

JEFFERSON COUNTY

COMMUNITY PROFILE

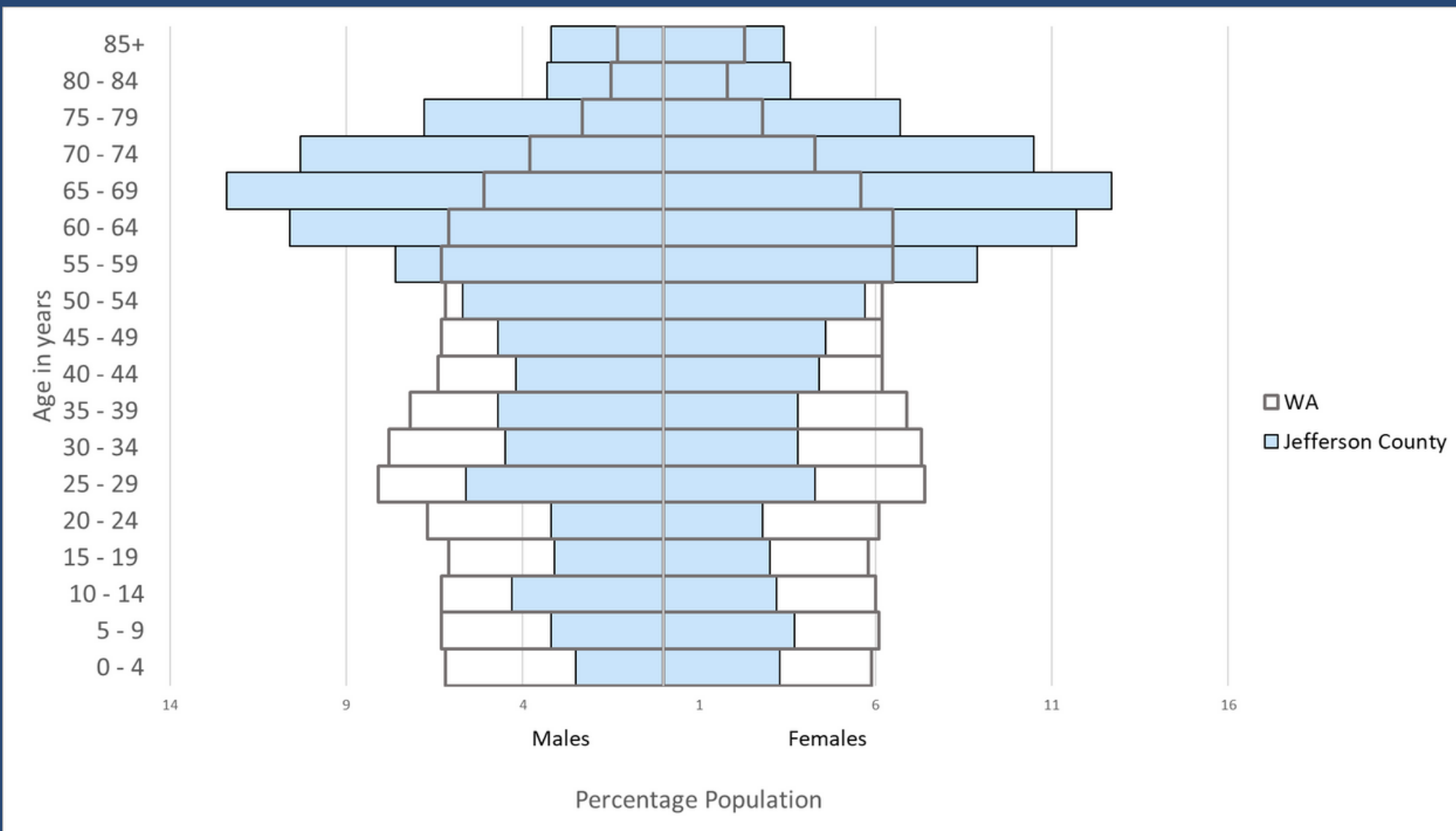
POPULATION: 31,825

OVERVIEW*

Jefferson County is located at the western-most edge of the state of Washington. With a **population of 31,825** in 2020, Jefferson County has a **median age of 59**. The region is economically suppressed, with a population of **13.6% living below the poverty line** (compared to 10.2% in Washington State).

