Rural Health Task Force Meeting
November 5, 2019

Jeff Tieman, President & CEO, VAHHS
Hospital Closures and Vulnerability
Road Map

• Hospital Closures
• Rural Considerations
• Vermont and VT Hospitals
• Connection to Health Reform
• National Perspective & Recommendations
Hospital Closures

- 118 hospital closures nationwide since 2010, 5 in New England

- Rural state with many unaffiliated Critical Access Hospitals

What is rural?

Wyoming: 572,381

Vermont: 627,180
Vermont Statistics

• #2 in rural, #2 in aging (rural populations often older, sicker, lower income)

• #3 in percentage of population in public programs

• #20 in Medicaid reimbursement as a percentage of Medicare
  • Tennessee, Mississippi, Montana, North Dakota, West Virginia, and Wyoming rank higher

• Growing and expensive physician / nurse / workforce shortages
Vermont Hospitals

- Highly ranked, entirely not-for-profit system
- Several hospitals with no margin or negative operating margin
- Springfield Hospital in serious financial distress
Health Reform and Value-based Care: The APM

• National consensus that Fee-For-Service is no longer viable model

• VT’s work involves new incentives for quality, prevention, health

• Involves major financial risk for hospitals

• Shows great promise but takes time, patience, perseverance
American Hospital Assn. Recommendations

- Adopt new payment models, move to value
- Address social determinants in coordinated way
- Employ telemedicine more routinely
- Consider new payment designations like EMC to provide flexibility in rural communities
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