

Should the Platte Valley Pursue a Critical Access Hospital?

Q&A

Presented by the Platte Valley Healthcare Sustainability Project Committee

What is a Critical Access Hospital?

Critical Access Hospital (CAH) is a designation given to eligible rural hospitals by the Centers for Medicare and Medicaid Services (CMS). Congress created the CAH designation through the Balanced Budget Act of 1997 in response to rural hospital closures during the 1980s and early 1990s.

The CAH designation is designed to reduce the financial vulnerability of rural hospitals and improve access to healthcare by keeping essential services in rural communities. Generally, hospitals must meet the following conditions to obtain CAH designation:

- Have 25 or fewer acute care inpatient beds
- Be located more than 35 miles from another hospital
- Maintain an annual average length of stay of 96 hours or less for acute care patients
- Provide 24/7 emergency care services

Why do we need a Critical Access Hospital?

The realities of healthcare have changed dramatically — especially in rural areas — over the last 30 years. Although Saratoga was able to maintain a clinic with a full-time doctor for many years with help from the Corbett Medical Foundation, at this time, without significant continued subsidy, a full-time doctor is not feasible. In addition, the nursing home is not financially viable and has remained open only because the management company, HMS, has been willing to undertake significant losses while more sustainable options are explored. Without some action by the community, both facilities are at risk.

How can we afford a hospital?

The USDA has a program for which the community can qualify to help pay for construction of these types of facilities. The no-recourse loans can account for 80% of the total cost to construct. The community must come up with the other 20% through monetary donations, loans from local banks, gifts of property from governments and individuals, and in-kind donations. Because the loan is backed by the USDA, in the event of a default, the government would appoint a qualified operator to find a sustainable solution.

Operations costs are subsidized by Medicare, which, as a federal program, ensures equal access to all. The hospital would still charge for services rendered but would be able to take advantage of a subsidy based on the percentage of Medicare patient usage that is designed to cover large portions of hospital costs. Many Wyoming communities successfully operate under this model, including Rawlins, Afton, Sundance, Lusk, Buffalo, Douglas, Wheatland, Torrington, Basin, Powell, Lovell, Newcastle, Cody, Kemmerer, Thermopolis and Worland.

Have other options been explored?

We have continued to search for service providers and explored relationships with Carbon County Memorial and Iverson Memorial Hospitals as early as March of 2018. We are also grateful for continuing support from HMS, which stepped in when the previous clinic failed. In addition, we have sought advice from similar community healthcare operations in Afton, Sundance and Lusk, Wyoming, as well as Sheridan, Columbus and Red Lodge, MT and Meeker, CO. We were told many times that the Critical Access Hospital model was a vital element in stabilizing these and other communities.

What will happen to the clinic?

Whether we build a new clinic as part of the CAH project or continue to operate it in its existing location, we anticipate an improvement in staffing that would enable a full-time MD/DO in addition to the current nurse practitioners and also provide additional staff.

What will happen to the nursing home?

Without the CAH model, it will close and probably never reopen. However, with the CAH designation, a significant portion of the 25-bed maximum can be devoted to long-term care, which will enable the community to continue to offer and even expand services for seniors.

Who will own the CAH?

A community-based 501c3 non-profit organization, such as the one used to run the Iverson Memorial Hospital facility. Local government will not have a role in ownership. The board will be made up of a mix of medical and financial professionals and local residents to ensure maximum functionality. A major focus is to keep small town politics out of the local healthcare.

When will the CAH be built?

Although the timeline is difficult to nail down for sure at this time, we anticipate completing the long-term financial viability study by July of 2019, and once all approvals are obtained, to break ground in 2020.

How much will the CAH cost?

We are working on finalizing plans. Analysts are evaluating 5-7 possible locations and comparing the cost of development. Although many costs are still unknown, we expect a final budget of \$15-19 million.

How will we staff the CAH?

There are many qualified staff that currently leave our communities every day to work in the medical field elsewhere. With the improved facilities and additional subsidy we will be able to afford competitive wages to not only offer more local jobs, but to also attract qualified candidates.

What services will be offered by the CAH?

- Primary care clinic
- 24-hour walk-in emergency care
- Advanced imaging, including X-ray, MRI and CT scans
- 3-5 hospital beds
- 20-22 extended-care beds
- 1-2 full-time doctors
- 2-4 nurse practitioners
- Physical and occupational therapy
- Visiting specialists
- Onsite laboratories
- Pharmacy
- Telemedicine services

How will the CAH benefit the community?

With modern, advanced healthcare services in our community, local residents will have convenient access to a full range of medical care including specialty medicine and emergency care. EMT services will be improved and the time-to-care dramatically reduced. Seniors and others in need of long-term care will have access to a beautiful, stable facility with appropriate staff and an improved range of services.

A new hospital will create new jobs in the community and a modern healthcare facility will help us attract and retain qualified staff as well as related business. Healthcare dollars formerly spent in other cities will now remain local.

Finally, a new Critical Access Hospital will improve the health and well-being of everyone in the Platte Valley, making it more attractive for business investment as well as for new permanent residents.

Learn more

Please join us in exploring ways to improve our community at our next public meeting. Visit plattevalleyhealthcare.org for more details as well as meeting times and locations, and like us on Facebook @PVHSP.

Thank you, the PVHSP Committee: Sonja Collamer, Leslie McLinskey, Teense Wilford, George Haigh, Will Faust and Karran Bedwell.