A TOUGH ROW TO HOE

HOW REPUBLICAN POLICIES ARE LEAVING RURAL HEALTH CARE IN THE DUST

PROTECT OUR CARE

RURAL FORWARD

A Tough Row to Hoe: How Washington Policies Are Leaving Montana's Rural Health Care in the Dust

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Executive Summary

Americans living in rural communities face unique barriers to accessing health care: they often have to travel longer distances to visit a doctor, have fewer options for doctors and other health care providers, and experience provider shortages more often. They also tend to be lower-income, but live in areas with higher-cost health care.

The Affordable Care Act (ACA) and its Medicaid expansion have been crucial in supporting rural communities, but the relentless war on health care being waged by President Trump and Republicans in Congress has reversed many of these gains, raised premiums, and threatened key components of the rural health care system, including rural hospitals.

Following the implementation of the ACA, the uninsured rate in rural areas dropped from 17 percent in 2013 to 12 percent in 2015. The ACA has expanded access to health care to nearly 1.7 million rural Americans who have gained coverage through the Medicaid expansion, not only playing a central role in improving rural communities' health, but also supporting these communities' economic well-being. 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. The uninsured rate in rural areas in states that expanded Medicaid has dropped by a median of 44 percent since expansion. However, much of this progress is now at risk because of Republicans' relentless war on Medicaid.

In addition to expanding Medicaid, the Affordable Care Act has paved the way for people who are self-employed or work at small businesses to purchase health insurance in the state Marketplaces, which is particularly important given rising self-employment in rural areas. Between 2013 and 2015, the number of uninsured small business employees fell from 13.9 million to 9.8 million, and the uninsured rate for small business employees fell from 27.4 percent to 19.6 percent.

Especially at risk because of Republicans' health care sabotage agenda are rural hospitals, which rural communities often depend on for both primary and specialized health care services. Since 2010, 84 rural hospitals have closed.[1] The vast majority, 90 percent, were in states that had refused to expand Medicaid at the time of the hospital's closure. As of 2016, 673 rural hospitals were at risk of closing. Republicans' continued attacks on Medicaid threaten the financial stability of these hospitals.

Since January 2017, President Trump and his Republican allies have repeatedly attempted to repeal the Affordable Care Act, end Medicaid expansion, and sabotage states' individual insurance markets. In this report, Protect Our Care and Rural Forward show how the Affordable Care Act and Medicaid have shaped the landscape of rural health, the GOP war on Medicaid jeopardizes rural health, how Republican policies are hurting rural communities, and what else rural communities stand to lose if President Trump and Republicans in Congress continue to push their repeal and sabotage agenda.

Overview: Key Health and Economic Challenges Facing Rural Communities

People living in rural areas face unique challenges when it comes to accessing health care. They often have to travel long distances to providers or live in areas that are prone to provider shortages, leaving them with fewer health practitioners to choose from. In addition to these barriers that make it harder to access care, rural communities also face economic barriers that can make it harder for residents to have health coverage in the first place.

Lower-Income and Fewer Job Opportunities

[1] The Twin Rivers Regional Medical Center ended operations on 6/11/18. At the date of publishing, this closure was not yet reflected in the Sheps Center list of hospital closures.

Rural communities were hit especially hard by the 2008 recession — the rural job market remains more than four percent smaller than it was in 2008 while the urban job market is four percent larger. Among those in rural areas who are working, a higher percentage of workers live near or below the poverty line. In 2015, 18.4 percent of rural working households lived in families with incomes less than 150 percent of the federal poverty line. In comparison, 13.5 percent of urban working households lived with incomes less than 150 percent of the federal poverty line. The average per capita income in counties served by rural hospitals is $32,781, while the average per capita income in counties served by urban hospitals is $41,003.

Health Insurance Coverage

Health coverage levels tend to be lower in rural communities than urban communities. Because rural economies tend to have higher employment in fields such as agriculture that do not typically provide employer-sponsored health care, people living in rural communities are less likely to have private health coverage. 61 percent of Americans living in rural areas are covered by private health insurance, versus 64 percent in urban areas and 66 percent in other non-rural areas.

It can also be difficult for people to access employer-sponsored health care or afford coverage on the individual market, especially if they do not receive tax credits through the ACA.

Access to Care

People living in rural areas are typically further away from health care providers and have access to a smaller supply of providers than people in urban areas. A 2017 CNN analysis found that residents living in 16 percent of the mainland U.S. were located 30 or more miles away from the nearest hospital. Difficulty accessing hospitals has a negative impact on people's health. The Centers for Disease Control and Prevention found that between 1999 and 2015, the rate of accidental death was almost 50 percent higher in rural areas than urban areas. As a partial explanation, the CDC cited the distance between hospital facilities in rural areas: "because of the distance between healthcare facilities and trauma centers, rapid access to specialized care can be more challenging for people injured in rural areas."

