

RURAL HOSPITALS AT RISK OF CLOSING

Hundreds of Rural Hospitals Are At Immediate Risk of Closure

Over 400 rural hospitals – more than one-fifth of the rural hospitals in the country – are at **immediate risk of closure** because of continuing financial losses and lack of financial reserves to sustain operations. These hospitals have:

- **Persistent Financial Losses:** The hospitals had a cumulative negative total margin over the most recent 3-year period for which financial data were available; and
- **Low or Non-Existent Financial Reserves:** The hospitals either (a) had total liabilities exceeding all assets other than buildings and equipment, or (b) had assets greater than liabilities, but only by enough to sustain continued losses for at most 2 years.

Almost every state has at least one rural hospital at immediate risk of closure, and in 15 states, 25% or more of the rural hospitals are at immediate risk.

Hundreds More Rural Hospitals Are At High Risk of Closing in the Near Future

Over 400 additional rural hospitals are at **high risk of closure** in the near future. These hospitals fall into two categories:

- **Low Financial Reserves.** These are hospitals that have assets greater than liabilities, but the difference is only enough to cover the hospital's average annual losses for at most 5 years.
- **High Dependence on Non-Patient Service Revenues.** The second group of hospitals have had positive total margins, but only because they receive large amounts of funding from local taxes, state subsidies, or other sources of funds sufficient to offset losses on patient services. Moreover, these hospitals either have liabilities in excess of assets, or their net assets would not be large enough to offset the patient service losses for more than two years. Since it is not clear that these hospitals can continue receiving large amounts of revenue from other sources in the future, they also have to be considered at high risk of closure.

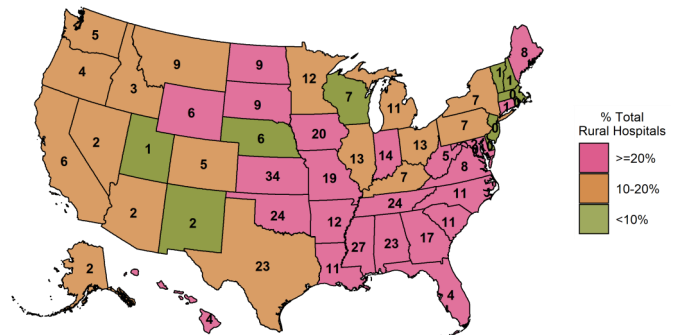
Rural Hospitals In Almost Every State Are at Risk of Closing

In total, nearly 900 rural hospitals – over 40% of all rural hospitals in the country – are either at immediate risk or high risk of closure. More than 20% of rural hospitals are at risk of closing in almost every state in the country, and in 16 states, the majority of the rural hospitals are at risk of closing. Millions of people who live in the areas served by the at-risk hospitals could be directly affected if the hospitals were to close.

Most Rural Hospitals at Risk of Closing Are In Isolated Rural Communities

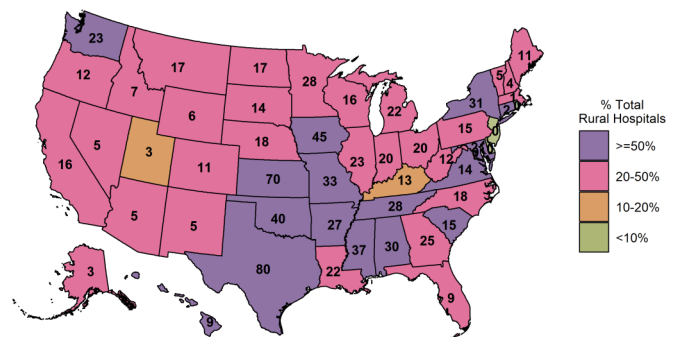
Almost all of the rural hospitals that are at immediate or high-risk of closure are in isolated rural communities. Closure of the hospital would mean the community residents have *no ability at all* to receive emergency or inpatient care without traveling long distances. In many small rural communities, 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.

Rural Hospitals at Immediate Risk of Closing



Risk of closure is based on persistent financial losses and low financial reserves.

Rural Hospitals at Immediate or High Risk of Closing



Risk of closure is based on persistent financial losses and low financial reserves, or high dependence on grants, local taxes or other revenues not derived from patient services.

RURAL HOSPITALS AT IMMEDIATE OR HIGH RISK OF CLOSING

State	Total Rural Hospitals	Number at Risk of Closing	Percent at Risk of Closing	Number at Immediate Risk of Closing	Percent at Immediate Risk	Number at High Risk of Closing
Alabama	46	30	65%	23	50%	7
Alaska	13	3	23%	2	15%	1
Arizona	19	5	26%	2	11%	3
Arkansas	49	27	55%	12	24%	15
California	52	16	31%	6	12%	10
Colorado	41	11	27%	5	12%	6
Connecticut	3	2	67%	1	33%	1
Delaware	2	0	0%	0	0%	0
Florida	20	9	45%	4	20%	5
Georgia	61	25	41%	17	28%	8
Hawaii	12	9	75%	4	33%	5
Idaho	28	7	25%	3	11%	4
Illinois	73	23	32%	13	18%	10
Indiana	53	20	38%	14	26%	6
Iowa	90	45	50%	20	22%	25
Kansas	104	70	67%	34	33%	36
Kentucky	69	13	19%	7	10%	6
Louisiana	48	22	46%	11	23%	11
Maine	25	11	44%	8	32%	3
Maryland	4	2	50%	2	50%	0
Massachusetts	5	1	20%	0	0%	1
Michigan	62	22	35%	11	18%	11
Minnesota	90	28	31%	12	13%	16
Mississippi	66	37	56%	27	41%	10
Missouri	58	33	57%	19	33%	14
Montana	52	17	33%	9	17%	8
Nebraska	71	18	25%	6	8%	12
Nevada	13	5	38%	2	15%	3
New Hampshire	17	4	24%	1	6%	3
New Jersey	1	0	0%	0	0%	0
New Mexico	23	5	22%	2	9%	3
New York	50	31	62%	7	14%	24
North Carolina	53	18	34%	11	21%	7
North Dakota	37	17	46%	9	24%	8
Ohio	70	20	29%	13	19%	7
Oklahoma	73	40	55%	24	33%	16
Oregon	32	12	38%	4	13%	8
Pennsylvania	40	15	38%	7	18%	8
Rhode Island	0	0	0%	0	0%	0
South Carolina	25	15	60%	11	44%	4
South Dakota	45	14	31%	9	20%	5
Tennessee	48	28	58%	24	50%	4
Texas	149	80	54%	23	15%	57
Utah	21	3	14%	1	5%	2
Vermont	13	5	38%	1	8%	4
Virginia	27	14	52%	8	30%	6
Washington	40	23	58%	5	13%	18
West Virginia	25	12	48%	5	20%	7
Wisconsin	73	16	22%	7	10%	9
Wyoming	24	6	25%	6	25%	0

Data current as of November 2021