



The City of Bastrop

*Executive Summary of Findings:
Market and Inpatient Bed Need Assessment*

Deliverable #2

Delivered on April 13, 2026

The City of Bastrop, a Texas Home-Rule Municipal Corporation (the City) engaged PYA, through our affiliate firm RTG, to develop a **summary of the healthcare landscape in and around Bastrop, Texas.**¹



THE REQUEST

PYA understands the City is evaluating the potential future development of a new acute care hospital alongside other community infrastructure improvements. **This document is a summary report detailing PYA’s findings related to the supply of and demand for inpatient beds in the service area (Deliverable #1) and a high-level assessment of the healthcare market (Deliverable #2).**¹



KEY OBJECTIVES

The City has requested that PYA assist in achieving the following objectives:

- ✓ Complete a **market assessment** to understand demographic trends, inpatient hospital utilization trends, existing acute care hospital access points, and patient migration patterns in the service area market.²
- ✓ Estimate the **availability of and demand for inpatient beds** in the service area market.^{2,3}
- ✓ Furnish a **summary recommendation related to overall facility need** in the service area market (see Page 14).²

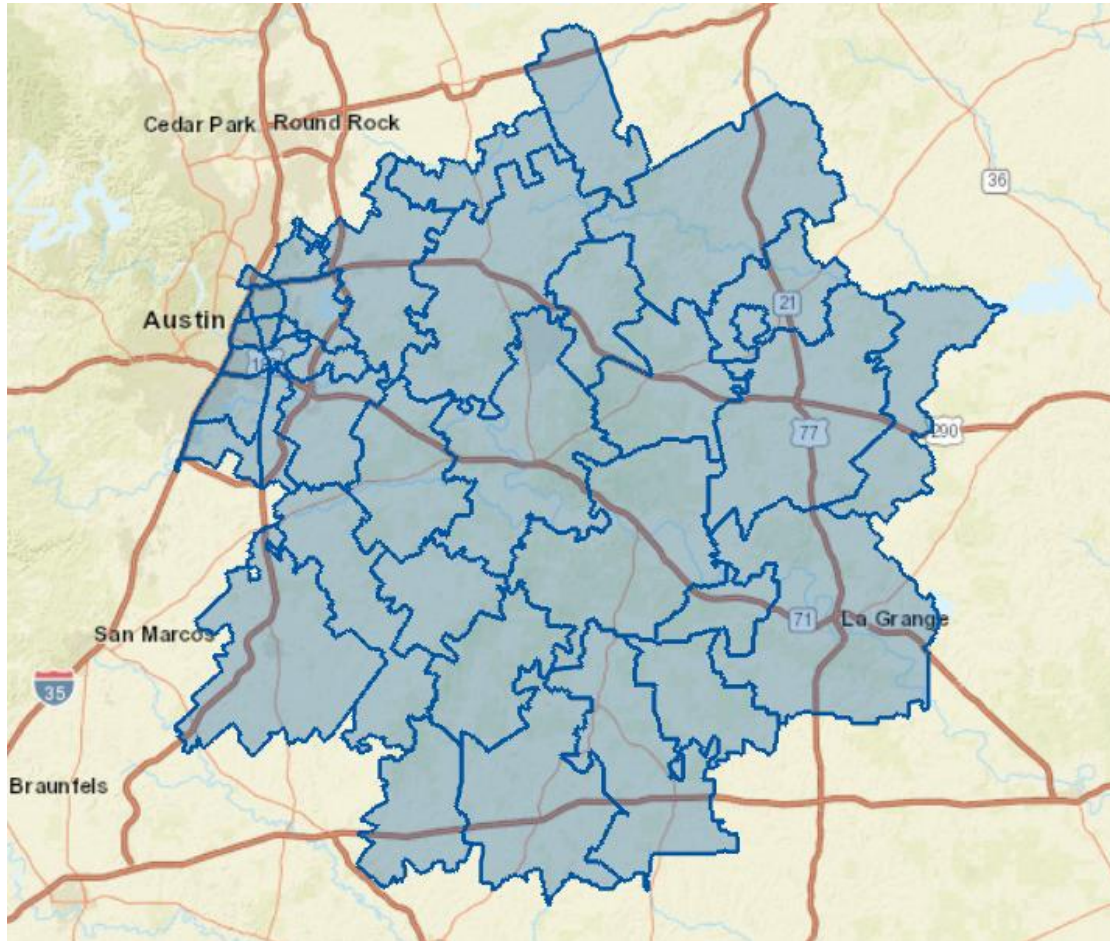
1) PYA, PC (PYA) has been subcontracted through our affiliate firm, Realty Trust Group (RTG), to complete the scope of work herein as described in RTG’s agreement with the City (dated February 10, 2026). In accordance with the terms of this agreement, two distinct deliverables were provided to the City. This document includes outputs from Deliverable #1 and Deliverable #2. This document is intended to be consumed alongside accompanying narrative and comments from PYA.

2) PYA notes that, for purpose of the analyses herein, the Service Area geography was defined by the City.

3) In this context, “availability” of inpatient beds is intended to reference the supply of existing inpatient beds in the defined service area geography.

The Market Landscape

The analyses and findings herein relate to a **37 zip-code service area** defined by the City.