In rural areas, there tend to be fewer health providers than in urban areas. In rural communities, there are on average 39.8 physicians per 100,000 people, compared to 53.3 physicians per 100,000 people in urban settings.

Similarly, it is also harder to access basic services like maternity care in rural areas. A 2017 study found that fewer than half of all rural counties in the United States had hospital-based obstetric care as of 2014. When hospitals face financial hardship, obstetric services are among the first to be cut. African American and Native American women in rural areas are particularly at risk. Roughly 10 percent of African American women, and 3.8 percent of American Indian or Alaska Native women do not have access to a hospital that offers obstetric services, compared to one percent for non-Hispanic white women.

Opioid Epidemic

The opioid epidemic is taking a toll on rural communities. According to the Centers for Disease Control and Prevention (CDC), the rate of drug overdoses in rural communities is about 17 per 100,000 residents. Agricultural workers have been hit especially hard by the epidemic. According to a 2017 study by the National Farmers Union and the American Farm Bureau Federation, three in four farmers have misused opioids or know someone who has.

Rural Hospitals: Sources of Health Care and Jobs

Rural communities are often farther away from hospitals and trauma centers than their urban counterparts. And because of the mix of demographic trends such as an aging population, economic difficulty in rural areas, aging facilities, and failure of hospitals to adapt to changing payment models and delivery systems, many rural hospitals (nearly 673) are also at risk of closing. Since 2010, 84 rural hospitals have closed.

Because of the long distance between hospitals and trauma centers in rural areas, communities can lose access to specialty health services, primary care, and other forms of care when hospitals close. In a study of rural hospital closures, the Kaiser Family Foundation found that some specialty services - like obstetric care, diagnostic testing, and mental health care - were entirely based in rural hospitals. When the hospitals closed, rural residents were no longer able to access these services. Similarly, in each rural hospital studied by Kaiser, the emergency department functioned as a major source of primary care for the community. In one Kansas hospital, as many as 90 percent of emergency department visits were for non-emergencies. When these hospitals close, access to primary care is further restricted.

Rural areas also have difficulty recruiting and retaining providers, which results in systemic health workforce shortages. These shortages get worse when hospitals close. As Kaiser highlighted, "When the hospital closed, many physicians relocated to another hospital in the owner's system or left the area. As a result, communities were often left without key providers."

For rural areas that often have high unemployment rates, hospitals contribute significantly to local economies by employing large numbers of people with relatively high-paying jobs. Hospitals employ six percent of all employees in rural counties that report having any hospital employment, and 41 percent of counties with hospital employment rely on hospitals for more than 10 percent of total county employment.

When rural hospitals close, communities can lose a staggering number of jobs. The closure of one rural hospital can eliminate 100 jobs immediately. A 2016 analysis identified 673 rural hospitals at risk of closing, and estimated that if those hospitals shut down, 99,000 health care jobs in rural communities would be lost.

Beyond just being a source of jobs, hospitals tend to pay higher wages than other rural industries. As the House of Representatives Minority Staff report on rural hospitals highlights, "The average pay of hospital employees in rural counties is 43 percent higher than the average pay of other workers in the same counties."

As Mark Holmes, the director of the Rural Health Research Program at the University of North Carolina, emphasizes, hospital closures in rural communities can be like losing a factory: "Losing an employer of 150 people with good jobs is like losing a manufacturing plant…Hospitals are usually the largest, or the second-largest, employer in a community. That's something that's easy to lose sight of because we think of this from a health standpoint. But the effects are wide-ranging when a hospital closes."

The Affordable Care Act And Medicaid: Lifelines For Care In Rural Communities

Medicaid is critical to health coverage in rural communities, which generally have lower rates of employer-sponsored coverage than other areas. Nearly one in four rural Americans have health coverage through Medicaid. As the Kaiser Family Foundation finds, rates of Medicaid coverage are generally higher in rural areas than in other areas of the country. In 41 of the 43 states that have both rural and non-rural areas, the rural areas have a higher Medicaid coverage rate than non-rural areas. For instance, in Kentucky, 32 percent of adults living in rural areas have health insurance through Medicaid compared to 24 percent of adults in urban areas.

Medicaid plays an especially important role in covering rural seniors and children. Nearly 15 percent of seniors living in rural areas have health coverage through Medicaid, and Medicaid pays for more than 50 percent of long-term care. Similarly, Medicaid provides health care for 45 percent of children in rural areas, and pays for 51 percent of rural births.

