

STATISTICS

Distribution of Arkansas Community Hospitals by County

Arkansas Counties with No Hospital (21)

Calhoun	Madison	Perry
Cleveland	Marion	Pike
Grant	Miller	Prairie
Lafayette	Monroe	Polk
Lee	Montgomery	Searcy
Lincoln	Nevada	Sharp
Lonoke	Newton	Woodruff

Arkansas Counties with a Single Critical Access Hospital (19)

Ashley	Cross	Little River
Bradley	Dallas	Scott
Chicot	Franklin	Sevier
Clark	Fulton	Stone
Clay	Howard	Van Buren
Cleburne	Izard	
Conway	Lawrence	

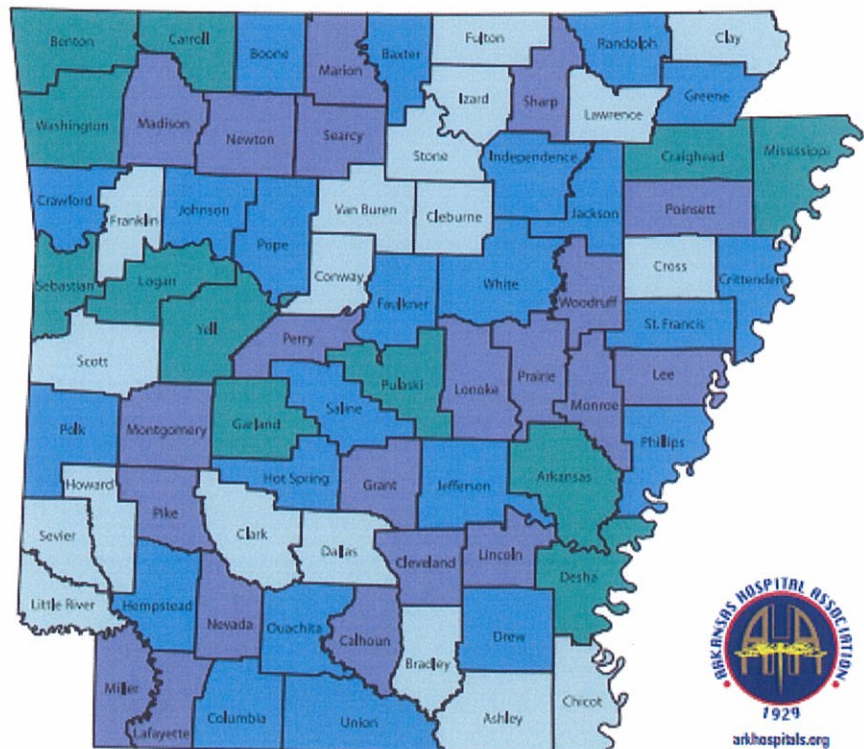
Arkansas Counties with Single Non-CAH Hospital (23)

Baxter	Hempstead	Polk
Boone	Hot Spring	Pope
Columbia	Independence	Randolph
Crawford	Jackson	Saline
Crittenden	Jefferson	St. Francis
Drew	Johnson	Union
Faulkner	Ouachita	White
Greene	Phillips	

Arkansas Counties with Multiple Hospitals (12)

Arkansas (CAH-1)	Logan (CAH-2)
Benton (CAH-1)	Mississippi (CAH-1)
Carroll (CAH-2)	Pulaski
Craighead	Sebastian
Desha (CAH-2)	Washington
Garland	Yell (CAH-1)

DISTRIBUTION OF ARKANSAS COMMUNITY HOSPITALS BY COUNTY



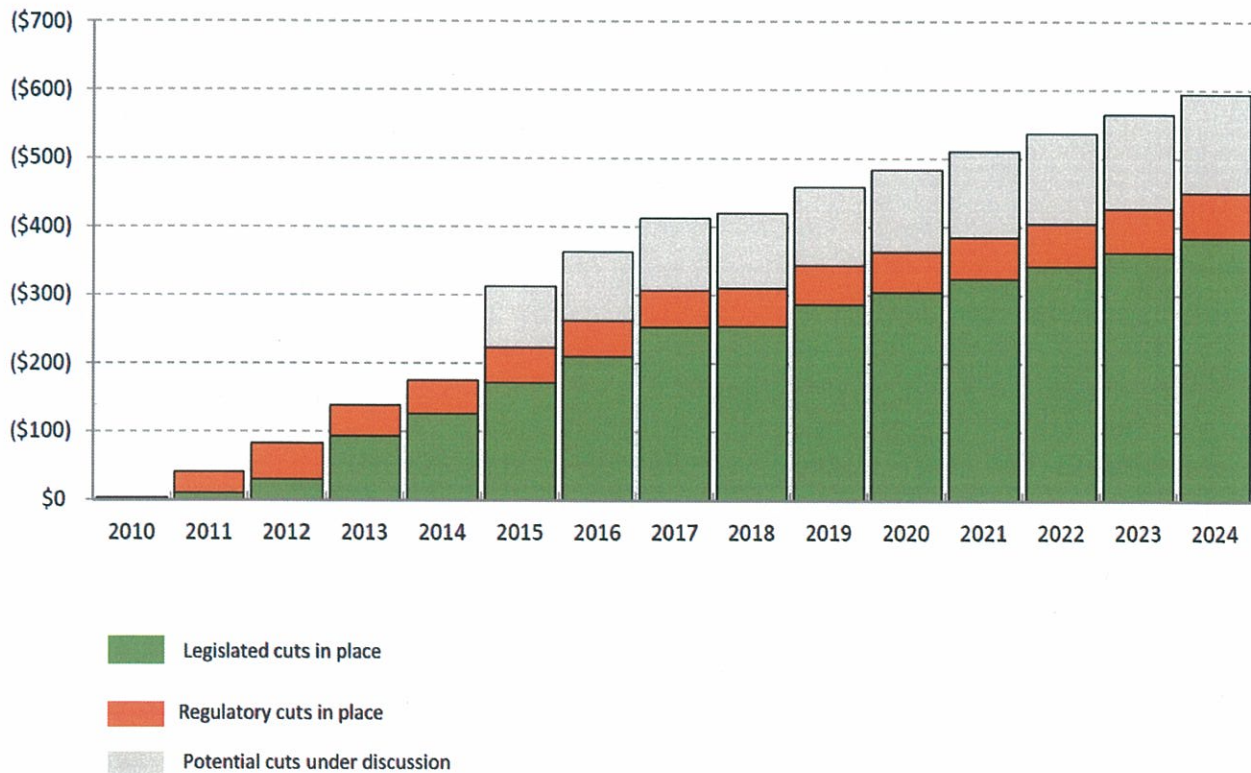
- ARKANSAS COUNTIES WITH NO HOSPITAL
- ARKANSAS COUNTIES WITH SINGLE CRITICAL ACCESS HOSPITAL
- ARKANSAS COUNTIES WITH SINGLE NON-CAH HOSPITAL
- ARKANSAS COUNTIES WITH MULTIPLE HOSPITALS

