

Improving efficiency and preserving access to emergency care in rural areas

ISSUE: Inpatient volume and occupancy have fallen significantly at small rural hospitals. Declining occupancy often results in higher costs per inpatient day, causing financial strain at the smallest rural hospitals. This has led some stakeholders to propose allowing some small rural hospitals to convert to outpatient-only facilities, provided they maintain emergency services.

KEY POINTS: Staff will review the current payment models for rural hospitals and present some new payment options for outpatient-only facilities that the Commission could discuss.

ACTION: Commissioners should provide feedback on research directions and policy.

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