



**Medicaid**  
A W A R E N E S S   M O N T H

**Rural America in the Balance:  
Medicaid, Coronavirus & Rural Hospitals**

APRIL 2020

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## Rural America in the Balance: Medicaid, Coronavirus & Rural Hospitals

Rural Americans are especially vulnerable to the coronavirus pandemic due to higher prevalence of pre-existing conditions, lower coverage rates, and other barriers to accessing health care. Medicaid plays a pivotal role in covering rural Americans and supporting struggling rural hospitals. Ten years ago, the Affordable Care Act (ACA) opened the door for states to expand the Medicaid program, which has helped an estimated [1.7 million rural Americans](#) gain coverage. To date, 37 states have expanded Medicaid under the ACA. In addition to covering [17 million people](#), expansion has resulted in healthier people, communities and economies.

As the nation faces this unprecedented health care crisis, Medicaid expansion is especially important for reducing uncompensated care costs and protecting rural hospitals from financial peril. Medicaid expansion is a critical part of our response to coronavirus, but President Trump is continuing to wage a war on the program by fighting to end expansion altogether. At the same time, by refusing to expand Medicaid, 14 states are blocking an estimated [two to four million](#) people from enrolling in affordable coverage. Senate and House Democrats have introduced legislation to incentivize these remaining states to expand their Medicaid programs by increasing federal funding to cover the full cost for three years. The contrast has never been clearer: as Democrats work to expand coverage, Republicans continue their war on American health care, even as the global pandemic rages on.

### **Rural America Is Especially Vulnerable To The Coronavirus Outbreak**

*Rural Hospitals Are “Woefully Unprepared” For The Pandemic*

**Los Angeles Times: “Many Rural Hospitals Appear Woefully Unprepared To Deal With A Pandemic.”** “Rural hospitals across the United States were in trouble long before the coronavirus, partly because people in the countryside tend to be sicker, older and poorer than Americans as a whole — hence more expensive to treat. Nearly 100 have closed since 2010, victims of rural flight, workforce shortages and government payments that reimburse less than private insurers. Now many rural hospitals appear woefully unprepared to deal with a pandemic that few parts of the United States are expected to escape.” [Los Angeles Times, [3/25/20](#)]

**Maggie Elehwany, Vice President Of Government Affairs For The National Rural Health Association, Said “Nearly Every Rural Hospital In This Country Is Operating At A Financial Loss.”**

“‘Before the pandemic, we had almost half of rural hospitals operating at a financial loss, just barely hanging on,’ said Maggie Elehwany, vice president of government affairs for the National Rural Health Association. ‘Now, I can safely say that nearly every rural hospital in the country is operating at a financial loss. We’re hearing that their operating margins have dropped by 60% or 80%. We’re hearing from a couple of folks that they’re operating with only a couple of days of cash on hand.’” [HuffPost, [4/13/20](#)]



**Cash Shortages Are Preventing Hospitals From Stocking Up On Personal Protective Equipment.**

"Cash shortages have also prevented the hospitals from stocking up on the badly needed protective equipment, which is expensive and difficult to find even for better-financed urban hospitals. The non-urgent procedures that the governors canceled pay the bills for many facilities, which often have fewer than two dozen beds. Some hospitals are now planning layoffs." [Los Angeles Time, [3/25/20](#)]

**Rural Health Care Providers Are Already Running Out Supplies.** "Rural health providers are also challenged. A clinic in Stockton, Kan., turned to a local veterinarian for a supply of masks and gowns. One rural hospital in Lexington, Neb., was recently down to its last 500 swabs. Another in Batesville, Ind., was having its staff members store their used masks in plastic baggies in case they had to sterilize and reuse them. In Georgia, a peanut manufacturer in Blakely donated a washer and dryer to the local hospital for its handmade masks and gowns." [New York Times, [4/8/20](#)]

**Rural Areas Are Vulnerable To The Financial Impact Of The Coronavirus Outbreak, Especially In States That Have Not Expanded Medicaid.**

"'Vulnerable' states, where more than 40% of rural hospitals risk closure, include Florida, Mississippi, Missouri and Tennessee. Alongside Texas, none expanded Medicaid under the Affordable Care Act, which would have insured more low-income people. Rural hospitals in non-Medicaid expansion states are treating more people who have no insurance. Therefore, they are providing more care for which they aren't reimbursed." [Stateline, [3/17/20](#)]

**More Than Half Of U.S. Counties Have No Intensive Care Beds, Posing A Danger To More Than 7 Million People Who Are Over 60.**

"More than half the counties in America have no intensive care beds, posing a particular danger for more than 7 million people who are age 60 and up — older patients who face the highest risk of serious illness or death from the rapid spread of COVID-19, a Kaiser Health News data analysis shows." [Kaiser Health News, [3/20/20](#)]

