American Bankruptcy Institute

2020 Mid-Atlantic Virtual Bankruptcy Workshop

The Pros and Cons of Transactions Involving Distressed Hospitals and Health Care Providers

CONCURRENT SESSION

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2020

The Pros and Cons of Transactions Involving Distressed Hospitals and Health Care Providers

An analysis of current levels of financial distress
across the hospital, skilled-nursing and home-health sectors

Agenda

1. Healthcare pre-pandemic

2. Healthcare in distress: data

3. Healthcare post-pandemic

3. Timely topics in healthcare distress and transactions

Healthcare Pre-Pandemic: a physician-administrator's view

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9 Primary Reasons Why Hospitals File for Bankruptcy

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A study published in the *Journal of Healthcare Management* found that between 2000 and 2006, 42 acute-care hospitals in the United States filed for bankruptcy, and the most highly cited reason for filing was poor financial management.

Amy Yarbrough Landry, PhD, assistant professor of the Department of Health Services Administration at the University of Alabama at Birmingham, was one of the authors of the study, published in 2009. She found several "common themes" among hospitals that had to reorganize through bankruptcy. Here were nine of the most major ones, which were cited by bankrupt hospitals featured in the study.

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Smaller hospitals and systems under duress

- More than ½ the hospitals hit by COVID were showing losses in 2017
- COVID merely accelerated the distress in healthcare
- This trend will accelerate as more than 80% of rural hospitals have less than on month cash on hand
- Number in beds reduced in US from 924 K in 2018 from 1.5 MM in 1978

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Factors causing distress pre-pandemic

- Financial management
- Unintended effect of ACA – hospital consolidation
- Insurance companies – large system interplay
- CMS policies not directly supporting smaller / rural systems
- Bureaucracy and red tape preventing innovation
- No patient first approach
- Lack of involvement of Physicians/ Nurses in financial decisions
- Using outsiders to restructure instead of engaging and trusting the internal team
- Bad contracts and poor financial/ revenue cycle management
- Real estate play
- Legal

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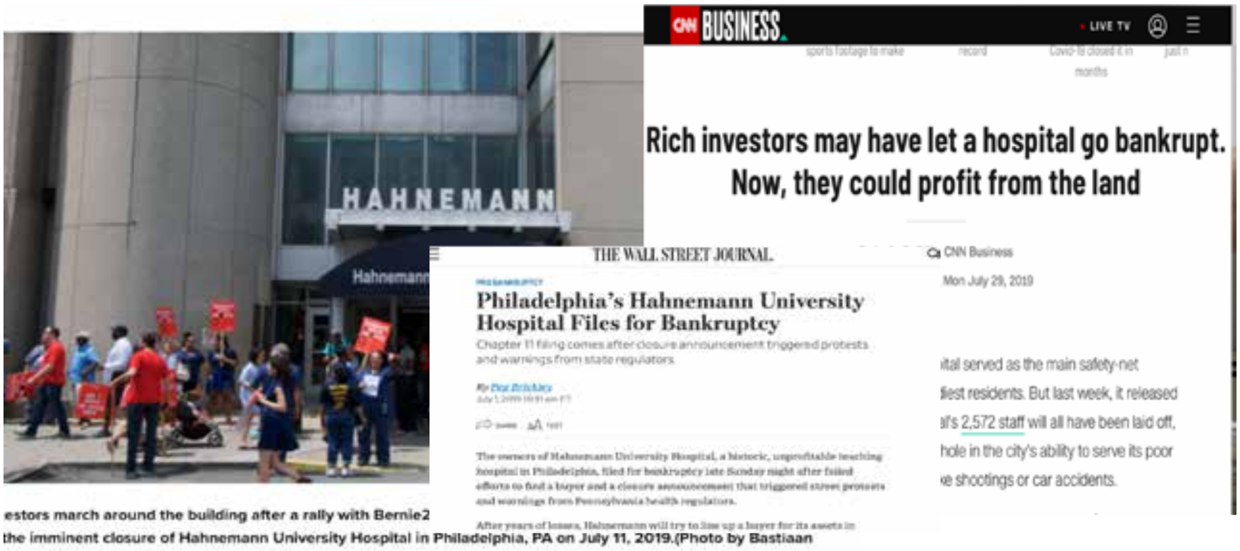

Physicians Leadership Strategy Executive Moves Transaction & Valuation HR Patient Flow Capital Telehea
Orthopedics Patient Experience Pharmacy Care Coordination Legal & Regulatory Compensation Payer Opioids

Financial Management

42 hospitals closed, filed for ban

Ayla Ellison (Twitter) - Monday, June 22nd, 2020 Print | Email

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From reimbursement landscape challenges to dwindling patient volun
shut down or file for bankruptcy. At least 42 hospitals across the U.S.
this year, and the financial challenges caused by the COVID-19 pand
the same in coming months.

