

Texas Legislative Update – Rural Perspective



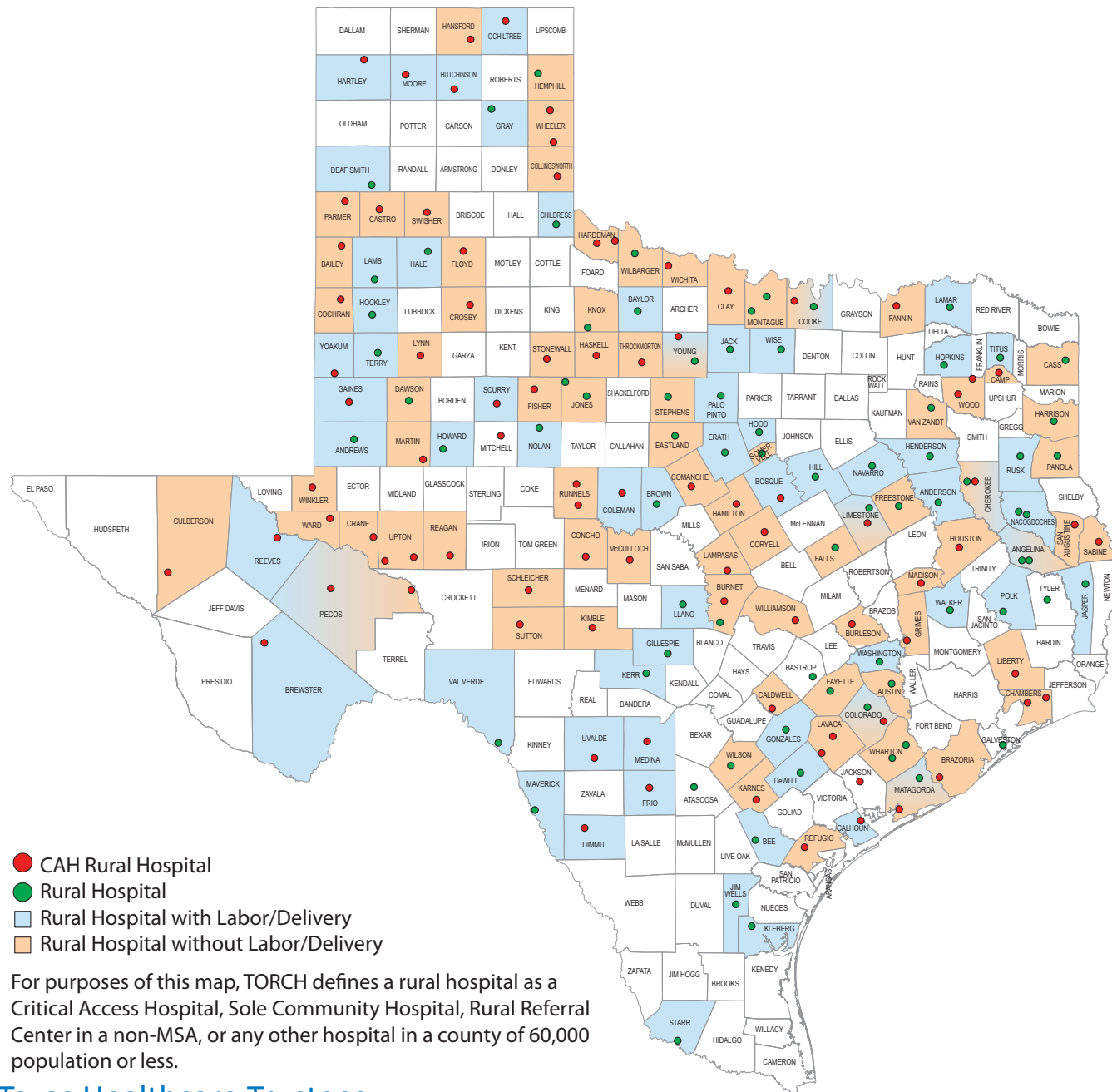
John Henderson, CEO

Texas Organization of Rural & Community Hospitals

Fort Worth

July 29, 2022





- 154 of 158 Rural Texas hospitals are TORCH members
- 87 CAHs
- 129 Trauma Designated
- 64 OB



2 Texas

3M+
rural Texans

160 | 550
rural | urban

15% | 85%
pop | geo

\$3.49T

16M+
jobs

170
Avg rural HSP staff

\$2.27
multiplier





Deliver
436,830 babies

Employ
673,118 FTEs

Treat
131M outpatients

27

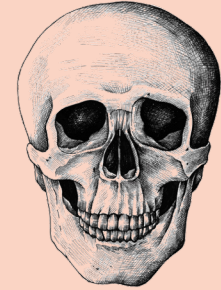
Texas rural hospitals **CLOSED** since
2010 (double any other state)