*Hospital Closures Remain A Threat In The Middle Of The Pandemic*

**At Least Eight Rural Hospitals Closed During The First Three Months Of 2020.** "An epidemic of hospital closures has limited health care capacity in many smaller communities. More than 120 rural hospitals have closed since 2010, according to data collected by the Cecil Sheps Center for Health Services Research at the University of North Carolina, the majority of which have been in Appalachia and Deep South states. Eight hospitals have closed in just the first three months of 2020." [The Hill, [4/3/20](#)]

- **Two West Virginia Hospitals Have Closed In The Midst Of The Pandemic.** "As the coronavirus pandemic spread throughout March, two communities in West Virginia — a state whose health outcomes rank among the worst in the nation — grappled with the news that they were about to lose their hospitals. Williamson Memorial Hospital, in the coalfields of southern West Virginia, announced plans to close on April 21, while Fairmont Regional Medical Center, located between the northern and eastern panhandles on the northern end of the state, closed on March 18. Other health systems across the state have furloughed hundreds of medical personnel, and other hospitals teeter on the verge of financial collapse even as the demand for care seems likely to rise." [HuffPost, [4/13/20](#)]

- **Michael Caputo, West Virginia State Delegate, On Hospital Closures: “It’s Just Absolutely Crazy.”** “‘It’s just absolutely crazy,’ said Michael Caputo, a state delegate in Fairmont, W.Va., where the Fairmont Regional Medical Center, the only hospital in the county, [closed](#) in mid-March. ‘Across the country, they’re turning hotels and sports complexes into temporary hospitals. And here we’ve got a hospital where the doors are shut.’” [New York Times, [4/8/20](#)]
- **After A Rural Hospital Closed In West Virginia, An 88-Year-Old Resident Became The State’s First Recorded Coronavirus Death.** “Michael Angelucci, a state delegate and the administrator of the Marion County Rescue Squad, said the hospital’s closure during the pandemic is already being felt. On March 23, emergency medics were called to take an 88-year-old woman with the coronavirus to the hospital, Mr. Angelucci said. Instead of making a quick drive to Fairmont Regional, about two minutes away, Mr. Angelucci said that the medics had to drive to the next-nearest hospital, about 25 minutes away. A few days later, she became West Virginia’s first reported coronavirus death.” [New York Times, [4/8/20](#)]

**Even Before The Outbreak, 1 In 4 Rural Hospitals Were At Risk Of Closing.** “A new report from the Chartis Center for Rural Health puts the situation in dire terms: 2019 was the worst year for rural hospital closures this decade, with 19 hospitals in rural America shutting their doors. Nearly one out of every four open rural hospitals has early warning signs that indicate they are also at risk of closing in the near future. Since 2010, 120 rural hospitals have closed, according to University of North Carolina researchers. And today, 453 of the 1,844 rural hospitals still operating across the country should be considered vulnerable for closure.” [Vox, [2/18/20](#)]

**Nearly 80 Percent Of Rural Counties Are Short On Primary Care Doctors.** “A contributing factor is the notoriously hard time rural areas have attracting and keeping medical professionals. Nearly 80% of rural counties are short on primary care doctors, and 9% have none, according to the National Rural Health Association’s Policy Institute.” [Pew Stateline, [1/31/20](#)]

**An Estimated 2.7 Million Seniors Reside In Counties Without A Hospital.** “Overall, 18 million people live in counties that have hospitals but no ICU, about a quarter of them 60 or older, the analysis shows. Nearly 11 million more Americans reside in counties with no hospital, some 2.7 million of them seniors.” [Kaiser Health News, [3/20/20](#)]

*Rural Patients Are More Likely To Have Pre-Existing Conditions That Make Them More Susceptible To Experiencing Severe Cases Of Coronavirus*

**Axios: “Rural America Has A Higher-Risk Population And Fewer Safety-Net Programs For People Who Get Sick.”** “The novel coronavirus can spread faster in densely populated cities than in rural areas, but rural America has a higher-risk population and fewer safety-net programs for people who get sick. By the numbers: Rural residents are, overall, older than urban dwellers and are therefore more susceptible to this virus. Per Census Bureau data, 17.5% of the rural population is 65 or older.” [Axios, [3/18/20](#)]

**Amy Stevens, Vice President Of The Health Policy Institute Of Ohio, Said “When You Look At Those Conditions That Make A Population More Vulnerable To COVID-19, We See A Lot Of That In Our Rural Counties.”** “‘Populations in our rural counties are older and sicker. When you look at those conditions that makes a population more vulnerable to COVID-19, we see a lot of that in our rural counties,’ said Amy Stevens, vice president of the Health Policy Institute of Ohio. ‘We do see higher rates of poverty in our rural counties.’” [The Hill, [4/3/20](#)]