Physicians Leadership Strategy Executive Moves Transaction & Valuation HR Patient Flow Capital Tele
Orthopedics Patient Experience Pharmacy Care Coordination Legal & Regulatory Compensation Payer Opioi

Financial Management

29 hospital bankruptcies in 2020

Ayla Ellison (Twitter) - Wednesday, June 3rd, 2020 Print | Email

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From reimbursement landscape challenges to dwindling patient volumes, many factors lead hospitals to f
for bankruptcy. At least 29 hospitals across the U.S. have filed for bankruptcy this year, and the financial
challenges caused by the COVID-19 pandemic may force more hospitals to enter bankruptcy in coming

Healthcare in Distress:
an overview of the data

Achintya Moulick MD, MBA, MCh

Distress in Hospitals by Type

- 20% of hospitals across the U.S. are in financial distress
- Nearly 1/3 of government-owned hospitals across the U.S. are financially distressed
- Short-term acute care hospitals and critical access hospitals account for nearly 86% of distressed hospitals
- Investor-Owned and NFP Hospitals experience similar levels of distress at 15%

Distress in Hospitals and Bed Size

- 2/3 of distressed hospitals have 100 or fewer beds
- Critical access hospitals with 25 beds or fewer account for 25% of distressed hospitals
- Distress level decreases as hospital bed size increases

Distress in Hospitals by Rural/Urban and System vs Stand-Alone Ownership

- 2/3 of hospitals in the U.S. are urban
- 72% of all hospitals and almost 90% of all hospital beds are system owned
- 28% of rural hospitals or stand-alone hospitals are in financial distress compared to 16% of urban hospitals or system-owned hospitals

Distress in Hospitals by State

- Over 33% of the hospitals in Kansas, New York, Mississippi, Montana and Alabama are financially distressed.
- With the exception of New York, the distress is located in small, rural government owned, stand-alone hospitals. New York is a combination of many factors including chronic over bedding.
- Less than 10% of the Hospitals in Delaware, Massachusetts, New Jersey, New Mexico, South Dakota and West Virginia are financially distressed.

Distress in Skilled Nursing Facilities (SNF)

- Unlike hospitals urban SNFs are more likely to be distressed than rural facilities
- Similarly, large SNF (over 150 beds) are more likely to be distressed than smaller facilities (60 or fewer beds)
- Of almost 15,000 SNFs, 72% are Investor owned, 7% are owned by local governments and 21% are owned by traditional NFP entities.
- 30% of all SNFs are financially distressed (26% Investor Owned, 33% Local Government and 39% NFP)

Distress in SNFs by State

- Over 40% of the SNFs in Illinois, Massachusetts, Nebraska, New Hampshire, Pennsylvania, Washington and Wisconsin are financially distressed.
- Less than 15% of the SNFs in Delaware, Hawaii, North Carolina and Oregon are financially distressed.

Distress in Home Health Agencies and Hospice Providers

- Hospice providers (31%) are more likely to be financially distressed than Home Health Agencies (19%)
- Over 45% of the Home Health and Hospice Providers in New York, Vermont, Hawaii, North Dakota, Connecticut and Iowa are financially distressed.
- Less than 15% of the Home Health and Hospice Providers in Claifornia, Montana, Nevada and Utah are financially distressed.

