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Rural Health Care: Supporting and Improving Lives and Communities

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Chairman Wyden, Ranking Member Crapo, and Members of the Committee, thank you for the opportunity to speak with you today.

My name is Jeremy Davis, and I am the president and CEO of Grande Ronde Hospital, a 25-bed, not-for-profit, independent critical access hospital in La Grande, Oregon. Located in rural eastern Oregon, the hospital was founded in 1907. Grande Ronde Hospital—which also owns and operates 19 outpatient clinics—serves the local population of 26,000 residents and other parts of frontier eastern Oregon and southeast Washington. My community is located 260 miles east of Portland, Oregon and 170 miles northwest of Boise, Idaho along an interstate that frequently closes due to weather or accidents. Because the nearest hospitals are an hour's drive away—and are also critical access hospitals—we play a vital role in our community and region ensuring local access to quality health care. On a personal note, I grew up 45 miles from this community, so rural life and now rural health care is core to who I am.

Covering 2,000 square miles (an area about the size of Delaware), Union County is a mountainous area with a local economy that is based on natural resources including farming, ranching, and timber. As of the 2022 American Community Survey's five-year estimates, our median household income is approximately $62,000, which is $13,000 less than the median for the rest of the state. About 15% of our population lives in poverty.[1]

A recent CDC study highlighted the health care disparities in rural America, finding that people in rural areas are more likely to die from five leading causes than people in urban communities. Hospitals like ours stand in this gap, working to ensure that our rural residents have access to high quality health care.[2] Union County has a high prevalence of adults who are overweight or obese, have high cholesterol and high blood pressure, or who chose not to have screening exams. During our most recent community health needs assessment[3], we identified chronic disease prevention, social determinants of health, and behavioral health services as top priorities.

Of the patients we see, over 60% are covered by government payers, with 41% covered by Medicare, and 23% covered by Medicaid. For rural hospitals, the substantial portion of patients covered by Medicare and Medicaid underscores the importance of adequate reimbursement from these programs.

[1] https://data.census.gov/profile/Union_County,_Oregon?g=050XX00US41061
[2] https://www.cdc.gov/ruralhealth/cause-of-death.html
[3] Grande Ronde Hospital, Inc., Community Needs Health Assessment Implementation Strategy, Fiscal Years 2023-2025 https://res.cloudinary.com/dpmykpsih/image/upload/grande-ronde-site-351/media/1a56a0e071a745d0a7fcb97c2086298d/chna-written-implementation-strategy-final-09-15-22.pdf

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But reimbursement is only part of our challenge. The aftershocks of the COVID-19 pandemic shifted the ground beneath hospitals like mine and those throughout Oregon, forcing us to make difficult decisions about the services we provide to our communities. While many of the challenges we face today were on the horizon, the pandemic exposed the fragility of hospitals' financial foundations, particularly for rural hospitals. In 2022, Oregon hospitals posted their worst financial performance in 30 years. Rising expenses, workforce shortages, and stalled revenue cratered hospital finances throughout the state, putting hospitals in one of the worst overall financial positions seen since 1993. As an example of our increased costs, Grande Ronde saw a 608% increase in cyber insurance premiums since 2019. Since then, we have only seen incremental improvements in our finances due to higher costs and needed investments. In 2023, Oregon hospitals collectively posted a -1.3% operating margin. Without federal CARES Act funds propping up hospitals 'margins in 2020 and 2021, last year would have marked the fourth straight year hospitals experienced significant financial losses.

Rural hospital administrators like me have an interconnected list of worries that keep us up at night, including workforce safety and shortages, financial stability, and more recently, worries about cybersecurity. And the next emergency whether natural, public health, or man-made is always just around the corner.

Let me touch specifically, but briefly, on some of the important issues that I know the committee has under consideration. I recognize that we must focus on not only what is needed, but also on what is doable.

