



COLLEGE of AMERICAN  
PATHOLOGISTS

# Practice Management Networking Community

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**Rural Pathology:  
Addition to Your Practice on the Horizon?  
Decision-making Tools From Our Panelists**

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*No disclosures or conflicts of interest to share*

- **Member – CAP Practice Management Committee**
- **Board certified AP/CP, cytopathology**
- **VP & Treasurer Arlington Ridge Pathology Corp., President of Medical Staff & on Hospital Board of Directors, NW Community Healthcare, IL in the past**
- **Palatine Township, IL Trustee**
- **Early in career worked for commercial lab in Oklahoma servicing rural hospitals, 4 States**



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*No disclosures or conflicts of interest to share*

- Board certified pathologist with MAWD Pathology Group, Kansas City
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- Primary practice location – Liberty hospital, Liberty, Missouri
- System medical director of Amberwell health hospitals (rural)
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*No disclosures or conflicts of interest to share*

- Incyte Diagnostics; Spokane Valley, Washington
- Board certified AP/CP
- Fellowship in gastrointestinal pathology with Robert Petras in Cleveland, Ohio
- Member of multiple committees with InCyte including chairman of the digital pathology task force and member of the board of directors
- Lab Medical Director, multiple rural hospitals in Washington and Idaho



# David J. Hagan, MD, FAAFP, CPE, FAAPL

- **Practicing Family Physician, Gibson City, Illinois (pop 3500) for 39+ Years**
- **Chief Strategy Officer Gibson Area Hospital (Rural Critical Access Hospital)**
- **Member, Board of Directors Gibson Area Hospital for 36+ Years**
- **Past President and Past Board Chairperson, Illinois Academy of Family Physicians**
- **2016 Distinguished Service Award Rural Medical Education Program; University of Illinois-Rockford**

*No disclosures or conflicts of interest to share*



# Practice Management Networking Community

## *Basic “Ground Rules”*

- Respect for diversity of participants
- Respect for privacy of confidential/privileged information
  - Do not share sensitive information deemed confidential or that reflect specific competitive strategies, trade secrets, market positions, etc.
  - Avoid streams of conversation that could be construed as potential legal advice



# Practice Management Networking Community

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# Fast Facts: U.S. Rural Hospitals

- **Is my hospital rural?**
- Rural hospitals are those not located within a metropolitan area as designated by the US Census Bureau and the U.S. Office of Management and Budget. (Generally fewer than 2,500 population cluster)





# Topic #1

## What your rural clinician needs and wants from the Lab

- How do medical/pathology services differ in rural vs urban settings?
- What specific lab tests/panels are commonly ordered: turnaround time expectations for routine and urgent/emergency
- Exotic/unusual tests/COVID: needs and turnaround time expectations
- Blood Bank: Products (packed RBC, Fresh frozen plasma, platelets) and crossmatch / other services in routine vs urgent settings. Availability and turn around time expectations and requirements.
- Microbiology: What services are needed/wanted

# Topic #1 continued

## What your rural clinician needs and wants from the Lab

- Frozen sections: expectations and needs
- Surgical pathology, cytology: expectations
- Rural populations are reported to be older, sicker and less affluent than urban ones. What are the impacts on medical practice including financial/budgeting?
- Clinician areas of concern with lab services: if any, what are top items?