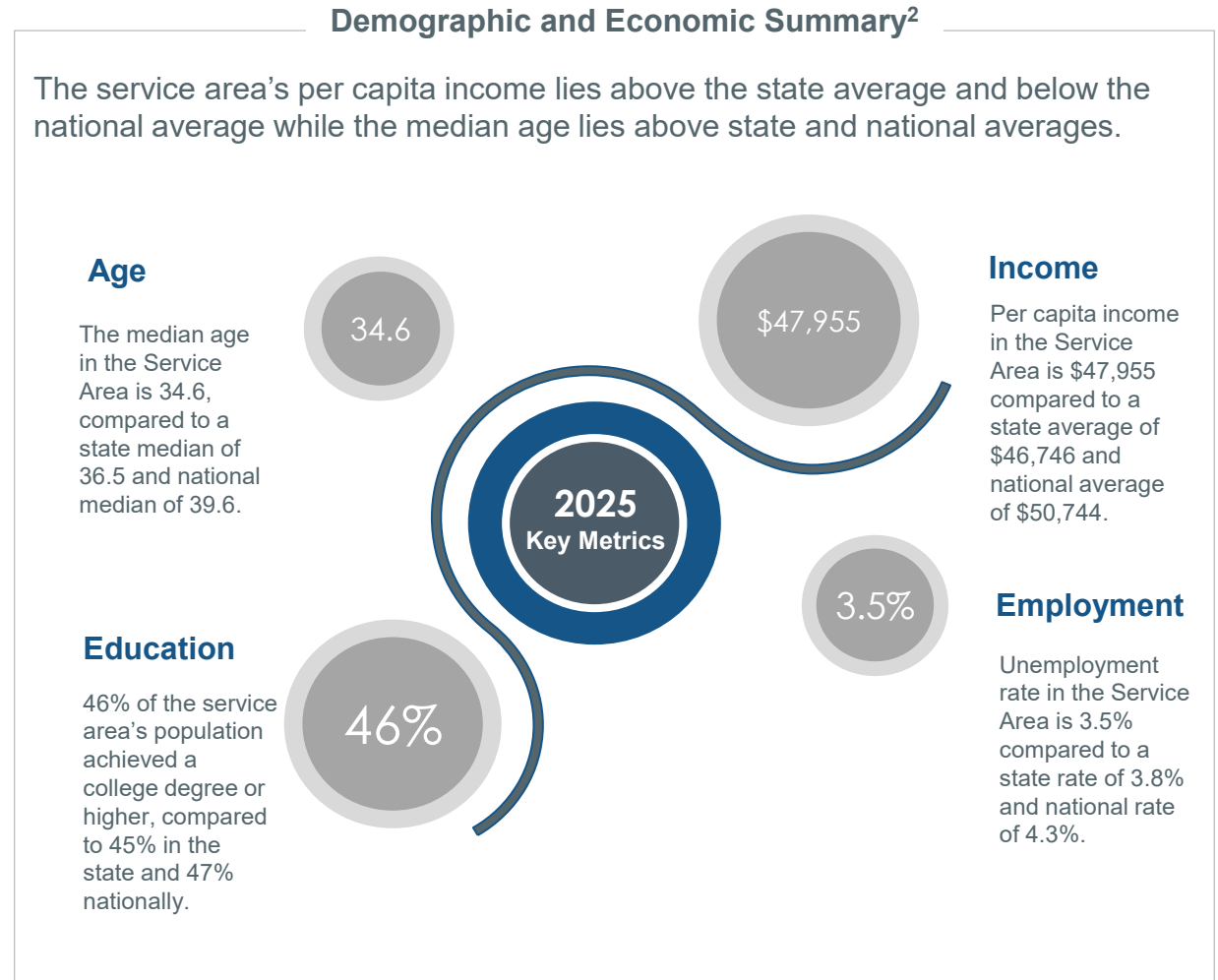
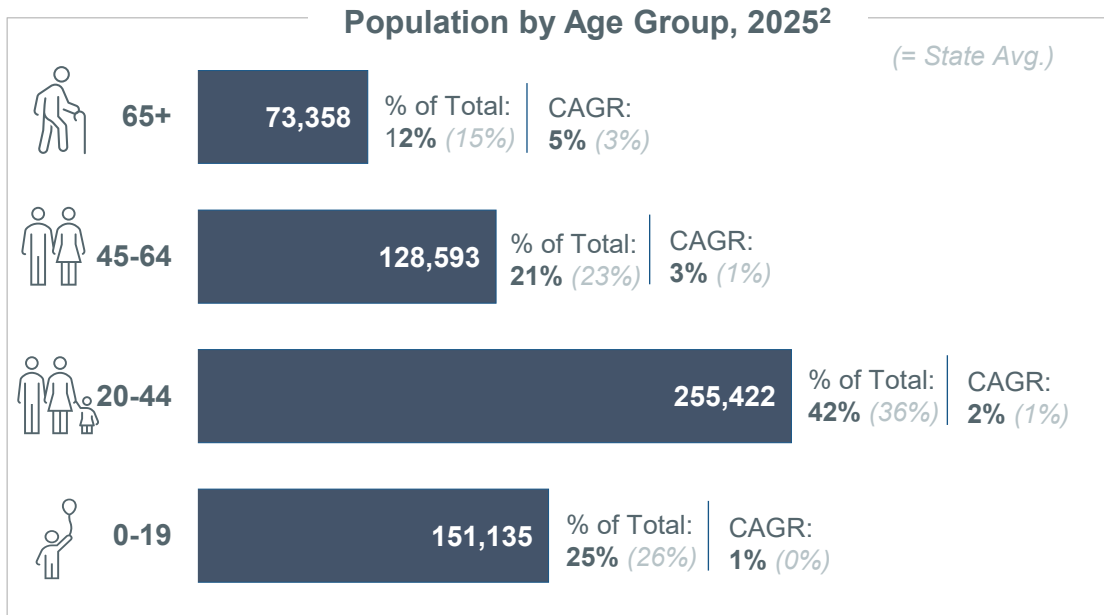
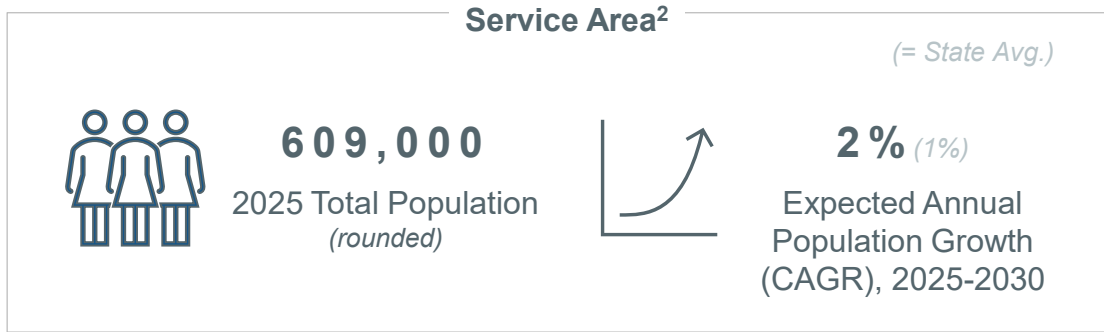


Service Area Zip Codes			
76578	78947	78725	78659
78615	78953	78744	78719
78621	78963	78754	78723
78650	78602	78945	78741
78662	78616	78948	78747
78721	78632	78957	78941
78724	78653	78612	78946
78742	78702	78617	78949
78752	78722	78644	78959
78942			

Key Considerations

- As the City continues to contemplate more detailed planning related to a potential acute care hospital, **additional diligence will be required** to continue to refine the service area.
- For continued planning, the service area will need to be adjusted to align with key strategic considerations (see [Page 14](#)).