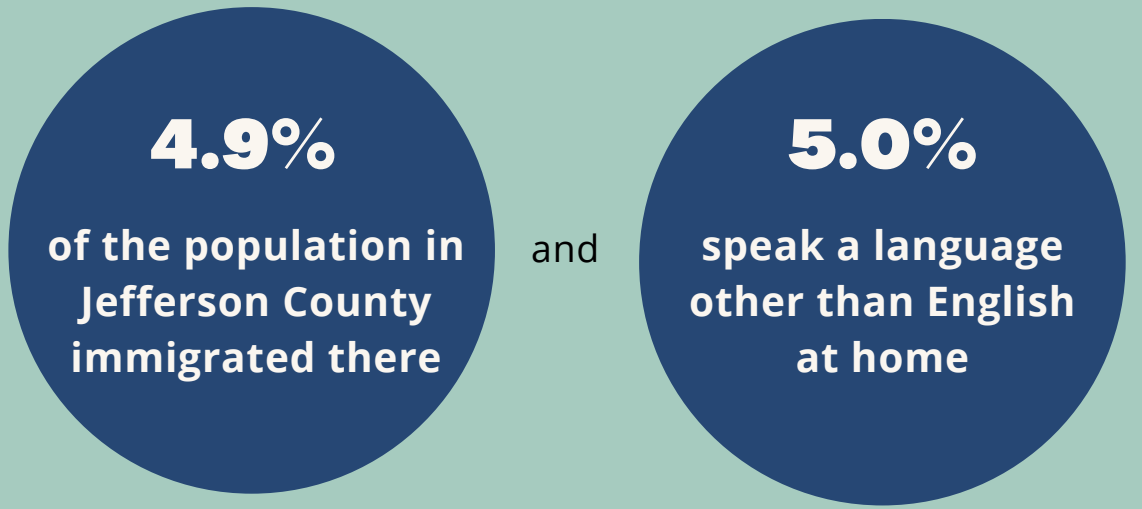


Population in Jefferson County vs. Washington State (2020)*



On average, Jefferson County tends to have an older population than Washington State.

As of 2020*...



Compared to 14.5% and 20.0%, respectively, in WA



\$362,300

Median housing price (in 2020 dollars)*

81 years

life expectancy of the population in Jefferson County (compared to 80.3 years in WA)***



