

## CASE STUDY: MAINE RURAL/COMMUNITY HOSPITAL NETWORK

*Project completed in 2014*



In today's changing healthcare environment, rural and community hospitals can gain strength and ensure sustainability by working together to share resources and create economies of scale. With Stroudwater's support and facilitation, five hospitals in Maine, including three in Maine's northern-most and most rural county, Aroostook County, formed the Maine Rural Health Collaborative, LLC (MRHC) with a goal of preserving and enhancing healthcare within the communities they serve.

The MRHC hospitals include Northern Maine Medical Center (Fort Kent), Cary Medical Center (Caribou), Houlton Regional Hospital (Houlton), St. Joseph Hospital (Bangor) and Mount Desert Island Hospital (Bar Harbor). The MRHC is a mutual collaboration model, and is unique in its combination of rural and community hospitals, critical access (CAH) and prospectively paid (PPS) hospitals and organizations that are both independent and part of health systems.

Rural hospitals in Maine and across the country face numerous challenges, including transportation, physician recruitment, an aging population, high rates of chronic illness, poverty, an aging workforce and an over-dependence on government programs like Medicare and Medicaid, programs that often reimburse rural hospitals less than the cost of the care they provide. These organizations increasingly face the existential challenge to 'go it alone' or to affiliate to ensure the ability to grow, prosper, serve their communities and in some cases to survive. The MRHC collaboration is again unique as a third path of not independence, not affiliation, but interdependence with like-minded organizations.

As an organization committed to creating the unique solution for each client need, Stroudwater understands that there are as many types of affiliations as there are clients seeking a productive, efficient, and sustainable way to work together. We have led the rural and community hospital market (in New England and in several other states) in supporting the development of creative alternate partnership solutions for hospitals that value their independence but need the support of partners to ensure successful long-term operations in an increasingly population-based delivery and payment system.

Stroudwater looks forward to the opportunity to support networks like the MRHC and others looking to create strength and sustainability through interdependence and mutual support. We welcome discussion with hospitals and communities that would like to learn more about this project and others like it.