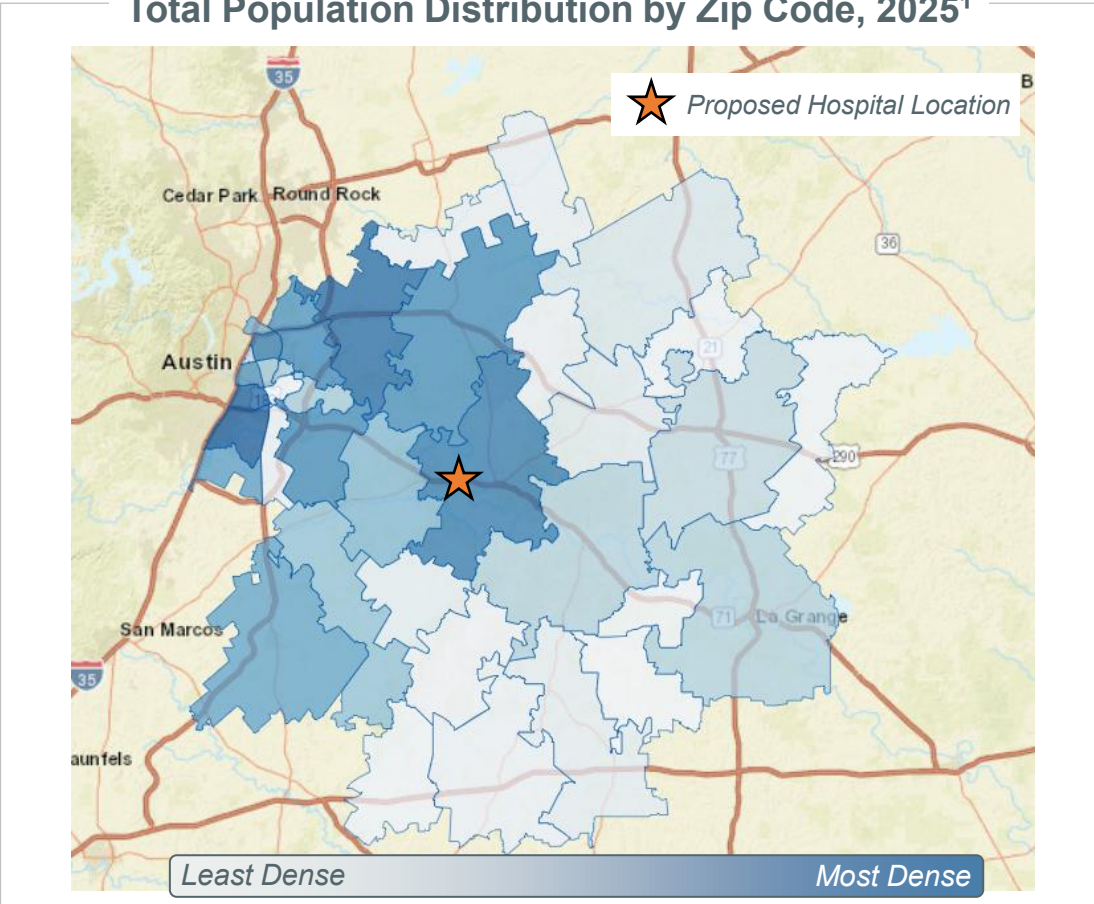
Population in the service area is expected to grow at a compound annual growth rate (CAGR) of approximately **2% from 2025 to 2030** compared to 1% in the state of Texas during the same period.^{1 2}



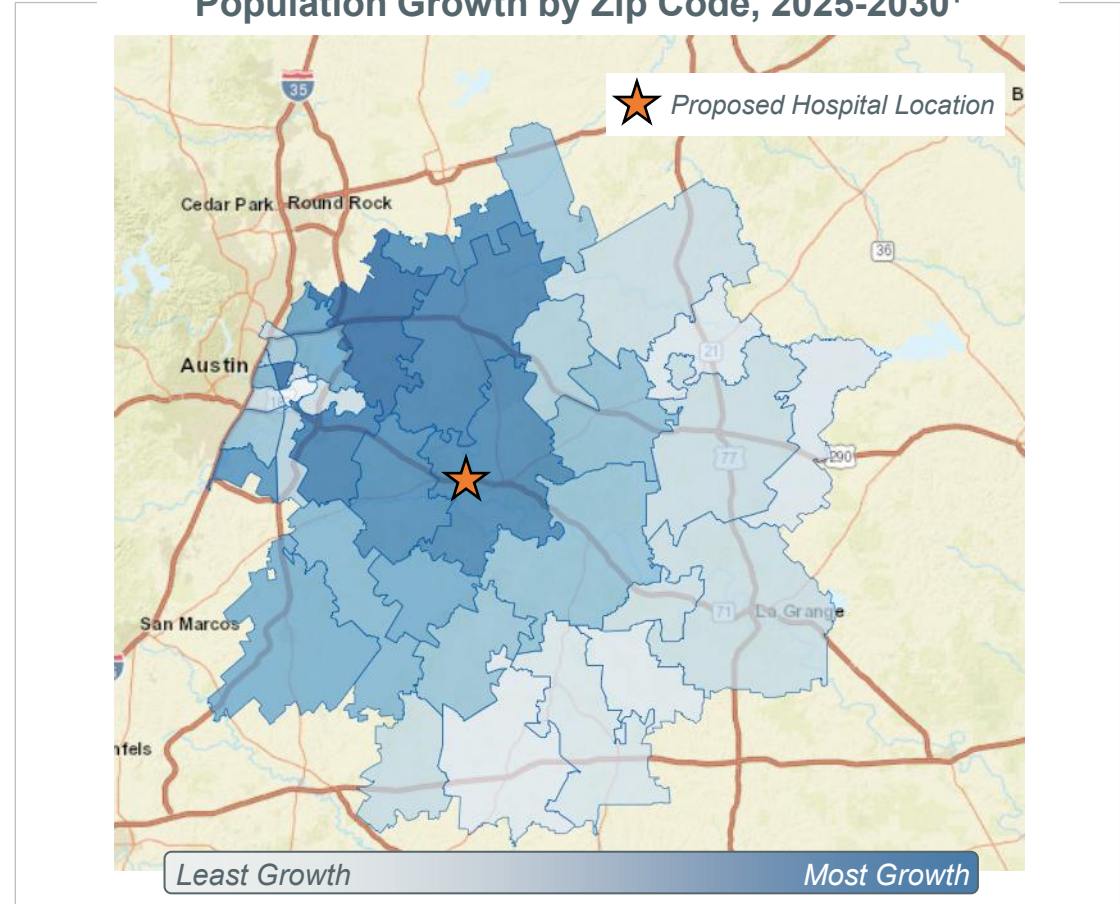
1) PYA notes that, for purpose of the analyses herein, the service area geography was defined by the City.
 2) Environmental Systems Research Institute (ESRI) Demographic & Income Profiles, PYA Analysis

Population is distributed across the service area, with growth occurring west of Bastrop, near Austin.