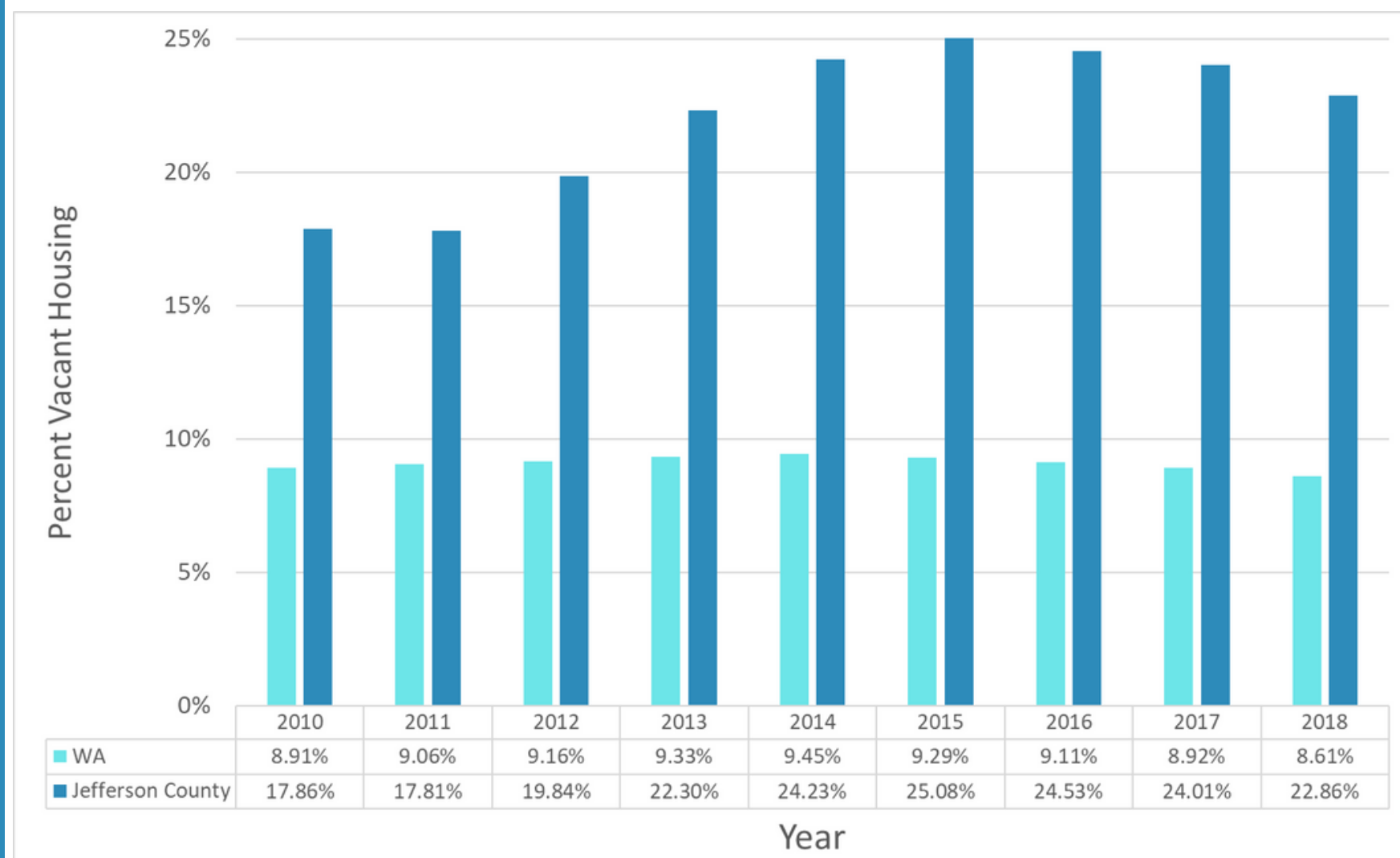
\$57,693

Median household income (in 2020 dollars)*

25.6%

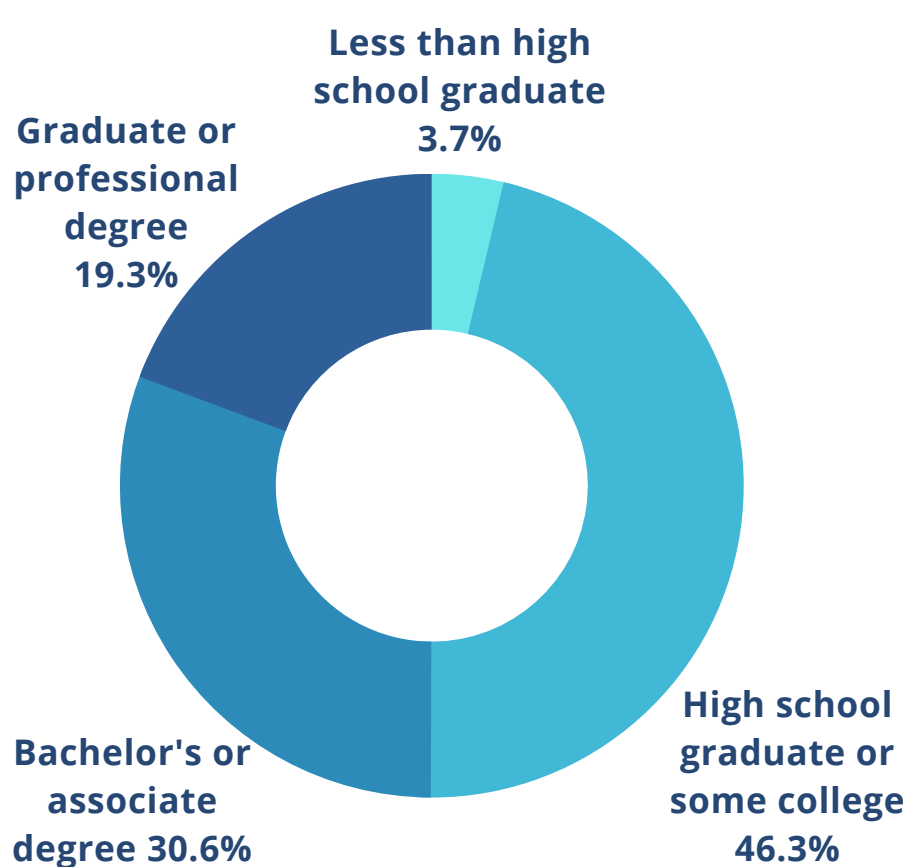
of children under the age of 18 are living in poverty (compared to 12.6% in WA)*