Healthcare Post-Pandemic: challenges & opportunities

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Post-COVID Challenges

- All subsectors have had patient volume drop dramatically with only some rebounding on restart
  - Hospitals lost elective procedures
  - ERs and ICUs were/are overloaded (depending on location)
  - SNF/ALF census dropped dramatically
  - Home health care staffing is challenged
  - Physician practices are limited (like restaurants)
- Demand disruption is expected to be temporary but rebound time is unknown
- Revenue and cash are down while fixed overhead remains high
- Liquidity is in jeopardy (although temporarily helped by stimulus of PPP, HHS, CMS, etc)

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Post-COVID Challenges (con't)

- New risks with communications and information management
- Compliance with "social distancing" and other state and city requirements
- Employee issues
  - Safety/availability
  - Training
  - Furlough/termination
  - Pay reductions
  - Hazard pay
- Shoring up supply (independent of payment, some supplies limited)
- Leadership vs management

Healthcare Post-Pandemic: challenges & opportunities

Timely topics in healthcare restructuring and transactions

- Restructure/sell in or out of court
- Anti-trust concerns vs creditor benefit
- Low income access to healthcare in rural and inner-city areas
- Reimbursement rates vs cost to operate
- Professional ethics and fees

Thank you and be safe

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Mid-Atlantic Virtual Bankruptcy Workshop

August 6th - 7th, 2020

**FINANCIAL DISTRESS
ACROSS HEALTH CARE PROVIDERS
IN THE UNITED STATES:**

- **HOSPITALS;**
- **SKILLED NURSING FACILITIES;**
- **HOME HEALTH AGENCIES AND HOSPICE PROVIDERS.**

Healthcare Management Partners
Listen • Evaluate • Implement

HMP METRICS
DEFINING EXCEPTIONAL

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About This Report

This report provides an overview of the distress level across health care providers in the United States, including hospitals, skilled nursing facilities and hospice and home health agencies, by various categories including bed size, ownership type, rural/urban designation and state.

Q: What is a financially distressed provider?

A: A hospital, skilled nursing facility or a hospice/home health provider is financially distressed after producing a **net loss** from continuing operations for the **last 3 consecutive cost report periods** (FY 2017 – 2019).

Q: What are cost reports?

A: All Medicare-certified providers, including hospitals, skilled nursing facilities and hospice and home health agencies, are required to submit annual cost reports. Each cost report contains provider specific data, including utilization and financial information, such as costs and charges.

Q: Where are cost reports maintained?

A: Data from the cost reports are maintained in the Healthcare Provider Cost Reporting Information System (HCRIS). For more information, please refer to the Centers for Medicare & Medicaid Services (CMS) at *https://www.cms.gov/Research-Statistics-Data-and-Systems/Downloadable-Public-Use-Files/Cost-Reports.*

Q: What is HMP Metrics?

HMP Metrics is a proprietary database containing integrated Medicare cost report, quality, billing, and socio-economic data for all Hospitals, Nursing Homes and Home Health and Hospice agencies in the United States. The data featured in this report is one example of the insights that can be accessed through HMP Metrics. More information on HMP Metrics is available at ***hmpmetrics.com.***

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HOSPITALS

Figure 1: Distress in Hospitals by Ownership Type

Distressed	Investor Owned	Government	Not for profit	All Hospitals
Childrens Hospitals			4	4
Critical Access Hospitals	20	244	115	379
Long-Term Hospitals	53	2	23	78
Psychiatric Hospitals	29	11	21	61
Rehabilitation Hospitals	16	1	4	21
Short-Term Hospitals	130	186	275	591
Distressed Total	**248**	**444**	**442**	**1,134**

Non-distressed	Investor Owned	Government	Not for profit	All Hospitals
Childrens Hospitals	3	11	45	59
Critical Access Hospitals	49	357	561	967
Long-Term Hospitals	214	8	65	287
Psychiatric Hospitals	257	13	83	353
Rehabilitation Hospitals	225	8	45	278
Short-Term Hospitals	668	548	1,497	2,713
Non-distressed Total	**1,416**	**945**	**2,296**	**4,657**

All Hospitals	Investor Owned	Government	Not for profit	All Hospitals
	1,664	**1,389**	**2,738**	**5,791**
Distressed				
# Hospitals	248	444	442	**1,134**
% Hospitals	*15%*	*32%*	*16%*	***20%***
Non-distressed				
# Hospitals	1,416	945	2,296	**4,657**
% Hospitals	*85%*	*68%*	*84%*	***80%***

Insights:

- 20% of hospitals across the U.S. are in financial distress
- Nearly 1/3 of government-owned hospitals across the U.S. are financially distressed
- Short-term acute care hospitals and critical access hospitals account for nearly 86% of distressed hospitals

Source: HMP Metrics, a proprietary database containing integrated Medicare cost report, quality, billing, and socio-economic data for all Hospitals, Nursing Homes and Home Health and Hospice agencies in the United States, available online at hmpmetrics.com