Total Population Distribution by Zip Code, 2025¹



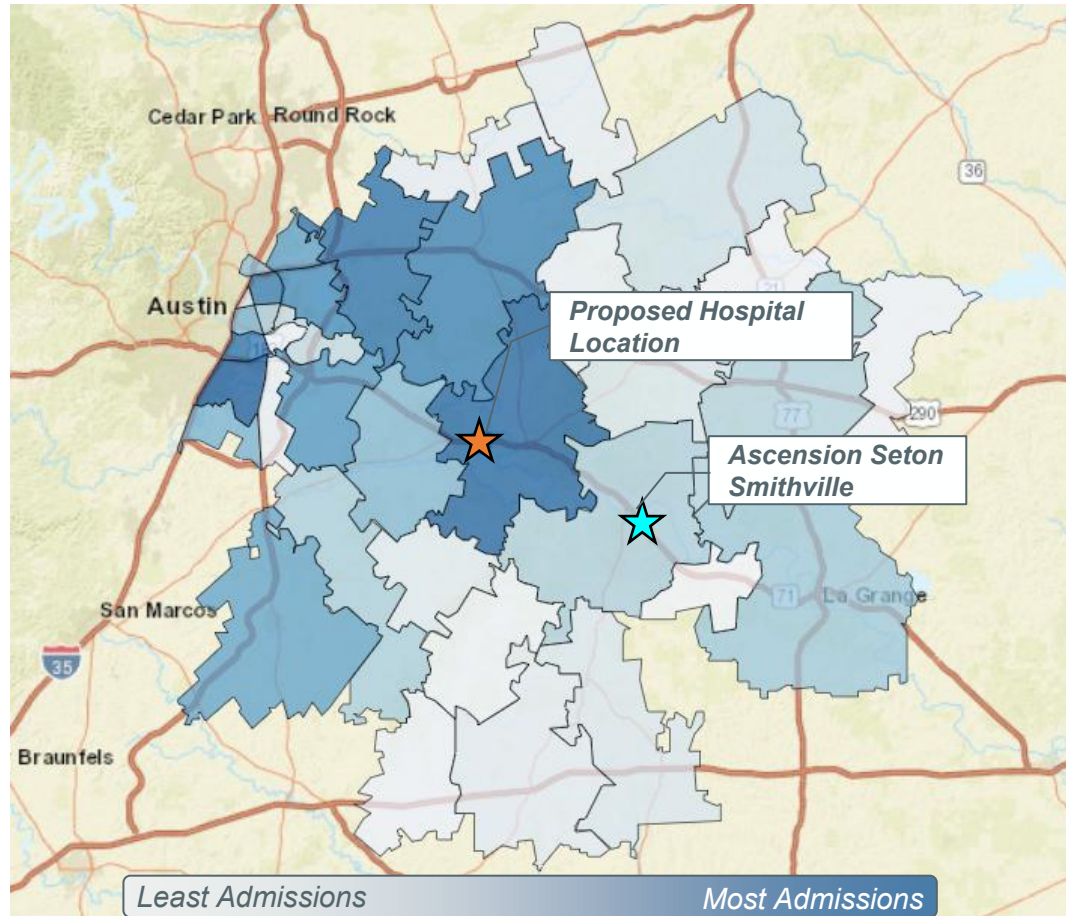
Population Growth by Zip Code, 2025-2030¹



1) Environmental Systems Research Institute (ESRI), PYA Analysis

Inpatient admissions originating in the service area are concentrated in Bastrop and to the west, near Austin.

Market Inpatient Admissions by Zip Code of Origin, 2022 through 2025^{1 2}



ZIP Code	Percent of Total Inpatient Admissions
76578	8.8%
78602	8.1%
78612	7.1%
78615	6.8%
78616	6.5%
78617	6.3%
78621	6.0%
78632	5.4%
78644	4.9%
78650	4.7%
All Other Zip Codes in Service Area ³	35.4%
Total	100.0%

- Additional diligence and analysis will be required to determine whether existing patient migration patterns in the western portion of the current service area may be disrupted by a potential new acute care access point in Bastrop.
- It is likely that the service area for continued hospital planning would need to be adjusted to account for such strategic considerations (see [Page 14](#)).

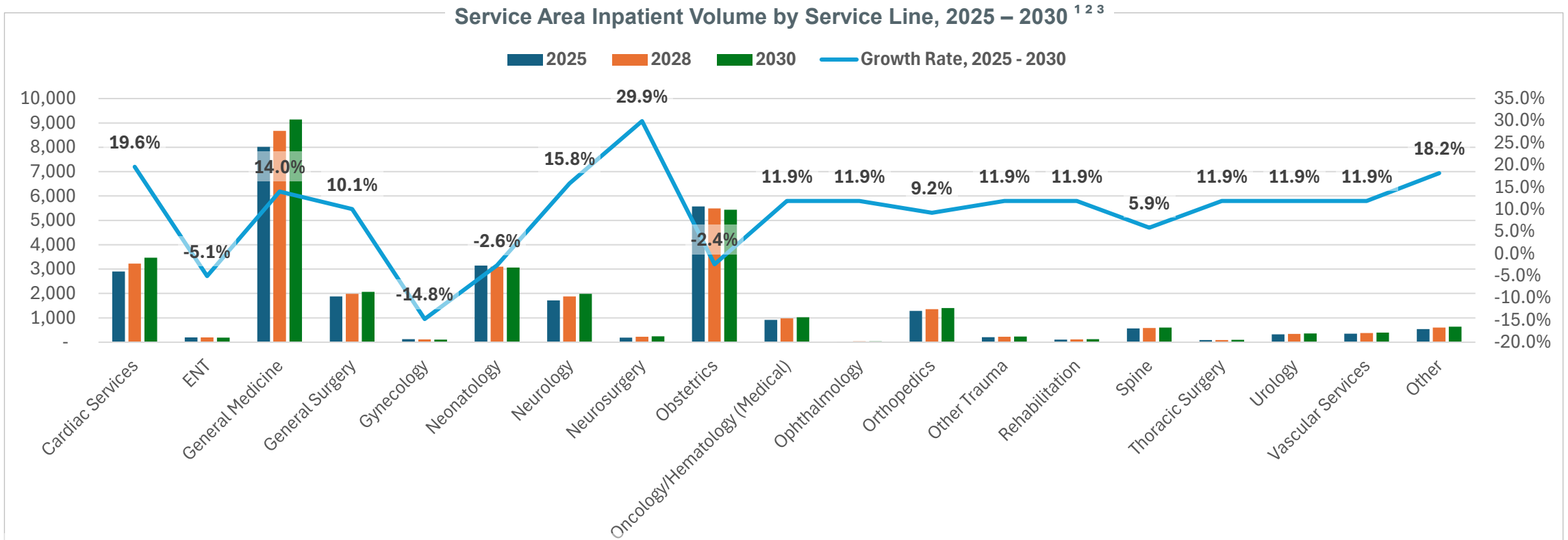
1) Inpatient data for the historical period was provided to PYA by the Texas Hospital Association. Excludes normal newborns.

2) Note, there were no inpatient admissions for zip code 78949.

3) Comprised of zip codes with less than 4% of total inpatient admissions from 2022 through 2025.



Inpatient volume across the service area is expected to grow by **8.7%** from 2025 to 2030, exceeding 30,500 originating inpatient cases in 2030.