The Affordable Care Act opened the doors to Medicaid expansion, which has significantly expanded access to health care in rural communities, reduced rural hospitals' uncompensated care costs, and helped rural health providers keep their doors open by allowing states to expand Medicaid coverage for adults up to 138 percent of the federal poverty line. Medicaid expansion allowed 1.7 million rural Americans to gain coverage who had not previously been eligible. Following Medicaid expansion, the uninsured rate in rural parts of expansion states decreased by a median of 44 percent. In rural states that expanded Medicaid, the uninsured rates dropped significantly after the ACA became law:

- In Montana, the uninsured rate dropped from 19 to 8.5 percent between 2013 and 2016.

- In Kentucky, the uninsured rate dropped from 16.3 to 7.2 percent between 2013 and 2016.
- In Arkansas, the uninsured rate dropped from 17.8 to 9.1 percent between 2013 and 2016.
- In West Virginia, the uninsured rate dropped from 14.2 to 8.8 percent between 2013 and 2016.

By increasing access to health care, Medicaid expansion also drastically reduced the amount of costs that a hospital absorbs for any treatment or service not paid for by an insurer or patient, known as uncompensated care. The Center on Budget and Policy Priorities finds that "states that expanded Medicaid to low-income adults under the ACA saw both larger coverage gains and larger drops in uncompensated care: a 47 percent decrease in uncompensated care costs on average compared to an 11 percent decrease in states that did not expand Medicaid." CBPP concludes that these declines in uncompensated care were "almost certainly" the result of the ACA's coverage gains.

A Commonwealth Fund study yielded similar findings: uncompensated care costs decreased substantially in states that expanded Medicaid. On average, uncompensated care costs in Medicaid expansion states decreased from 3.9 percentage points to 2.3 percentage points between 2013 and 2015. In expansion states with an especially high burden of uncompensated care, the share of uncompensated care costs fell from 6.2 percent to 3.7 percent between 2013 and 2015.

Community Health Centers Fare Better In States That Expanded Medicaid

Just as rural hospitals fare better in states that expanded Medicaid, so too do community health centers (CHCs). Community health centers, which provide comprehensive primary health services to underserved areas without regard for ability to pay, are particularly important in rural areas where people face increased barriers to care. A recent study in Health Affairs highlighted how Medicaid expansion strengthens community health centers in rural areas by reducing the number of uninsured patients they see, and improving their quality of care.

The study revealed that Medicaid expansion decreased the percentage of uninsured patients seen by community health centers. Expansion was associated with an 11.4 percentage point decrease in the proportion of uninsured patients a community health center received, and a 13.2 percent increase in patients with health coverage through Medicaid.

The report also found that expansion was associated with improved quality of care in rural areas. For instance, in rural areas that expanded Medicaid, patients with asthma were 3.5 percent more likely to receive appropriate pharmacologic treatment, adults were 6.7 percent more likely to receive a BMI treatment with follow-up if needed, and patients with hypertension were 2.1 percent more likely to receive blood pressure control.

How The Republican War On Medicaid Hurts Rural Areas

When politicians threaten to repeal the Affordable Care Act, end its Medicaid expansion, cut funding to outreach, or otherwise take action to reduce health care enrollment, they are putting the health care of a significant portion of rural residents in jeopardy. Uncertainty in health coverage at this scale threatens the very existence of many rural hospitals, whose financial stability would erode given such severe coverage losses.

President Trump and his Republican allies in Congress have spent the past two years pushing an agenda designed to reduce enrollment in Affordable Care Act Marketplaces, limit low income Americans' access to health care, and gut Medicaid. These GOP policies hit rural areas particularly hard, because rural communities depend so heavily upon Medicaid to keep local hospitals afloat and for access to coverage in an environment where fewer people have access to employer-sponsored insurance.

By cutting funding to Medicaid, allowing states to adopt policies that make it more difficult for their residents to sign up for coverage, and refusing to expand Medicaid, President Trump and his Republican allies are making it harder for people living in rural areas to get the health coverage they need.

Republicans Want to Slash Medicaid

Since taking office, the Trump Administration and Republicans in Congress have tried time and again to slash funding to Medicaid. These efforts include:

- President Trump's FY 2019 budget: $1.4 trillion in cuts to Medicaid
- September 2017 - Graham-Cassidy: more than $1 trillion in cuts over 20 years
- July 2017 - Senate's repeal, "Better Care Reconciliation Act": $842 billion cut by 2026
- May 2017 - House repeal bill, "American Health Care Act": $834 billion in cuts to Medicaid over 10 years

Following several failed attempts to slash Medicaid funding, President Trump and Congressional Republicans passed a massive $1.5 trillion tax cut last fall. To pay for these tax cuts, Republicans have suggested they will need to decimate public health programs, like Medicaid.

Speaker Paul Ryan made the GOP's priorities clear: "Frankly, it's the health care entitlements that are the big drivers of our debt, so we spend more time on the health care entitlements — because that's really where the problem lies, fiscally speaking." In his fiscal year 2019 budget, President Trump requested a $1.4 trillion cut to Medicaid — attempting to strip health care from millions of low-income Americans to pay for tax cuts for the rich.