Percent of Vacant Housing in Jefferson County vs. Washington State*

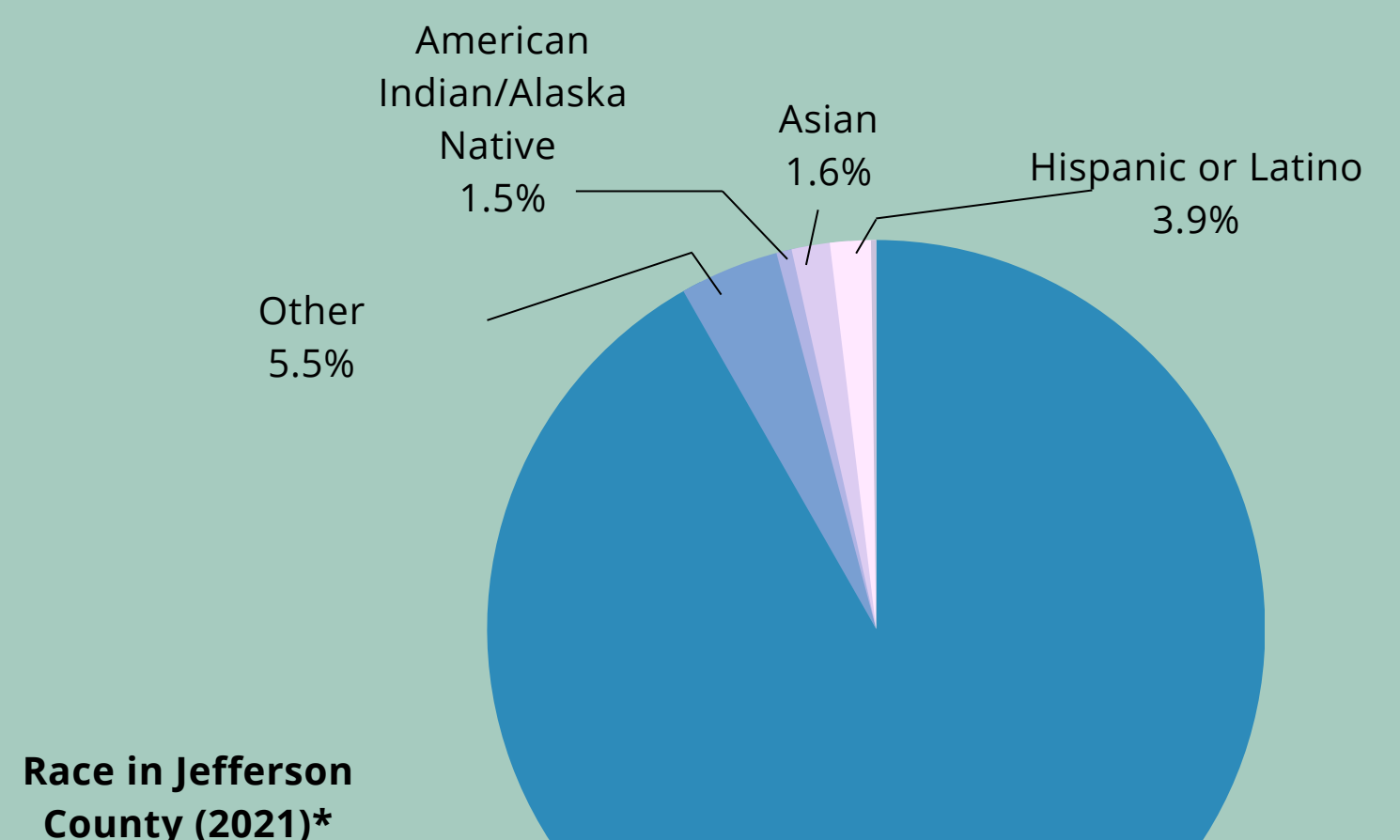
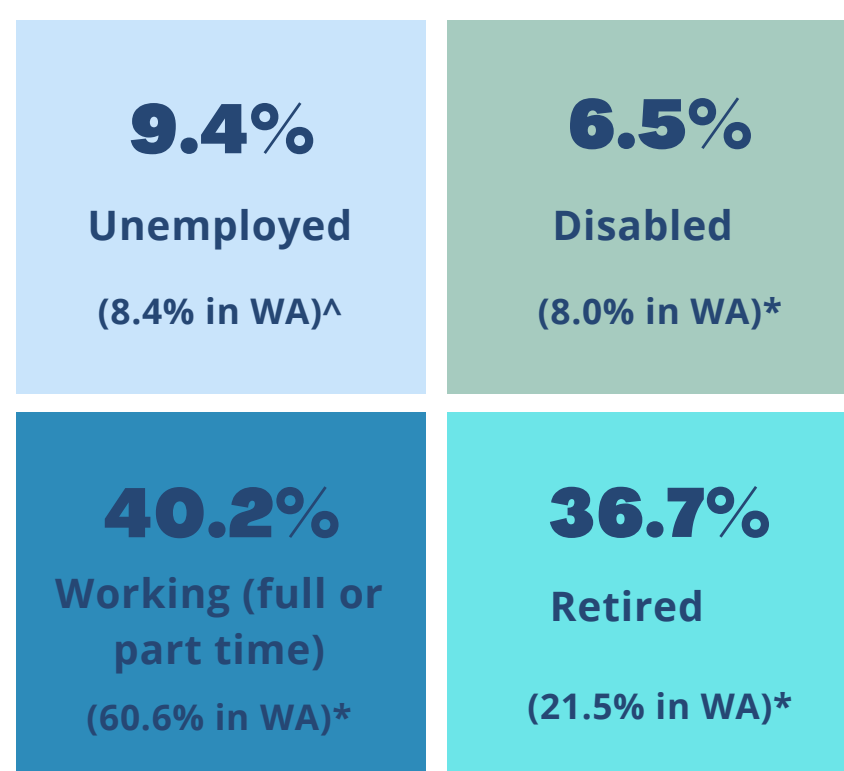