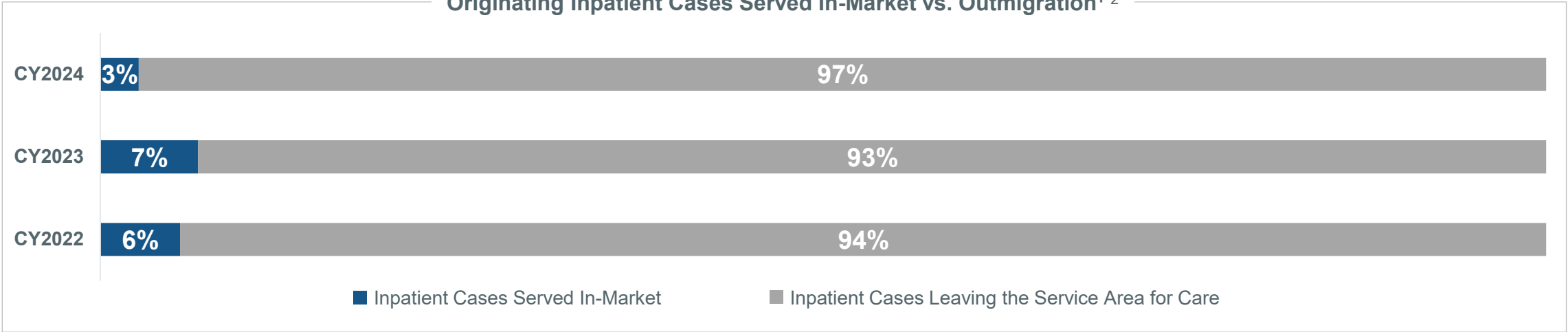
- The complement of services that may be offered at a new acute care hospital site would be driven by market need, anticipated ability to disrupt current patient migration patterns, and physician/provider complement, among other factors (see Page 14).
- Continued hospital planning may include making market-specific adjustments to the projections presented herein to reflect market realities (e.g., though The Advisory Board projects declining utilization in Obstetrics, the contemplated service area includes a large proportion of population aged 20-44, which would suggest heightened need for and utilization of Obstetric services).

1) Inpatient data for the historical period was provided to PYA by the Texas Hospital Association.
 2) For this analysis, PYA leveraged service line definitions consistent with the Advisory Board.
 3) Projected growth (or decline) in inpatient utilization by service line from the Advisory Board.



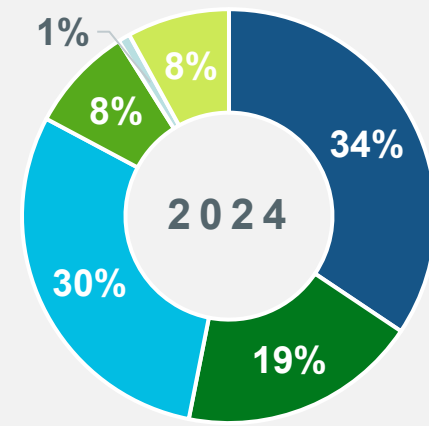
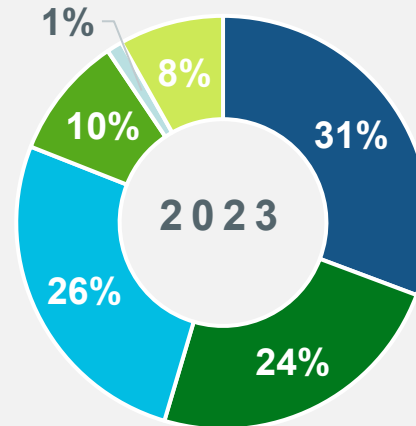
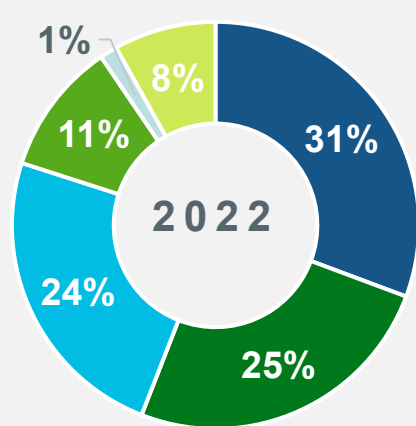
In 2024, 97% of patients originating in the service area left the 37-zip code geography for inpatient care. Only 3% remained in-market.

Originating Inpatient Cases Served In-Market vs. Outmigration^{1 2}



Payer Mix (%)
Originating Market Admissions¹

- Medicare
- Commercial
- Medicaid
- Charity Care
- All Other Governmental Payers
- All Other Payers



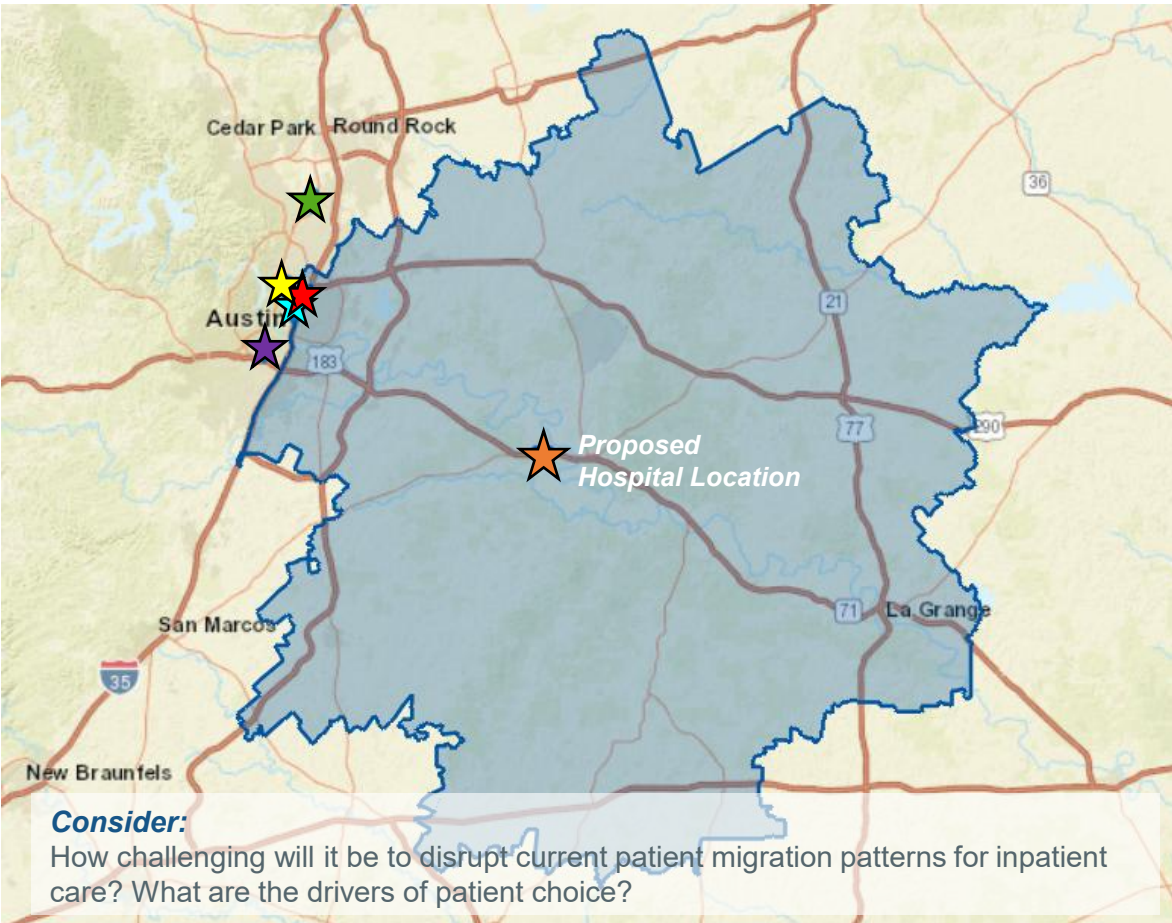
1) Inpatient data for the historical period was provided to PYA by the Texas Hospital Association. Excludes normal newborns.