Many Republican-Led States Refused to Expand Medicaid

Seventeen states — not including Maine or Virginia, which are both in the process of expanding Medicaid — have refused to expand Medicaid. By failing to do so, the Robert Wood Johnson Foundation (RWJF) and Urban Institute estimate that 6,939,000 people are being denied coverage through the program. If each state that had not yet expanded Medicaid were to fully do so, they would see significant coverage gains:

- 314,000 Alabamians would gain coverage
- 1,362,000 Floridians would gain coverage
- 726,000 Georgians would gain coverage
- 119,000 Idahoans would gain coverage
- 383,000 Kansans would gain coverage
- 210,000 Mississippians would gain coverage
- 352,000 Missourians would gain coverage
- 86,000 Nebraskans would gain coverage
- 626,000 North Carolinians would gain coverage
- 233,000 Oklahomans would gain coverage
- 312,000 South Carolinians would gain coverage
- 43,000 South Dakotans would gain coverage
- 381,000 Tennesseans would gain coverage
- 1,685,000 Texans would gain coverage
- 158,000 Utahns would gain coverage
- 176,000 Wisconsinites would gain coverage
- 27,000 Wyomingites would gain coverage

Tale Of Two States: Rural health looks significantly different in states that chose to expand Medicaid than it does in states that refused to expand Medicaid. Take, for instance, the uninsured rate:

Uninsured rate in rural areas within expansion states: 9 percent

Uninsured rate in rural areas within non-expansion states: 15 percent

Uninsured rate in urban areas: 11 percent

Rural communities in non-expansion states have a significantly higher uninsured rate than urban communities do, while rural communities in expansion states have a lower uninsured rate than urban communities do.

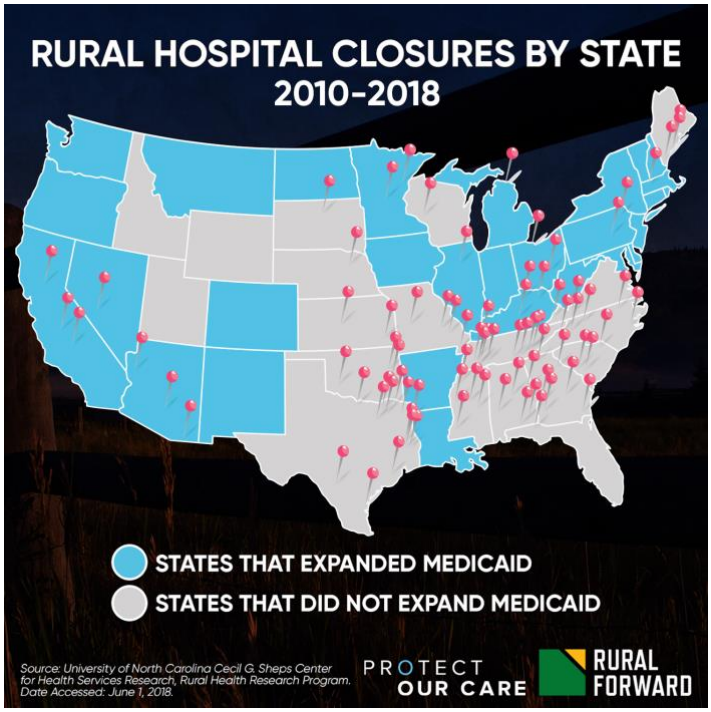
Source: KFF, 4/25/17

These numbers translate to stark decreases in the uninsured population. By expanding Medicaid in Wyoming, the number of uninsured people would decrease by 19.7 percent; in Nebraska, the number of uninsured people would drop by 22.7 percent; in Missouri, the number of uninsured people would drop by 30.4 percent; and in Tennessee, the number of uninsured people would drop by 28.1 percent. Such coverage gains would have the economic benefit of reducing the amount of uncompensated care costs hospitals incur. RWJF and Urban calculate that if all states were to fully expand Medicaid, hospitals' uncompensated care would decline by $8 billion.

Refusing to Expand Medicaid Puts Rural Hospitals At Risk

States that have chosen to expand Medicaid have had vastly different experiences compared to states that chose not to expand. A 2018 Health Affairs study found that states that refuse to expand Medicaid experienced a large increase in the rate of hospital closures from 2008-12 to 2015-16. States that expanded Medicaid encountered the opposite — their rates of hospital closures decreased after expanding Medicaid. Overall, hospitals in expansion states were six times less likely to close than hospitals in non-expansion states.