As rural providers, we find ourselves reacting to the economic challenges of the communities we serve since they can affect our patients' health and their ability to access care. These include struggles with housing insecurity, affordable housing, stable employment, and transportation. Because of these factors, we have focused our broader community investment efforts on positively impacting education, access to care, housing, and transportation, with an emphasis on the underserved populations in our service area. We have always believed in the importance of investing in our local community. We have gone beyond the four walls of the hospital to help build playgrounds, sponsor swimming lessons and sports teams, and build community gardens. One of our most recent community collaborations was the Union County Drug Treatment Court, which provides program support that promotes and provides access to a continuum of alcohol, drug, and other related treatment and rehabilitation services for individuals diagnosed with a substance use disorder.

Living in our area can be a beautiful experience, but sometimes an exhausting challenge. As wonderful as our rural lifestyle is, it can be a trial for many rural residents, particularly those living in communities surrounding La Grande with no access to public transportation. Patients often miss, reschedule, or even cancel appointments, delaying needed care. By developing sustainable partnerships and voucher systems with local transportation services, we helped 79 patients keep their appointments during FY2023.

Pairing our local transportation services with an early and significant investment in telemedicine allows us to meet the challenges of delivering care in a rural setting. Our vision has always been to seek out and bring the best health care available to the local community. Since 2007, we have done that through our nationally recognized and award-winning telemedicine program. Telemedicine in our outpatient clinics

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provides access to specialties not available locally including endocrinology, medical oncology, neurology, and post–stroke recovery. As part of our inpatient and emergency services, we also use our telehealth program to tap into specialty expertise typically only available in larger cities. This includes using tele-hospitalists for nightly call coverage, specialty physician teams when stroke, acute myocardial infarction, trauma, or septic shock cases present in our emergency department, and neonatologists and pediatric intensive care specialists for our youngest patients. The telehealth flexibilities provided during the pandemic were a lifeline that allowed for the safe and effective care of COVID-positive patients while also ensuring increased access to primary care and behavioral health visits that decreased demand on our Emergency Department. Purchasing additional equipment as well as configuring exam rooms and workspaces to pivot quickly was the right thing to do for our patients and community.

Current telehealth flexibilities like the ones I described have played a critical role in promoting access to vital health care services. Our experience shows the importance of telehealth care for patients in rural and underserved areas, those with mobility issues, and patients with transportation or other limitations that prevent them from accessing in-person care in a timely manner. This is especially important in a state like Oregon, which has limited inpatient bed capacity. Telehealth gives us the opportunity to keep patients in their local community for care, which benefits the rural patient, but also the patient in the urban community who has access to that hospital bed made available by the avoidance of a transfer. By extending telehealth flexibilities permanently, we can create certainty for Medicare beneficiaries, who will otherwise wonder if they will have continued access to clinicians and services they are using virtually; strengthen our health care workforce by enabling a greater number of clinicians to provide telehealth services; allow for investment in flexible virtual staffing models that address current workforce shortages while maintaining high-quality health care; and ensure continued investment in the technology tools and infrastructure to offer telehealth services. This is particularly critical for smaller providers like Grande Ronde that cannot always afford to invest in these tools without a reimbursement pathway.

Our efforts to improve services, enhance quality of care, and expand access are tied to the workforce, and we feel fortunate that our efforts and programs have seen results. Grande Ronde Hospital added more than 45 providers during the 2020–2023 period. We are recruiting additional primary care providers in family practice, internal medicine, and obstetrics and gynecology.

We have a personal approach to reaching out to candidates across the spectrum of both primary and specialty care, and through our recruitment efforts we have expanded services and significantly improved our patients' access to care. In 2021, our efforts to grow the behavioral health services program attracted additional providers, including Grande Ronde Hospital's first employed psychiatrist. The integration of behavioral health care into our system has meant better care for Union County residents.

Eight years ago, Grande Ronde Hospital established a nurse residency program to attract, train, and retain nurses. Nurse residency programs bridge the gap between school and practice through hands-on professional development opportunities.

