

Aspirus Health CEO Matt Heywood Discusses Hospital Closure Impacts, Strategies for an Evolving Health Care Environment

Aspirus Health CEO Matt Heywood discussed how the health system is responding to increased patient care in the wake of recent hospital closures in northwestern Wisconsin and shared insights into his forward-looking approach to managing an evolving health care environment during the Wisconsin Health News Newsmaker Event on April 18.

Heywood acknowledged the impact of the closures, emphasizing that such decisions are not taken lightly by any health system or hospital and indicating the severity of systemic issues and broader trends impacting the health care industry.



Aspirus Health CEO Matt Heywood speaks at the WHN luncheon on April 18. At left is WHN Editor Tim Stumm.

"The infrastructure issues we have in the country, coupled with [workforce] pressures, will probably not go away," said Heywood. "You can only lose money for so long...You're going to have this structure start to crack," he added.

He highlighted challenges faced by hospitals and health systems, particularly in rural areas, with declining payer mix and increased administrative burdens, like prior-authorizations and insurance denials. He said, "As you look at the elements of all the stress, one of them is pay mix. We also have to improve the ability to get paid from all the different payers that we have. Then you throw in all the prior-authorizations and your denial rate increases...you're burning a lot of energy and cost to try to get paid on the commercial side."

Heywood added, "Our country loves to solve the problem after the building has burnt down, and it will be interesting to see if we fix some of these issues before they burn down. But the burning down might be more systems having to shut down. And more people

having to see it and relive it, and realize, yes, hospitals can shut down.”

To meet the heightened demand for health care services, Aspirus Health has expanded its reach, notably with its recent affiliation with St. Luke’s Duluth in Minnesota. This strategic move not only addresses the needs of patients in Minnesota but also serves the eastern side of Chippewa and northern areas of the market previously served by the closed facilities. Heywood indicated that Aspirus Health has experienced a significant uptick in patient volume at its clinics and hospitals in response to the closures, particularly in Stanley and Medford.

Despite these challenges, Heywood expressed confidence in Aspirus Health's ability to adapt and thrive, citing the organization's proactive approach and focus on scalability. Heywood emphasized that Aspirus Health's expansion efforts are driven by a commitment to strategic growth rather than mere expansion for its own sake. While the organization has plans for further expansion, Heywood underscored the importance of careful consideration and planning to ensure that growth aligns with the organization's long-term goals and objectives.

“You don’t have to expand to a huge size, you just have to expand enough to be impactful to meet the goals and strategies that you have,” Heywood said.

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