

SNAPSHOT OF RURAL HEALTH IN COLORADO

2024

 **OLORADO
RURAL HEALTH
CENTER**

The State Office of Rural Health



Rural Health Infrastructure in Colorado

403,927

Colorado Kids are under age 6

ESTIMATED ANNUAL STATE ECONOMIC BENEFIT

\$3.1B

of affordable child care

\$1.24B

of universal preschool

BASED ON THE AVERAGE MEDIAN INCOME OF A COLORADO FAMILY

33%

of income is spent on childcare for two children

51%

of income would cover the **true cost** of high-quality childcare for two children

Childcare

There are large regions of rural Colorado where families are living in a childcare desert, meaning that regardless of costs or determining if a childcare center is trustworthy or a right fit, families can't find a place close by with space for their kids. A childcare desert is defined by a census tract with at least 50 kids under age five, and either no childcare center in that neighborhood, or at least three kids vying for one open spot.



There is only **one childcare slot for every 3.5 children** in Colorado

75,000+ more children in Colorado under 6

whose parents are working than there are licensed day care spots



COST OF CHILDCARE



40% increase in childcare costs in Colorado from 1990–2021

Colorado is ranked 45 out of 50 in the nation for highest childcare costs

Costs for families with two children

\$1,127 per month  **\$27,055** per year

Affordable **\$\$** childcare should be **7% or less of a family's income**

AVERAGE COST OF CENTER-BASED CARE PER DAY BY AGE



\$75.28
0–18 months



\$62.72
18–36 months



\$53.11
36 months–6 yrs

USING THE 7% AFFORDABILITY BENCHMARK

Counties closest to the 7% affordability benchmark

8.9% Philips
9.1% Cheyenne
9.8% Yuma



Counties furthest from the 7% affordability benchmark

31.6% Chaffee
29.3% Mineral
28.3% Washington

AVERAGE COST OF HOME-BASED CARE PER DAY BY AGE

 **\$49.04** 0-24 months
 **\$46.04** 24 months-6 yrs

28%

is the average childcare cost burden, meaning that over a quarter of every dollar earned by a median-income family goes toward paying for childcare

 **\$14 - \$17 is the median hourly wage** of workers in the childcare economy

41%

of Colorado's direct care workers rely on public assistance, including cash and food assistance to help make ends meet

SOLVING THE CHILDCARE CRISIS



Under Gov. Jared Polis's administration, the state funded **full-day kindergarten and planned to fund 10 free hours a week of preschool** for four-year-olds starting fall school year 2023



\$8.7 million has been set aside,

by the state legislature, to help employers construct onsite or nearby child care facilities for their employees



