,869	211	\$1,768,257	513	\$22,691,380	\$27,381,638
Cannon County	6,406	-	\$988,945	91	\$5,283,936	\$6,073,100
Carroll County	13,700	394	\$1,886,746	238	\$12,809,740	\$15,576,183
Cheatham County	11,328	-	\$1,711,436	41	\$3,525,571	\$4,159,444
Claiborne County	14,592	-	\$1,101,756	318	\$11,136,290	\$13,280,869
Clay County	4,809	-	\$298,230	108	\$5,262,746	\$6,046,218
Cocke County	36,267	176	\$1,235,234	223	\$11,040,730	\$12,902,415
Coffee County	34,266	717	\$2,396,411	587	\$34,181,961	\$41,425,455
Cumberland County	32,041	678	\$5,646,137	723	\$29,665,770	\$37,564,847
Decatur County	6,279	-	\$225,279	98	\$3,812,436	\$4,437,117
DeKalb County	9,414	-	\$801,612	111	\$6,243,341	\$7,883,823
Dyer County	28,847	519	\$1,673,000	412	\$18,464,291	\$24,045,112
Fentress County	6,363	-	\$436,648	111	\$6,513,874	\$8,000,353
Franklin County	26,202	521	\$1,424,459	547	\$21,648,729	\$26,537,746
Gibson County	8,496	1	\$603,264	74	\$3,679,810	\$4,613,361
Giles County	14,211	155	\$2,307,297	192	\$10,283,840	\$12,566,008
Greene County	46,563	500	\$5,248,091	1,060	\$53,559,231	\$66,707,015
Hamblen County	49,012	1,019	\$4,535,858	667	\$38,473,381	\$48,937,289
Hancock County	4,497	-	\$333,884	34	\$1,718,801	\$1,841,106
Hardeman County	10,393	-	\$569,783	56	\$2,662,160	\$2,996,439
Hardin County	14,876	323	\$1,370,662	287	\$11,818,700	\$14,595,236
Henderson County	11,078	-	\$551,829	111	\$5,593,998	\$6,830,184
Henry County	19,227	276	\$2,416,050	546	\$25,144,779	\$31,582,203
Hickman County	4,985	-	\$2,914,042	47	\$6,195,931	\$7,051,751
Houston	3,649	-	\$322,273	70	\$2,572,597	\$2,886,410
Humphreys County	6,629	-	\$483,238	93	\$3,895,843	\$4,534,779
Jefferson County	26,411	-	\$1,063,184	225	\$10,648,360	\$12,773,287
Johnson County	10,172	-	\$599,590	73	\$3,897,740	\$4,427,928
Lauderdale County	9,830	2	\$1,099,460	94	\$6,288,039	\$7,261,796
Lawrence County	16,942	373	\$1,099,821	227	\$11,676,600	\$14,316,984
Lincoln County	16,365	254	\$1,636,736	264	\$11,135,750	\$13,400,707
Macon County	8,927	1	\$818,396	118	\$5,185,951	\$6,240,852
Marshall County	13,475	-	\$1,639,492	123	\$6,554,548	\$7,864,139
Maury County	49,200	1,492	\$10,657,786	1,589	\$89,221,443	\$120,035,260
McMinn County	50,731	423	\$3,144,360	376	\$18,714,729	\$24,041,552
Monroe County	23,433	196	\$1,911,064	470	\$17,217,501	\$20,859,114
Obion County	19,625	279	\$928,062	275	\$14,966,240	\$19,491,866
Overton County	12,382	334	\$726,591	190	\$12,034,850	\$14,148,146
Perry County	4,050	1	\$403,725	115	\$3,065,754	\$3,410,614
Polk County	7,243	-	\$1,062,192	131	\$4,020,248	\$4,433,308
Putnam County	52,050	1,563	\$8,286,034	1,525	\$84,971,870	\$114,180,171
Rhea County	20,293	-	\$2,120,518	172	\$7,821,935	\$9,077,660
Roane County	24,109	-	\$2,273,149	200	\$12,377,850	\$14,386,225
Smith County	10,872	72	\$886,062	139	\$9,255,283	\$10,810,912
Trousdale County	5,439	-	\$598,688	56	\$3,726,447	\$4,664,014
Warren County	29,584	387	\$1,528,013	312	\$15,876,220	\$19,790,079
Wayne County	5,458	-	\$579,124	115	\$5,295,152	\$6,077,136
Weakley County	10,947	319	\$512,174	187	\$10,700,340	\$13,340,297
White County	13,090	1	\$619,306	153	\$8,586,296	\$10,279,930