



A TOUGH ROW TO HOE
HOW WASHINGTON POLICIES ARE LEAVING
MICHIGAN'S RURAL HEALTH CARE IN THE DUST

**PROTECT
OUR CARE**

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

By The Numbers: Rural Health In Michigan

- 11 percent of Michiganders living in rural areas are [uninsured](#), compared to 9 percent of Michiganders living in nonrural areas.
- Since the Affordable Care Act, the adult uninsured rate [has fallen by](#) 11 percent in rural parts of Michigan.
- 25 percent of Michiganders living in rural areas have health coverage [through](#) Medicaid.
- The Affordable Care Act led to a \$571 million reduction in Michigan uncompensated care costs. Between 2013 and 2015, Michigan hospitals' uncompensated care costs [decreased by](#) \$571 million, or roughly 45 percent.
- [634,300](#) Michiganders became newly eligible for coverage when Michigan expanded Medicaid.
- 18 rural hospitals in Michigan are at a [high financial risk](#) of closing. This represents roughly 25.4 percent of the state's rural hospitals.
- In Michigan, where lawmakers expanded Medicaid, [one rural hospital](#) has closed since 2010. The one hospital that did close did so two years before the state expanded Medicaid:

Cheboygan Memorial Hospital (MI-01, closed in 2012)

Rural Health At A Glance

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, Republicans' relentless [war on Medicaid](#) now threatens much of this progress and the jeopardizes the potential coverage gains states like Alabama, which have not expanded Medicaid, could make were they to do so.

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

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

[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, [97 rural hospitals](#) have closed, with one other announced to close in March 2019.¹ The vast majority, 86 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 December, a federal judge ruled in favor of conservative states to overturn the Affordable Care Act, its Medicaid expansion, and its protections for people with pre-existing conditions. In February, President Trump, whose administration joined conservative states in arguing that pre-existing condition protections should be overturned, boasted that because of the lawsuit, the ACA would be ["terminated."](#)

Instead of building on the Affordable Care Act's progress, Republican policies seek 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.

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

¹ The Georgiana Medical Center [will cease operations](#) in March 2019.

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.

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 in 2017. 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.