

IMPACT OF HOSPITAL CLOSURE ON RURAL COMMUNITIES

Navigate records retention with a focus on continuity of care



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When a rural hospital closes, the obvious immediate concern is transitioning care for patients requiring treatment, but the longer-term impact on the surrounding community is often overlooked. After the initial flurry of press releases, comments from politicians, and questions about who is to blame for the closure, there tends to be very little follow up on the true impact on the community affected by the closing of a rural hospital.

ACUTE PATIENTS MUST HAVE IMMEDIATE ACCESS TO RECORDS UPON CLOSURE

The closure of a rural hospital triggers a series of events for many years, starting with how far patients must travel the next time care is required, which can be life-threatening. Aside from those with critical situations, former patients of the closed hospital with chronic conditions, those with pending worker's compensation or insurance claims, and patients just looking for basic continuity of care, must have access to their medical records. Depending on the nature of the closure, lack of access to records can be a serious problem. [One recent example in Arizona](#) left hundreds of former patients without access to medical records, resulting in a Superior Court Judge ruling to take \$92,000 from the hospitals'

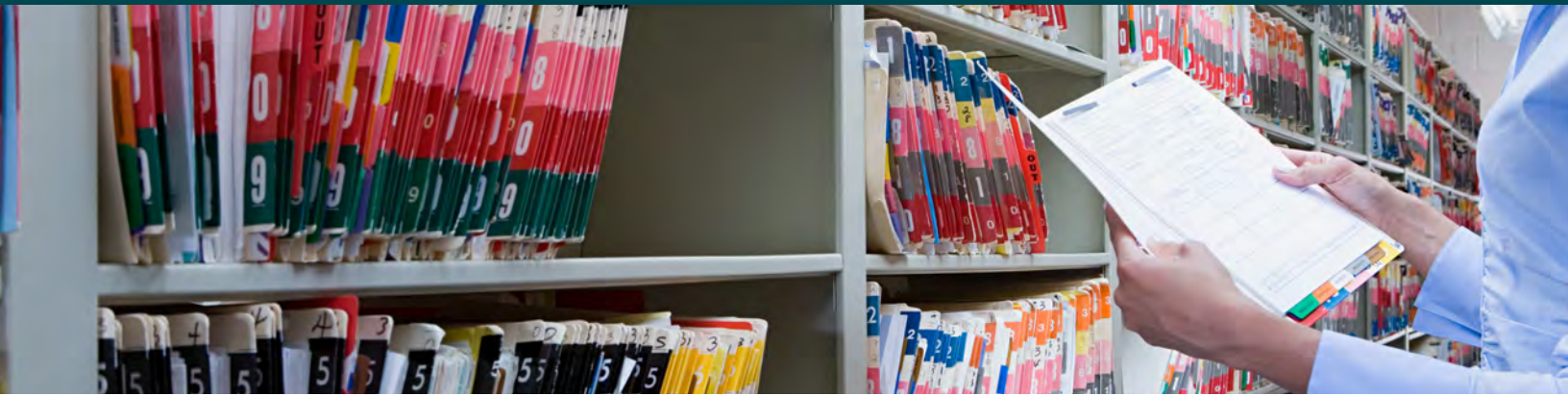
remaining assets to reactivate the electronic medical records (EMR) system for 90 days.

Even when the ownership of the hospital attempts to conduct an orderly shutdown, including access to records, resources can become challenging to manage, such as knowledgeable hospital staff taking jobs elsewhere, or ongoing access to costly Electronic Health Record systems becoming too expensive. Security is often an issue as well, as computer hardware and films are often stolen, and physical records are stored in places lacking security. Backlogs for records requests can quickly develop as the volume of these requests are often underestimated during a transition, and it becomes difficult to find resources to triage this situation once it arises.



EMPLOYEES AND MEDICAL PERSONNEL REQUIRE ACCESS TO RECORDS TO FURTHER THEIR CAREERS

There are laws in place requiring both medical and business records to be managed for many years, which vary by state and record type. When



a rural hospital closes and provisions are not made to effectively manage the records through the statutory retention periods, additional pressure falls on the community already facing obvious challenges resulting from the closure. The way the records are handled through the hospital closure determines how effectively the community can move forward in the years that follow.

Aside from the records needed for medical care, former hospital employees, including the medical staff, need access to the business records as well, so they can move on with their lives and careers. After facing the initial shock of job loss resulting from the closure, hospital personnel shouldn't have to deal with additional challenges of obtaining proof of employment, tax documents, or credentialing information. Inability to access employment and credentialing information contributes to healthcare professionals leaving a community after a rural hospital closure. [A recent study](#) funded by the Federal Office of Rural Health Policy detailed the negative impact of such closures on the labor force and population size, citing closures decreased the local labor force by [1.4 percent on average](#).

RECORDS MUST CONTINUE TO BE MANAGED AFTER ACQUISITION OR BANKRUPTCY

A common mistake for hospitals facing either acquisition or bankruptcy is to assume someone

else will take care of the records on the other side of the transition. The HIPAA laws require the healthcare facility ownership to properly manage health records created by that owner, so unless the acquisition documents specifically include provisions for the legacy records, the original ownership can get stuck with the responsibility, often with very limited funds at that point. In the case of bankruptcy, ownership often assumes a court-appointed trustee will take care of the records, but that is not always the case. In two recent examples of hospital closures, [Ellwood City Medical Center in Pennsylvania](#) and [Williamson Memorial Hospital in West Virginia](#), the Bankruptcy Trustee simply filed for court permission to avoid the statutory retention requirements and destroy both the medical and business records in very short timeframes to save capital, leaving both patients and former employees to scramble for the documents to move on with their medical care and careers.

When planning a rural hospital closure, there are many complex things to consider. Managing records shouldn't be one of them. When you outsource custodial records management to Cariend, you can rest assured that your records will be properly handled. If you still have questions regarding the benefits of outsourcing custodial records management, contact Cariend today.

WHEN A RURAL HOSPITAL CLOSES

Acute patients must immediately be transitioned

Patients with chronic or ongoing medical issues require continuity of care

Employees and medical personnel require access to records to further their careers

Laws require business and medical records to be stored for many years

Failure to make provisions for the medical and business records of the closed hospital adds to the stress of the closure throughout the surrounding community for many years

LEARN MORE ABOUT **CARIEND:**



Your moment begins now. To get started with the closure process, call Cariend today at **855.516.0611** or visit us online at **CARIEND.COM**.

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