A comprehensive review of rural hospital closures tracked by the University of North Carolina's Sheps Center confirms the correlation between Medicaid expansion and hospital closures:



- **Since 2010, 84 rural hospitals have closed.** Since 2010, 84 rural hospitals have closed in 26 states. Hospitals have closed in Alabama, Arizona, California, Florida, Georgia, Illinois, Kansas, Kentucky, Massachusetts, Maine, Michigan, Minnesota, Missouri, Mississippi, North Carolina, Nebraska, Nevada, Ohio, Oklahoma, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Virginia, and Wisconsin.

- **The vast majority of rural hospital closures, 77 percent, have occurred in states that refused to expand Medicaid.** 65 rural hospitals have closed in non-expansion states, while 19 rural hospitals have closed in expansion states.[2]

- **Nearly 90 percent of the rural hospitals that have closed since 2010 were located in states that refused to expand Medicaid by the time of their closure.** Only 10 out of 84 rural hospitals closed in states after they had expanded Medicaid; of hospital closures in states that expanded Medicaid, nine closed before the state expanded the program.

Across The Board, Hospitals And Hospital Executives Point To The Repeal Of The ACA And Uncertainty About Medicaid Expansion As Major Threats To The Wellbeing Of Rural Hospitals

Hospitals and hospital executives around the country have spoken out against Republican attacks on the ACA and Medicaid expansion, explaining that gutting these programs would be a death sentence to many rural hospitals:

> **(ME)** Mayo Regional Hospital: "The prospect of deep cuts to Medicaid and other changes to the Affordable Care Act put Mayo Regional Hospital President Marie Vienneau on edge, staring down the barrel of steep revenue losses: An outside consultant estimated the Senate ACA repeal bill's Medicaid cuts alone would translate into roughly $846,000 a year in lost revenues for Mayo — nearly 2 percent of expected annual net revenues this year. Such a large knock to her budget would lead to further layoffs and service cuts at a hospital that had already been operating at a slight loss for several years. The hospital recently laid off its only pediatrician and sole psychiatrist, choosing to rely on less costly mental-health nurse practitioners."

[2] Given the time frame of our analysis, Maine and Virginia should not be treated as Medicaid expansion states because expansion has not yet been implemented.

(ME) David Frum, President & CEO of Bridgton and Rumford Hospitals: "A circumstance in which the ACA is repealed without a solid replacement option coupled with proposed cuts to hospitals at the State level would be catastrophic to many Maine hospitals and to hospitals throughout the country."

(OH) Mike Winthrop, CEO of The Bellevue Hospital: "The potential of the ACA repeal will have a devastating effect on hospitals all across the country and, most notably, small and rural hospitals. In Ohio, Medicaid Expansion has given access, and hope, to over 170,000 residents in rural communities. With proper coverage, individuals are more likely to receive routine, including preventative, care and therefore lessen their risk of various illnesses and diseases. We must be diligent in fighting to retain, and expand on, the progress we have made through the adoption of the ACA and, as a result, Medicaid Expansion in Ohio."

(OH) Philip Ennen, President and CEO of Bryan Community Hospitals and Wellness Centers: "Passage of the AHCA means we are looking at millions of dollars of revenue losses. The very survival of our independent hospital is in play. How can we work to improve this community we love, if we cannot rely on the government for sustainable funding?"

(PA) Lisa Davis, director of the state Office of Rural Health: "If changes are made to the way Medicaid is funded in the states — if critical-access hospitals are now back to serving higher numbers of uninsured patients, if they have to go back to providing uncompensated care — that is a death knell to their bottom line."

Imposing Administrative Hurdles To Coverage

Beyond trying to cut Medicaid funding, the Trump Administration is also working to change the fundamental structure of the program by preventing people from accessing coverage through Medicaid if they fail to document working a certain number of hours each month. Experts warn that imposing such requirements could significantly reduce Medicaid enrollment by imposing administrative hurdles that make it harder for people to access care.

Comparable paperwork requirements have a history of reducing enrollment. In 2003, Washington State required people enrolled in Medicaid to submit documentation proving they were still eligible for the program twice a year, instead of the previous annual requirement, and enrollment in the program fell by 40,000. The Tennessee Justice Center estimated more than 480,000 Tennesseans would lose coverage because of bureaucratic red tape if the state were to impose such requirements.

The Centers for Medicare and Medicaid Services have approved requirements in four states, all with rural populations — Arkansas, Indiana, Kentucky, and New Hampshire — and is considering requests in seven more. Similarly, the Centers for Medicaid and Medicare Services have approved provisions that enable 12 states, all with rural populations, to charge premiums beyond what is usually allowed under federal law. After Indiana adopted such a policy, more than half of people covered by Medicaid who had incomes below the federal poverty line, 287,000 people, missed premium payments. As a result, they were involuntarily moved from comprehensive plans to plans with a more limited benefit package.