3 homes in Ouray have been allocated for people

who want to start home-based childcare businesses

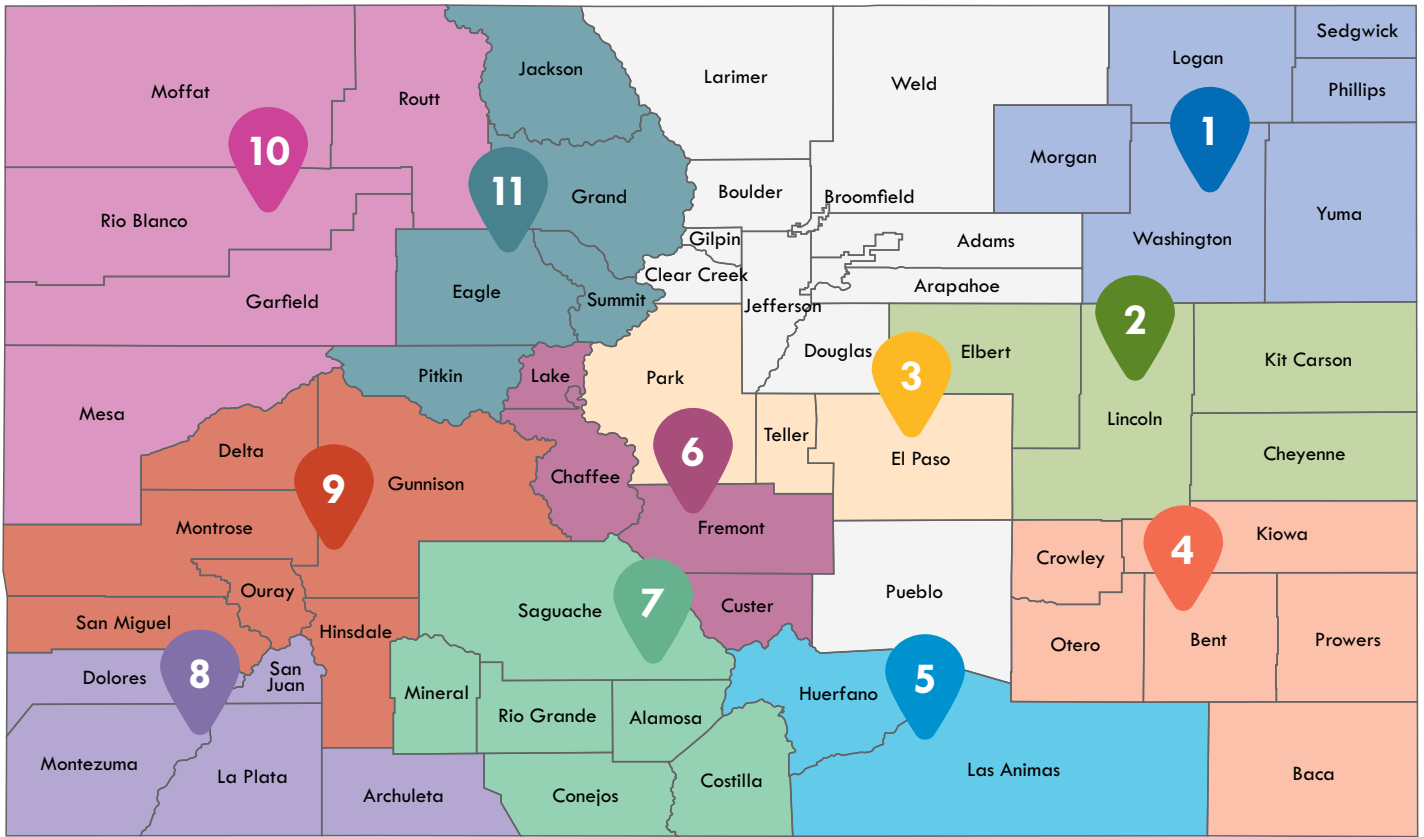
25%

discount to teachers whose rural school districts, such as Kremmling, are able to offer childcare on campus

Bringing the cost for an infant to **\$720 a month**

Regional Industries

Colorado is still struggling with a tight labor market, with 2.7 jobs for every unemployed person.



NORTHEASTERN REGION



Key industries

- Food & agriculture
- Advanced manufacturing
- Health & wellness
- Transportation
- Energy
- Natural resources

Top employers

- Food manufacturers
- Two Class I railroads
- Airport capable of landing a 737

CENTRAL PLAINS



Key industries

- Food & agriculture
- Transportation

SOUTH-CENTRAL REGION



Key industries

- Defense
- Health
- Financial services

SOUTHEASTERN REGION



Key industries

- Agriculture (High volume of exports, including livestock & vegetables)
- Wind & solar power

SOUTHERN REGION

5



Key industries

Health & wellness Energy resources
Outdoor recreation



Top employers

Spanish Peaks Regional Health Center
Mt. San Rafael Hospital

UPPER ARKANSAS REGION

6



Key industries

Tourism Outdoor recreation



Top employers

Mt. Princeton Hot Springs Royal Gorge Bridge Climax Mine

SAN LUIS VALLEY REGION

7



Key industries

Health & wellness Outdoor recreation
Food & agriculture



Top employers

San Luis Valley Rural Electric Cooperative SLV Health
The San Luis & Rio Grande Railroad Xcel
Rio Grande Hospital

SOUTHWESTERN REGION

8



Key industries

Agriculture Outdoor recreation
Technology



Top employers

Four national monuments Mesa Verde National Park The Durango & Silverton Narrow Gauge Railroad

CENTRAL WESTERN SLOPE REGION

9



Key industries

Agriculture Outdoor recreation
Healthcare



Top employers

Telluride Ski & Golf Resort Telluride Hospital District
Crested Butte Mountain Resort Gunnison Valley Hospital
Montrose Memorial Hospital