On average, Jefferson County tends to have a greater percentage of vacant housing units than Washington State.

Of the population 25 years and over (2020)*...



Of the population of workers 16 years and over...





Ensuring Access to Robust Maternity Care in Rural Communities

Ensuring a comprehensive maternal health program not only requires the support of our community, but also those in office. Jefferson Healthcare is committed to providing high quality, robust obstetrical and maternal healthcare to our community. In order to protect this service, we believe it's integral to support legislation that prioritizes high quality and accessible care, and ensures long-term financial sustainability.

Maternal healthcare is struggling in rural communities across the country

The ability to preserve maternity programs is becoming increasingly difficult in rural areas across the country. Financial costs and staffing shortages, combined with decreasing birth rates, have impacted rural hospitals' ability to keep these programs afloat. A 2020 study from the American Hospital Association found that nearly half of all rural hospitals did not offer OB services, stranding more than 2.2 million child-bearing patients in maternity care deserts nationwide. As Jefferson Healthcare remains focused on protecting its OB program, there are important factors impacting our hospital to keep in mind.

Mirroring national trends, birth rates have been decreasing in Jefferson County. Serving a population with the lowest birth rate in the State, Jefferson Healthcare delivered 96 babies in 2022, and there have been only 23 births in the first five months of 2023. Despite the low number of births, maternity care still requires substantial investment. At Jefferson Healthcare, it's crucial our obstetrical program does everything within its power to mitigate risk and ensure patient safety. The significant cost of required high-level training, in addition to the maintenance of adequate equipment and supplies has caused Jefferson Healthcare's OB program to operate at a deficit for many years, with losses only increasing.

Protecting maternity care is critical

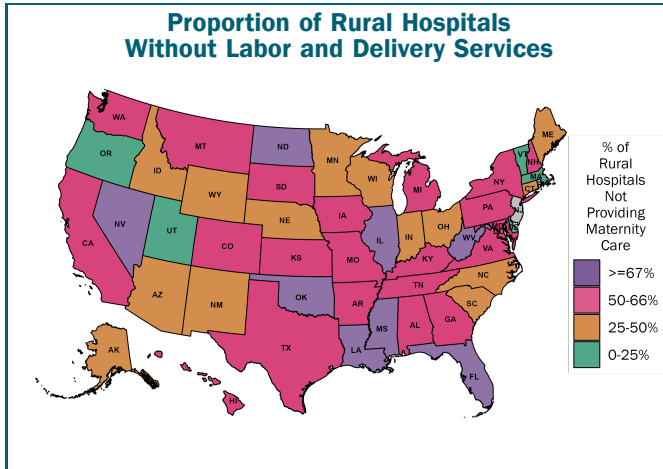
Jefferson Healthcare is committed to maintaining access to the full suite of maternity care services for our community. In order to maintain these services, we need policy solutions that protect the financial sustainability as well as ensure the highest quality and safety for our patients. Specifically, we are supportive of legislation that increases reimbursement rates for low birth volume hospitals to cover the costs for providing care, innovative solutions for competency management, as well as legislation that addresses the maternity services staffing crisis.

