

# 42nd Annual Oregon Rural Health Conference

October 1- 3, 2025

## **The Rural Health Landscape**

**Alan Morgan, CEO, NRHA**

# The Rural Health Landscape

Alan Morgan  
CEO

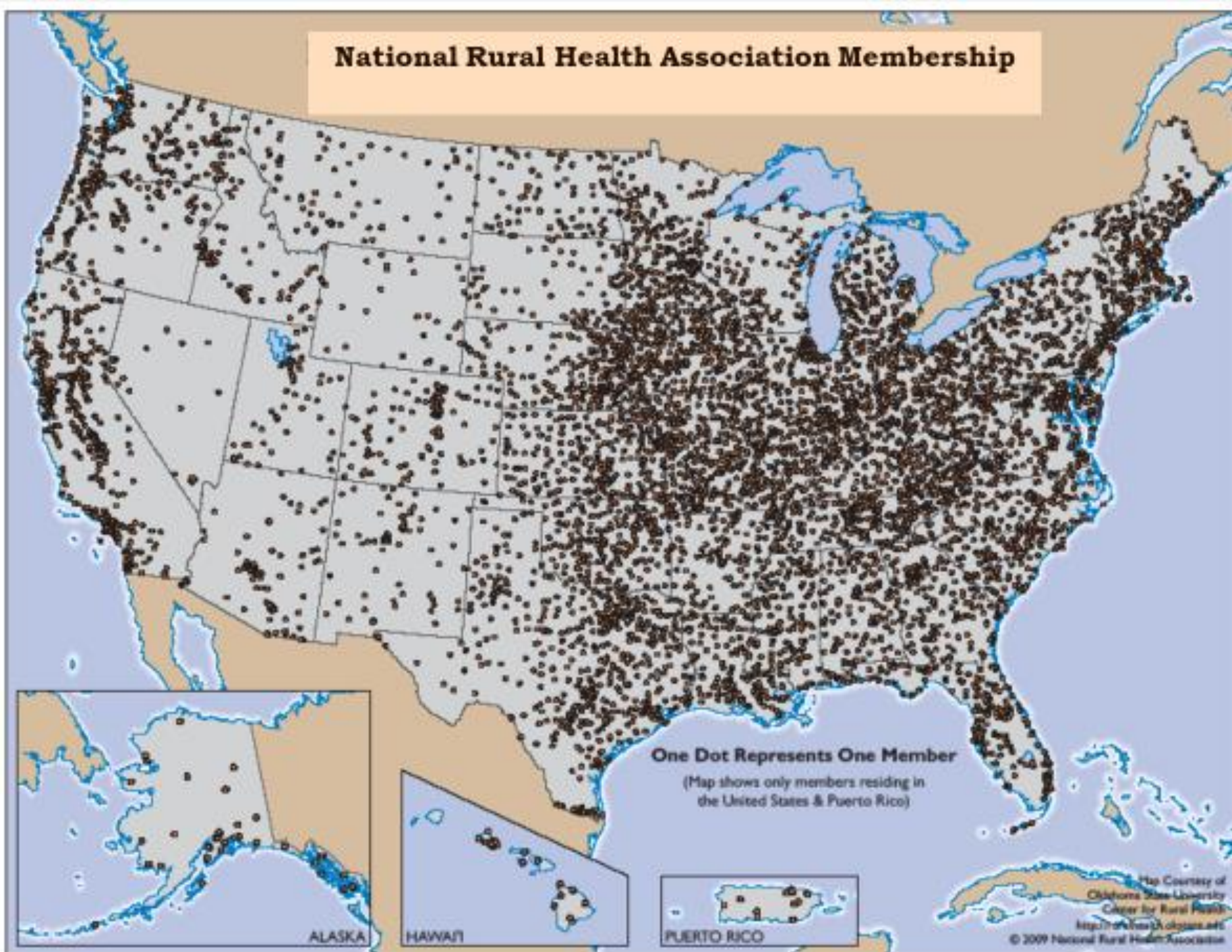
September 2025



**NRHA**  
**Your voice. Louder.**

**Our mission is to provide  
leadership on rural health issues.**

## National Rural Health Association Membership





# The State of Rural America

- **Workforce Shortages**
- **Vulnerable Populations**
- **Chronic Poverty**



# Impacts of H.R. 1 on Rural Health

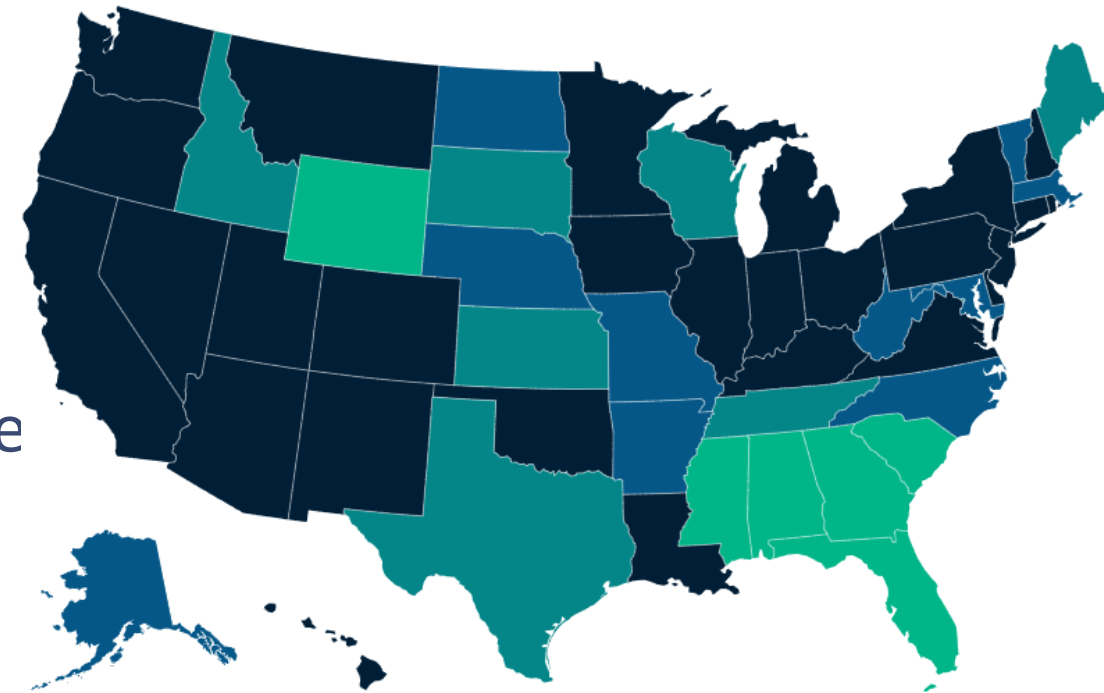
Federal Medicaid spending in rural areas expected to decrease by \$137 billion

- Rural Health Transformation Program only offsets a bit more than 1/3 of this amount
- Over half of the spending reductions in rural areas are among 12 states that have large rural populations and have expanded Medicaid

**Federal Medicaid Cuts in the Enacted Reconciliation Package, By State**

As a % of 10-year baseline federal spending (2025-2034)

■ < 7% ■ 7%–10% ■ 10%–13% ■ ≥ 13%



# Impacts of H.R. 1 on Rural Health

Nearly 1 in 5 or 20% of rural adults and 40% of rural children rely on Medicaid or CHIP.

On average, rural hospitals are slated to lose 21 cents out of every dollar they receive in Medicaid funding.