NORTHWESTERN REGION

10



Key industries

Agriculture Outdoor recreation
Agri-tourism



Top employers

Steamboat Ski & Resort Association
Pioneers Medical Center

WESTERN REGION

11



Key industries

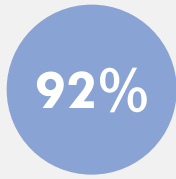
Tourism Outdoor recreation



Top employers

Vail Resorts Winter Park Middle Park Health

Outdoor Industry



of Coloradans participate
in outdoor recreation
each year



The outdoor recreation participant
base grew 2.3% in 2022 to a record

168.1 million people

55% of the U.S. population ages 6+



**\$37 billion in
consumer spending**

annually on Colorado outdoor recreation

» This contributes 511,000 direct jobs



**\$21 billion in
wages and salaries**

have been collected by those who work
in the outdoor industry

THE OUTDOOR INDUSTRY CONTRIBUTES THE FOLLOWING TO COLORADO'S RURAL ECONOMY



\$49,052

in average salary



125,244

jobs



2.7%

of gross domestic product



\$1,267,667

in snow activities



\$403,046

in fishing activities



\$122,591

in hunting activities

COMPENSATION & EMPLOYMENT IN OUTDOOR RECREATION

In Outdoor Recreation Satellite Account (ORSA)
compensation in 2021, Colorado ranked

10th

among all states
in employment



26th

among all states in
employment growth

11th

among all states
in compensation



23rd

among all states in
compensation growth

Since 2020, outdoor recreation compensation
and employment has grown in Colorado



13.4%

increase in employment in Colorado
compared to 13.1% increase nationally



16.2%

increase in compensation in Colorado
compared to 16.2% increase nationally

Oil & Gas



As of April 2022, Colorado is the **6th largest onshore oil producer in the U.S.**

This accounts for only 3.6% of the total U.S. crude oil production

Colorado's total oil and gas production is anticipated to close out 2023 at nearly **\$16 billion**

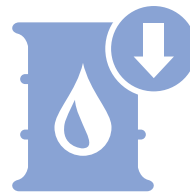


37.5% lower than in 2022



Colorado has the 39th cheapest gasoline tax in the country **at 22¢ per gallon,** 17¢ lower than the national average

Gasoline tax is a major source of transportation funding in the state



59% drop

in average natural gas prices in 2023 was a result of lower production value

This marginally impacted Colorado's production output



The U.S. provides **~14.5% of the total crude oil** for the global market

Increasing Colorado's production would have minimal impact on global supply and prices

GROSS DOMESTIC PRODUCT IN 2021

\$373.76 billion

Overall real GDP of Colorado

\$16.73 billion

Contribution of the mining industry

FARMS AND RANCHES

89%

of all farms and ranches are owned and operated by individuals and families in Colorado



\$7.28 billion in farm cash receipts in 2020



71% Livestock and Livestock Products
29% Vegetable Crops



820 acres

average size of farm and ranch in Colorado



31.8M acres

million acres land in farms in Colorado



38,800

number of farms and ranches in Colorado (2021)

Healthcare



Healthcare is one of the **top 3 industries in rural Colorado**



A hospital contributes up to **20% of the rural community's employment and income**



of healthcare workers **are leaving the healthcare industry**

Colorado's health and wellness industry experienced a **31% job growth** between 2010-2019



10,000 companies



336,000 employees

PHYSICIANS



1 rural physician's employment creates

~\$1.4 million

in income from the clinic and hospital

~26

additional jobs

Physician demand is projected to outpace supply, resulting in a potential shortage by 2033



54,100 physicians



139,000 physicians

NURSES



Colorado is expected to have a **deficit of 10,000+ registered nurses by 2026**



Travel nurses in Colorado make **\$1,566-\$3,130 per week** depending on specialty

Annual median wage of registered nurses in rural Colorado

\$85,000

is the highest in the Northwest and Southwest regions



\$77,000

is the lowest in the Eastern and Southern regions

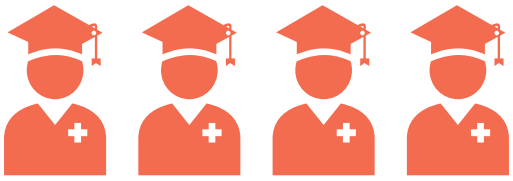
According to the Colorado Center for Nursing Excellence