For more information please contact Dunia Faulx at dfaulx@jeffersonhealthcare.org

THE CRISIS IN RURAL MATERNITY CARE

Most Rural Hospitals in the U.S. No Longer Deliver Babies

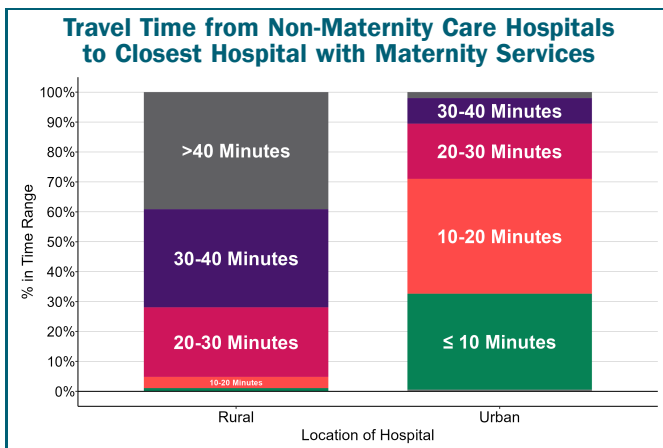
Fewer than half (46%) of the rural hospitals in the U.S. currently offer labor and delivery services, and in 8 states, less than one-third do. Over the past decade, more than 200 rural hospitals across the country have stopped delivering babies.



Maternity Care is Far Away for Mothers in Many Rural Communities

If the closest hospital does not offer labor and delivery services, a pregnant woman may have to travel to a different community to deliver her baby. In most urban areas, the travel time to a hospital with labor and delivery services is under 20 minutes, but in rural areas, the travel time is likely to be at least 30 minutes, and it is often 40 minutes or more.

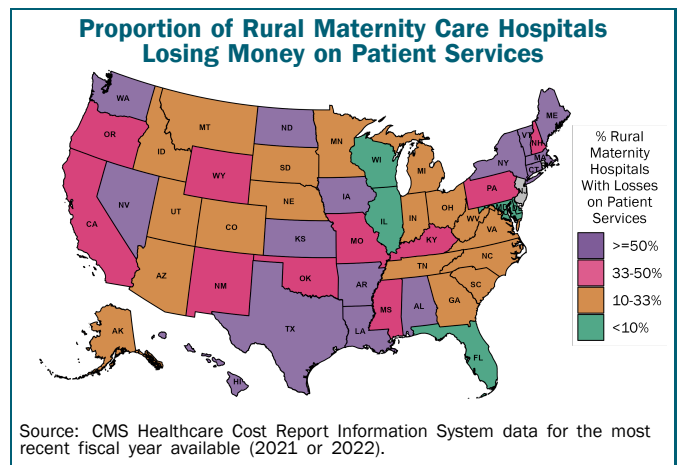
There is a higher risk of complications and death for both mothers and babies in communities that do not have local maternity care services. Women are less likely to obtain adequate prenatal and postpartum care when it is not available locally.



Many More Rural Communities Are at Risk of Losing Maternity Care

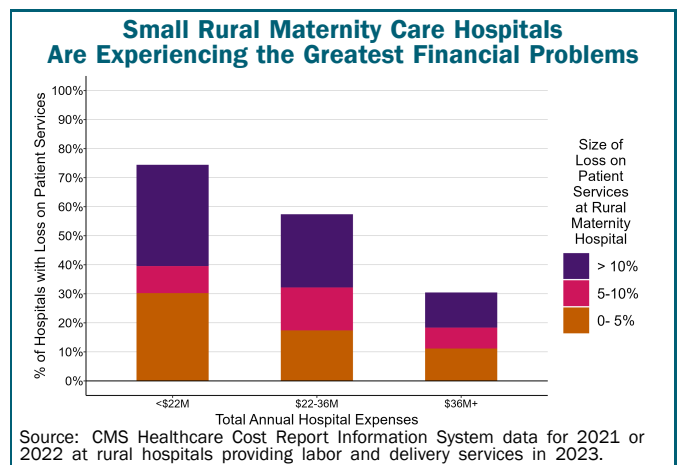
Hundreds of additional communities are at risk of losing maternity care because of the financial challenges rural hospitals are facing. Rural hospitals typically lose money on obstetric care, so if a hospital can't make enough money on other services to offset those losses, it may be forced to eliminate maternity care in an effort to keep the hospital from closing entirely.

More than 1/3 of the rural hospitals that still have labor & delivery services have been losing money on patient services, so their ability to continue delivering maternity care is at risk.



