

# RURAL HOSPITALS AT RISK OF CLOSING

Many communities did not have a local hospital available when the coronavirus pandemic began because over 150 rural hospitals across the country closed between 2005 and 2019. An additional 19 rural hospitals closed their doors in 2020, more than any year in the previous decade. These closures were not caused by the pandemic, but by losses on patient services in previous years. Six rural hospitals have closed in 2021 and 2022; the smaller number was because of the special financial assistance hospitals received during the pandemic. The expiration of that aid will increase the risk of closures.

## Hundreds of Rural Hospitals Are at Risk of Closing

More than 600 rural hospitals – nearly 30% of all rural hospitals in the country – are at risk of closing in the near future. These hospitals have:

- Persistent Financial Losses on Patient Services:** The hospitals have lost money on patient services over a multi-year period (not including the first year of the pandemic). These losses will likely be greater in the future due to the higher costs that all hospitals, particularly small rural hospitals, are experiencing because of inflation and workforce shortages. In the past, many of these hospitals have received grants, local tax revenues, or profits from other activities that offset their losses on patient services, but there is usually no guarantee that these funds will continue to be available in the future or sufficient to cover higher losses.
- Low Financial Reserves:** The hospitals do not have sufficient net assets (including pandemic-related funding, but excluding buildings & equipment) to offset the losses on patient services for more than six years.

There are hospitals with these characteristics in almost every state. In almost half of the states, 25% or more of the rural hospitals are at risk of closing, and in ten states, 40% or more are at risk.

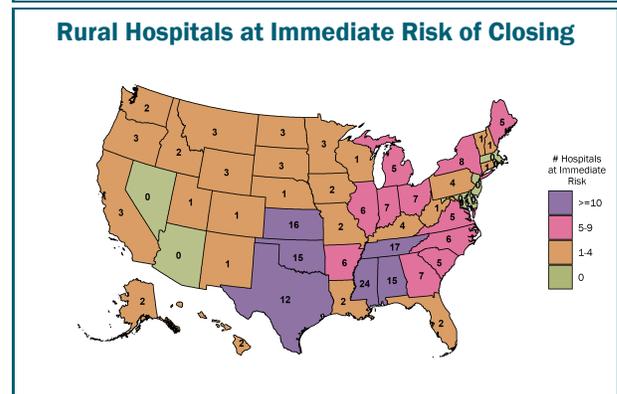
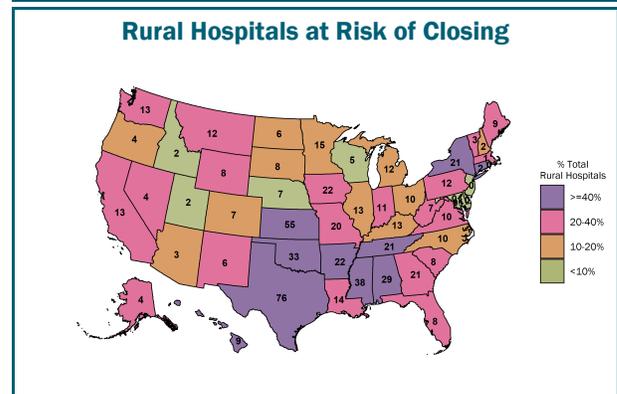
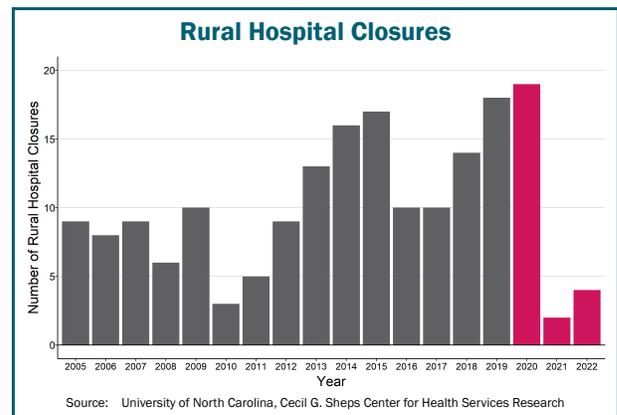
## Many Rural Hospitals Are at Immediate Risk

Over 200 of these rural hospitals are at immediate risk of closing. These hospitals have:

- Inadequate Revenues to Cover Expenses:** The hospitals were losing money on patient services prior to the pandemic and they did not have sufficient sources of other funds to cover those losses. Their losses will likely increase in the future due to higher costs.
- Very Low Financial Reserves:** The hospitals have more debts than assets, or the hospitals' net assets (including pandemic-related funding, but excluding buildings & equipment) could offset their losses for at most 2-3 years. (Fewer rural hospitals are at immediate risk than prior to the pandemic because of the federal pandemic aid they received.)

## Loss of Rural Hospitals Would Reduce Access and Increase Disparities in Care

Most of the at-risk hospitals are located in isolated rural communities. Closure of the hospital would mean the community residents would have to travel a long distance for emergency or inpatient care. Moreover, in many small rural communities, the hospital is the only place where residents can get laboratory tests or imaging studies, and it may be the only or principal source of primary care in the community. As a result, loss of the hospital would mean loss of access to many essential healthcare services.



## RURAL HOSPITALS AT RISK OF CLOSING

State	Closures Since 2005	Current Rural Hospitals	Number at Risk of Closing	Percent at Risk of Closing	Number at Immediate Risk of Closing
Alabama	7	48	29	60%	15
Alaska	1	13	4	31%	2
Arizona	4	17	3	18%	0
Arkansas	3	48	22	46%	6
California	9	55	13	24%	3
Colorado	0	41	7	17%	1
Connecticut	0	3	2	67%	1
Delaware	0	2	0	0%	0
Florida	8	21	8	38%	2
Georgia	9	66	21	32%	7
Hawaii	0	12	9	75%	2
Idaho	0	30	2	7%	2
Illinois	3	72	13	18%	6
Indiana	2	53	11	21%	7
Iowa	1	93	22	24%	2
Kansas	9	104	55	53%	16
Kentucky	4	71	13	18%	4
Louisiana	2	51	14	27%	2
Maine	3	25	9	36%	5
Maryland	1	4	0	0%	0
Massachusetts	1	5	1	20%	0
Michigan	2	62	12	19%	5
Minnesota	6	92	15	16%	3
Mississippi	5	70	38	54%	24
Missouri	10	57	20	35%	2
Montana	0	52	12	23%	3
Nebraska	2	71	7	10%	1
Nevada	2	13	4	31%	0
New Hampshire	0	17	2	12%	1
New Jersey	1	1	0	0%	0
New Mexico	0	23	6	26%	1
New York	6	51	21	41%	8
North Carolina	11	53	10	19%	6
North Dakota	1	37	6	16%	3
Ohio	2	70	10	14%	7
Oklahoma	7	72	33	46%	15
Oregon	0	32	4	12%	3
Pennsylvania	5	40	12	30%	4
Rhode Island	0	0	0	0%	0
South Carolina	4	26	8	31%	5
South Dakota	2	45	8	18%	3
Tennessee	16	48	21	44%	17
Texas	24	153	76	50%	12
Utah	0	21	2	10%	1
Vermont	0	13	3	23%	1
Virginia	2	29	10	34%	5
Washington	1	39	13	33%	2
West Virginia	5	26	7	27%	1
Wisconsin	1	72	5	7%	1
Wyoming	0	24	8	33%	3

Data current as of October 2022