

# Impact of Current Health Policy on Rural Hospitals and Communities

## Delaware

Hospital	Hospital Type	Operating Profit Margin <sup>1</sup>	Sequestration <sup>2</sup> <i>2% Inpatient and Outpatient Medicare Revenue Cut</i>			Bad Debt Reimbursement Cut <sup>3</sup> <i>35% Medicare Bad Debt Reimbursement Cut</i>			PPS Coding Offset <sup>4</sup> <i>0.5% PPS Medicare Inpatient Revenue Cut</i>			340B Reimbursement Cuts <sup>5,6</sup> <i>27% Outpatient Drug Reimbursement Cut for 340B PPS Participants</i>		
			Annual Hospital Revenue Lost <sup>1</sup>	Potential Job Loss <sup>7</sup>	Potential GDP Loss <sup>8</sup>	Annual Hospital Revenue Lost <sup>1</sup>	Potential Job Loss <sup>7</sup>	Potential GDP Loss <sup>8</sup>	Annual Hospital Revenue Lost <sup>1</sup>	Potential Job Loss <sup>7</sup>	Potential GDP Loss <sup>8</sup>	Annual Hospital Revenue Lost <sup>1</sup>	Potential Job Loss <sup>7</sup>	Potential GDP Loss <sup>8</sup>
BAYHEALTH - MILFORD MEMORIAL HOSPITAL	Rural PPS	1.8%	\$595,481	11	\$1,268,529	\$84,744	2	\$180,528	\$90,582	2	\$192,964	-	-	-
BEEBE MEDICAL CENTER	Rural PPS	11.1%	\$2,239,896	44	\$4,910,975	\$195,714	4	\$429,102	\$331,548	7	\$726,919	-	-	-

Note: Maine voted in support of Medicaid expansion in November 2017.

<sup>1</sup> CMS Healthcare Cost Report Information System (HCRIIS), Q3 2017. Operating margin is computed in accordance with Flex Monitoring Team guidance. Outliers are excluded. Hospitals for which data are unavailable are excluded.

<sup>2</sup> Budget Control Act of 2011

<sup>3</sup> Middle Class Tax Relief and Job Creation Act of 2012

<sup>4</sup> American Taxpayer Relief Act of 2012

<sup>5</sup> MedPAC, 2015

<sup>6</sup> Medicare Program: Hospital Outpatient Prospective Payment and Ambulatory Surgical Center Payment Systems and Quality Reporting Programs, 2017

<sup>7</sup> National Center for Rural Health Works, 2016

<sup>8</sup> The World Bank, 2017

# Impact of Proposed Save Rural Hospitals Act on Rural Hospitals and Communities

## Delaware

Hospital	Hospital Type	Operating Profit Margin <sup>1</sup>	Eligible and Would Benefit? <sup>1,2</sup>	Save Rural Hospitals Act <sup>2</sup>			
				<i>Proposed Community Outpatient Hospital Status would Preserve Outpatient Services</i>			
				Annual Hospital Revenue Preserved <sup>1</sup>	Potential Median Margin <sup>1</sup>	Potential Jobs Preserved <sup>3</sup>	Potential GDP Preserved <sup>4</sup>
BAYHEALTH - MILFORD MEMORIAL HOSPITAL	Rural PPS	1.8%	No	-	-	-	-
BEEBE MEDICAL CENTER	Rural PPS	11.1%	No	-	-	-	-

Note: Maine voted in support of Medicaid expansion in November 2017.

<sup>1</sup> CMS Healthcare Cost Report Information System (HCRIS), Q3 2017. Operating margin is computed in accordance with Flex Monitoring Team guidance. Outliers are excluded. Hospitals for which data are unavailable are excluded.

