



THE HEALTHCARE LANDSCAPE IS CHANGING. PENN HIGHLANDS CLEARFIELD IS ALSO CHANGING.

Nationally:

- The American Hospital Association is projecting that the next five years alone will bring more change to the healthcare industry than we've seen in the past 75 years combined.
- Inpatient stays are dropping while outpatient visits are on the rise thanks to medical advances and new reimbursement rules and payment models.
- To thrive amidst all this change, providers must move away from the outdated, hospital-centered care model and evolve into integrated healthcare networks.
- The impact of Obamacare, coupled with reduced reimbursement from government and private insurers, has significantly lowered hospital revenues, resulting in over 400 mergers and acquisitions and the need for hospitals and health systems to fundamentally change the way they do business.

Statewide:

- In Pennsylvania alone, admissions to hospitals are **down by 7%** and surgeries are **down by 6%**.
- Free care has increased by 54% in the past six years, placing a tremendous financial burden on hospitals.

Locally:

- Admissions at Penn Highlands Clearfield for Fiscal Year 2014 are **down 21%** over the previous year and are **down 53%** since 2008.
- Inpatient surgeries are **down nearly 18%** over the previous year.
- Penn Highlands Clearfield showed a bottom line loss of **\$4.7 million** in Fiscal Year 2014 and has experienced a cumulative loss of more than **\$28 million** since 2008.
- The 2013 federal budget sequestration resulted in a 2% reduction in Medicare reimbursement to hospitals and this

cut alone represents a reduction in payment to Penn Highlands Clearfield of \$450,000 annually.

- The lingering effects of the recent recession, and the imposition of higher deductible health insurance plans by employers, have also contributed to revenue drops over the past few years at Penn Highlands Clearfield.

To Adapt To These Changes:

Penn Highlands Healthcare is embarking on a system-wide restructuring initiative intended to stem financial losses and right-size its facilities. As part of this plan, a workforce reduction is taking place at Penn Highlands Clearfield, as well as a realignment of critical care services from a traditional ICU to new Extensive Care rooms.

While these decisions are difficult and will present hardships for the affected employees and their families, they are necessary to preserve the financial integrity of Penn Highlands Clearfield.

No one likes change, but to ignore the devastating effects of all these external forces would be irresponsible and would represent a real threat to the continuation of healthcare services in the Clearfield region.

However, make no mistake – Penn Highlands Healthcare remains committed to Penn Highlands Clearfield.

Our Vision For The Future:

In the coming months, Penn Highlands Healthcare plans to launch several initiatives at Penn Highlands Clearfield that will help redefine the hospital's mission, improve customer service, enhance quality and increase access to care. These plans include:

- Private rooms for our patients
- New Extensive Care rooms for more acutely ill patients
- A new outpatient diagnostic center in the Nathaniel D. Yingling, MD Cancer Center Building
- Access to additional physicians and mid-level practitioners
- A new outpatient medical building in the Moshannon Valley
- QCare, primary care walk-in clinics in Clearfield and Philipsburg

In summary, although Penn Highlands Clearfield is changing, one thing remains the same – its strong commitment to providing the best possible care to all patients. Penn Highlands Clearfield has served the community for 114 years, and plans to continue doing so for many years to come.



**Penn
Highlands
Healthcare**