



FOR IMMEDIATE RELEASE
November 17, 2017

CONTACT: Debbie Pace or Gretchen Crawley
(205) 485-7117 (865) 770-3608

LAKELAND COMMUNITY HOSPITAL TO CEASE OPERATIONS BY YEAR END

*Reduction in government and insurance reimbursements force hospital closure
Rural hospitals are at most risk – this is the 8th Alabama rural hospital closure in as many years*

(HALEYVILLE, AL) - - Lakeland Community Hospital announced today that it will cease operations by year end. The 59-bed facility is the only hospital servicing Winston County.

Reduced reimbursements from the government as well as commercial insurers have taken a tremendous toll on rural hospitals across the nation. Lakeland Community Hospital has been greatly impacted and is on track to have reimbursements reduced by nearly \$2 million dollars. This tremendous financial loss, due to reduced reimbursements, has made it impossible to cover costs and has made operating at a deficit unsustainable.

Hospitals in rural communities are particularly vulnerable. Specifically, due to the Affordable Care Act (ACA) of 2010, Disproportionate Share Hospital (DSH) payments to rural facilities have been drastically reduced leaving smaller rural facilities to make up the cost, operate at a loss, or even close. Additional reductions from CMS reimbursements for low volume adjustments for rural hospitals and further reductions from commercial insurance carriers have made operating rural hospitals extremely difficult.

“Our team explored every viable option to avoid closing the hospital,” said Debbie Pace, CEO of Lakeland Community Hospital. “Unfortunately, as with many other rural healthcare facilities in the Southeast, we are unable to continue operations due to such drastic reductions in reimbursement. I want to thank the Lakeland hospital staff, physicians and board for their dedication and service to the community.”

Approximately 87 employees will be affected. Lakeland employees will be given priority to fill open positions at other area hospitals in the same network and employees will be assisted in identifying other healthcare entities in the area that are seeking employees. Employees will continue to be paid and benefits will continue for those who choose to stay on through the process of winding down hospital operations.

The Medical Detox program at Lakeland will be transferred to Russellville Hospital in Russellville, AL. Other services or departments may be combined or transferred depending upon regulatory requirements.

###