- 1 in 2020 (Bowie)
- 3 in 2019 (Hamlin, Chillicothe, Grand Saline)
- 3 in 2018 (Stamford, Rockdale, Cameron)
- 3 in 2017 (Crockett, Trinity, Weimar)

55%

Of Texas rural hospitals
at risk for closure

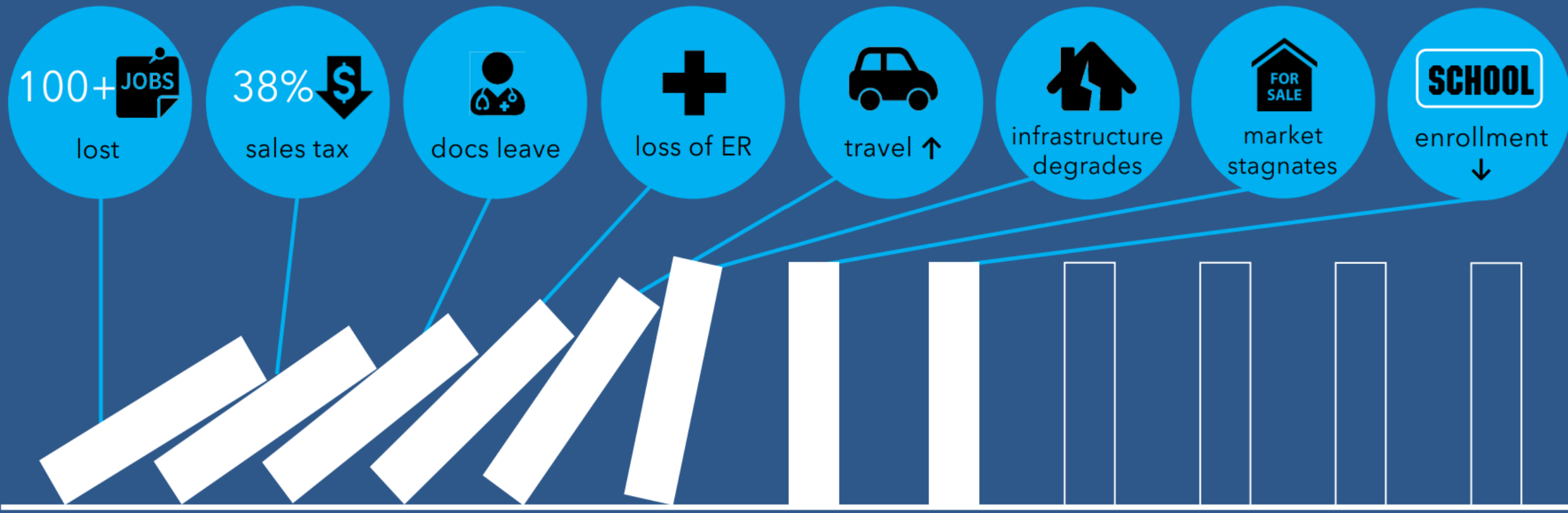
(Beckers)



DEATH
by a thousand cuts

- LVA
- MDH
- Sequestration
- MA
- Uninsured

Impact of Closure



87th Legislative Session + Special + Very Special + Very, Very Special



GOOD
A cartoon illustration of a hand giving a thumbs up, with a small yellow smiley face on the thumb.
STUFF



“Best Session Ever for Texas Rural Hospitals”



Medicaid underpayment (SB170)



Budget appropriations: \$90M in Medicaid payments to rural + \$16M (\$500/rural delivery) +



Telehealth — HB4 — distant site RHC in Medicaid



Broadband — HB5 — state office inside comptroller



SB8 - \$75m in federal stimulus to rural hospitals

Forecast – 88th

- Revenue Forecast - \$29b surplus
- PHE through 10/13/22
- LAR - \$16m + 89m + \$123m bumps for targeted Medicaid rate enhancement (rural) in base budget
- More reporting (SB809 & 1137)
- Healthcare as lower priority



Rural Texas Hospitals - Statistical Analysis of Survival Impact

- Days Cash on Hand
- Designation (CAH or PPS)
- Government Support (Tax Rev)
- Hospital Size (Beds)
- Accumulated Depreciation (Reinvestment)
- Diversification (Departments/Services)
- Desirability (Population Change)
- Financial Performance (Net Income)
- Geography/Location (> 50 miles)
- 2020 Disruption (Rev Change)

**WHAT
MATTERS**



Thank You!



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