Figure 2: Distress in Hospitals by Bed Size

Distressed	25 Beds or Fewer	26 to 100 Beds	101 to 200 Beds	201 to 300 Beds	301 to 400 Beds	401 to 500 Beds	More Than 500 Beds	# Hospitals	# Beds
Childrens Hospitals		1	2		1			4	701
Critical Access Hospitals	286	85	8					379	11,878
Long-Term Hospitals	4	55	14	5				78	6,170
Psychiatric Hospitals	7	39	12	3				61	4,872
Rehabilitation Hospitals	2	15	2	2				21	1,423
Short-Term Hospitals	32	232	164	68	42	21	32	591	103,807
Distressed Total	**331**	**427**	**202**	**78**	**43**	**21**	**32**	**1,134**	**128,851**

Non-distressed	25 Beds or Fewer	26 to 100 Beds	101 to 200 Beds	201 to 300 Beds	301 to 400 Beds	401 to 500 Beds	More Than 500 Beds	# Hospitals	# Beds
Childrens Hospitals	1	10	11	11	16	6	4	59	15,767
Critical Access Hospitals	717	203	45				2	967	34,253
Long-Term Hospitals	24	229	23	8	1		2	287	19,037
Psychiatric Hospitals	63	148	120	17	4	1		353	32,944
Rehabilitation Hospitals	13	232	28	4	1			278	18,821
Short-Term Hospitals	140	689	718	470	293	145	258	2,713	624,546
Non-distressed Total	**958**	**1,511**	**945**	**510**	**315**	**152**	**266**	**4,657**	**745,368**

All Hospitals	25 Beds or Fewer	26 to 100 Beds	101 to 200 Beds	201 to 300 Beds	301 to 400 Beds	401 to 500 Beds	More Than 500 Beds	# Hospitals	# Beds
	1,289	**1,938**	**1,147**	**588**	**358**	**173**	**298**	**5,791**	**874,219**
Distressed									
# Hospitals	331	427	202	78	43	21	32	**1,134**	**128,851**
% Hospitals	*26%*	*22%*	*18%*	*13%*	*12%*	*12%*	*11%*	***20%***	***15%***
Non-distressed									
# Hospitals	958	1,511	945	510	315	152	266	**4,657**	**745,368**
% Hospitals	*74%*	*78%*	*82%*	*87%*	*88%*	*88%*	*89%*	***80%***	***85%***

Insights:

- 2/3 of distressed hospitals have 100 or fewer beds
- Critical access hospitals with 25 beds or fewer account for 25% of distressed hospitals
- Distress level decreases as hospital bed size increases

Note: Although Critical Access Hospitals cannot exceed 25 acute care beds, they may have additional distinct part units, such as rehabilitation or psychiatric, which increases the total number of beds beyond 25.

Source: HMP Metrics, a proprietary database containing integrated Medicare cost report, quality, billing, and socio-economic data for all Hospitals, Nursing Homes and Home Health and Hospice agencies in the United States, available online at hmpmetrics.com

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Figure 3: Distress in Hospitals by Rural/Urban

Hospital Type	Rural	Urban	All Hospitals	# Distressed	# Non-Distressed	All Hospitals	% Distressed
Childrens Hospitals		63	63	4	59	63	6%
Critical Access Hospitals	1,082	264	1,346	379	967	1,346	28%
Long-Term Hospitals	17	348	365	78	287	365	21%
Psychiatric Hospitals	38	376	414	61	353	414	15%
Rehabilitation Hospitals	10	289	299	21	278	299	7%
Short-Term Hospitals	782	2,522	3,304	591	2,713	3,304	18%
All Hospitals	**1,929**	**3,862**	**5,791**	**1,134**	**4,657**	**5,791**	**20%**

All Hospitals	Rural	Urban	All Hospitals
	1,929	**3,862**	**5,791**
Distressed			
# Hospitals	533	601	**1,134**
% Hospitals	*28%*	*16%*	***20%***
Non-distressed			
# Hospitals	1,396	3,261	**4,657**
% Hospitals	*72%*	*84%*	***80%***

Insights:
- 2/3 of hospitals in the U.S. are urban
- 28% of rural hospitals are in financial distress compared to 16% of urban hospitals

