

# Sturgis Hospital closes in rural Michigan

Riley Ward  
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On June 19, nurses, doctors, and support staff walked out of Sturgis Hospital for the last time. Waiting to greet them was a crowd of supportive community members and retired former hospital workers, all gathered to mourn the loss of the city's only hospital. After being open for more than a century, the hospital closed with less than three days notice, citing "financial challenges".

"I honestly thought that I'd wake up and this was a bad dream. I even told my husband that maybe I'll wake up in the morning and this won't be true," 38-year nurse Tina Johnston told WOODTV.

This is the fourth rural hospital closure of 2026, following 23 last year and 25 in 2024. The destruction of rural healthcare flows from a political and economic system in crisis, where an unprecedented concentration of wealth and power can only be maintained by plundering social resources for private profit and militarism.

On social media, nurse Caitlin Anzaldua posted "When I started here, I never imagined that one day I would be saying goodbye. In truth, I had hoped to spend the rest of my career here. Sturgis Hospital has always been more than just a workplace—it has been a family."

The 300 workers at the hospital were notified the same day as the general public, giving them three days to search for a job before being laid off without income or health insurance. Past workers are also affected as the hospital has been behind on paying out retirement benefits.

In the last decade, the hospital had already cut 140 positions. In 2018, it closed the birthing and hospice programs. In 2023, it closed all 84 inpatient beds to become the state's first Rural Emergency Hospital (REH). Now, the remaining Emergency Department, Endoscopy, Surgery, Laboratory, Medical Imaging, Physical Therapy, Cardiac Rehabilitation, and outpatient clinics are closed.

One resident captured the dangerous situation residents and workers in Sturgis now face in a post the evening the closure was announced. "My husband experienced a fall tonight, resulting in a head injury, and I immediately contacted 911. The Sturgis fire department responded rapidly and transported him to Sturgis Hospital. What will be our course of action when we don't have 20 minutes to

reach LaGrange or Three Rivers?"

The closest hospital is located in LaGrange, Indiana, making it out of network - and thus unaffordable - for many Michigan insurance plans. The next closest hospitals in Michigan are both a half hour drive from the city, in Three Rivers and Coldwater.

Sturgis is a small working class city of 11,000 in southern Michigan, located halfway between Chicago and Detroit. While three-quarters of the county's land is used for farming, only 3 percent of jobs are in agriculture. By far the largest industry in the city and county is manufacturing, with 41 percent of jobs. Healthcare is second, at 15 percent in the city.

One of the few companies in Sturgis with more workers than the hospital is Abbott Nutrition, which operates one of the largest infant formula plants in the country. The same subordination of social needs for profit that led to the hospital closing also led to underinvestment and unsafe conditions at Abbott, culminating in tainted formula that sickened children - killing two—prompting a forced shutdown and nationwide shortage in 2022.

## The subordination of healthcare to private profit

Sturgis Hospital is the latest casualty of decades of compounding policy changes and budget cuts - championed by both Democrats and Republicans - subordinating healthcare to private profit and militarism. Today, that process is being sharply intensified by the Trump administration.

The World Socialist Web Site called last year's "One Big Beautiful Bill," a "declaration of war on healthcare." It will slash Medicaid by more than \$900 billion over the next decade, trigger nearly \$500 billion in automatic Medicare cuts, and end enhanced Affordable Care Act subsidies. The bill also cuts \$187 billion by 2034 from the Supplemental Nutrition Assistance Program by adding work and reporting requirements that have already caused more than 4 million

people to lose benefits, making them less able to afford insurance and treatment.

Trump has openly linked these attacks to increased military spending, which is planned to increase to \$1.5 trillion next year. Speaking at a White House Easter lunch, he declared, “We’re fighting wars,” arguing that the government could not fund daycare, Medicaid or Medicare while prioritizing “military protection.”

This attack comes at a time when healthcare infrastructure has already been significantly degraded. According to the World Bank, the number of hospital beds per 1,000 people in the United States was 9.2 in 1960. By 2022 it declined by more than two-thirds to 2.7.

Sturgis Hospital is one of 109 rural hospitals in the United States that have been shuttered since 2005. An additional 88 have closed their inpatient and emergency care beds, while maintaining some type of health care services.

According to a 2025 report from the Center for Healthcare Quality and Payment Reform, an additional 700 rural hospitals are at risk of closing, 300 of which are at immediate risk. The structural causes include higher costs due to remote locations, a lack of bargaining power with insurance to secure correspondingly higher compensation, a larger proportion of patients on Medicare, and a lack of revenue from sources other than treatment such as grants, donations, or municipal tax collections. In Michigan alone there are 10 hospitals at risk of closing and three at risk of immediate closure.

## **A sudden closure after a century of care**

The death of Sturgis Hospital illustrates the broader crisis in healthcare. Sturgis began to have public financial challenges in 2008, with 2 years of operating losses, with \$1 million net reduction in income due to a 30 percent increase in the Medicaid volume with a 10 percent decrease in the payment rate.

Over the next decade and a half Sturgis entered various partnerships with non-profits and private equity groups and relied on emergency funds, partial closures and layoffs to stay afloat amidst a growing burden of debt and rent payments.

Managing the hospital through its expansion, privatization, and preparation for acquisition was Quorum Health Resources, a private equity firm and a subsidiary of Community Health Systems - the largest healthcare provider in the country after purchasing 200 distressed rural hospitals by 2014. The city first contracted with Quorum in 2001,

reportedly to benefit from their larger buying power in a consolidating healthcare industry and to help attract a qualified CEO and CFO.

The relationship was ended in 2018 in anticipation of acquisition. That year the city paid Quorum \$755,509. The hospital CEO and CFO that led the spin-off from the city and prepared for acquisition received their salaries from Quorum. In 2018 these were \$268,765 and \$170,000, compared to a median household income of \$40,392 in Sturgis.

Private equity firms often accelerate rural hospital closures by acquiring struggling hospitals, loading them with debt, extracting profits through asset sales and dividend payments, and cutting staffing to unsafe levels. Because rural hospitals already operate on thin margins, these practices can quickly push them into insolvency.

In 2023, the city approved an agreement with for-profit healthcare management firm Asker Corporation to eliminate \$8.5 million in remaining rent obligations in exchange for a \$3 million payment, clearing the way for a potential acquisition and promising continued financial support and expanded services.

However, the sale was never approved before the hospital closed in 2026, and Asker appears to have withdrawn its financial support. The hospital’s 2024 Medicaid filing reported \$15.4 million in revenue against \$23.2 million in expenses—a nearly \$8 million deficit—and negative net assets of \$48 million.

Michigan Nurses Association, which has represented nurses at Sturgis Hospital for 40 years, responded to the closure with a lawsuit filed on July 10. Accepting the hospital closure without protest, the lawsuit appeals to the courts to require the hospital to provide 60 days of pay and benefits to laid off nurses, as required by federal law, as well as attorney fees.

The closure of Sturgis Hospital is a social crime that puts the lives of thousands in the community at risk. The closure of hospitals amidst an ongoing pandemic that has killed over 30 million and disabled over 400 million with Long COVID is a damning indictment of capitalism’s indifference to human life. This is not incompetence — it is the social crime of placing private wealth above public health, and it will only end when the working class takes control of medicine on the basis of human need, not profit.



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