

Critical Access Hospital Averts Closing, Thanks to Pharmacy Savings



Nearly 20% of Americans live in rural areas⁵, and these communities depend heavily on their local hospitals to provide access to care and economic opportunities through jobs and commercial activities. Yet rural hospitals face many difficulties, like limited resources and challenging payer and patient mixes. With more and more rural hospitals being forced to shut their doors, it's even more important for these hospitals to find every opportunity for savings they can.

Rural Health Fast Facts^{1,2,3,4}

- Only 10% of physician practice in rural areas
- 50% of the hospital closures between 2015 and 2019 were rural hospitals
- Rural residents are **more at risk** for heart disease, cancer, unintentional injury, chronic lower respiratory disease, and stroke
- Rural communities have **higher rates** of uninsured and unemployed residents

When a Rural Critical Access Hospital needs help,

RxBenefits is there

611 Members

238 Employees

\$816K Plan Cost

The Problem

- 14 members causing >43% of plan cost
- Increased costs = more danger of having to close



What Is a Critical Access Hospital?

A designation designed to reduce the financial vulnerability of rural hospitals and improve access to healthcare by keeping essential services in rural communities.

Must have:

- 24/7 emergency care services
- 25 or fewer acute care inpatient beds
- Located 35+ miles from another hospital
- Annual average length of stay for acute care patients is <96 hours

Helping the Hospital Save Money with Minimal Disruption

Formulary Change

Changing the covered drugs = increased savings with minimal disruption

\$148K (24%) savings | **77.9%** increase in rebates

Impacted Members: 32

Utilization Management Change

Stricter dispensing guidelines means only paying for what members need

\$20K (5.6%) savings

Impacted Members: 181

1. <https://www.the-hospitalist.org/hospitalist/article/125213/rural-healthcare-facts>
 2. <https://www.aha.org/infographics/2021-05-24-fast-facts-us-rural-hospitals-infographic>
 3. <https://www.aamc.org/news-insights/health-disparities-affect-millions-rural-us-communities>
 4. <https://www.ruralhealth.us/about-nrha/about-rural-health-care>
 5. <https://www.aha.org/system/files/2019-02/rural-report-2019.pdf>