



FOR IMMEDIATE RELEASE: FEBRUARY 18, 2020

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**STATEMENT FROM THE WEST VIRGINIA HOSPITAL ASSOCIATION REGARDING
HOSPITAL FINANCIAL STABILITY AND RECENT HOSPITAL CLOSURES**

CHARLESTON, WV - Joe Letnaunchyn, President and CEO of the West Virginia Hospital Association, provides the following statement regarding hospital financial stability and recent hospital closures:

Today's announcement regarding Fairmont Regional Medical Center and other recent announcements of hospital closures and financial challenges reminds us that West Virginia's hospitals are the cornerstones of their communities.

Hospital care is the largest component of the healthcare sector in West Virginia, employing more than 46,000 people statewide and supporting nearly \$10.5 billion in economic activity to our state's economy. Hospitals serve as key access points of care for thousands of West Virginians – whether that's in Fairmont, Wheeling, Kanawha County or Southern West Virginia. We must work collaboratively to preserve the care provided by our hospitals in these and other communities and help sustain the entire hospital industry in West Virginia.

Although our hospitals provide great benefits to their communities, they are not immune to the numerous challenges in providing healthcare:

- The longstanding realities of rural healthcare, including low patient volume, a heavy reliance on government payers and an older population with more chronic conditions, to name a few.
- Recent challenges reflect changes in the healthcare field including but not limited to, shifts from inpatient to outpatient care delivery, growing behavioral health needs and markedly higher drug costs.

These obstacles — and others — are felt more acutely in rural settings due to geographic isolation, fewer patients and the large proportion of Medicare, Medicaid and uninsured populations served by

hospitals. The cumulative burden of these challenges can threaten a hospital's ability to maintain access to services.

As hospitals are already stretched thin by caring for chronically ill patients with fewer clinicians and fewer dollars, they have to tackle changes in healthcare practice, payment and compliance requirements — all of this occurs at the same time as patient needs evolve. While saddled with these challenges and limited resources, rural providers simply may not have capacity to shift attention to urgent issues or remain flexible for the future. For some hospitals, this ever-more-demanding situation becomes unsustainable, leading to service reduction or complete closure.

The increasing stakeholder attention to healthcare needs in West Virginia is encouraging – from the Governor's recently formed Rural Medicine Task Force – to the concerns expressed by state policymakers and legislators.

Like many of our partners in healthcare - the WVHA knows that hospitals have led – and will continue to lead – their communities with resilience, innovation and collaborative partnerships. We believe that communities and their healthcare leaders understand their needs best and have the experience to develop the creative and bold solutions required for success. That is why the West Virginia Hospital Association will be assembling a workgroup of its diverse membership to identify and address hospital financial stability issues and challenges in West Virginia.

It is time to seize the opportunity to develop thoughtful, strategic, long-term policy to protect access to high-quality care for the thousands of West Virginians living in rural areas. We look forward to sharing our findings and recommendations with the Governor, state policymakers and legislators.

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The West Virginia Hospital Association (WVHA) is a not-for-profit statewide organization representing 63 hospitals and health systems across the continuum of care. The WVHA was founded in 1925 to serve as the collective voice of the state's hospital community. Today, the mission of the WVHA is to support its members in achieving a strong, healthy West Virginia. Members of the Association envision a strong healthcare system that supports optimizing the health status of West Virginians served by hospitals and improving the economic condition of the state. The values of quality, transparency, integrity, collaboration and innovation guide the actions of the Association so that member hospitals and health systems can provide high-quality, affordable, accessible healthcare for West Virginia families and communities. The Association is proud to be a part of the state's hospital industry, adding value to the health and wellness of West Virginians. In addition to representing hospitals and health systems, the WVHA includes associate member organizations that partner with West Virginia's hospitals.