Sabotage Burdens Rural Hospitals And Jeopardizes Rural Americans' Access To Care

In addition to restricting access to Medicaid, the Trump Administration is taking other actions to undermine health care for Americans living in rural areas. It has encouraged the proliferation of association health plans and short-term health plans, and repealed the requirement that most Americans carry health insurance.

Association Health Plans

The Trump Administration has introduced new regulations that expand access to skimpy health plans, known as "association health plans", that are allowed to skirt some of the Affordable Care Act's core consumer protections**.** In May

of 2018, the House of Representatives included in its annual farm bill a $65 million fund to set up association health plans (AHPs). These plans, designed for small businesses and associations (such as a farm bureau), let small employers to purchase skimpy health insurance. However, AHPs do not provide the same type of comprehensive coverage ordinarily offered through employer-sponsored care or the ACA marketplaces.

Instead, AHPs offer plans that are allowed to exclude or limit basic services such as prescription drug coverage, mental health care, and maternity care and that are not required to cover pre-existing conditions. Subpar coverage and the lack of consumer protections are especially dangerous for those working in the agricultural sector, where the injury rate is 40 percent higher than the national workplace average. Beyond just offering subpar coverage, association health plans also have a history of fraud and unpaid claims. Experts, such as the National Association of Insurance Commissioners, warn that association health plans may destroy the small-group market and make health insurance on the Affordable Care Act marketplace more expensive.

In rural communities, association health plans could make it even more difficult for people to afford comprehensive health care, and instead stick people with subpar plans that provide minimal coverage.

Short-Term Health Plans

The Trump Administration is encouraging states to sell junk health plans, known as short-term plans, that are exempt from key Affordable Care Act requirements. Like association health plans, short-term health plans do not have to cover essential health benefits such as cancer treatment, substance use treatment, or maternity care. They can deny coverage altogether for those with pre-existing conditions, and leave people with hundreds of thousands of dollars in unpaid medical bills should they fall sick.

Overwhelmingly opposed by groups representing patients, physicians, nurses, and hospitals, short-term plans would draw consumers out of the ACA marketplaces because of their lower prices only to leave them in financial ruin should they fall sick. For people living in rural areas, these plans would offer subpar coverage and make comprehensive coverage even more expensive.

Repealing the Individual Mandate

In December 2017, Republicans in Congress passed a tax bill that repealed the requirement that most people have insurance. Repealing this requirement is expected to drive healthy people out of the health care markets, ultimately causing premiums to increase. The Kaiser Family Foundation's Vice President for Health Reform, Larry Levitt, warns that this change will pose a particular burden to rural areas: "Repealing the individual mandate will affect insurance markets everywhere, but markets where there is already little choice and high premiums are especially vulnerable...Rural areas could be especially hard hit."

According to a Los Angeles Times analysis based on data from the Kaiser Family Foundation, there are 454 counties in which only one insurance company will be selling marketplace plans in 2018, and where the cheapest plan for a 40-year-old consumer will cost more than $500 a month. Of these at-risk counties, 86 percent have fewer than 50,000 residents. They are largely concentrated in rural states, such as Iowa, Missouri, Nebraska, Wyoming, Alaska, and West Virginia. By increasing premiums, the repeal of the individual mandate could put health care out of reach for Americans living in these rural counties.

Rural Communities Will Be Devastated If Republicans Have Their Way

Reports are circulating that conservative activists and Republicans in Congress are yet again plotting to strip health care from millions of Americans by repealing the Affordable Care Act. If Republicans successfully do so, rural communities will be devastated. Though the details of the forthcoming policy are not yet public, early reports suggest the bill would gut Medicaid expansion funding and let states waive ACA regulations. States could waive the requirement that insurance companies cover the essential health benefits, such as hospital and maternity care.

Under the new Republican repeal plan, 1.7 million rural Americans who have been able to gain coverage through Medicaid expansion would be at risk of losing coverage after converting Medicaid expansion funding to block grants.

An attempt to repeal the Affordable Care Act, or otherwise end Medicaid expansion would be devastating for rural communities. In addition to stripping people of their health care, halting Medicaid expansion would make it increasingly difficult for two pillars of rural health care — hospitals and community health centers — to serve people living in rural areas.

Had any of the previous repeal efforts become law, rural communities would have faced a disproportionate burden. Last summer, the House of Representatives voted to repeal and replace the Affordable Care Act with the American Health Care Act, a bill that would stripped millions of rural Americans of their health care and made health insurance more expensive for those who were able to keep their care.

