

New study finds hundreds of rural hospitals at risk of closure in the US

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A crisis is brewing in rural healthcare systems in the United States, upon which an estimated 60 million people rely. The immediate trigger is the drying up of federal pandemic funding that has kept many rural hospitals afloat.

A study released earlier this month by Chartis Center for Rural Health found that 50 percent of the country's 1,810 rural community hospitals are operating at a loss, and 418 are vulnerable for closure. Many of these facilities are having exceptional challenges in hiring and keeping nurses and physicians, who do not feel supported or have access to additional medical assistance to perform their duties.

Dr. Bradley Serwer, an interventional cardiologist and chief medical officer at hospital contractor VitalSolution, told *Consumer Affairs*: "A large percentage of rural community hospitals are losing money on an annual basis. Reimbursement for inpatient hospitalization is not sufficient to cover [operating] expenses. Hospitals are monetarily penalized for readmitting patients within 30 days of their initial discharge. Many times, these readmissions occur due to a lack of sufficient resources to care for patients in their homes."

Michael Topchik, national leader of the Chartis Center for Rural Health, put the situation directly: "America's rural hospitals have been battling against drivers of instability for more than a decade. But this newest research suggests this crisis has accelerated quickly to previously unseen levels. To learn the percentage of rural hospitals in the red has shifted seven percent and now includes half of all rural hospitals is startling and should serve as an urgent call

to action for everyone invested in rural healthcare."

It is highly significant that, in what is supposedly the wealthiest and most technologically advanced country on earth, the healthcare system is at risk of disintegrating due to its "unprofitability." This underscores the irrational character of the for-profit healthcare system in the US, as well as the complete subordination of all social questions to the capitalist profit motive.

Major highlights of the Chartis study include:

- The percentage of America's rural hospitals in the red jumped from 43 percent to 50 percent in the last 12 months.
- 55 percent of independent rural hospitals are operating in the red, while 42 percent of health system-affiliated rural hospitals are operating at a loss.
- Medicare Advantage now accounts for 35 percent of all Medicare-eligible patients in rural communities (9.2 million people). In seven states, Medicare Advantage penetration exceeds 50 percent. The authors noted that the deeper penetration of Medicare Advantage could further disrupt rural hospital revenue. Medicare advantage is a semi-privatized scheme with restrictive network access and potentially high out-of-pocket expenses. Medicare Advantage also often does not cover all the services traditional Medicare would. In 2019, the Medicare Advantage organization denied 13 percent of prior authorizations and cost taxpayers \$9 billion more than if beneficiaries remained on the original Medicare.
- Access to inpatient care continues to deteriorate, as 167 rural hospitals since 2010 have either closed or converted to a model that excludes inpatient care.
- 418 rural hospitals are "vulnerable to closure," according to a new, expanded statistical analysis. Of the 453 vulnerable rural hospitals identified in 2020, 30

have closed since, underscoring the very real concerns raised by the authors. Texas has the most vulnerable facilities with 45, followed by Kansas (38), Nebraska (29), Oklahoma (22), North Carolina (19), and Georgia and Mississippi (18 each).

- Between 2011 and 2021, 267 rural hospitals dropped obstetric services. This represents 25 percent of America's rural OB units.

- Between 2014 and 2022, 382 rural hospitals stopped providing chemotherapy services.

The decline in obstetric services in rural communities has had a devastating impact. Maternal mortality rates have been steadily climbing in both urban and rural settings, but rates of pregnancy-related deaths in rural areas are twice those seen in urban settings and comparable to rates seen in regions like Latin America, Middle East and North Africa.

A study published last year in the *American Journal of Public Health* on maternal mortality in the rural US found:

Although the reasons for the higher rates of adverse maternal outcomes in rural areas are likely multifactorial, substantial declines in hospital-based obstetric services between 2014 and 2018 in rural counties highlight the importance of policy efforts to ensure access to high-quality and high-acuity care. Previous work has also demonstrated rural-urban differences in individual cardiovascular health factors that may contribute to adverse maternal outcomes, such as obesity, diabetes, and hypertension, as well as adverse pregnancy outcomes, such as hypertensive disorders of pregnancy.

Six years later, with more rural hospital closures, these issues remain unresolved and growing even more dire. The repeal of the *Roe v Wade* by the Supreme Court of the United States will further accelerate access to OB services, especially in states than ban abortions such as Alabama, Arkansas, Idaho, Indiana, Mississippi and South Dakota.

Statistics also show worse outcomes in rural areas for those who develop cancer, with rural counties reporting

higher death rates for all cancer sites combined (predominately among those with lung, breast, colon/rectum and prostate cancers) compared with nonmetropolitan and metropolitan counties. Worse, the trend has been increasing over time.

As the Chartis study notes, in 2023, 28 rural communities closed their inpatient care, surpassing the record set in 2020 with 18 closures of health facilities. Since 2010, the report notes that 167 rural hospitals have closed or adopted an operating model that excludes inpatient care (i.e., conversion to an urgent care center). These closures are concentrated in Southern states like Texas (26), Tennessee (15), Kansas (10), Missouri (10) and Georgia (10).

One other aspect of rural hospital closures not often discussed is the economic ripple effect it has throughout these communities. Many of these facilities are the largest employers and contributors to the local economy. The Chartis study noted, "Our analysis shows that when a rural hospital closes its doors, the loss of hospital jobs is nearly 220 at media. The loss of non-hospital jobs in the community is 73 at the median."

Many of the nearly 60,000 who lost their jobs in healthcare in 2023 worked in smaller facilities in poor and struggling working class communities, where such healthcare facilities are being gutted for financial reasons. The consolidation of healthcare systems through mergers and acquisition will only threaten the most vulnerable regions of the country first and most acutely where the measure of providing services is profitability and not need.



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