Small Communities Are Most at Risk

Smaller rural hospitals are more likely to be losing money on patient care services than larger hospitals, and they are more likely to experience large losses. More than half of small rural maternity care hospitals lost money in 2021-22. In most cases, if these hospitals are forced to eliminate maternity care, community residents would have to travel more than 40 minutes to reach a hospital with obstetric services.



RURAL MATERNITY CARE AT RISK							
State	Total Number of Rural Hospitals	Rural Hospitals Without Obstetric (Labor & Delivery) Services			Rural Hospitals Still Providing Obstetric Services		
		% Rural Hospitals without OB Services	Number without OB Services	Median Minutes Driving Time to Hospital with OB Services	Number of Hospitals with OB Services	% with Losses on Patient Services [†]	Median Minutes to Alternative OB Hospital
Connecticut	3	33%	1	31	2	100%	33
Vermont	13	23%	3	34	10	80%	43
Nevada	13	69%	9	58	4	75%	>90
Maine	25	36%	9	48	16	69%	37
Hawaii	12	50%	6	47	6	67%	68
Kansas	104	58%	60	32	44	66%	36
New York	51	55%	28	38	23	61%	44
Arkansas	49	59%	29	39	20	60%	41
Texas	162	57%	93	37	69	58%	40
North Dakota	39	79%	31	58	8	57%	77
Iowa	93	61%	57	31	36	56%	30
Washington	40	50%	20	40	20	55%	47
Louisiana	53	75%	40	37	13	54%	35
Alabama	52	65%	34	36	18	50%	40
Massachusetts	5	20%	1	24	4	50%	76
Oklahoma	78	68%	53	39	25	48%	41
Missouri	57	53%	30	35	27	44%	43
California	56	52%	29	49	27	41%	45
Kentucky	72	56%	40	32	32	41%	35
New Hampshire	17	53%	9	34	8	38%	47
Wyoming	23	30%	7	58	16	38%	53
Oregon	32	22%	7	38	25	36%	45
Pennsylvania	42	60%	25	39	17	35%	41
Mississippi	74	69%	51	35	23	35%	34
New Mexico	28	36%	10	57	18	33%	55
Idaho	30	47%	14	37	16	31%	38
South Carolina	25	48%	12	35	13	31%	42
Montana	55	60%	33	52	22	29%	57
Minnesota	95	46%	44	31	51	27%	29
Alaska	17	35%	6	>90	11	25%	>90
South Dakota	48	60%	29	43	19	25%	54
Tennessee	53	55%	29	33	24	25%	36
Utah	21	5%	1	35	20	25%	37
West Virginia	28	71%	20	44	8	25%	37
Georgia	67	61%	41	37	26	23%	39
North Carolina	53	34%	18	32	35	23%	38
Nebraska	71	45%	32	32	39	21%	29
Michigan	64	50%	32	36	32	19%	42
Indiana	53	38%	20	32	33	12%	30
Ohio	70	47%	33	28	37	11%	29
Arizona	27	48%	13	46	14	10%	68
Colorado	42	52%	22	46	20	10%	47
Virginia	29	66%	19	40	10	10%	49
Illinois	72	71%	51	32	21	10%	34
Wisconsin	75	44%	33	29	42	7%	29
Delaware	2	0%	0		2	0%	26
Florida	21	86%	18	50	3	0%	50
Maryland	4	50%	2	48	2	0%	59
New Jersey	0						
Rhode Island	0						

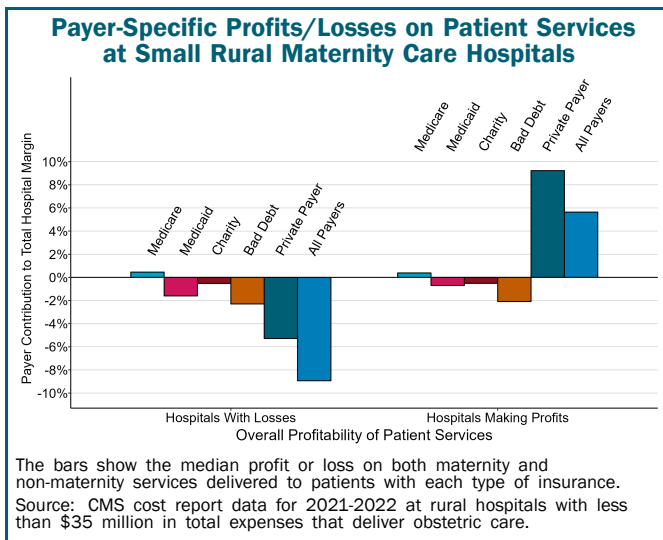
[†] Percentage of hospitals with OB services that had a negative margin (loss) on (all) patient services in the most recent year available.

