



Hospital and Health System Sustainability in Pennsylvania

Pennsylvania Senate Institutional Sustainability and Innovation Committee

May 7, 2025

On behalf of The Guthrie Clinic, I would like to thank Chairman Farry, Chairman Kearney, and the Pennsylvania Senate Institutional Sustainability and Innovation Committee for allowing me to speak at today's hearing on hospital and health system sustainability in Pennsylvania.

I am honored to join you in discussing this critically important and timely topic.

My name is Dr. Edmund Sabanegh, and I am the President and CEO of Guthrie, which is a non-profit integrated health system serving patients across Northern Pennsylvania and the Southern Tier of New York.

With over 10,000 employees across our network of six hospitals and more than 75 clinics, Guthrie delivers high-quality, patient-centered care to thousands of rural residents each year. Since last July, Guthrie has had more than 130,000 emergency department visits, nearly 31,000 inpatient admissions, and over 1.6 million clinic visits.

Healthcare Needs in Rural Communities

In rural communities, like the ones served by Guthrie, the local hospital is more than just a place to receive care - it's the anchor institution and heart of the region. I've met generations of families who have worked within our organization and seen time and time again, neighbors caring for neighbors within our walls. It's one of the many reasons why I made the move to Guthrie four years ago.

According to the Department of Agriculture's Economic Research Service, in 1999, the natural-cause mortality rate for people 25 to 54 years old in rural areas was only 6% higher than for city dwellers in the same age bracket. By 2019, the gap widened to 43%.

On average, rural populations tend to be older, have lower household incomes and inadequate insurance coverage. They are also more likely to suffer from chronic illnesses, such as heart disease, diabetes, and COPD, which increases their need for consistent

medical attention. Barriers to care, such as broadband gaps and limited access to transportation, magnify these issues and make providing and receiving care more difficult.

When a rural hospital scales back services or eliminates departments, often due to a combination of financial, workforce and systemic challenges, there is a ripple effect that extends far beyond the hospital itself. Patients must travel further for care, and some choose to delay treatment or go without it altogether. Nearby hospitals are forced to absorb volume and often experience significant strain, including longer wait times for patients, larger workloads for staff, and further financial instability. If the hospital fails, the entire region could lose essential services, jobs, and economic stability. Lives are put at risk and the fabric of the community begins to erode.

Allow me to provide a regional example: In 2011, Commonwealth Health, a for-profit organization, purchased Tyler Memorial Hospital in Tunkhannock, Pennsylvania. After operating the hospital for 10 years, Commonwealth decided to discontinue inpatient and surgical services, and then one year later, they chose to eliminate emergency services. Wyoming County turned into a medical desert, and residents were left without convenient access to care.

In January 2024, Guthrie partnered with local leaders to offer a wide range of essential outpatient medical services, including primary care, preventive care, walk-in care, lab, and basic imaging at the former hospital location.

Since last July, we have done nearly 17,000 patient visits and restored a sense of security for community members who felt overlooked and left behind.

Despite our commitment to closing local gaps and caring for as many patients as possible, Guthrie operates with limited resources and cannot continue to expand services in other areas without further financial support and a reliable safety net.

We see significant challenges and opportunities in three areas, workforce, care redesign, and regulatory framework.

Workforce

Like many other health systems in the state and across the county, Guthrie is experiencing a workforce shortage that threatens our ability to keep the communities we care for safe and healthy.

Understaffed hospitals result in longer wait times, delayed treatments, increased hospital readmission rates, and reduced patient satisfaction. Hospital staff are also required to work longer shifts, which can lead to burnout and higher turnover rates.

By 2027, it has been estimated that up to 900,000 nurses will leave the workforce because of retirement and stress. Unfortunately, Pennsylvania will be among the most impacted states, with a projected shortage of 20,000 nurses and 278,000 nursing support professionals by next year.

At Guthrie, we have hundreds of open positions across nearly every department, especially in nursing. Although we offer competitive pay and generous benefits, we face recruitment and retention challenges that are common to rural systems, including geographic isolation, limited professional development opportunities, and fewer lifestyle amenities.

As legislators, you can support programs and policies that make things easier for hospitals and health systems to operate in rural regions. One bill that Guthrie strongly supports recently passed in the House of Representatives and has been referred to the Senate Institutional Sustainability and Innovation Committee. House Bill 157 is sponsored by Reps. Kathy Rapp and Dan Frankel and would establish the Rural Health Care Grant Program, allowing eligible facilities, including rural hospitals, to help certain healthcare professionals in paying off their student loans. Through incentivizing these professionals to work in rural communities, House Bill 157 would directly address a key barrier to recruitment and retention: student loan debt.

While recruiting healthcare workers from outside rural communities is essential to meeting immediate workforce needs, it is equally important to invest in growing the healthcare workforce from within these communities. Studies show that students who have a deep understanding of their local community's unique challenges and opportunities are more likely to stay in their area and become long-term community contributors. Supporting pipeline programs - including those that engage middle and high school students- helps cultivate early interest in healthcare careers, fuels a sense of purpose, and creates a sustainable path to addressing future workforce needs.

On behalf of Guthrie, we support any legislative efforts that would strengthen and expand the rural healthcare workforce pipeline. Whether it's a school-aged initiative or college program, building a qualified and sustainable workforce requires investment at every step and stage of the educational journey.

Care Redesign

With healthcare workforce shortages intensifying, the demand for reliable rural health services continues to escalate. To meet increasing needs and overcome challenges unique to rural regions, Guthrie has embraced creative thinking and implemented innovative solutions.

In 2023, we launched the Pulse Center, a transformative care model that functions like a command center, where nurses, intensive care physicians, telemetry technicians, and telesitters utilize real-time monitoring, data analytics, and two-way communication to enhance bedside care and improve patient outcomes.

Through the Pulse Center, we effectively extend clinical reach without replacing bedside staff and ensure patients in even the most rural areas receive timely, expert care.

Notable outcomes from the Pulse Center include:

- Nurse turnover rate dropped by 12%
- \$7 million in cost savings within one year
- More than 30 minutes per shift saved by nurses on data entry
- Shortened length of stay in the ICU by half a day
- Decrease in patient falls with injury by 40%

Hospitals and health systems should be encouraged to develop and grow innovative models of care that improve conditions for employees and patients. These models have the potential to enhance access, efficiency, and outcomes; however, for them to succeed, they must not only be supported but also scaled thoughtfully and sustained through reliable financial investment and policy alignment.

Regulatory Framework

In terms of regulation and as legislators look to improve health care quality, I would suggest that models, like the Pulse Center, be protected and guidelines be established so that every patient in Pennsylvania receives quality care from trained professionals, whether in person or virtual. We do not want to see patient safety or quality of care be compromised by providers who lack the proper training and credentials. We also do not want to see virtual services replace bedside resources.

As a rural health system serving communities across Pennsylvania, we strongly support the Rural Emergency Hospital (REH) designation as a critical step toward preserving access to lifesaving care in underserved areas.

Due to low volumes and high operational costs, many rural hospitals struggle to maintain full inpatient services. The REH model allows facilities to maintain critical services, such as emergency stabilization and outpatient care, while receiving enhanced Medicare reimbursement and financial support.

We believe that one of Guthrie's facilities would be eligible for this designation and hope to work with legislators, agency officials, and other key stakeholders to offer this as a lifeline.