2) Calendar Year (CY)



There is a strong patient migration pattern to St. David's hospitals.

60% of service area patients receive their inpatient care at St. David's South Austin Medical Center (21%), St. David's Medical Center (21%) or St. David's North Austin Medical Center (18%).¹



Market Share by Acute Care Hospital¹

	Hospital	Inpatient Market Share		
		2022	2023	2024
★	St. David's Medical Center	17%	16%	21%
★	St. David's South Austin Medical Center	15%	15%	21%
★	St. David's North Austin Medical Center	12%	12%	18%
★	Ascension Seton Medical Center Austin	17%	18%	7%
★	Dell Seton Medical Center at The University of Texas	8%	8%	3%
	All Other Hospitals	32%	32%	30%
	Total	100%	100%	100%

1) Inpatient data for the historical period was provided to PYA by the Texas Hospital Association. Excludes normal newborns.

Inpatient Bed Need Assessment

Inpatient bed need is assessed by comparing the **supply** of inpatient beds to the **demand** for inpatient acute care services in a particular geography.

	Supply of Inpatient Beds	Demand for Inpatient Beds
Description	<ul style="list-style-type: none"> The number of inpatient acute care beds located in a defined service area geography.¹ 	<ul style="list-style-type: none"> The number of inpatient acute care beds demanded by a service area population, influenced by population growth and expected utilization of inpatient services.²
Primary Data Source(s)	<ul style="list-style-type: none"> The Texas Hospital Association (THA) Definitive Healthcare (Definitive) American Hospital Directory (AHD) 	<ul style="list-style-type: none"> The Texas Hospital Association (THA) The Advisory Board
Output	<ul style="list-style-type: none"> If the supply of inpatient beds exceeds expected demand, there is a surplus of beds in the market. This indicates that the current complement of inpatient beds is sufficient to meet the needs of the community. 	<ul style="list-style-type: none"> If the demand for inpatient beds exceeds the supply, there is a deficit of beds in the market. This indicates that the current complement of inpatient beds is insufficient to meet the needs of the community.

1) Staffed bed counts are utilized in this assessment where available. Otherwise, licensed bed counts are used.

2) Assuming standard target occupancy rate (80%)

Supply of Inpatient Beds: The service area includes 37 zip codes, and there is only one 8-bed critical access hospital located in the service area.^{1 2}

Service Area Overview



Key Takeaways

- We understand the proposed hospital will be located at the intersection of Highway 20 and Highway 71.
- There is only one 8-bed critical access hospital in the service area. According to Definitive Healthcare, Ascension Seton Smithville operates with an average daily census under 3 (bed utilization of 33.9%).

Other Important Considerations:

- Other key access points in the service area include an Ascension freestanding emergency department (FSED) in Bastrop and Dell Children’s Medical Center in Austin.²
- As planning for a potential new acute care hospital site continues, consideration should be given to continued refinement of the proposed service area to align with key strategic considerations (see [Page 14](#)).

1) PYA notes that, for purpose of the analyses herein, the service area geography was defined by the City.

2) Staffed bed counts are utilized in this assessment where available. Otherwise, licensed bed counts are used in the supply calculation. Specialty hospitals (e.g., rehabilitation hospitals, psychiatric hospitals, children’s hospitals, and boutique/concierge hospitals) were excluded from the supply evaluation.

Demand for Inpatient Beds: Our approach to estimate the demand for inpatient beds in the service area is summarized below.^{1 2}

Work Step	Description	Data Source & Key Assumptions
Project Population Growth	Project service area population by zip code and age cohort	Utilized data from The Environmental Systems Research Institute (ESRI) Demographic & Income Profiles, U.S. Census Bureau Population Data
Project Inpatient Utilization Rate	Calculate and project inpatient utilization (per 1,000 population) by service line	Inpatient data from Texas Hospital Association was used as the baseline in historical years, with inpatient utilization rates projected to grow at rates consistent with The Advisory Board’s projections by inpatient service line
Project Inpatient Volume	Calculate expected service area inpatient volume by service line	Inpatient data from Texas Hospital Association was used as the baseline in historical years, with expected inpatient volume projected based on changes in inpatient utilization and population growth.
Project Inpatient Average Length of Stay	Project Inpatient Average Length of Stay (ALOS) by service line	Inpatient data from the Texas Hospital Association was used as the baseline in historical years, with expected inpatient ALOS projected to vary at rates consistent with PYA experience and The Advisory Board’s projections by inpatient service line.
Calculate Inpatient Days	Calculate inpatient days by multiplying expected inpatient volume by the projected ALOS	Inpatient data from the Texas Hospital Association was used as the baseline in historical years, with values in the projection period being calculated based on expected inpatient volume multiplied by expected ALOS by inpatient service line
Estimate Number of Inpatient Beds Demanded	Calculated expected demand for inpatient beds using projected inpatient days and an assumed occupancy rate of 80%	PYA assumed a conservative 80% occupancy rate in this analysis, consistent with the 90 th percentile for Texas hospitals as reported by The Advisory Board.

1) PYA notes that, for purpose of the analyses herein, the service area geography was defined by the City.

2) Normal newborns and records with invalid age ranges were excluded from this analysis.



The arithmetic inpatient bed need assessment yielded a **deficit of inpatient beds**.^{1 2}
This suggests the current complement of acute care access points in the service area are insufficient to meet the healthcare needs of patients originating in the service area.

Output Summary

Market Inpatient Bed Need		Output ³
Supply of Inpatient Beds	We assume supply is equal to the staffed inpatient beds identified in the service area. ⁴	8 beds
Demand for Inpatient Beds	Based on population growth and expected utilization of inpatient services, we projected expected demand for inpatient beds in the service area, assuming a standard occupancy rate of 80%.	505 – 556 beds
Surplus or Deficit of Inpatient Beds	The net surplus or deficit of inpatient beds is calculated by comparing supply against expected demand.	DEFICIT 497 – 548 beds ²

Limiting Conditions: Facility Need Recommendation

The analyses herein assess market need for inpatient beds, arithmetically and in aggregate, based on the existing supply of and expected demand for inpatient acute care beds in the identified service area. **While the outputs suggest a market-level need for additional inpatient capacity, the appropriate sizing and feasibility of a new acute care hospital facility will ultimately be dependent upon:**⁵

Limiting Conditions

- Patient migration patterns and choice among competitive alternatives;
- The physician, provider, and medical staff complement;
- Physician recruitment landscape and feasibility;
- Partnership and/or affiliation dynamics;
- The services and service lines of focus for the new facility, informing the patient mix;
- The requisite support services required based upon service line strategy;
- Care model and network integration;
- Regulatory considerations;
- Changes in the competitive landscape;
- Market share / market capture expectations (i.e., ability to disrupt current migration patterns); and
- Financial feasibility.

