

Rural Healthcare Challenges in New Mexico

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Our Healthcare Crisis

Communities At-Risk, Access At-Risk

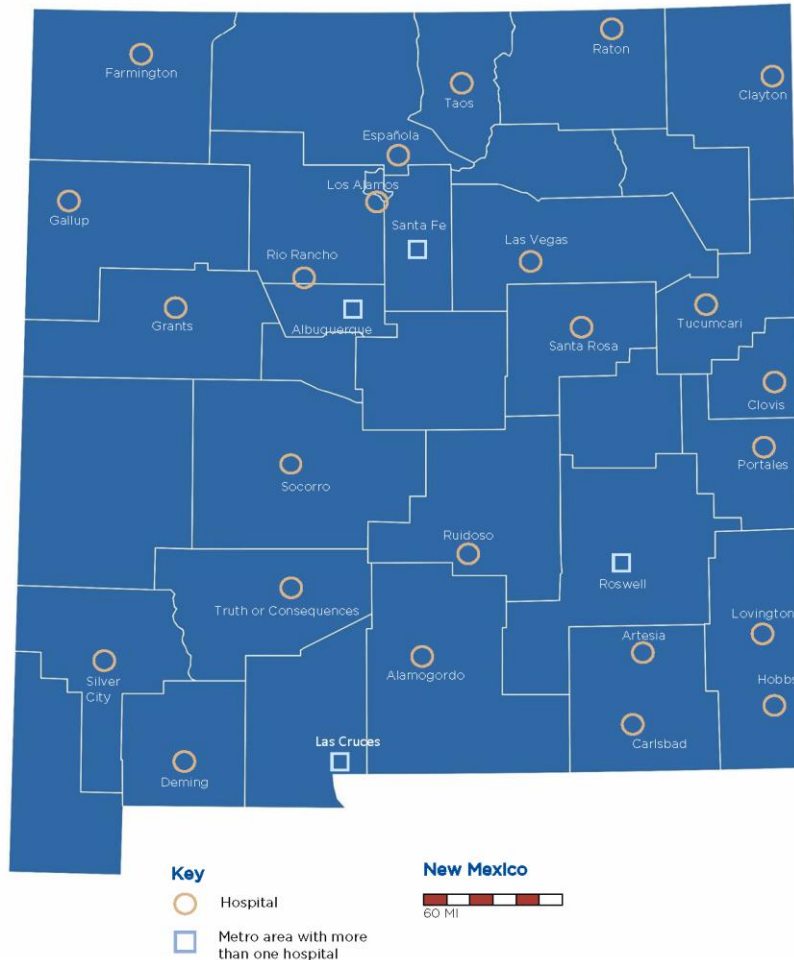


Since the pandemic, healthcare delivery systems are experiencing a seismic shift in their economics. Hospitals face the most difficult of decisions to downsize, eliminate services or consider closure.

New Mexicans must travel farther for healthcare. Many communities risk losing their hospital—their source of healthcare and their economic anchor of quality jobs.



