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New report indicates 1 in 3 rural hospitals at risk

New research indicates that sustained Medicare cuts threaten the financial viability of more than one-third of rural hospitals in America. As rural hospital closures continue to escalate, the National Rural Health Association calls on Congress to act swiftly.

According to data released today by iVantage Analytics, the rural hospital closure crisis has significantly worsened. The report, "2016 Rural Relevance: Vulnerability to Value Study," indicates 673 rural hospitals are at risk of closure, which means 11.7 million patients would lose much-needed health care access. And 210 of these hospitals are at an "extreme risk" of closure.

Since 2010, 66 rural hospitals have closed. The closure rate is increasing. It was six times higher in 2015 than in 2010.

"Closures of this magnitude would mean millions of rural patients across the country will lose access to their closest emergency room, and rural economies will suffer a devastating blow," said Alan Morgan, CEO of the National Rural Health Association.

A rural hospital is often a top employer in rural communities, and can mean as much as 20 percent of the local rural economy. According to iVantage, if 673 additional hospitals were forced to shut their doors, 99,000 direct health care jobs and another 137,000 community jobs will be lost. Over 10 years, rural communities will lose \$277 billion in GDP. The annual report examines multiple economic metrics for rural hospitals across the nation.

"Our 2016 analysis suggests that the situation is worsening for many rural communities," said Michael Topchik, iVantage senior vice president. "Each year, our study's methodology is rigorously reviewed to ensure this benchmark report reflects the impact of many pressure points converging on rural health care."

When rural hospitals close, physicians, physician assistants, nurses and other health care providers often leave the community. Medical deserts are forming across the nation, significantly adding to the health care workforce shortage in rural communities. Seventy-seven percent of rural U.S. counties are already considered Primary Care Health Professional Shortage Areas. Rural hospital closures are on the rise in large part due to continuing Medicare cuts.

"Bad-debt reductions, sequestration cuts and other cumulative Medicare cuts hurt rural hospitals disproportionately hard because per capita rural America is older, poorer and sicker than their urban counterparts," said Morgan.

NRHA calls on Congress to enact H.R. 3225, the Save Rural Hospitals Act. This legislation, introduced by Reps. Sam Graves (R-Mo.) and Dave Loebsack (D-Iowa), will stop the flood of rural hospital closures and strengthen the rural health delivery system by eliminating numerous cuts in Medicare to rural hospitals. Additionally, the bill creates an innovative, sustainable delivery model for the future of rural health care.

NRHA is a nonprofit organization working to improve the health and wellbeing of rural Americans and providing leadership on rural health issues through advocacy, communications, education and research. NRHA's membership is made up of more than 21,000 diverse individuals and organizations, all of whom share the common bond of an interest in rural health.