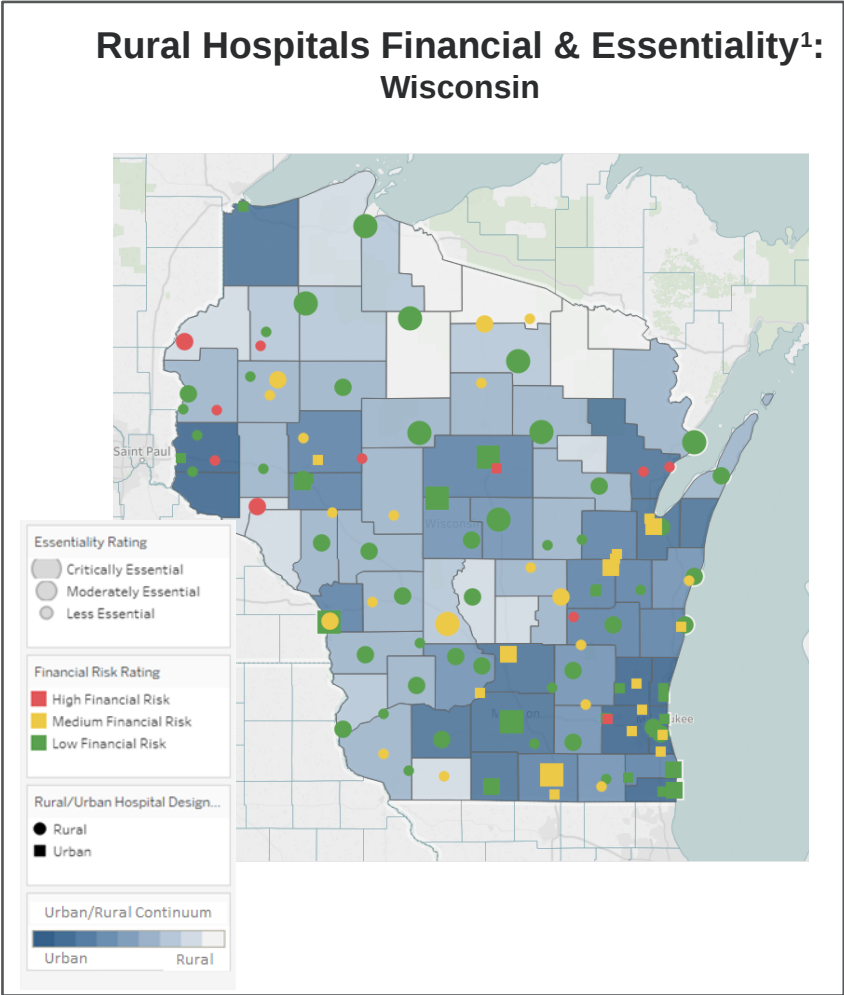


PROTECTING RURAL HEALTHCARE

WISCONSIN

WISCONSIN STATE OVERVIEW – RURAL HOSPITALS



In Wisconsin, ~12% of rural hospitals are rated as High Financial Risk

Wisconsin Rural Hospital Ratings

Market Essentiality

	Less	Moderate	Critical
Low	20.0%	32.0%	10.7%
Med	18.7%	5.3%	1.3%
High	9.3%	2.7%	0.0%

(1) Designation of a Critical Access Hospital is not a top determinant factor as less than 50% of those designated do not meet distance requirements
 Source: HCRIS Cost Reports (Most Recent Year); Medicare Cost Reports (Most Recent Year); Claritas (2018); Navigant Research and Analysis

HIGH FINANCIAL RISK RURAL HOSPITALS STATEWIDE

Hospital Name	City	State	Navigant Market Essentiality Rating	Navigant Financial Risk Rating
Amery Regional Medical Center (AKA Amery Hospital an	Amery	WI	Less Essential	High Financial Risk
Ascension Ministry Our Lady of Victory Hospital	Stanley	WI	Less Essential	High Financial Risk
HSHS St Clare Memorial Hospital (FKA Community Mem	Oconto Falls	WI	Less Essential	High Financial Risk
Indianhead Medical Center	Shell Lake	WI	Less Essential	High Financial Risk
Oconto Hospital & Clinic	Oconto	WI	Less Essential	High Financial Risk
Ripon Medical Center	Ripon	WI	Less Essential	High Financial Risk
Western Wisconsin Health (FKA Baldwin Area Medical	Baldwin	WI	Less Essential	High Financial Risk
Burnett Medical Center	Grantsburg	WI	Moderately Essential	High Financial Risk
Chippewa Valley Hospital	Durand	WI	Moderately Essential	High Financial Risk

Grouped together in Highly Essential category for Navigant's report

Table depicts **high financial risk** rural hospitals.

Navigant's report grouped those hospitals categorized as **critically or moderately essential** into a single group considered **highly essential** to the health and economic well-being of their communities.

METHODOLOGY NOTES

Evaluation Criteria

Essentiality: How important is the hospital to the market(s) it serves?

Essentiality Rating

- Critically Essential
- Moderately Essential
- Less Essential

Hospitals are rated on four indicators:

1. Trauma Level Designation
 - Trauma Level I and II are “Critically Essential”
2. Service to Vulnerable Populations
 - Composite of proportion of Medicaid days and level of Uncompensated Care compared to national average
3. Geographic Isolation
 - Proportion of hospital beds within 25 mile radius
4. Economic Impact on Community
 - Ratio of Hospital employees to community residents

Financial Risk: What is the hospital's short and long-term financial state?

Financial Risk rating

- High Financial Risk
- Medium Financial Risk
- Low Financial Risk

Hospitals are rated on three key indicators and ratings are based on comparisons with Moody's healthcare medians for different bond ratings groups

1. Non-Audited Operating Margin*
 - Last 3 years: below/above/variable compared to Moody's medians
2. Days Cash on Hand
3. Debt to Capitalization Ratio

Financial data provided by HCRIS reports (FY17, FY16, FY15)
Trauma designation and employees from ACOS and Definitive Healthcare
Other metrics based on Navigant analysis
*CMS' calculation for total margin