Data current as of May 2023

Losses Are Due to Inadequate Payments from Private Payers

As shown below, the primary reason small rural maternity care hospitals are losing money is that private insurance plans pay them less than what it costs to deliver many types of services to patients, not just maternity care. Although the hospitals are also losing money on uninsured patients and Medicaid patients, the losses from private payers have the biggest impact on their overall profit margins.

Conversely, small rural maternity hospitals that avoid losses are able to do so because their payments from private health plans not only cover the costs of services (of all types) to the patients with private insurance but also offset the hospitals' losses on services to uninsured and Medicaid patients.



Actions Needed to Preserve and Strengthen Rural Maternity Care

Significant changes in payments from both private and public payers are needed to resolve the financial problems facing rural hospitals before even more maternity care services are lost.

Require That Health Insurance Payments Cover the Actual Cost of Rural Maternity Care

A hospital cannot provide maternity care for its community if private health plans and state Medicaid programs do not pay enough to cover the cost of the services. It is often assumed that low Medicaid payments and uninsured patients are the reasons hospitals lose money on maternity services, but over 40% of births in rural communities are paid for by private health plans, so inadequate payments from private payers also threaten the viability of rural maternity care.

Health plans should be required to pay amounts that cover the cost of: (1) perinatal care services from physicians and midwives; (2) assistance during labor and delivery from appropriately-trained nurses; (3) anesthesia services (such as when C-Sections are needed); and (4) telemedicine assistance from specialists for complex cases. Payment amounts must be higher in communities that have difficulty attracting staff, and payments must also be higher in communities with smaller numbers of births to ensure that revenues cover the fixed costs of services.

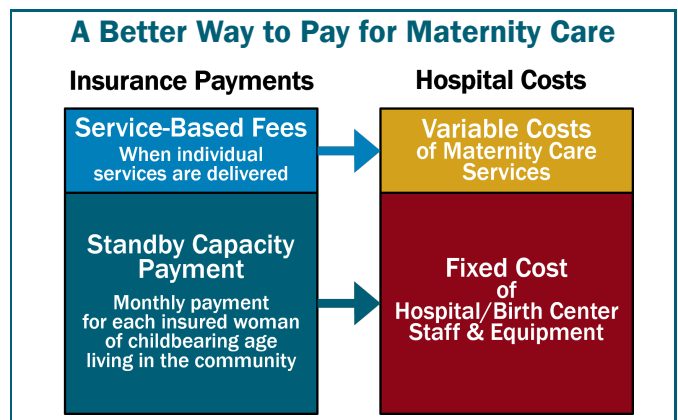
In small rural communities, obstetric services will often be delivered by family physicians rather than obstetricians. Since maternity care will only be a portion of the services these physicians provide, health plans must pay adequately for all of the primary care services they deliver, not just perinatal care.

Rural Health Clinics (RHC) can serve as an important way of supporting maternity care as well as primary care services in rural areas. However, Medicare staffing and productivity standards need to be revised so that RHCs are not penalized for hiring family physicians who spend time delivering maternity care. Private insurers should also be required to pay amounts based on the clinic's costs, just as Medicare does for its patients.

Create Standby Capacity Payments to Support the Fixed Costs of Maternity Care

The financial challenges of delivering maternity care are caused not only by the inadequate *amounts* paid by insurance plans, but by the problematic *method* used to pay for services. Currently, a rural hospital is only paid when it actually provides a service. However, a small hospital must be staffed and ready to deliver a baby at all times, even though there will be no deliveries at all on many days. As a result, when there are fewer pregnancies than expected, the hospital will lose money, even if payments would have been adequate for a larger number of births.

A better approach is for private insurers and Medicaid to pay an annual **Standby Capacity Payment** to the hospital for each insured woman of childbearing age living in the community. This would provide more predictable revenue to cover the fixed costs of maternity care than a purely fee-based system can. The hospital should still receive Service-Based Fees for individual services, but the amounts should be based on the variable costs of the services. More details on this approach are available in *A Better Way to Pay Rural Hospitals*.



Require Adequate Payments for All Services to Prevent Hospital Closures

Even if payments are adequate to cover the cost of *maternity care* services, a rural hospital must also receive adequate payments for other essential services, such as its emergency department, or the hospital may not be able to stay open at all. Many small rural hospitals are at risk of closing completely because of the overall financial losses they have been experiencing. *Rural Hospitals at Risk of Closing* provides more information on this problem and how to address it.