21,000 of the 61,000 licensed

nurses are over the age of 55

NURSING EDUCATION



Colorado needs 33,000 nursing graduates per year to meet demand,

however programs have only seen 24,000 nursing students graduate annually



growth rate in job openings for nurse educators by 2031 is anticipated, surpassing the average job growth of 17%



Colorado faces a supply deficit **of 526 registered nurses per year,** due to a lagging workforce and early retirements

EMERGENCY MEDICAL SERVICES

It takes longer to respond to incidents in rural and frontier areas

40+

minutes in rural counties



50+

minutes in frontier counties



Primary Impression Categories is a summarized grouping of the **NEMSIS standard ICD-10-CM Codes** that describes the patient's primary problem or most significant condition

TOP THREE PRIMARY IMPRESSIONS

Colorado (statewide)

14% Injury

11% Pain

10% Behavioral/Psychology

Urban

13% Injury

11% Pain

10% Behavioral/Psychology

Rural

19% Injury

11% Pain

9% Behavioral/Psychology

Frontier

18% Injury

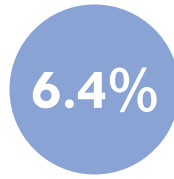
13% Pain

9% Behavioral/Psychology

CARE WORKERS



The median hourly wage for workers in the **care economy is between \$14 - \$17**



of personal care and nursing aides in the U.S. **hold second jobs to supplement their wages**, which is 35% higher than other workers

COLORADO IS FACING A MENTAL HEALTH WORKER SHORTAGE

The state is predicted to face a deficit of **4,417+ mental health workers by 2026**



In 2023, all but two Colorado counties, Adams and Larimer, were identified as **Health Professional Shortage Areas for Mental Health**

HEALTHCARE WORKFORCE IN RURAL COMMUNITIES



Of all active, licensed registered practitioners, rural Colorado receives

10% of the dentists **9%** of the physicians **5%** of the psychologists

Counties with no direct entry midwives

37/47 of rural / frontier (79%)  **6/17** of urban (35%)

Counties with no licensed certified nurse midwives

35/47 of rural / frontier (74%)  **4/17** of urban (24%)

Counties with no licensed physician assistants

15/47 of rural / frontier (32%)  **0/17** of urban (0%)

Counties with no licensed nurse practitioners

4/47 of rural / frontier (9%)  **1/17** of urban (6%)

51% of all rural and frontier counties **do not have an active, licensed addiction counselor**



Among rural health facilities in Colorado,

only 5% offer a housing stipend as a benefit

» While nearly half of facilities stated adding a housing stipend would aid in recruitment and retention

RURAL HOSPITALS



600+ rural hospitals,
over 30% of all rural hospitals,
are at risk of closing nationally



10% of Colorado rural hospitals are at immediate risk of closing because of the severity of financial problems



of Colorado rural hospitals are
at risk of losing services



of Colorado rural hospitals are
at risk of closing

Rural hospitals are at risk due to these serious financial problems



Losses on Patient Services

Health insurance plans do not pay these hospitals enough to cover the cost of delivering services to patients



Low Financial Reserves

The hospitals do not have adequate net assets to offset their losses on patient services

Transportation

Due to the aging population in rural Colorado, CDOT has prioritized increasing options for senior citizens and veterans to reach basic amenities and medical care. One strategy is to increase CDOT outrider service by 2024 to include communities of Lamar, Fort Lyon, Las Animas, La Junta, Swink, Rocky Ford, Manzanola, and Fowler, and add additional connections in Durango, Mancos, Cortez, Dolores, and Rico.



of all freight tonnage in the state
and 19% of freight by value
traveled on Colorado's rural roadways in 2019



Roadways in Colorado's rural communities carried 309.7 million tons of critical products and parcels valued at \$150.3 billion in 2019



CDOT's 10-year strategic plan,
released in 2019, showed Colorado

ranked 47th

in the U.S. for the condition of
rural roads

CDOT proposes to repair 1,300 miles
of rural pavement across the state

\$1.3 billion

going toward rural roads between
2020–2030

Critical Access Hospital CEO Turnover

Unstable leadership team can affect quality of care and also impact the organization's financial and operational health, and can impact the overall community. The recruitment time for a new CEO tends to be lengthy — sometimes it takes 6-12 months to bring someone in.



