

Dr. George Pink (left) and Dr. Mark Holmes review the locations of critical-access hospitals in the United States.

## Rural communities with thriving hospitals may have the work of George Pink and Mark Holmes to thank.

Pink, Humana Distinguished Professor of Health Policy and Management, and Holmes, health policy and management assistant professor, both in UNC Gillings School of Global Public Health, study effective ways to measure and report hospital financial performance. Their work enables rural and critical-access hospitals (CAH) to be more accountable for the money they spend while also improving quality.

"CAHs are small, rural hospitals, historically at high risk of financial distress because of the small and relatively poor, isolated communities they serve," says Pink.

"The vulnerability of these hospitals makes measurement of their financial performance key to ensuring their long-term financial survival. Measurement identifies financial problems that require remedial action."

Holmes, director of the N.C. Rural Health Research and Policy Analysis Center at UNC's Cecil G. Sheps Center for Health Services Research, where Pink is a senior research fellow, says their work helps hospitals to identify financial strengths and weaknesses. This results, Holmes says, in a financially healthier hospital, and thereby, a healthier community. In many rural communities, the

hospital is one of the largest employers, second only to schools.

The researchers' work has impact throughout the country. The U.S. Department of Agriculture, for example, recently asked hospitals applying for rural development loans to provide as part of the loan evaluation process the *CAH Financial Indicators Report* developed by Pink and Holmes.

Their experience with rural hospitals has had implications for other policies and programs as well. As a case in point, Holmes' evaluation of the effect of rural hospital closures on the local economy was cited by Gov. Beverly Perdue as justification for her Rural Hope Initiative. During the first year, the initiative awarded \$6 million to 37 projects across North Carolina.

- Michele Lynn