Figure 4: Distress in Hospitals by System Ownership

Hospital Type	Standalone	System Owned	All Hospitals	# Distressed	# Non-Distressed	All Hospitals	% Distressed
Childrens Hospitals	32	31	63	4	59	63	6%
Critical Access Hospitals	697	649	1,346	379	967	1,346	28%
Long-Term Hospitals	47	318	365	78	287	365	21%
Psychiatric Hospitals	112	302	414	61	353	414	15%
Rehabilitation Hospitals	32	267	299	21	278	299	7%
Short-Term Hospitals	730	2,574	3,304	591	2713	3,304	18%
All Hospitals	**1,650**	**4,141**	**5,791**	**1,134**	**4,657**	**5,791**	**20%**

All Hospitals	Standalone	System Owned	All Hospitals
	1,650	**4,141**	**5,791**
Distressed			
# Hospitals	462	672	**1,134**
% Hospitals	*28%*	*16%*	***20%***
Non-Distressed			
# Hospitals	1,188	3,469	**4,657**
% Hospitals	*72%*	*84%*	***80%***

Insights:
- 72% of U.S. hospitals are part of a system
- 28% of standalone hospitals are in financial distress compared to 16% of system owned hospitals

Source: HMP Metrics, a proprietary database containing integrated Medicare cost report, quality, billing, and socio-economic data for all Hospitals, Nursing Homes and Home Health and Hospice agencies in the United States, available online at hmpmetrics.com

Figure 5: Distress in Hospitals by State

State	Childrens Hospitals	Critical Access Hospitals	Long-Term Hospitals	Psychiatric Hospitals	Rehabilitation Hospitals	Short-Term Hospitals	All Hospitals	# Distressed	# Non-distressed	All Hospitals	% Distressed
Alabama	1	4	6	5	7	90	113	38	75	113	34%
Alaska		8	1			6	15	2	13	15	13%
Arizona	1	12	7	16	13	53	102	11	91	102	11%
Arkansas	2	30	8	7	8	43	98	23	75	98	23%
California	7	34	18	33	6	294	392	60	332	392	15%
Colorado	1	35	8	8	5	50	107	16	91	107	15%
Connecticut	1		2	1	1	33	38	6	32	38	16%
Delaware	1		1	3	1	6	12		12	12	0%
District of Columbia	1		2	1	1	7	12	2	10	12	17%
Florida	3	11	22	25	16	165	242	34	208	242	14%
Georgia	2	32	11	8	5	104	162	38	124	162	23%
Guam						2	2		2	2	0%
Hawaii	1	2		1	1	7	12	4	8	12	33%
Idaho		27	2	2	2	15	48	13	35	48	27%
Illinois	2	52	7	8	4	135	208	34	174	208	16%
Indiana		35	9	26	8	88	166	23	143	166	14%
Iowa		82	2		1	34	119	36	83	119	30%
Kansas	1	83	2	4	6	53	149	74	75	149	50%
Kentucky		29	8	7	4	60	108	19	89	108	18%
Louisiana	1	26	29	37	21	93	207	35	172	207	17%
Maine		13		1	1	13	28	7	21	28	25%
Maryland	2			3	2	47	54	3	51	54	6%
Massachusetts	2	3	9	11	6	55	86	13	73	86	15%
Michigan	1	36	14	9	2	101	163	19	144	163	12%
Minnesota	2	79	2	2		48	133	14	119	133	11%
Mississippi		31	6	3	1	60	101	35	66	101	35%
Missouri	3	37	9	6	7	72	134	35	99	134	26%
Montana		46	1	1		13	61	21	40	61	34%
Nebraska	2	64	5	1	3	22	97	20	77	97	21%
Nevada		14	6	7	4	23	54	7	47	54	13%
New Hampshire		14		1	2	13	30	3	27	30	10%
New Jersey	1		7	7	9	65	89	8	81	89	9%
New Mexico		9	2	4	5	21	41	3	38	41	7%
New York		16	3	6	1	149	175	63	112	175	36%
North Carolina		21	8	7	2	87	125	15	110	125	12%
North Dakota		36	2	2		6	46	7	39	46	15%
Ohio	5	33	22	25	14	129	228	29	199	228	13%
Oklahoma		39	10	7	5	76	137	23	114	137	17%
Oregon		26	1	1		37	65	15	50	65	23%
Pennsylvania	3	17	17	18	18	158	231	41	190	231	18%
Puerto Rico				5	3	44	52	11	41	52	21%
Rhode Island				1	1	11	13	4	9	13	31%
South Carolina		3	6	6	8	53	76	17	59	76	22%
South Dakota		38	1			16	55	3	52	55	5%
Tennessee		17	9	12	10	92	140	29	111	140	21%
Texas	12	86	63	48	61	293	563	132	431	563	23%
United States Virgin Islands						1	1	1		1	100%
Utah	1	11	3	4	2	30	51	7	44	51	14%
Vermont		8		1		6	15	2	13	15	13%
Virginia	1	8	5	4	9	72	99	19	80	99	19%
Washington	1	39	2	6	2	49	99	27	72	99	27%
West Virginia		21	2	2	5	30	60	5	55	60	8%
Wisconsin	2	63	5	10	4	63	147	19	128	147	13%
Wyoming		16		1	2	11	30	9	21	30	30%
All Hospitals	**63**	**1,346**	**365**	**414**	**299**	**3,304**	**5,791**	**1,134**	**4,657**	**5,791**	**20%**

