

Hospitals ensure access to care in Maine's rural areas

- The majority (nearly 2 in 3) of **Maine's 36 community hospitals** are considered rural.



Rural hospitals: **23**



Urban hospitals: **13**

- These hospitals are an organizational and financial foundation for access to a broad range of care throughout the state, but particularly in rural areas. They provide critical services, including **primary and specialty care, screening and diagnostic services, as well as emergency care**. They also **employ more than 40% of Maine's physicians**.
- In addition to ensuring access to care, **hospitals are often the largest employer in rural communities**. Health care is Maine's largest source of jobs, with wages that are 17% above the state average.

Hospitals serve many uninsured people in Maine

- Although implementation of the Affordable Care Act has reduced the number of uninsured people, **nearly 106,000 Mainers had no health insurance coverage in 2016**.
- **Many uninsured people in Maine have incomes below the federal poverty level (\$12,060 for an individual)**, and are adults with no dependent children who fall into a "coverage gap." These low-income adults are **ineligible** for subsidies to buy Marketplace insurance and there are no public options available to them.
- Because of the large number of uninsured people in Maine, **hospitals provide more than \$200 million in "free care" for uninsured patients each year**. For example, **more than 6,000 inpatient stays and nearly 85,000 emergency department visits were for uninsured patients** in 2014.
- **Hospitals also incur about \$300 million in "bad debt" for care provided to insured patients**, many of whom have private policies and have a hard time paying for high deductibles and large out-of-pocket contributions required for hospital care.
- Uncompensated care (free care and bad debt) must be funded by other sources of revenue in hospital budgets. This shifts costs to other payers and causes financial difficulties that can lead to service reductions (for example, eliminating labor and delivery care for pregnant women) or hospital closures. **Hospitals and other health care providers will face ongoing financial challenges and uncertainty if the number of uninsured people in Maine remains high.**

MaineCare supports access to hospitals and other health care providers

- There are **267,000 people—seniors, people with disabilities, pregnant women, parents and children—covered by MaineCare** who receive services from private doctors, hospitals and other health care providers across the state.
- **MaineCare is critical to the financial health and stability of hospitals and other health care providers.** The program provides 1 out of 5 health care dollars in Maine, and pays for care that ranges from routine checkups and prescription drugs to hospital stays for serious illnesses. **For MaineCare enrollees, 2 out of every 5 dollars are spent on hospital-based care.**
- About **half of MaineCare enrollees live in rural areas** and **nearly one-third of MaineCare dollars for hospital care go to rural areas.** MaineCare is an important revenue source that helps ensure access to care for MaineCare enrollees, and for other Mainers who rely on the services that hospitals provide in their communities.

Data sources

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- U.S. Census Bureau, *2016 American Community Survey 1-Year Estimates: Table S2701*, https://factfinder.census.gov/bkmk/table/1.0/en/ACS/16_1YR/S2701/0400000US23.
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- Agency for Healthcare Research and Quality, *HCUP Fast Stats - State Trends in Inpatient Stays by Payer* (May 2017), <https://www.hcup-us.ahrq.gov/faststats/StatePayerServlet?state1=ME>.
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- P. Hung et al., *Why Are Obstetric Units in Rural Hospitals Closing Their Doors?*, 51 Health Services Research 1546-1560 (Aug. 2016), <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4946037/>.
- Office of the Actuary, Centers for Medicare & Medicaid Services, *Health Expenditures by State of Residence, 1991-2014*, <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsStateHealthAccountsResidence.html>. Because this data source uses a broad definition of hospital care that includes hospital-based nursing facility and home health services, it will provide a higher estimate of hospital spending than sources that report those services in separate categories.
- Manatt/MeHAF, *MaineCare: Fact Sheet Data Sources* (Oct. 2017), <http://www.mehaf.org/learning-resources/>.