<sup>2</sup> Save Rural Hospitals Act, 2017

<sup>3</sup> National Center for Rural Health Works, 2016

<sup>4</sup> The World Bank, 2017

# Impact of Pending Health Policy on Rural Hospitals and Communities

## Delaware

Hospital	Hospital Type	Operating Profit Margin <sup>1</sup>	Tax Cuts and Jobs Act: Minimum 2% Medicare Revenue Cut Imposed by PAYGO <sup>2</sup> <i>2% Medicare Revenue Cut, in addition to existing Sequester</i>				Tax Cuts and Jobs Act: Maximum 4% Medicare Revenue Cut Imposed by PAYGO <sup>2</sup> <i>4% Medicare Revenue Cut, in addition to existing Sequester</i>				Ways and Means-Proposed Swing Bed Reimbursement Cut <sup>3,4</sup> <i>OIG-Recommended CAH Swing Bed Reimbursement at SNF Rate (\$275 per Swing Day)</i>			
			Annual Hospital Revenue Lost <sup>1</sup>	Potential Median Margin <sup>1</sup>	Potential Job Loss <sup>5</sup>	Potential GDP Loss <sup>6</sup>	Annual Hospital Revenue Lost <sup>1</sup>	Potential Median Margin <sup>1</sup>	Potential Job Loss <sup>5</sup>	Potential GDP Loss <sup>6</sup>	Annual Hospital Revenue Lost <sup>1</sup>	Potential Median Margin <sup>1</sup>	Potential Job Loss <sup>5</sup>	Potential GDP Loss <sup>6</sup>
BAYHEALTH - MILFORD MEMORIAL HOSPITAL	Rural PPS	1.8%	\$575,579	1.5%	11	\$1,226,132	\$1,151,157	1.1%	22	\$2,452,264	-	-	-	-
BEEBE MEDICAL CENTER	Rural PPS	11.1%	\$2,201,787	10.5%	43	\$4,827,420	\$4,403,575	10.0%	86	\$9,654,841	-	-	-	-

Note: Maine voted in support of Medicaid expansion in November 2017.

<sup>1</sup> CMS Healthcare Cost Report Information System (HCRIIS), Q3 2017. Operating margin is computed in accordance with Flex Monitoring Team guidance. Outliers are excluded. Hospitals for which data are unavailable are excluded.

<sup>2</sup> Budget Enforcement Act of 1990

<sup>3</sup> House Ways and Means Committee, 2017

<sup>4</sup> Office of Inspector General, 2015

<sup>5</sup> National Center for Rural Health Works, 2016

<sup>6</sup> The World Bank, 2017

# Impact of Medicaid Block Grants under Proposed ACA Repeal and Replace on Rural Hospitals and Communities

## Delaware

Hospital	Hospital Type	Operating Profit Margin <sup>1</sup>	House-Approved American Health Care Act (AHCA) <sup>2</sup> <i>\$834B Cut to Medicaid Funding over Ten Years</i>				Senate-Proposed Better Care Reconciliation Act (BCRA) <sup>2</sup> <i>\$772B Cut to Medicaid Funding over Ten Years</i>				Senate-Proposed Graham-Cassidy Bill <sup>2</sup> <i>\$1T Cut to Medicaid Funding over Ten Years</i>			
			Annual Hospital Revenue Lost <sup>1</sup>	Potential Median Margin <sup>1</sup>	Potential Job Loss <sup>3</sup>	Potential GDP Loss <sup>4</sup>	Annual Hospital Revenue Lost <sup>1</sup>	Potential Median Margin <sup>1</sup>	Potential Job Loss <sup>3</sup>	Potential GDP Loss <sup>4</sup>	Annual Hospital Revenue Lost <sup>1</sup>	Potential Median Margin <sup>1</sup>	Potential Job Loss <sup>3</sup>	Potential GDP Loss <sup>4</sup>
BAYHEALTH - MILFORD MEMORIAL HOSPITAL	Rural PPS	1.8%	\$3,230,395	-0.3%	62	\$6,881,581	\$2,990,246	-0.1%	57	\$6,370,000	\$3,873,376	-0.7%	74	\$8,251,296
BEEBE MEDICAL CENTER	Rural PPS	11.1%	\$6,671,212	9.4%	131	\$14,626,637	\$6,175,270	9.6%	121	\$13,539,285	\$7,999,055	9.1%	157	\$17,537,934

Note: Maine voted in support of Medicaid expansion in November 2017.

<sup>1</sup> CMS Healthcare Cost Report Information System (HCRIIS), Q3 2017. Operating margin is computed in accordance with Flex Monitoring Team guidance. Outliers are excluded. Hospitals for which data are unavailable are excluded.

<sup>2</sup> Congressional Budget Office, 2017

<sup>3</sup> National Center for Rural Health Works, 2016

<sup>4</sup> The World Bank, 2017