All Hospitals	Childrens Hospitals	Critical Access Hospitals	Long-Term Hospitals	Psychiatric Hospitals	Rehabilitation Hospitals	Short-Term Hospitals	All Hospitals
	63	**1,346**	**365**	**414**	**299**	**3,304**	**5,791**
Distressed							
# Hospitals	4	379	78	61	21	591	**1,134**
% Hospitals	*6%*	*28%*	*21%*	*15%*	*7%*	*18%*	***20%***
Non-Distressed							
# Hospitals	59	967	287	353	278	2713	**4,657**
% Hospitals	*94%*	*72%*	*79%*	*85%*	*93%*	*82%*	***80%***

Insights:

- The states with the highest % of distressed hospitals include Kansas, New York, Mississippi, Montana and Alabama

Source: HMP Metrics, a proprietary database containing integrated Medicare cost report, quality, billing, and socio-economic data for all Hospitals, Nursing Homes and Home Health and Hospice agencies in the United States, available online at hmpmetrics.com

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SKILLED NURSING FACILITIES

Figure 6: Distress in Skilled Nursing Facilities by Bed Size

Ownership Type	Unreported	60 Beds or Fewer	61 to 150 Beds	More Than 150 Beds	All SNFs
Investor Owned	230	1,494	7,150	1,885	10,759
Local government	7	170	694	193	1,064
Not for profit	92	681	1,659	683	3,115
All SNF	**329**	**2,345**	**9,503**	**2,761**	**14,938**

# Distressed	# Non-distressed	All SNFs	% Distressed
2,844	7,915	10,759	26%
348	716	1,064	33%
1,215	1,900	3,115	39%
4,407	**10,531**	**14,938**	**30%**

All SNFs	Unreported	60 Beds or Fewer	61 to 150 Beds	More Than 150 Beds	All SNFs
	329	**2,345**	**9,503**	**2,761**	**14,938**
Distressed					
# SNFs	40	668	2,804	895	**4,407**
% SNFs	*12%*	*28%*	*30%*	*32%*	***30%***
Non-distressed					
# SNFs	289	1,677	6,699	1,866	**10,531**
% SNFs	*88%*	*72%*	*70%*	*68%*	***70%***

Insights:

- Over 1/3 of government owned and not for profit Skilled Nursing Facilities are distressed
- Distress level increases with bed size

Figure 7: Distress in Skilled Nursing Facilities by Rural/Urban

All SNFs	Rural	Urban	All SNFs
Investor Owned	2,793	7,966	10,759
Local government	439	625	1,064
Not for profit	810	2,305	3,115
All SNF	**4,042**	**10,896**	**14,938**

# Distressed	# Non-distressed	All SNFs	% Distressed
2,844	7,915	10,759	26%
348	716	1,064	33%
1,215	1,900	3,115	39%
4,407	**10,531**	**14,938**	**30%**

All SNFs	Rural	Urban	Total All SNF
	4,042	**10,896**	**14,938**
Distressed			
# SNFs	1,083	3,324	**4,407**
% SNFs	*27%*	*31%*	***30%***
Non-distressed			
# SNFs	2,959	7,572	**10,531**
% SNFs	*73%*	*69%*	***70%***

Insights:

- Nearly a 1/3 of urban Skilled Nursing Facilities are distressed compared to 27% of urban Skilled Nursing Facilities