**Death Rates Have Been Higher In Rural Areas Dating Back To The 1980s, With Rural Residents Increasingly Living With Chronic Conditions Like Diabetes.** “Nationwide, death rates have been higher in rural America compared with urban areas since the 1980s, and the gap continues to widen. More rural residents live with chronic conditions, like diabetes, that affect their daily lives, and there is a higher percentage of older residents. Rates of smoking and premature births are relatively high, and people often die younger here than the national average.” [Kaiser Health News, [12/24/19](#)]

### **Medicaid Plays A Central Role In Rural Health Coverage**

Identifying sick patients as early as possible is essential to helping slow the spread of the virus. Medicaid coverage is essential to ensuring patients seek medical care when they are sick without the threat of financial ruin. Dustin Pugel, a senior policy analyst at the Kentucky Center for Economic Policy, [made this clear](#): “I can only imagine that, as Medicaid starts picking up a ton of people who have lost their coverage at work and who are temporarily in need of significant medical services, people are going to start to understand how powerful Medicaid is as a public health tool.”

**Medicaid Covers Nearly One In Four Rural Americans.** Medicaid covers nearly [24 percent](#) of rural Americans, [45 percent](#) of rural children, [15 percent](#) of rural seniors, and pays for [51 percent](#) of rural births.

**1.7 Million Rural Americans Gained Coverage From Medicaid Expansion.** Nearly [1.7 million](#) rural Americans gained coverage through Medicaid expansion under the Affordable Care Act (ACA). The uninsured rate for low-income adults [dropped from 35 percent to 16 percent](#) in rural areas and small towns in states that expanded Medicaid.

**Medicaid Expansion Helped Reduce Uncompensated Care Costs.** The ACA led to a \$12 billion reduction in uncompensated care costs. Between 2013 and 2015, hospitals’ uncompensated care costs decreased by [\\$12 billion](#), or roughly 30 percent. The majority of this reduction was concentrated in states that chose to expand Medicaid.

#### **Medicaid Is A Key Tool In Fighting The Coronavirus Crisis**

- Medicaid’s funding can increase in response to a public health emergency like coronavirus.
- Unlike private insurance, Medicaid allows eligible people to enroll whenever they need health care.
- Medicaid can provide retroactive coverage.
- Medicaid’s flexibility gives states the opportunity to cover more services when necessary.

Source: Commonwealth Fund, [3/9/20](#)

#### **Medicaid Expansion Is A Lifeline For Rural Hospitals**

*Medicaid Expansion Keeps Hospitals Open*

**Rural Hospitals In Medicaid Expansion States Are 62 Percent Less Likely To Close.** “But there was one other leading indicator that has an obvious political explanation and which should be entirely avoidable: whether the hospital is in a state that expanded Medicaid under Obamacare. According to Chartis, being in a Medicaid expansion state decreases by

62 percent the likelihood of a rural hospital closing. Conversely, being in a non-expansion state makes it more likely a rural hospital will close.” [Vox, [2/18/20](#)]

**75 Percent Of Vulnerable Rural Hospitals Are In Non-Expansion States.** "The states that have experienced the most rural hospital closures over the last 10 years (Texas, Tennessee, Oklahoma, Georgia, Alabama, and Missouri) have all refused to expand Medicaid through the 2010 health care law. It seems their rural hospitals are paying the price. Of the 216 hospitals that Chartis says are most vulnerable to closure, 75 percent are in non-expansion states. Those 216 hospitals have an operating margin of negative 8.6 percent." [Vox, [2/18/20](#)]

**77 Of 106 Hospital Closures Over The Past Decade Were In States That Refused To Expand Medicaid.** "Rural America is in the midst of a deep and prolonged crisis that resulted in 106 hospital closures since 2010. Nearly 700 more are on shaky ground, and nearly 200 are on the verge of collapse right now, according to reports from Massachusetts consulting firm iVantage Health Analytics and the Sheps Center for Health Services Research at the University of North Carolina in Chapel Hill. Hospitals faring the worst are mainly in states that refused to expand Medicaid. Those states account for 77 of the 106 closures over the past decade. They also are home to a greater percentage of money losing facilities and lower collective profit margins." [Gatehouse News, [7/28/19](#)]

### **[Republicans Want To End Medicaid Expansion Through Their Lawsuit To Overturn The ACA](#)**

- **Seventeen Million People Enrolled Through Medicaid Expansion Could Lose Coverage.**
- **Access To Treatment Would Be In Jeopardy For 800,000 People With Opioid Use Disorder.** Roughly four in ten, or 800,000 people with an opioid use disorder are enrolled in Medicaid. Many became eligible through Medicaid expansion.
- **Key Support For Rural Hospitals Would Disappear,** leaving hospitals with [\\$9.6 billion](#) more in uncompensated care.