> **People in Rural Areas Would Be Hit Hard Hard Because House Repeal Bill Doesn't Take Income or Location into Account.** Premiums for individuals in marketplaces in rural areas were 6.6 percent higher than the national average in 2016 because insurance pools tend to be smaller making the costs for services in those areas higher. The Affordable Care Act bases its tax credits on age, income and geographic location, but the House repeal bill only takes age into account. Therefore, not only would the House repeal bill cut the amount of tax credits available for many people, but because it did not take into account income or location - people in rural areas would have been even more adversely impacted by the House repeal bill and find coverage further out of reach.
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> **30 Million Would Have Been Subject to Penalty - Particularly in Rural Areas.** The Commonwealth Fund estimated that if the House repeal bill had been in effect for the 2016 coverage year, 30 million people would have been subject to the 30 percent premium surcharge because they experienced a gap in coverage longer than 63 days. A 30-year-old would be forced to pay roughly $1,000 more while a 50-year-old would face a $2,100 penalty. As the Commonwealth Fund points out, "People who live in rural and other areas of the country where health care costs and premiums are higher also would face higher premium surcharges if they had a gap in coverage."
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> **One Analysis Showed That Under The House Repeal Bill, A 45 Year Old Earning $18,000 Per Year Living In Rural Area Would Pay $2,291 More Per Year. A 62 Year Old Earning The Same Would Pay $9,075 More.** The Wall Street Journal reported, "The House Republican effort to overhaul the Affordable Care Act could hit many rural areas particularly hard, according to a new analysis, sharply increasing the cost for some residents buying their own insurance...The Oliver Wyman analysis, which used data from states and the federal Department of Health and Human Services, projected the cost of a benchmark plan at the "silver" level in 2020 in each county in the U.S.…Countrywide, a rural 45-year-old making around $18,000 a year would pay about $2,291 a year more on average from his own wallet under the Republican bill than under the ACA, according to the analysis — compared with a $1,588 increase for a 45-year-old urban resident. For 62-year-olds earning about $18,000, the average increases in cost under the Republican bill's setup were far greater: $9,075 for rural and $6,954 for urban consumers."

Conclusion

Rural Americans face unique challenges in accessing health care. In addition to facing economic barriers such as lower average incomes, higher unemployment rates, and lower levels of access to employer-sponsored health care, they also face geographic barriers, such as longer distances between health care providers and fewer providers to choose from.

The Affordable Care Act has improved access to health care in rural areas, particularly in states that expanded Medicaid. Medicaid expansion, in particular, has helped to dramatically reduce the uninsured rate of people living in rural areas, and has been instrumental in supporting rural hospitals and community health centers.

Instead of building on the Affordable Care Act's progress, Republican policies seek to to walk back recent progress in rural health. The Republican health care agenda strips Americans of comprehensive health coverage and guts Medicaid.

These measures disproportionately impact rural areas, increase barriers in access to health care, lead to coverage losses, increase the likelihood that rural hospitals will close, threaten major sources of jobs in rural communities, and jeopardize access to health services. Simply put, the Republican health care agenda fails rural Americans.

APPENDIX A: Rural Hospital Closures By State

Alabama	Florala Memorial Hospital *(AL-02, closed in 2013)* Elba General Hospital *(AL-02, closed in 2013)* Chilton Medical Center *(AL-06, closed in 2012)* SouthWest Alabama Medical Center *(AL-07, closed in 2011)* Randolph Medical Center *(AL-03, closed in 2011)*
Arizona	Cochise Regional Hospital *(AZ-02, closed in 2015)* Florence Community Healthcare *(AZ-04, closed in 2012)* Hualapai Mountain Medical Center *(AZ-04, closed in 2011)*
California	Colusa Regional Medical Center *(CA-03, closed in 2016)* Corcoran District Hospital (*CA-21, closed in 2013)* Kingsburg Medical Center *(CA-21, closed in 2010)*
Florida	Campbellton-Graceville Hospital *(FL-02, closed in 2017)*
Georgia	North Georgia Medical Center *(GA-09, closed in 2016)* Lower Oconee Community Hospital *(GA-12, closed in 2014)* Charlton Memorial Hospital *(GA-01, closed in 2013)* Calhoun Mem Hospital *(GA-02, closed in 2013)* Stewart-Webster Hospital *(GA-02, closed in 2013)* Hart County Hospital *(GA-09, closed in 2012)*
Illinois	St. Mary's Hospital *(IL-16, closed in 2016)*
Kansas	Mercy Hospital Independence *(KS-02, closed in 2015)* Central Kansas Medical Center *(KS-01, closed in 2011)*
Kentucky	New Horizons Medical Center *(KY-04, closed in 2016)* Westlake Regional Hospital *(KY-01, closed in 2016)* Parkway Regional Hospital *(KY-01, closed in 2015)* Nicholas County Hospital *(KY-06, closed in 2014)*
Massachusetts	North Adams Regional Hospital *(MA-01, closed in 2014)*
Maine	Southern Maine Health Care- Sanford Medical Center *(ME-01, closed in 2015)* Parkview Adventist Medical Center *(ME-01, closed in 2015)* St. Andrews Hospital *(ME-01, closed in 2013)*
Michigan	Cheboygan Memorial Hospital *(MI-01, closed in 2012)*
Minnesota	Albany Area Hospital *(MN-07, closed in 2015)* Lakeside Medical Center *(MN-08, closed in 2010)*
Missouri	Twin Rivers Regional Medical Center *(MO-08, closed in 2018)* SoutheastHEALTH Center of Reynolds County *(MO-08, closed in 2016)* Parkland Health Center- Weber Rd *(MO-08, closed in 2015)* Sac-Osage Hospital *(MO-04, closed in 2014)*

