NC DEPARTMENT OF HEALTH AND HUMAN SERVICES

N.C. Department of Health and Human Services
Office of Rural Health
311 Ashe Avenue Raleigh, NC 27606
Phone: 919.527.6440 • Fax: 919.733.8300
https://www.ncdhhs.gov/divisions/orh

North Carolina Rural Hospital Program

2022 Profile (Data from State Fiscal Year 2022 and current as of 6/30/2022)

Grant Facts

$6.1M
Total grant funding from SHIP and FLEX Federal (HRSA)

100%
Eligible hospitals that participate in SHIP Initiatives such as Value Based Purchasing (25 Hospitals) and Payment Bundling, Prospective Payment System (6 Hospitals)

100%
CAHs report Medicare Beneficiary Quality Improvement Project

95%
CAHs report Outpatient Core Measures

80%
CAHs report Emergency Department Transfer Communications

80%
CAHs participate in Quality Center's Quality Improvement Collaborative

4
Critical Access Hospital Meetings (statewide and regional engagements)

Overview

The Office of Rural Health's Rural Hospital program supports 11 Small Rural Hospitals and 20 Critical Access Hospitals (CAHs). A CAH has a special designation from the Centers for Medicare and Medicaid Services (CMS). CAHs have 25 beds or fewer and receive cost-based reimbursement. Small Rural Hospitals have 49 available beds or fewer.

ORH administers two federal grants on behalf of these 31 hospitals to improve their viability, quality outcomes, financial results, and population health management. The non-clinical drivers of health such as employment, transportation, education and housing are modifiable factors in rural communities. Research shows these social determinants can be more important than health care or lifestyle choices in influencing health. According to the World Health Organization and the Centers for Disease Control, studies suggest these factors account for 30-55% of health outcomes. The Rural Hospital Flexibility Grant Program (FLEX) and the Small Rural Hospital Improvement Grant Program (SHIP) receive recurring federal funding to address both direct and non-clinical drivers of health. both of which receive recurring federal funding.

Small Rural Hospitals and CAHs are more financially vulnerable than larger hospital systems and are often the only medical facility in a rural community – if they close there will be reduced access to acute care and emergency room services. The hospital at financial distress in 2021 (high or medium high) were 15% and 25% respectively according to the Cecil G. Sheps Center for Health Research. The COVID-19 pandemic placed stress on these vulnerable hospitals and many of them responded with innovation and perseverance to survive during and after this crisis. ORH assists SHIP hospitals to use their grant funds for projects in the following areas for improvement: Value Based Purchasing, Accountable Care organization and Payment Bundling Activities. ORH supports the FLEX grant funds to facilitate and organize statewide and regional meetings.

Return On Investment and Economic Impact

Source: IMPLAN

RH Expenditures **$996,682** + Created Economic Impact **$383,486** = Total Impact **$1,380,168**

Each RH grant dollar has a total economic impact of **$1.38**

Generates **10** *additional* jobs from the economic impact

$27,787 Generated in state and local taxes which goes back into the local and state economy

$633,179 In employee compensation impacted from the grant

38% ROI

***Economic impact is estimated to be much greater because improved health outcomes can lead to fewer missed work days, reduced health care costs, and reduced premature morbidity and mortality. Some expenses such as out of state purchases, overhead, and rollover payments are not captured for ROI and economic impact.**

North Carolina Telepsychiatry Program

The N.C. Statewide Telepsychiatry Program (NC-STeP) was developed in response to Session Law 2013-360, directing ORH to oversee a statewide telepsychiatry program. The program was instituted so that an individual presenting at a hospital emergency department with an acute behavioral health crisis will receive a timely specialized psychiatric assessment via video conferencing technology. As of SFY 2022, there are 60 telepsychiatry referring sites across the state, with 22 of these sites being community based sites. Since SFY 2013 the program has provided 54,295 assessments, 24,694 reports of involuntary commitment and 8,768 involuntary commitments overturned. The use of this technology can reduce patients' length of stay in the emergency department (which can last for days in some cases) and overturn unnecessary involuntary commitments (IVCs), thereby reducing the burden on staff and reducing costs to the state and federal governments, as well as the private sector. To learn more about the program and the participating sites visit the annual report submitted to the Joint Legislative Oversight Committee on Health and Human Services and Fiscal Research Division.