Layers of assumptions informed by continued analysis and planning would be required to assess the appropriate sizing for a new hospital based upon the factors listed above. For example, simply reducing the scope to include only adult patients with case mix index (a measure of patient acuity) less than 1.50 reduces the market deficit serviceable by a new facility to between 200 – 230 inpatient beds.

- Assumptions about existing patient migration patterns (percentage that would continue to out-migrate for care), potential market capture, and services of focus would further reduce that figure.
- Continued refinement of the service area definition is recommended.

1) In the 37 zip-code service area defined by the City.
 2) Indicates a deficit of inpatient beds in the service area and should not be interpreted as a recommendation related to sizing for a new inpatient acute care hospital site.
 3) Output ranges based upon 2025 and 2030 supply and demand calculations. PYA did not contemplate changes to the supply landscape during the projection period.
 4) Staffed bed counts are utilized in this assessment where available. Otherwise, licensed bed counts are used in the supply calculation. Specialty hospitals (e.g., rehabilitation hospitals, psychiatric hospitals, children’s hospitals, and boutique/concierge hospitals) were excluded from the supply evaluation.
 5) **This is not an exhaustive list of considerations.** At the City’s request, PYA would welcome continued discussion regarding ways in which PYA may assist the City in its continued evaluation of and planning for a new hospital site.



Next Steps

PYA and RTG would welcome continued discussion regarding ways in which we may assist the City in its continued evaluation of and planning for a new hospital site.



Analysis Completed:

- ✓ Market and Inpatient Bed Need Assessment



Immediate Next Steps to Consider:

- ✓ Engage in conversations with the site’s developer to memorialize the proposed ownership and/or partnership structure for a potential new hospital facility.
- ✓ Engage in next steps in the partnership selection process, including:
 - ✓ Develop and manage a Request for Proposal (RFP) process to solicit partnership proposals;¹ and
 - ✓ Evaluate and select a partner.
- ✓ Alongside selected partner, continue detailed planning and analysis related to the new hospital site.²

1) In collaboration with the City’s legal counsel, as appropriate, to ensure compliance applicable with Texas statutes.

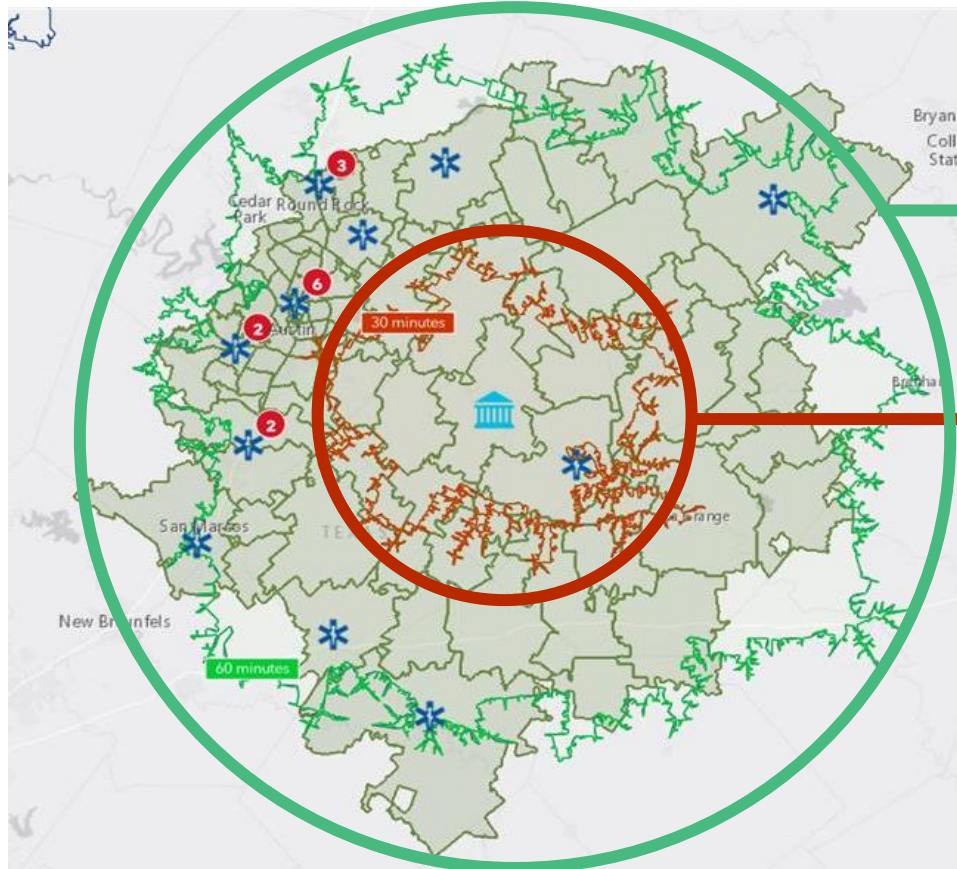
2) PYA and RTG are prepared to provide a customized workplan detailing recommended components of continued planning and analysis. Customization of such a workplan will be predicated upon partnership dynamics.

Appendix A:

Context & Background

The supply of and demand for inpatient beds are **highly influenced by the service area definition.**

The City originally provided an 86-zip code service area for consideration. After collaborative discussion, **this service area was redefined** to better reflect a reasonable service area for a potential new hospital site.



Inpatient bed need analysis in the 86-zip code service area provided yields a **surplus** of inpatient beds, suggesting that the existing supply is **sufficient** to serve current and future demand.
Supply > Demand

A more targeted service area (using a 30-minute drive time radius as an example) yields **deficit** of inpatient beds, suggesting that the existing supply is **insufficient** to serve current and future demand.
Supply < Demand

Regulatory Considerations²
CMS Hospital Designation

1) PYA notes that, for purpose of the analyses herein, zip-code level service area definitions were defined by the City.
2) The regulatory landscape should be considered by the City as a component of this work. Regulatory considerations are not included in the scope of this Deliverable.