Colorado critical access hospital CEO turnover compared to 18-20% turnover nationally

“When a rural hospital loses a CEO unexpectedly, the cost of recruiting can be significant, and the hospital’s strategic plan may come to a grinding halt.”

Clinic Types and Ownership Models

RURAL CLINICS SURVEYED (30 RESPONSES)



55% (39)

Hospital Owned Clinic



39% (28)

Rural Health Practice (not certified)



59% (42)

Certified Rural Health Clinics

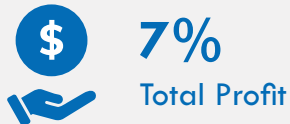


34% (24)

Independent Clinic

Critical Issue: Hospital Financial Sustainability

From data provided by the CRHC Medicare Rural Hospital Flexibility Program Grant (FLEX) Monitoring Team from 2019 to 2020, Total Margin and Operating Margin increased, while Days Cash on Hand and Average Days Revenue decreased. This indicates that there continues to be financial hardships for Colorado CAHs. In 2023, 16 rural hospitals were operating in the red.



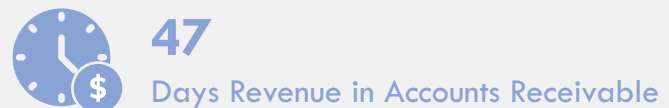
Total Margin is the percentage calculated by dividing net income by total revenues. The higher the Total Margin value, the more the hospital retains on each dollar of sales.



Operating Margin measures how much profit a hospital makes on a dollar of sale, after paying for variable costs of production. The higher the Operating Margin the more profitable a hospital is.



Days Cash on Hand measures the number of days that an organization can continue to pay its operating expenses, given the amount of cash currently available. High Cash on Hand values imply higher liquidity and hence are viewed favorably by creditors.



Days Revenue in Accounts Receivable measures the number of days that it takes an organization to collect its receivables. Low values means that it takes a hospital fewer days to collect its accounts receivable.

IN 2021, RURAL COLORADO HOSPITALS SAW THE EFFECTS OF THE FOLLOWING



“UNCOMPENSATED CARE” represents the percentage of total operating expenses that is uncompensated care. In 2019, the median uncompensated care for 32 operating Colorado CAHs was 3.16.



“BAD DEBT” is a loss that a company incurs when credit that has been extended to customers becomes worthless, either because the debtor is bankrupt, has financial problems or because it cannot be collected.



Cost to Patient Case Study

THE BACKGROUND

Health insurance companies often create programs to encourage patients to receive care outside of their local hospitals in order to decrease healthcare costs and reduce insurance premiums. For patients living in urban areas, this means better access to care, a higher volume of providers, and a greater diversity in options for primary care and specialty care providers.

For rural patients, this is not the case. It is important to consider the additional hidden costs affiliated with this concept. Rural areas often do not have many options outside of local hospitals. In turn, when insurance prompts a patient to seek care outside of the local hospital, the patient often is required to spend time and money to travel further (sometimes a day) to receive care.

THE CHALLENGE

Examples of extra costs to patients when traveling to non-local hospitals



Lost wages due to travel



Gas Money



One day federal meal per diem (cost of food)



Accommodations due to travel

While insurance companies have a cost savings of ~\$400 from rural patients traveling to non-local hospitals, the patient has a cost burden upwards of \$700.

THE RESULTS

Average Overall Cost Burden Observed by Rural Patients traveling to distant, non-local hospital/clinic

Cost Burden Description	Amount in USD	Running Total of Cost Burden (USD)
Average Member Liability Amount ¹	\$22.00	\$22.00
Mileage Reimbursement ²	\$165.00	\$187.00
One Day of Lost Wages ³	\$235.00	\$422.00
One Night of Accommodations ⁴	\$163.00	\$585.00
One Day Federal Meal Per Diem ⁵	\$133.00	\$718.00
Total Cost Burden		\$718.00

Average Cost Savings of Insurance Providers if Rural Patients travel to distant, non-local hospital/clinic

Scenario	Amount in USD
Scenario 1: Patient living in Kit Carson, CO but travels to Denver, CO	\$316
Scenario 2: Patient lives in Eads, CO but travels to Colorado Springs, CO	\$438
Scenario 3: Patient lives in Rangely, CO but travels to Grand Junction, CO	\$520
Average Cost Savings to Insurance Company¹	\$425