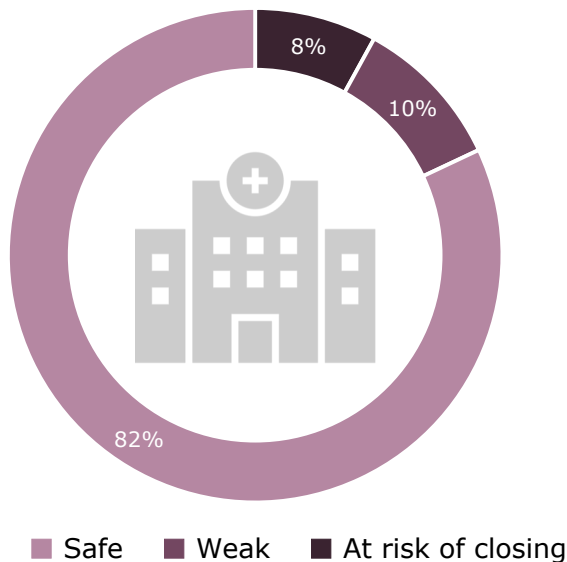


# On average, 30 American hospitals shut down per year, with an increase expected in the next 18 months

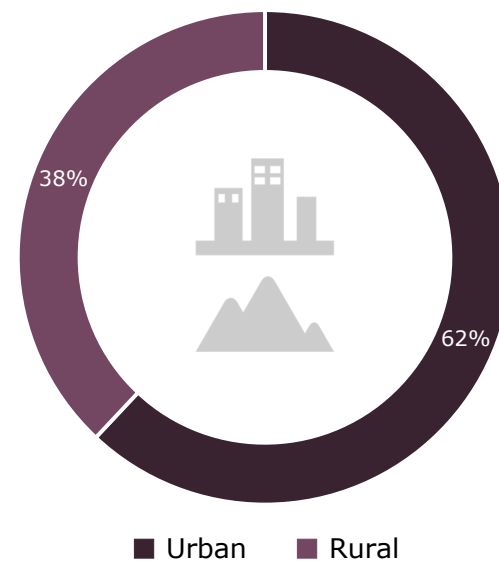
## Potential hospital closures

Data from Morgan Stanley



## US hospitals: rural vs urban

Data from American Hospital Association



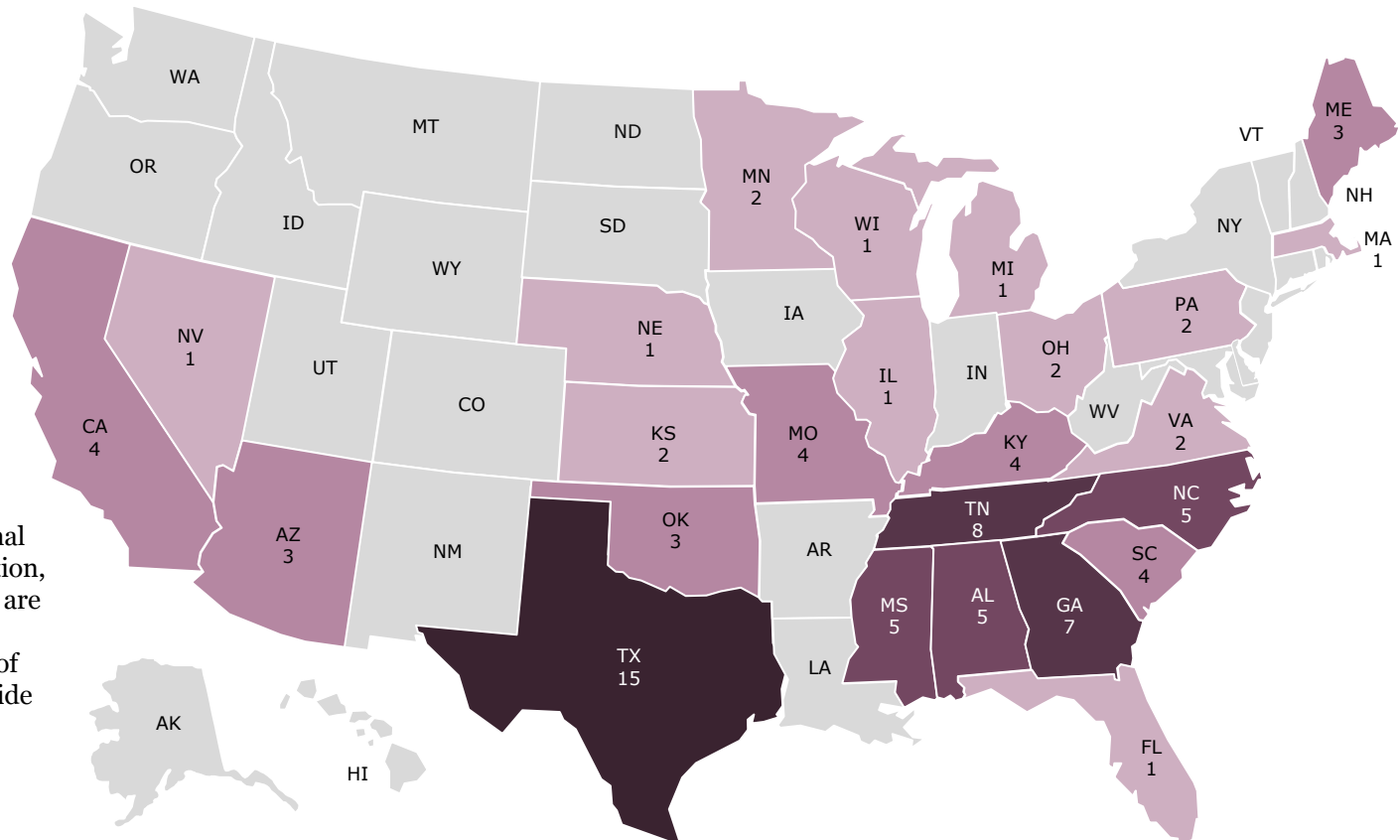
- Morgan Stanley analysts looked at data from 6,000 U.S. hospitals and concluded that 8% (480) are at risk of closing in the next 18 months and another 10% (600) are considered weak

- Mergers and acquisitions as well as alternative sites of care pressure hospital margins, particularly in rural areas

Sources: Cristin Flanagan, "U.S. Hospitals Shut at 30-a-Year Pace, With No End in Sight," Bloomberg, August 21, 2018; "Fast Facts on U.S. Hospitals, 2018," American Hospital Association, February 2018.

# 87 rural hospitals have closed from Jan. 2010 to Aug. 2018

## Number of rural hospital closures by state



According to the National Rural Hospital Association, 673 additional facilities are vulnerable to closure, representing over 33% of rural hospitals nationwide