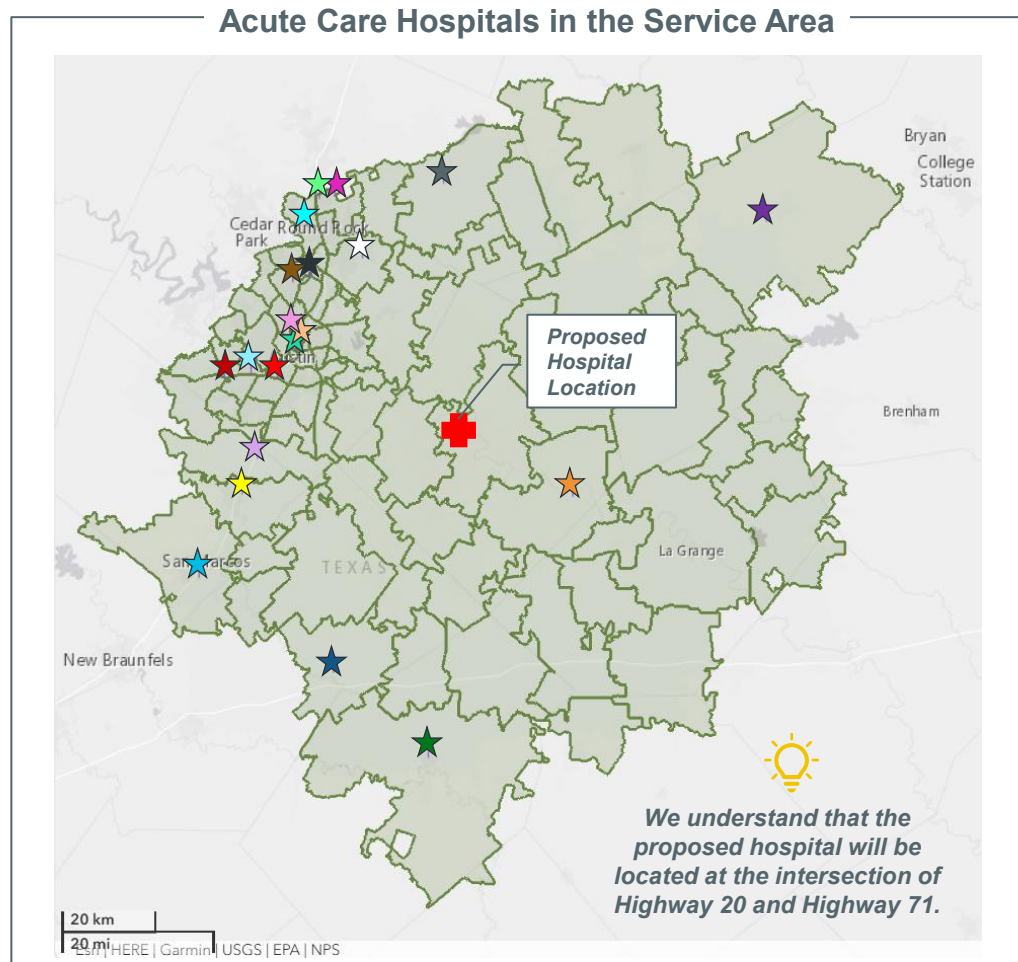
Service Area Definition¹

The following 37 zip codes are included in the analysis herein:

- 78602
- 78612
- 78616
- 78617
- 78621
- 78650
- 78659
- 78662
- 78941
- 78942
- 78953
- 78957
- 78615
- 78632
- 78644
- 78653
- 78702
- 78719
- 78721
- 78722
- 78723
- 78724
- 78725
- 78741
- 78742
- 78744
- 78747
- 78752
- 78754
- 78959
- 76578
- 78945
- 78946
- 78947
- 78948
- 78949
- 78963

1) PYA notes that, for purpose of the analyses herein, zip-code level service area definitions were defined by the City.

The originally contemplated 86 zip code service area included **20 short-term acute care hospital access points.**¹



Symbol	Hospital	Number of Inpatient Beds ²
★	Ascension Seton Edgar B. Davis	24
★	Ascension Seton Smithville	8
★	Ascension Seton Hays	154
★	Ascension Seton Medical Center Austin	399
★	Ascension Seton Northwest	96
★	Ascension Seton Southwest	28
★	Ascension Seton Williamson	149
★	Baylor Scott & White Medical Center - Austin	25
★	Baylor Scott & White Medical Center - Buda	15
★	Baylor Scott & White Medical Center - Pflugerville	25
★	Baylor Scott & White Medical Center - Round Rock	101
★	Baylor Scott & White Medical Center - Taylor	25
★	Chi St. Joseph Health Burleson Hospital	15
★	Christus Santa Rosa Hospital - San Marcos	117
★	Dell Seton Medical Center at The University of Texas	210
★	Gonzales Healthcare Systems Memorial Hospital	12
★	St. David's North Austin Medical Center ³	374
★	St. David's Round Rock Medical Center	171
★	St. David's Medical Center	350
★	St. David's South Austin Medical Center	334

1) PYA notes that, for purpose of the analyses herein, the service area geography was defined by the City.
 2) Staffed bed counts are utilized in this assessment where available. Otherwise, licensed bed counts are used. Specialty hospitals (e.g., rehabilitation hospitals, psychiatric hospitals, children's hospitals, boutique/concierge hospitals) were excluded from the supply evaluation.
 3) Consolidated bed count with St. David's Children's Hospital.



Source Data for Inpatient Bed Counts

<u>Hospital</u>	<u>Number of Inpatient Beds¹</u>	<u>Source</u>
<i>Ascension Seton Edgar B. Davis</i>	24	<i>Texas Hospital Association</i>
<i>Ascension Seton Smithville</i>	8	<i>Texas Hospital Association, Definitive Healthcare</i>
<i>Ascension Seton Hays</i>	154	<i>Texas Hospital Association, Definitive Healthcare</i>
<i>Ascension Seton Medical Center Austin</i>	399	<i>Definitive Healthcare</i>
<i>Ascension Seton Northwest</i>	96	<i>Definitive Healthcare</i>
<i>Ascension Seton Southwest</i>	28	<i>Texas Hospital Association, Definitive Healthcare</i>
<i>Ascension Seton Williamson</i>	149	<i>Definitive Healthcare</i>
<i>Baylor Scott & White Medical Center - Austin</i>	25	<i>Texas Hospital Association, Definitive Healthcare</i>
<i>Baylor Scott & White Medical Center - Buda</i>	15	<i>Texas Hospital Association, Definitive Healthcare</i>
<i>Baylor Scott & White Medical Center - Pflugerville</i>	25	<i>Definitive Healthcare</i>
<i>Baylor Scott & White Medical Center - Round Rock</i>	101	<i>Definitive Healthcare</i>
<i>Baylor Scott & White Medical Center - Taylor</i>	25	<i>Texas Hospital Association</i>
<i>Chi St. Joseph Health Burses Hospital</i>	15	<i>Definitive Healthcare</i>
<i>Christus Santa Rosa Hospital - San Marcos</i>	117	<i>Definitive Healthcare</i>
<i>Dell Seton Medical Center at The University of Texas</i>	210	<i>Definitive Healthcare</i>
<i>Gonzales Healthcare Systems Memorial Hospital</i>	12	<i>Definitive Healthcare</i>
<i>St. David's North Austin Medical Center²</i>	374	<i>Definitive Healthcare</i>
<i>St. David's Round Rock Medical Center</i>	171	<i>Definitive Healthcare</i>
<i>St. David's Medical Center</i>	350	<i>Definitive Healthcare</i>
<i>St. David's South Austin Medical Center</i>	334	<i>Definitive Healthcare</i>

1) Staffed bed counts are utilized in this assessment where available. Otherwise, licensed bed counts are used.
 2) Consolidated bed count with St. David's Children's Hospital.



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