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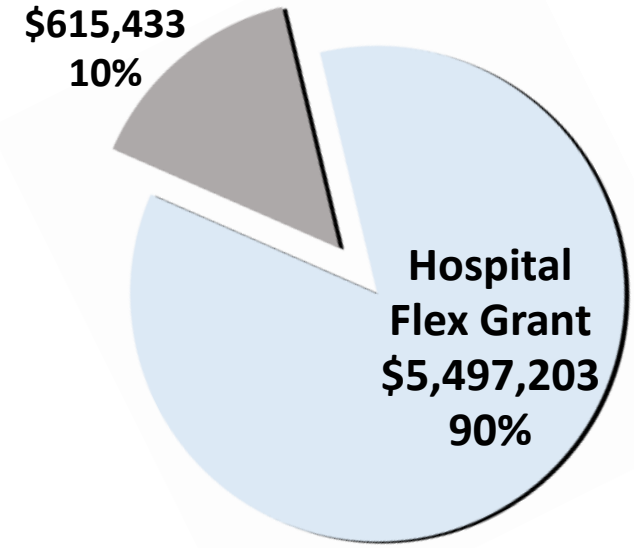
Technical Assistance

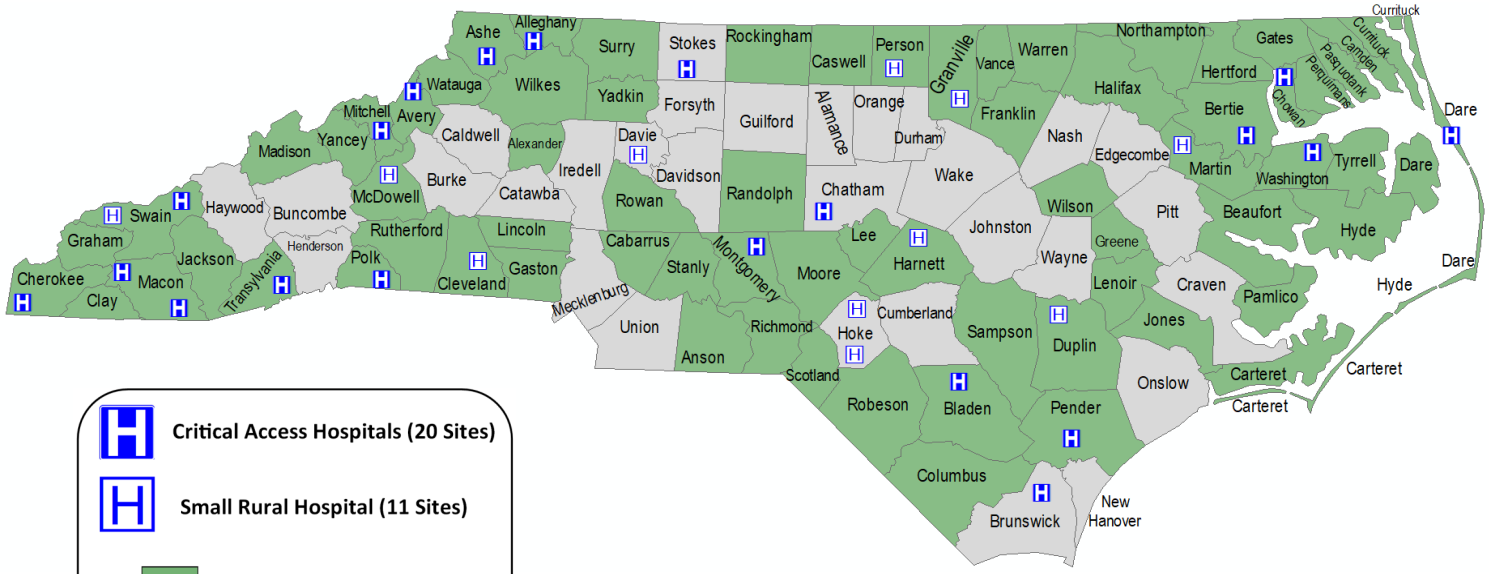
74 Activities in 45 Counties Provided by ORH Staff

Total Program Funding



Program Reach

31	28	23
Supported Sites	Total Counties Covered	Rural Counties Covered



- Critical Access Hospitals (20 Sites)
- Small Rural Hospital (11 Sites)
- Rural County (70 Counties)
- Urban County (30 Counties)

If you have further questions, please contact:
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