Mississippi	Quitman County Hospital *(MS-02, closed in 2016)* Pioneer Community Hospital of Newton *(MS-03, closed in 2015)* Merit Health Natchez-Community Campus *(MS-03, closed in 2015)* Kilmichael Hospital *(MS-02, closed in 2015)* Patient's Choice Medical Center of Humphreys County *(MS-02, closed in 2013)*
North Carolina	Our Community Hospital *(NC-01, closed in 2017)* Davie Medical Center- Mocksville *(NC-13, closed in 2017)* Yadkin Valley Community Hospital *(NC-05, closed in 2015)* Vidant Pungo Hospital *(NC-03, closed in 2014)* Blowing Rock Hospital *(NC-05, closed in 2013)*
Nebraska	Tilden Community Hospital *(NE-01, closed in 2014)*
Nevada	Nye Regional Medical Center *(NV-04, closed in 2015)*
Ohio	Doctors Hospital of Nelsonville *(OH-15, closed in 2014)* Physicians Choice Hospital-Fremont *(OH-04, closed in 2012)*
Oklahoma	Epic Medical Center *(OK-02, closed in 2016)* Memorial Hospital & Physician Group *(OK-04, closed in 2016)* Muskogee Community Hospital *(OK-02, closed in 2012)*
Pennsylvania	Mid-Valley Hospital *(PA-17, closed in 2014)* Saint Catherine Medical Center Fountain Springs *(PA-17, closed in 2012)*
South Carolina	Southern Palmetto Hospital *(SC-02, closed in 2016)* Marlboro Park Hospital *(SC-07, closed in 2015)* Bamberg County Memorial Hospital *(SC-06, closed in 2012)*
South Dakota	Holy Infant Hospital (SD-AL, closed in 2010)
Tennessee	Copper Basin Medical Center *(TN-03, closed in 2017)* Tennova Healthcare- McNairy Regional *(TN-07, closed in 2016)* United Regional Medical Center *(TN-06, closed in 2015)* Parkridge West Hospital *(TN-04, closed in 2015)* Haywood Park Community Hospital *(TN-08, closed in 2014)* Gibson General Hospital *(TN-08, closed in 2014)* Humboldt General Hospital *(TN-08, closed in 2014)* Starr Regional Medical Center-Etowah *(TN-03, closed in 2013)*
Texas	Care Regional Medical Ctr *(TX-27, closed in 2017)* East Texas Medical Center- Trinity *(TX-08, closed in 2017)* Timberlands Hospital *(TX-08, closed in 2017)* Gulf Coast Medical Center *(TX-27, closed in 2016)* Nix Community General Hospital *(TX-23, closed in 2016)* Hunt Regional Community Hospital of Commerce *(TX-04, closed in 2015)* East Texas Medical Center- Mount Vernon *(TX-04, closed in 2014)* East Texas Medical Center- Clarksville *(TX-04, closed in 2014)* East Texas Medical Center- Gilmer *(TX-01, closed in 2014)* Good Shepherd Medical Center *(TX-04, closed in 2014)* Lake Whitney Medical Center *(TX-25, closed in 2014)* Wise Regional Health System-Bridgeport *(TX-13, closed in 2013)*

	Shelby Regional Medical Center *(TX-01, closed in 2013)* Renaissance Hospital Terrell *(TX-05, closed in 2013)*
Virginia	Pioneer Community Hospital of Patrick County *(VA-09, closed in 2017)* Lee Regional Medical Center *(VA-09, closed in 2013)*
Wisconsin	Franciscan Skemp Medical Center *(WI-03, closed in 2011)*

APPENDIX B: By the Numbers — Rural Health In Montana

- **17 percent of Montanans living in rural areas are uninsured, compared to 17 percent of Montanans living in nonrural areas.**
- **Since the Affordable Care Act, the uninsured rate has fallen by 10 percent in rural parts of Montana.**
- **17 percent of Montanans living in rural areas have health coverage through Medicaid.**
- **The Affordable Care Act led to a $40 million reduction in Montana uncompensated care costs.** Between 2013 and 2015, Montana hospitals' uncompensated care costs decreased by $40 million, or roughly 22 percent.
- **In Montana, where lawmakers expanded Medicaid, no rural hospitals have closed since 2010.**

Further Reading

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