Not shown among the counties without a hospital is Crittenden County. Crittenden Regional Hospital closed in August 2014.

Potential Medicare Hospital Reductions Under Discussion

Cuts Under Consideration	IME/ DGME	IME Reduced from 5.47% to 2.2%	Does Not Apply	(\$116,765,300)
		DGME Capped at 120% of National Average Resident Salary		(32,907,100)
	OPD	OPD/Physician Payment Equalization-E/M Services		(187,659,200)
		OPD/Physician Payment Equalization-Targeted Services		(189,027,600)
		OPD/ASC Payment Equalization-Targeted Services		(81,367,500)
	Rural	Sole Community Hospital Program Elimination		(103,575,000)
		Critical Access Hospital Payment Cut		(17,095,100)
	Post- Acute	Post-Acute Marketbasket Reduction		(175,357,900)
		IRF Site-Neutral Adjustment		(79,496,700)
	Other Cuts	Elimination of Reimbursement for Bad Debt		(137,513,500)
Potential CMS Coding Cut		(57,987,600)		
Total Cuts Under Consideration				(\$1,178,752,500)

Projected Impact of Hospital Medicare Cuts In Place and Under Discussion, 2010 - 2024



Projected Impact of Medicare Legislative and Regulatory Hospital Reductions

Arkansas Hospitals, 2010 - 2024

			Impact of Enacted Cuts (2010-2014)	Impact of Enacted and Proposed Cuts (2015-2024)
Legislative	ACA Marketbasket Cuts	Inpatient Marketbasket Reduction	(\$81,742,300)	(\$968,832,500)
		Outpatient Marketbasket Reduction	(44,895,000)	(532,838,500)
		Inpatient Rehabilitation Facility Marketbasket Reduction	(12,511,900)	(153,344,900)
		Long-term Care Hospital Marketbasket Reduction	(3,612,200)	(42,744,600)
		Inpatient Psychiatric Facility Marketbasket Reduction	(2,559,900)	(51,709,300)
		Home Health Marketbasket Reduction	(3,913,400)	(65,664,700)
		Skilled Nursing Facility Marketbasket Reduction	(259,900)	(3,114,100)
	Quality	Readmissions Reduction Program	(6,470,300)	(70,558,800)
		Hospital Acquired Condition Reduction Program	-	(29,397,600)
		Value-based Purchasing	(425,500)	(5,626,800)
	Other Cuts	Sequestration (2.0% reduction to payments)	(87,692,900)	(486,931,700)
		Medicare DSH Cuts	(5,215,900)	(380,227,600)
		ATRA IPPS Retrospective Coding Adjustment	(7,952,900)	(72,946,200)
Reimbursable Bad Debt reduced to 65%		(3,457,000)	(27,012,000)	
Regulatory	Coding	Inpatient Prospective Coding Reduction	(\$106,088,100)	(\$490,035,900)
		IPPS Retrospective Coding Adjustment	(55,937,700)	-
		HH Prospective Coding Reduction	(12,705,300)	(48,185,700)
		LTCH Prospective Budget Neutrality Adjustment	(1,750,800)	(20,436,400)
		2-Midnight Rule Offset (0.2% Cut to Inpatient Rates)	(2,246,200)	(26,094,800)
Total Enacted Cuts			(\$439,437,200)	(\$3,475,702,100)

The 15-Year Medicare Cut Analysis indicates the projected impact on Arkansas hospitals of Medicare payment reductions due to major legislative and regulatory cuts enacted by the Affordable Care Act (ACA) in 2010; the Budget Control Act (BCA) of 2011 (sequestration); the Middle Class Tax Relief and Job Creation Act of 2012; and the American Taxpayer Relief Act (ATRA) of 2012. Regulatory cuts consist of coding adjustments implemented by CMS and the Inpatient Admission Guidance Offset/reduction established by CMS to offset growth in inpatient admissions associated with the "2-Midnight Rule".

Projections are modeled based on Medicare data from CMS' payment rule Impact Files, Medicare Cost Reports (2011, 2012, and 2013), and/or Medicare Claims data (2013).