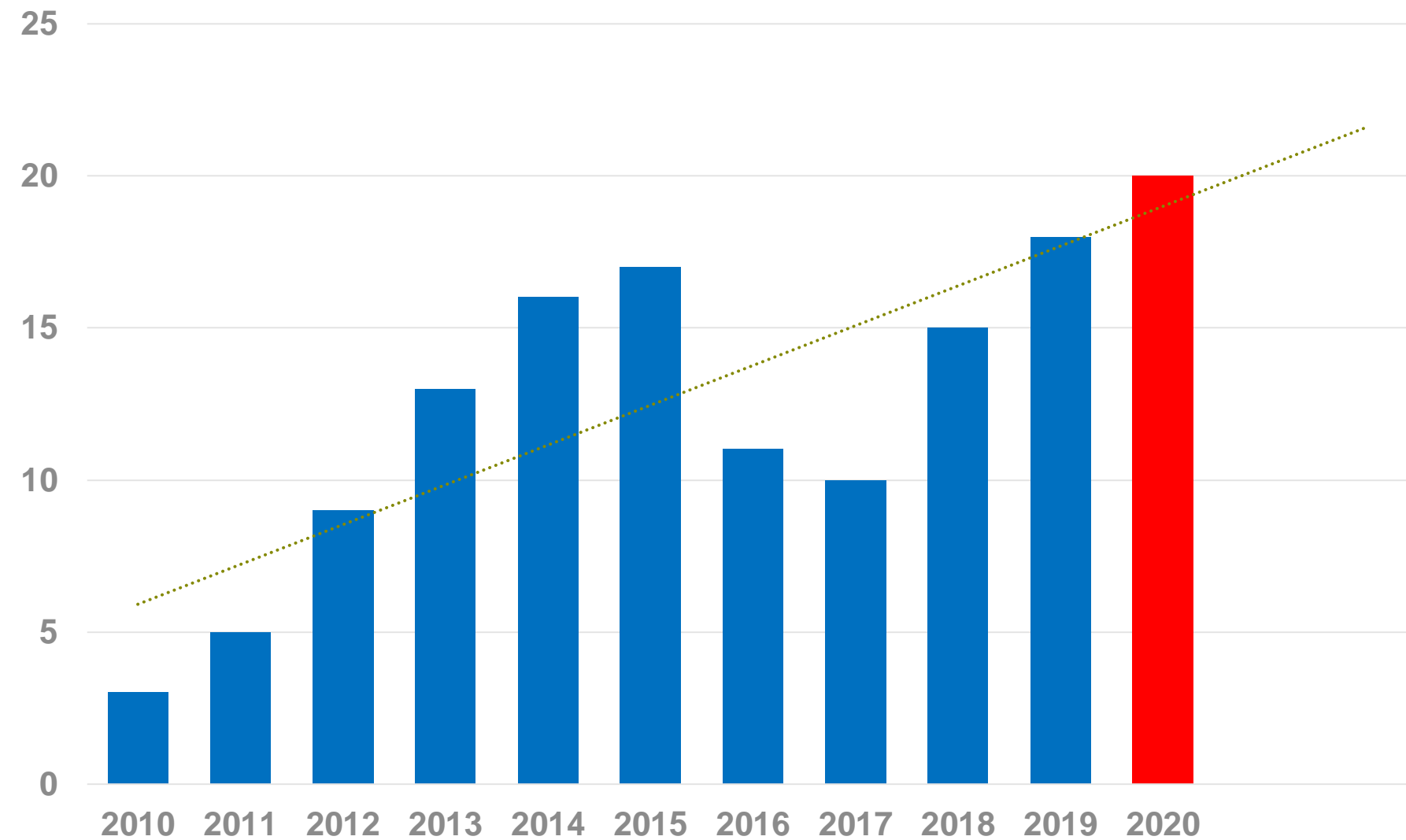
# Rural Hospital Closures

- >135
- ~~>76~~ Closed Since 2010
- 1 in 3 at risk
- Over 450 Vulnerable





# Rural Hospital Closures on the Rise





# **Rural Hospital Closures**

**New Record  
20 Closures  
In 2020**





# Increased Rural Closures

Rural 6%  
Loss



7% Urban  
Gain

Median Operating Profit  
Margin 71.6% Lower

35% Rural Hospitals  
Operating at Loss

69% Have a Negative  
Operating Profit Margin



# Rural Hospitals at Risk

## Immediate Risk of Closure



- >500 Rural Hospitals
- Persistent Financial Losses
- Low or No Financial Reserves
- In 21 States, at Least 25% of Rural Hospitals

*CHQPR*

# Rural Hospitals at Risk

## High Risk of Closing in Near Future



- > 300 Hospitals
- Low Financial Reserves

OR

- Dependence on Non-Patient Revenue

*CHQPR*





# National Rural Health Snapshot

	Rural	Urban
Percentage of population	19.3%	80.7%
Number of physicians per 10,000 people	13.1	31.2
Number of sub-specialists per 100,000 people	30	263
Population aged 65 and older	18%	12%
Average per capita income	\$45,482	\$53,657
Adults who describe health status as fair/poor	19.5%	15.6%
Adolescents who smoke	11%	5%
Medicare beneficiaries without drug coverage	43%	27%

*Health Resources and Services Administration  
and Rural Health Information Hub*





# Rural Health Disparities

- Poor Health?    19.5% Rural  
                         15.6% Urban
- Diabetes        9.6% Rural  
                         8.4% Urban
- 9% of Physicians Practice Rural
- 77% of Rural Counties Are HPSAs
- Transportation Issues

# Rural clinician areas of concern with lab services:

- 1) Turnaround time for surgical pathology and cytology reports
- 2) It is important for the pathologist to actively work with the lab manager on lab policy development and tech support

## Topic #2

# How Does a Rural Pathology Practice differ?

- Fewer clinical subspecialists
- Coverage and expectations vs reality
- Instrumentation, LIS, Reporting structure
- Need for a more generalist AP/CP pathologist
- Less complexity in cases but wide diversity in diseases
- First diagnostic procedure is often different



# Topic #3

## Challenges of rural pathology

- Frozen section coverage
- Couriers
- Geography
- Pathologist staffing
- Quality assurance of cases
- Recruitment & retention of techs, phlebotomists, lab managers and other lab personnel
- Financial implication
- Value added services



# Topic #4

## Solutions to rural pathology challenges



Frozen section coverage; Live telemicroscopy



Couriers



Pathologist staffing



Geography; Digital pathology



Quality assurance of cases



Recruitment & retention of techs, phlebotomists, lab managers and other lab personnel



Financial mitigation

# Topic #5

## Is this practice for everyone?

- Comfortable making quick decisions
  - Communication is key
  - Comfortable with being uncomfortable ?
  - Family support
- 
- Relationships
  - Who would be more successful in rural pathology services: recent graduates or seasoned pathologists?



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## *Next steps*

- Next session
  - October 18, 2022 – 2<sup>nd</sup> Tuesday of the month
  - Contract Negotiation: Get What You're Worth
  - Registration Link: <https://bit.ly/capoct18>
- Two requests
  - Please complete survey
  - Consider volunteering to lead a future session and share your experience