North Carolina (NC) is one of only a few states nationally where Truven Health Analytics™ is projecting growth in inpatient utilization over the next 10 years. Growth will vary across counties, as the effects of population growth and the aging population vary.
Impact of Medicaid Expansion Opt-Out on NC Uninsured Population
Projected Numbers of Uninsured, 2014 – 2024

2011 - 2014 Charity Care as Part of Gross Patient Revenue

Disproportionate Share Hospital (DSH) payment cuts have been deferred until 2016 for Medicaid and have been minimal for Medicare. These cuts could erode margins for many hospitals in non-expansion states.

Projected Decrease in Disproportionate Share Hospital (DSH) Payments in NC
ACA provisions reduce and ultimately eliminate DSH payments.

Annual Reduction in North Carolina Hospital DSH Payments

Amount North Carolina Hospitals could lose in DSH payment from 2015 – 2024

Focus on Quality for Reimbursement
Impact on Medicare Reimbursements

On average, NC hospitals fared slightly better than hospitals nationwide: A lower percentage of NC hospitals were penalized last year under these programs, and the median penalty was smaller.

5.5% of Medicare reimbursements are at stake nationwide in 2015.

Balanced Scorecard Performance of Hospitals by State, 2012

Using our 100 Top Hospitals® methodology, we evaluate, rank, and compare hospitals by performance and by their improvement in performance over time.

Reimbursement based on quality means providers must work to improve all aspects of performance and efficiency.

In aggregate, NC’s hospitals already rank highly compared to other states, in both the rate of performance improvement and 2012 performance.

Factors Assessed for the Truven Health Resilience Score

- Strong, and stable or increasing, operating margin
- Stable or growing patient volumes
- Low or decreasing cost of patient care
- Balanced mix of both inpatient and outpatient services offered
- Favorable payer mix
A Critical Starting Point and Next Steps

The Truven Health Resilience Score and stress-test modeling provide an important starting point for hospitals to understand their vulnerability to a financial threat and how they compare to facilities in their area. In today’s financial-pressure-filled landscape, hospitals can prepare and protect their mission with new strategies for:

- Strengthening the core business while preparing for new delivery and pricing models
- Committing to data-driven continuous waste reduction and quality improvement
- Accessing and integrating relevant data sources for decision-making
- Partnering with potential disruptors

To better understand the pressures, risks, and opportunities facing healthcare providers and stakeholders, contact us at info@truvenhealth.com or visit truvenhealth.com

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ABOUT TRUVEN HEALTH ANALYTICS

At Truven Health Analytics, we’re dedicated to delivering the answers our clients need to improve healthcare quality and access, and reduce costs. Our unmatched data assets, technology, analytic expertise, and comprehensive perspective have served the healthcare industry for more than 30 years. Everyday our insights and solutions give hospitals and clinicians, employers and health plans, state and federal government, life sciences researchers, and policymakers the confidence they need to make the right decisions.

Truven Health Analytics owns some of the most trusted brands in healthcare, such as Micromedex, ActionOI, 100 Top Hospitals, MarketScan, and Advantage Suite. Truven Health has its principal offices in Ann Arbor, Mich; Chicago; and Denver. For more information, please visit truvenhealth.com.