

## Rural Hospitals: Is Their Vital Role in Healthcare at Risk?



*By Debra Wood, RN, contributor*  
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About one fifth of Americans reside in rural communities and rely on their hospitals for care, but many rural hospitals are struggling to survive.

“We want to make sure we keep them going and being able to be of service to their communities,” said Brock Slabach, senior vice president of the National Rural Health Association (NRHA) in Leawood, Kansas.

There are nearly 2,000 rural hospitals in the United States, with about 48 percent operating at a loss, Slabach said. Rural hospitals own most of the primary care practices in their communities. Since 2010, 128 rural hospitals have closed, including 12 this year, according to research from the Cecil G. Sheps Center for Health Services Research at The University of North Carolina at Chapel Hill.

“The rate [of closures] is increasing,” said Richard Becker, MD, MBA, senior managing director of ToneyKorf, a management and advisory firm in New York. “The reasons have been compounded and accelerated by COVID.”

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## **Serving the needs of rural patients, despite limited resources**

Rural patients tend to be older, financially less well-off and with more chronic conditions than urban patients. These patients often rely on Medicaid and Medicare, which pay less than commercial payors, making it difficult to create a margin, Becker said.

“There is too little capital to invest in new technologies or renovate,” Becker added. “They perform relatively well when it comes to basic quality.”

Rural patients also tend to trust their hospitals and doctors, because they know them, Becker said.

The COVID-19 pandemic has increased the use of telemedicine and access to remote specialty care. It also has brought rural hospitals additional expenses, such as staffing, personal protective equipment, drugs and ventilators. And in many states, elective procedures were suspended, removing a major revenue source. Now, **many people remain scared** to seek inpatient care.

Rural hospitals “are holding their own, with [the] CARES Act and the Small Business Administration Payroll Protection Program,” Slabach said. “Funding has stabilized for a bit, but once that money is depleted, we probably will be back into another cycle of trouble.”

The Coronavirus Aid, Relief, and Economic Security (CARES) Act included access to new capital and payment improvements from Medicare.

Several long-term solutions are pending in Congress, such as the Save Rural Hospitals Act and the Rural Hospital Closure Relief Act, and plans are in the works to pay rural hospitals adequately, Slabach said. Additionally, these hospitals need regulatory relief and a change to value-based payments to reward hospitals for keeping people healthy.

## **Rural hospital jobs**

Rural facilities often experience workforce shortages. They tend to serve as recruiters for new clinicians.

“It’s hard to find providers, physicians, nurses, technicians,” Becker reported. “It gets even more challenging with specialty areas.”

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An Advisory Board report in May 2020 indicated shortages exist due to declines in rural populations, fewer medical students from rural areas, and people's preference to live in cities.

Nurse practitioners fill some of that void. A 2018 study from the University of Michigan in Ann Arbor reported that nurse practitioners were more likely to establish practices in areas of higher need, such as rural settings, than physicians and physician assistants.

Locum tenens jobs in rural hospitals can quickly provide coverage for staffing shortages when a physician retires or moves on. Locum tenens professionals may be brought in to maintain services while the facility seeks permanent physicians, to deliver specialty services, and to cover nights, weekends and vacations.

### **More shortages ahead**

The number of rural physicians has remained stable but is aging, according to a 2019 paper in *The New England Journal of Medicine*. Lucy Skinner, at the Dartmouth Geisel School of Medicine in Hanover, New Hampshire, was the lead author of the study which found more than half of rural physicians were 50 years old or older and more than a quarter of them were 60 years of age or older.

“The implication of this is that the supply of physicians in rural areas is going to decline in the next 10 years by 23 percent, as older physicians retire and are not being replaced by younger physicians,” said Skinner, in a statement, adding that shortfalls in the rural physician workforce can make it harder to attract younger physicians.

“As those individuals start retiring, it will leave a huge void,” Slabach said. “We are going to have to move toward more team-based care that focuses on the patient-centered care health home.”

### **Potential rural hospital job solutions**

Rural hospitals may partner with other health care organizations, but larger entities will only partner with so many other facilities.

“It's important to be at the front of the line,” Becker said.

Some rural hospitals are attempting to “grow their own” health care professionals, providing

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scholarships and other incentives, Slabach said. People who grow up in rural areas, have family nearby and like the atmosphere will likely return to the community to practice.

“Some young people are keen to practice where they grew up,” Becker said.

However, a 2019 **study** in *Health Affairs* reported a 30 percent decline in medical students coming from rural areas, from 2002 to 2017.

The Conrad 30 Waiver Program, enabling state health departments to request J-1 visa waivers for foreign physicians, also has helped with physician staffing, Slabach said.

The University of Houston College of Medicine received a \$5 million gift from Blue Cross and Blue Shield of Texas to provide scholarships to medical students and to create a pipeline program to attract students from diverse backgrounds, including rural areas.

Rural training tracks help medical students understand it is possible to practice high-quality medicine in a rural setting and how to become comfortable without nearby specialists, Slabach said.

Last year, the U.S. Department of Health and Human Services’ Health Resources and Services (HRSA) Administration awarded about \$20 million to 27 organizations through Rural Residency Planning and Development Program grants for the creation of new rural residency programs. If residents enjoy practicing in rural settings, they may stay.

“We know that clinicians who train in rural settings are more likely to continue to practice there after they complete their residencies,” said Luis Padilla, MD, FAAFP, associate administrator for the health workforce director of the National Health Services Corps.

**For more information:**

**2019 Rural Report** - American Hospital Association

**Rural Hospital Programs** - HRSA

**Rural Health Information Hub** – HRSA

**‘Is It Safe?’ How to Put Patients at Ease Post-COVID-19**

**5 Ways Rural Healthcare Delivery Is Changing**

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