

PROTECT SORH, FLEX, AND SHIP

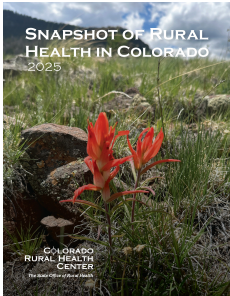
Federal Grants Keep Rural Healthcare Afloat

STATE OFFICE OF RURAL HEALTH (SORH) GRANT FUNDING

Federally funded since 1991, the purpose of the State Offices of Rural Health (SORH) grant program is to assist states in strengthening rural healthcare delivery systems by maintaining a focal point for rural health within each state. The program provides funding that links small rural communities with state and federal resources to develop long term solutions to rural health problems.



The SORH grant supports education to rural hospitals and clinics specifically on vital topics like quality improvement, policy and advocacy, finances, health information technology, chronic care management, Rural Health Clinic best practice sharing, and more.



1,865 downloads of CRHC Snapshots of Rural Health since 2023. The SORH-funded Snapshot provides rural facilities with illustrated data resources focusing on the number of people in rural Colorado, health outcomes including chronic disease, and infrastructure.



15,164
TA Encounters

In FY24, CRHC provided a total of 15,164 technical assistance encounters. This included 6,102 face to face and 6,249 telephone/email encounters.

An example of a technical assistance encounter is answering questions and providing resources to rural hospitals clinics and communities

MEDICARE RURAL HOSPITAL FLEXIBILITY (FLEX) PROGRAM

The Flex Grant Program, part of the Medicare Rural Hospital Flexibility (Flex) Program, provides funding to states to support Critical Access Hospitals (CAHs). These funds are used for quality improvement, financial and operational enhancements, population health management, and integrating innovative healthcare models. The program aims to help rural hospitals remain financially sustainable and preserve access to basic hospital services.



The Flex grant supports the Colorado Rural Sustainability (CORS) Network's focus on chronic care management (CCM). To-date, CRHC has helped rural clinics establish their CCM program by providing technical assistance to establish the CCM team, the components of CCM, and CCM processes.



The Flex provider-based RHC financial dashboard is designed to provide real-time access to crucial financial data, empowering facilities across the state to make informed decisions and enhance their financial management practices. Feedback from two pilot facilities has been overwhelmingly positive.

SMALL RURAL HOSPITAL IMPROVEMENT PROGRAM (SHIP)

The Small Rural Hospital Improvement Program (SHIP) funds, which are directed through each hospital's State Office of Rural Health (SORH), allow hospitals to participate in shared savings programs; and to purchase health information technology, equipment, and training to comply with quality improvement activities. The services provided through SHIP are at no cost to the hospital or offer financial assistance.

Hospitals receiving SHIP funding realize significantly lowered costs that ease the dramatic financial pressures affecting rural hospitals



40% lower HCAHPS
costs for SHIP hospitals



23% lower chargemaster
costs for SHIP hospitals



Across the 33 rural Colorado hospitals participating in SHIP, the services received in FY23 would cost \$850,000 out of pocket, or double what they cost under SHIP. This is an increase of \$430,000

This is a savings of \$430,000

COLORADO
RURAL HEALTH
CENTER

The State Office of Rural Health

Sustain Rural Healthcare in Colorado



48% of Colorado rural hospitals had negative operating margins

in Q3 2024



Nationally, 46% had negative operating margins



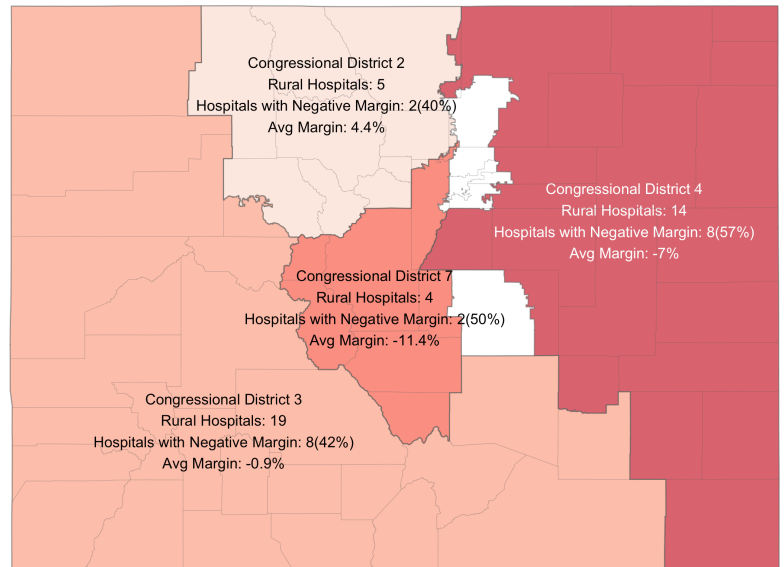
50% of hospitals in rural Colorado have an operating margin of 0.45% or lower

56% of Colorado CAHs have a negative operating margin.



The average operating margin amongst Colorado CAHs is 6.11%

Rural Hospital Operating Margins



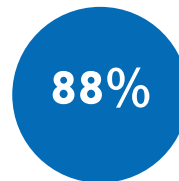
Since 2010, 188 rural hospitals have closed or ceased inpatient services nationally. Colorado has had zero hospital closures, but rural grant cuts will leave hospitals more vulnerable to closure and rural communities at greater risk.

RURAL COLORADO IS VULNERABLE TO CUTS

Rural Colorado hospitals and clinics serve a higher portion of uninsured patients and patients on Medicare and Medicaid than urban parts of the state. This leaves rural hospitals and clinics especially vulnerable to any cuts to these programs.



In 2023, Medicare (32%), Medicaid (17%), Colorado Indigent Care Program (3%), and self pay (3%) accounted for 55% of revenue among rural hospitals



In 2023, Medicare (35%), Medicaid (37%), Colorado Indigent Care Program (5%), and self pay (11%) accounted for 88% of all patient hospital days among rural hospitals

WHAT HAPPENS WHEN A RURAL HOSPITAL CLOSES?



220 hospital jobs
72 non-hospital jobs
are lost when one closes

↓ **up to 4%**

decrease in per capita income

↑ **Up to 3.1%**

increase in community unemployment rate

⌚ **11-15**

more minutes in EMS transport

📍 **20 mile**

increase in distance to a hospital or clinic

Colorado's healthcare economic impact



744,000 jobs

\$147.5 billion output



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