New Mexico's Hospitals: Few and Far Between



Rural and underserved hospitals: 27

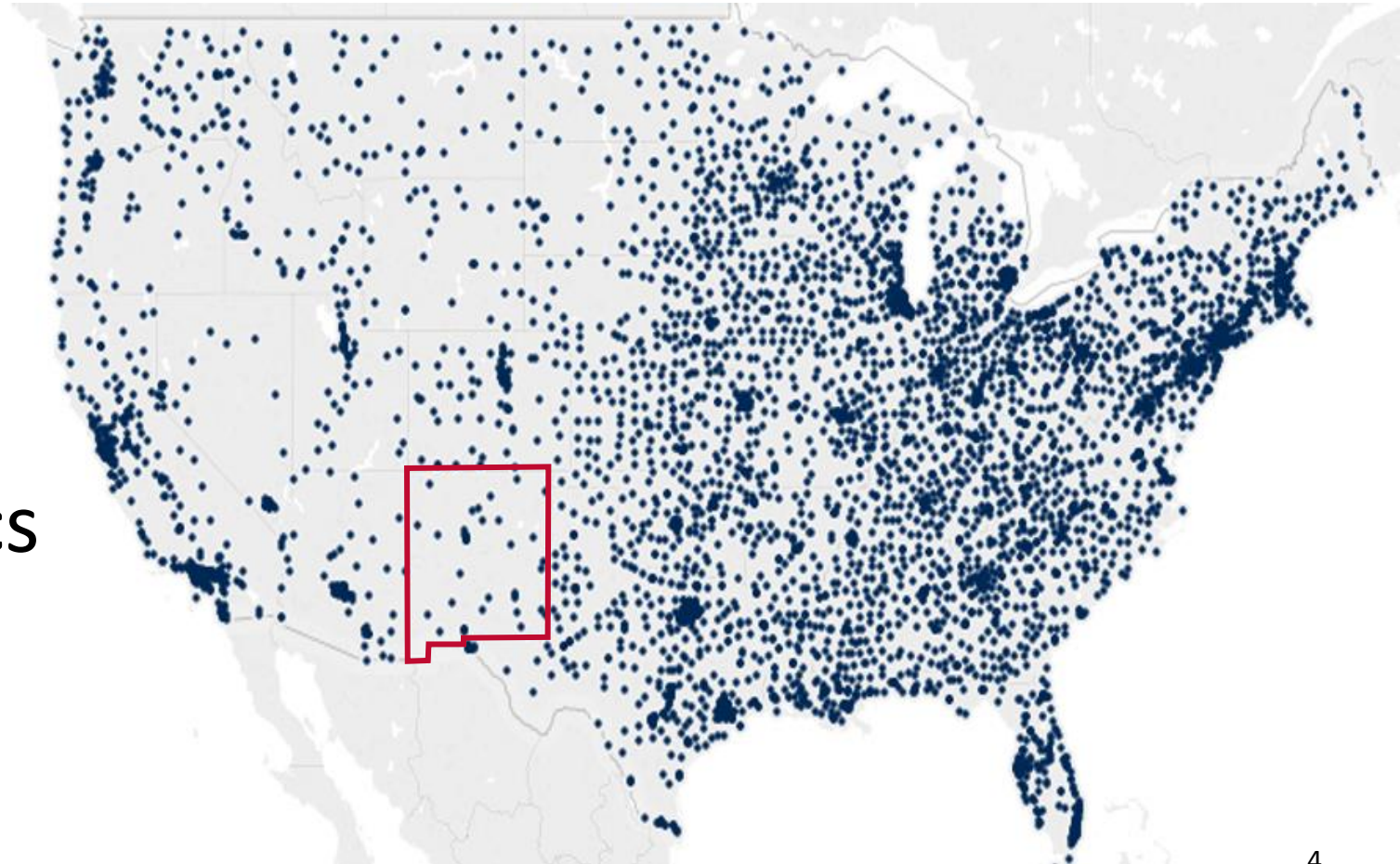
- **Underserved** - Have too few primary care providers, high infant mortality, high poverty or a high elderly population (Source: HRSA).
- **Rural** - Hospital that is not underserved nor urban, as defined by HSD in recent HB2 increase study.

Urban hospitals: 27 - Bernalillo, Doña Ana, Los Alamos, Sandoval and Santa Fe counties.



Number One Healthcare Challenge for Rural New Mexicans: Access to Care

- Lack of primary, specialty services
- Long distance to travel for care
- Disappearing obstetrics (OB) care





Rural New Mexico: An OB Care Desert

Currently, OB care is only delivered:

- ABQ
- Clovis
- Grants
- Hobbs
- Las Cruces
- Santa Fe
- Socorro
- Taos

Community	Status
Las Vegas (Alta Vista)	Closed/Divert
Gallup (Rehoboth McKinley)	Closed/Divert
Artesia (Artesia General)	Closed/Divert
Los Alamos (Los Alamos Medical Center)	Intermittent diversion
ABQ Westside (Lovelace Westside)	Closed/Divert
Raton (Miners' Colfax)	Considering closure



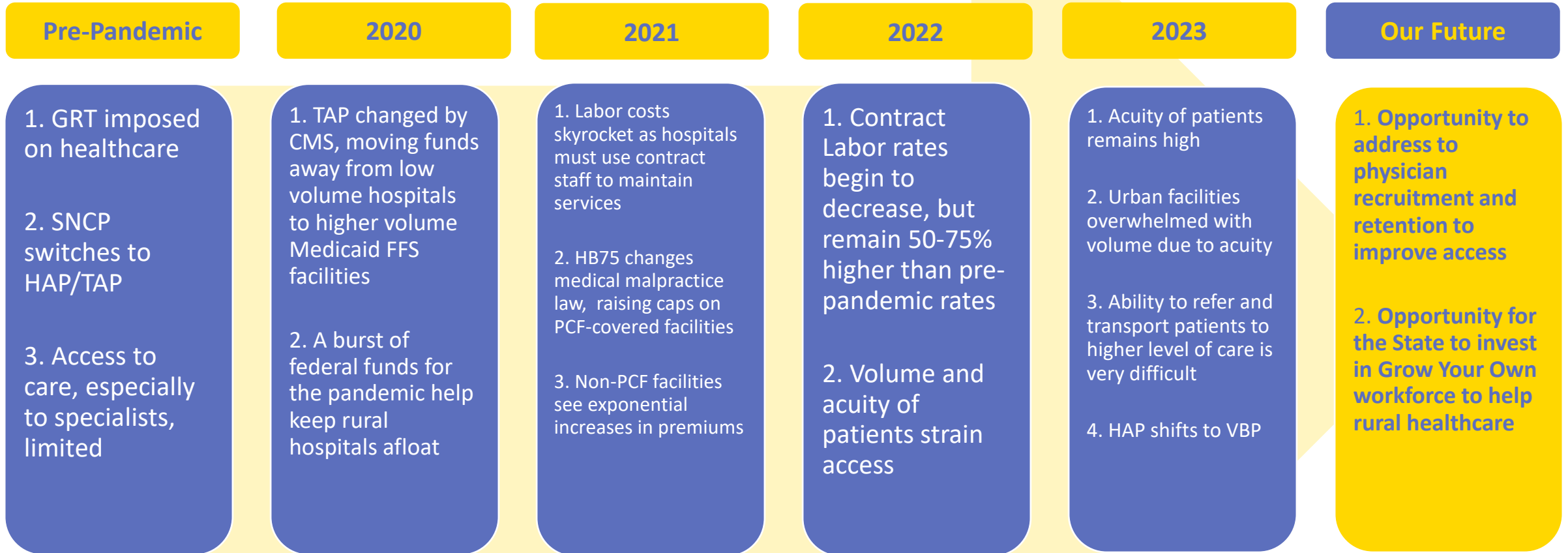
Chief Challenge for Rural Hospitals: Costs of Sustaining Access to Care