Source: HMP Metrics, a proprietary database containing integrated Medicare cost report, quality, billing, and socio-economic data for all Hospitals, Nursing Homes and Home Health and Hospice agencies in the United States, available online at hmpmetrics.com

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Figure 8: Distress in Skilled Nursing Facilities by State

State	Unreported	60 Beds or Fewer	61 to 150 Beds	More Than 150 Beds	All SNFs	# Distressed	# Non-distressed	All SNFs	% Distressed
Alabama	4	15	150	53	222	42	180	222	19%
Alaska		3	3		6	1	5	6	17%
Arizona	7	20	82	38	147	35	112	147	24%
Arkansas	4	1	201	15	221	48	173	221	22%
California	29	205	644	193	1,071	173	898	1,071	16%
Colorado	3	45	136	25	209	41	168	209	20%
Connecticut	3	33	144	39	219	85	134	219	39%
Delaware	1	4	25	9	39	5	34	39	13%
District of Columbia		1	3	10	14	4	10	14	29%
Florida	4	66	460	162	692	199	493	692	29%
Georgia	2	32	229	63	326	108	218	326	33%
Hawaii	3	5	19	7	34	1	33	34	3%
Idaho		18	45	6	69	11	58	69	16%
Illinois	9	58	419	206	692	277	415	692	40%
Indiana	2	74	381	92	549	183	366	549	33%
Iowa	2	185	205	24	416	102	314	416	25%
Kansas	5	145	119	14	283	95	188	283	34%
Kentucky	3	41	226	26	296	86	210	296	29%
Louisiana	5	5	196	57	263	19	244	263	7%
Maine	11	19	61	4	95	29	66	95	31%
Maryland	1	13	140	67	221	80	141	221	36%
Massachusetts	4	45	285	73	407	191	216	407	47%
Michigan	5	53	296	79	433	145	288	433	33%
Minnesota	16	129	152	27	324	70	254	324	22%
Mississippi	1	67	105	11	184	30	154	184	16%
Missouri		84	351	82	517	185	332	517	36%
Montana	11	9	42	9	71	13	58	71	18%
Nebraska	3	71	112	13	199	82	117	199	41%
Nevada	2	6	26	15	49	11	38	49	22%
New Hampshire	4	11	47	10	72	30	42	72	42%
New Jersey	7	25	168	159	359	114	245	359	32%
New Mexico	2	8	57	5	72	21	51	72	29%
New York	21	27	208	314	570	71	499	570	12%
North Carolina	5	24	334	60	423	157	266	423	37%
North Dakota	21	10	28	4	63	12	51	63	19%
Ohio	11	179	714	106	1,010	316	694	1,010	31%
Oklahoma	48	41	183	17	289	71	218	289	25%
Oregon	3	30	79	12	124	17	107	124	14%
Pennsylvania	5	78	362	229	674	282	392	674	42%
Puerto Rico	1	1			2		2	2	0%
Rhode Island	6	17	44	18	85	16	69	85	19%
South Carolina		26	107	30	163	48	115	163	29%
South Dakota	11	42	24	2	79	26	53	79	33%
Tennessee	2	19	217	63	301	86	215	301	29%
Texas	2	95	1,014	167	1,278	417	861	1,278	33%
Utah		33	53	10	96	32	64	96	33%
Vermont	1	11	22	2	36	9	27	36	25%
Virginia		33	155	77	265	44	221	265	17%
Washington	6	39	146	22	213	106	107	213	50%
West Virginia	1	20	74	6	101	18	83	101	18%
Wisconsin	31	116	199	28	374	158	216	374	42%
Wyoming	1	8	11	1	21	5	16	21	24%
All SNFs	**329**	**2,345**	**9,503**	**2,761**	**14,938**	**4,407**	**10,531**	**14,938**	**30%**

All SNFs	Unreported	60 Beds or Fewer	61 to 150 Beds	More Than 150 Beds	All SNFs
	329	**2,345**	**9,503**	**2,761**	**14,938**
Distressed					
# SNFs	40	668	2,804	895	**4,407**
% SNFs	*12%*	*28%*	*30%*	*32%*	***30%***
Non-distressed					
# SNFs	289	1,677	6,699	1866	**10,531**
% SNFs	*88%*	*72%*	*70%*	*68%*	***70%***

Insights:

- States with the highest % of distressed SNFs (over 40%) include Washington, Massachusetts, Wisconsin, Pennsylvania, New Hampshire, Nebraska and Illinois

Source: HMP Metrics, a proprietary database containing integrated Medicare cost report, quality, billing, and socio-economic data for all Hospitals, Nursing Homes and Home Health and Hospice agencies in the United States, available online at hmpmetrics.com

HOME HEALTH AGENCIES AND HOSPICE PROVIDERS

Figure 9: Distress in Home Health Agencies and Hospice Providers by State

State	HHA	Hospice	Total All HH&H	# Distressed	# Non-distressed	All HH&H	% Distressed
Alabama	99	134	233	65	168	233	28%
Alaska	6	5	11	2	9	11	18%
Arizona	106	150	256	46	210	256	18%
Arkansas	66	61	127	53	74	127	42%
California	1,092	966	2,058	313	1,745	2,058	15%
Colorado	87	90	177	70	107	177	40%
Connecticut	54	25	79	37	42	79	47%
Delaware	12	11	23	4	19	23	17%
District of Columbia	9	4	13	5	8	13	38%
Florida	751	65	816	165	651	816	20%
Georgia	82	238	320	97	223	320	30%
Guam	4	3	7	1	6	7	14%
Hawaii	10	10	20	12	8	20	60%
Idaho	31	53	84	19	65	84	23%
Illinois	520	117	637	124	513	637	19%
Indiana	136	93	229	57	172	229	25%
Iowa	73	68	141	66	75	141	47%
Kansas	61	79	140	50	90	140	36%
Kentucky	87	18	105	21	84	105	20%
Louisiana	174	183	357	99	258	357	28%
Maine	12	17	29	7	22	29	24%
Maryland	41	26	67	21	46	67	31%
Massachusetts	93	99	192	77	115	192	40%
Michigan	354	150	504	107	397	504	21%
Minnesota	60	51	111	26	85	111	23%
Mississippi	33	117	150	44	106	150	29%
Missouri	90	139	229	95	134	229	41%
Montana	6	15	21	3	18	21	14%
Nebraska	29	35	64	12	52	64	19%
Nevada	107	59	166	20	146	166	12%
New Hampshire	9	25	34	12	22	34	35%
New Jersey	21	77	98	36	62	98	37%
New Mexico	43	48	91	25	66	91	27%
New York	76	44	120	82	38	120	68%
North Carolina	137	87	224	73	151	224	33%
North Dakota	2	6	8	4	4	8	50%
Ohio	275	166	441	126	315	441	29%
Oklahoma	207	174	381	65	316	381	17%
Oregon	31	47	78	27	51	78	35%
Pennsylvania	184	223	407	64	343	407	16%
Puerto Rico	33	50	83	14	69	83	17%
Rhode Island	17	14	31	12	19	31	39%
South Carolina	54	95	149	37	112	149	25%
South Dakota	10	16	26	6	20	26	23%
Tennessee	112	77	189	49	140	189	26%
Texas	1,532	697	2,229	572	1,657	2,229	26%
United States Virgin Islands	2	2	4		4	4	0%
Utah	58	104	162	20	142	162	12%
Vermont	1	10	11	6	5	11	55%
Virginia	169	110	279	65	214	279	23%
Washington	39	25	64	12	52	64	19%
West Virginia	46	20	66	19	47	66	29%
Wisconsin	45	72	117	28	89	117	24%
Wyoming	12	9	21	8	13	21	38%
Northern Marianas	2		2		2	2	0%
All HH&H	**7,402**	**5,279**	**12,681**	**3,080**	**9,601**	**12,681**	**24%**

All HH&H	HHA	Hospice	Total All HH&H
	7,402	**5,279**	**12,681**
Distressed			
# HH&H	1426	1654	**3,080**
% HH&H	*19%*	*31%*	***24%***
Non-distressed			
# HH&H	5976	3,625	**9,601**
% HH&H	*81%*	*69%*	***76%***

Insights:

- States with the highest % of distressed Home Health Agencies and Hospice providers (over 45%) include New York, Vermont, Hawaii, North Dakota, Connecticut and Iowa

Source: HMP Metrics, a proprietary database containing integrated Medicare cost report, quality, billing, and socio-economic data for all Hospitals, Nursing Homes and Home Health and Hospice agencies in the United States, available online at hmpmetrics.com