IN CRITICAL CONDITION
THE FRAGILE STATE OF CRITICAL ACCESS HOSPITALS
1,330 Critical Access Hospitals (CAHs) provide essential medical care to rural communities across 45 states. Each CAH maintains 25 or fewer beds and directly contributes an average of 204 jobs to the local economy. While their health care services have bolstered rural areas, CAHs are supported by a fragile financial foundation.

BRIDGING GAPS IN ACCESS TO CARE
CAHs’ service to America’s rural communities plays an important role in the nation’s health care landscape.

ANNUAL SERVICES PROVIDED TO PATIENTS

- **8 MILLION** patients treated in CAH emergency departments.
- **38 MILLION** outpatient visits to CAHs.
- **809,000** patients admitted to CAHs.
- **82,000** babies delivered at CAHs.

DELICATE LIFELINES
CAHs’ small size means that they can only focus on providing the most essential medical services, in contrast to higher-volume hospitals that have more resources and flexibility to offer a wider range of services. CAHs simply don’t have the same economies of scale as their larger counterparts.

More than 60% of their revenue comes from government payers, such that any payment reductions to Medicare or Medicaid would have an immense impact on CAHs’ ability to provide access to beneficiaries in rural communities.

**A SPECIAL MEDICARE PAYMENT STRUCTURE**
CAHs survive in large part due to a federal reimbursement structure that provides them funding of 1% above the cost of providing care.

MEDICARE MARGINS, BY SERVICE AND HOSPITAL TYPE:

<table>
<thead>
<tr>
<th>Service</th>
<th>CAH Margin</th>
<th>Non-CAH Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inpatient</td>
<td>1%</td>
<td>-13%</td>
</tr>
<tr>
<td>Outpatient</td>
<td>1%</td>
<td>-20%</td>
</tr>
</tbody>
</table>

CAHs make up nearly 30% of acute care hospitals...

...but receive approximately 4% of total Medicare payments to hospitals.

**MANY CAHS STILL STRUGGLE**
Although Medicare pays CAHs 1% above the cost of providing care, CAH revenues from other payers often don’t cover costs, illustrating why adequate Medicare payments must continue in order for CAHs to be able to provide care for rural populations.

**PERCENTAGE OF CAHS WITH NEGATIVE ALL-PAYER MARGINS:**

- **38.5%** negative operating revenue
- **30.3%** negative total margin

19.3% of the U.S. population resides in rural areas, as of the U.S. Census Bureau’s 2010 Census.

**SOURCES:** AMERICAN HOSPITAL ASSOCIATION | UNITED STATES CENSUS BUREAU  
Data on services and payment from 2013.