As a teaching hospital, the program made sense, and we are firm believers in "growing our own." Our evidence-based practice model, which is tailored to the individual, has attracted nurses from across

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Oregon. In 2019, we created a nurse residency educator position to oversee the program, which has enhanced its success. We have been successful with this program, graduating on average about six new nurses a year, and often retaining all of them to work for Grande Ronde. Many other rural hospitals do not have a way to integrate and successfully onboard new graduates.

We have also partnered in multiple ways to help high school students gain exposure to the depth and breadth of health care careers. We collaborate with our local high school on a "Medical Pathway" program, and we are also a partner with the Northeast Oregon Area Health Education Center, which hosts an annual health career exploration camp for high school students. Creating career pathways for our youth helps with recruiting and retention of new health care workers and strengthens our local economy by keeping our talent in our community. Any federal support that provides incentives and support for these types of programs should be a priority.

In a unique program, we partnered with our local school district's student construction program to help build four townhouses for the hospital. These townhouses will be used for our workforce when someone is moving to the area or when providing services at the hospital on a short-term basis. The La Grande School District originally received a federal grant to start the program at the high school.

Growing and supporting our workforce and protecting and expanding services are two sides of the same coin when it comes to rural health care. Neither can be achieved without the other and both require adequate reimbursement and constant reinvestment.

For example, Grande Ronde implemented a new program in 2017 to combat the drug problem in our community to bolster mental health services, but it required an investment in our workforce and an expansion of our services.

And importantly for this hearing, I want to comment on our CHARM program implemented in 2018, which is our Children and Recovering Mothers Program. CHARM is a confidential health care program for pregnant women struggling with alcohol or drug addiction. Our Family Birthing Center nurse manager has collaborated with local providers and public health department officials to develop a program that improves care and support for mothers and their infants. This includes early pregnancy visits, rehab and behavioral health counseling, early nurse home visits and parental classes. We have served 192 women and children in the CHARM program and have had fewer neonates needing NICU care.

The investment in our CHARM maternity care program helped us respond when a neighboring hospital 45 miles away closed its obstetrical unit in 2023. In preparation, we quickly added two FTE's and four RN positions, which proved to be necessary as we have seen a 65% increase in patients from the neighboring county since the closure occurred. While we were prepared and committed to meeting this need, decisions like this are a constant juggling of limited financial resources and a balancing of our larger workforce and service needs for our community.

To help rural hospitals support and maintain maternity services, policy solutions must consider that most of these patients are covered by Medicaid and many have other health needs, which could include chronic disease and behavioral health. Services can include a combination of acute and outpatient care,

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in-home and telehealth services, and we need enough flexibility to move between these settings based on the patient's needs. I appreciate Senator Wyden's recognition of many of the challenges to providing obstetrical care in rural communities. I hope I can be helpful as we work toward policy solutions.

Let me close by commenting on several flexibilities that were allowed during the pandemic but were ended with the end of the public health emergency last year. I have already addressed the importance of extending telehealth flexibilities. In addition, the following proposals would specifically help us meet the substantial discharge challenges we face in Oregon. Discharge challenges due to shortages of behavioral health beds and post-acute workers, delays in prior authorization, and network inadequacies are especially challenging for rural hospitals. The following proved successful during the pandemic and should be re-established:

- Permanently remove the 96-hour condition of payment for critical access hospitals to allow us to serve patients longer than 96 hours and still satisfy Medicare's condition of participation. This requirement is a barrier to meeting the patient's needs and a burden for critical access hospitals like ours that are unable to appropriately discharge their patients and could continue to safely provide their care.
- Re-establish the swing bed flexibilities allowed during the pandemic that expanded the ability of hospitals to offer long-term care services to patients who do not require acute care but meet the skilled nursing facility level of care criteria. If skilled nursing care is not available, then a rural hospital should be allowed the maximum flexibility to swing the bed to continue patient care as needed.
- Permanently waive the three-day hospital stay rule for patients requiring discharge to skilled nursing facilities. This outdated rule fails to recognize what is best for the patient and the cost of keeping patients in acute care settings when a skilled nursing level bed is available.

It is an honor to serve my rural community. Thank you for the opportunity to share my experiences in rural health care, and I welcome your questions.