- Workforce, high labor costs
- Physician, nurse, allied health provider and staff retention, recruitment
- Volume fluctuation, volume dependent payments
- Medical malpractice costs, availability of medical insurance (premiums and surcharges have increased 200+%)
- Transportation
- Supplies, inflation and costs remain high





Timeline of Impacts Over Recent Years





Rural Emergency Hospital (REH): New CMS Category

REH option is meant to keep access to key hospital services in rural communities.

- Emergency room services
- Outpatient services
- No inpatient services
- Includes a base fee for fixed costs, plus reimbursement for claims submitted

Current federal criteria does not benefit most rural hospitals

- Hospitals would have to forego the 340B discount drug program
- Hospitals would have to stop providing swing bed services (skilled nursing)
- Only 6 hospitals in the U.S. have switched so far due to these limitations



Healthy Rural Hospitals...

Make All Hospitals Healthier



Rural patients are having to travel farther for care *and* urban hospitals are being inundated with patients.

A bi-directional hub and spoke model must be developed.

But it will only work if every hospital is healthy enough to do its part.

Shared Challenges for Rural and Urban...



- Workforce
- Financial sustainability
- Medical malpractice
- Patient volumes
- Physician recruitment
- Transportation

Solution Options for All Hospitals...



NMHA welcomes LFC's expertise and the opportunity to work together in implementing effective solutions

Workforce Development: Grow Our Own Investment

- **Healthcare Careers Scholarship** – Fund scholarships that prioritize successful completion of higher education healthcare career programs for non-traditional, healthcare workforce students.
- **Respiratory Therapists: Help Rural NM Breathe Better Career Pathway Pilot Project** – Fund this career pathway pilot to increase the number of RTs in New Mexico that is supported by an established coalition of employers, higher education institution, school districts and healthcare provider associations.



Workforce Development

Healthcare Workforce Dashboard – Fund dashboard development to give a better look at NM workforce needs:

- Workforce supply/demand
- Identify gaps/opportunities
- Measure the success of state workforce initiatives and education investments to inform future funding strategies
- Who is practicing in NM and where, including educators
- Types and demographics of professionals
- Status of NM healthcare students in the education pipeline
- Post-graduation employment in NM

Dashboard to be developed by a coalition public and private partners.

Financial Sustainability



- **Maximize the Medicaid federal match** so that Medicaid patients have access to care throughout the state
- **Medical malpractice** – Address access to care barriers caused by medical malpractice law-related costs and keep overall insurance costs manageable.
- **Expendable Healthcare Trust** – Establish a trust fund for hospitals and healthcare that will provide for future Medicaid rate stability and investment in local healthcare (e.g. clinical recruitment & retention, infrastructure) across NM by accessing general fund revenue.

More Solutions...

Workforce:

- Support nurse preceptors - Vital, skill-specific, on-the-job mentorship role. Nursing students will more quickly move into the workforce with greater work and hospital culture experience.
- Increase loan repayment programs for physicians and nurses
- Physician licensure and compact

Emergency transportation:

- Increase reimbursement, funding for paramedic/EMT training
- Increase Trauma System Authority funding to increase the number of hospitals becoming Trauma Certified
- Improve Hospital Hub & Spoke model for hospital transfer to ensure regional system of care

Financial sustainability:

- Support HSD in developing a new Supplemental Payment that can distribute some of the funds with a base fee to rural/underserved hospitals

Thank you.



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