**Figure 1: Rural Hospitals Could Lose 21 Cents Out of Every Dollar They Receive in Medicaid Funding**



# Rural Health Transformation Program

- \$50 billion over 5 years for all states with approved applications
  - Distributed starting FY 2026 to FY 2030
- Eligibility for funds:
  - Baseline funding: 50% goes to all 50 states equally
  - Workload funding: 50% distributed to states based on CMS discretion
  - States must **submit application to CMS with “detailed rural health transformation plan”**



# Rural Health Transformation Program Strategic Goals

- Making Rural America Healthy Again
  - Population health, prevention/chronic disease, behavioral health
- Fostering sustainable access
  - Viable economic model, appropriate care delivery, provider payments
- Workforce Development
  - Strengthening recruitment and retention, scope of practice
- Innovative Care
  - Value base payment, clinically integrated networks
- Supporting technology innovation
  - Technology-based solutions, training and technical assistance, IT investments

**SHUT DOWN!?!**



# Upcoming Key Dates

- **September 22 – September 26:** Congress in Recess
- **September 30:** FY 2025 ends, extenders expire
- **October 13 – 17:** Senate in recess
- **November 22?:** House-passed C.R. – federal government funding and extenders expire
- **December 31:** Marketplace enhanced premium tax credits, Rural Health Care Services Outreach program authority expires

# Rural has an Older, Sicker and Poorer Population

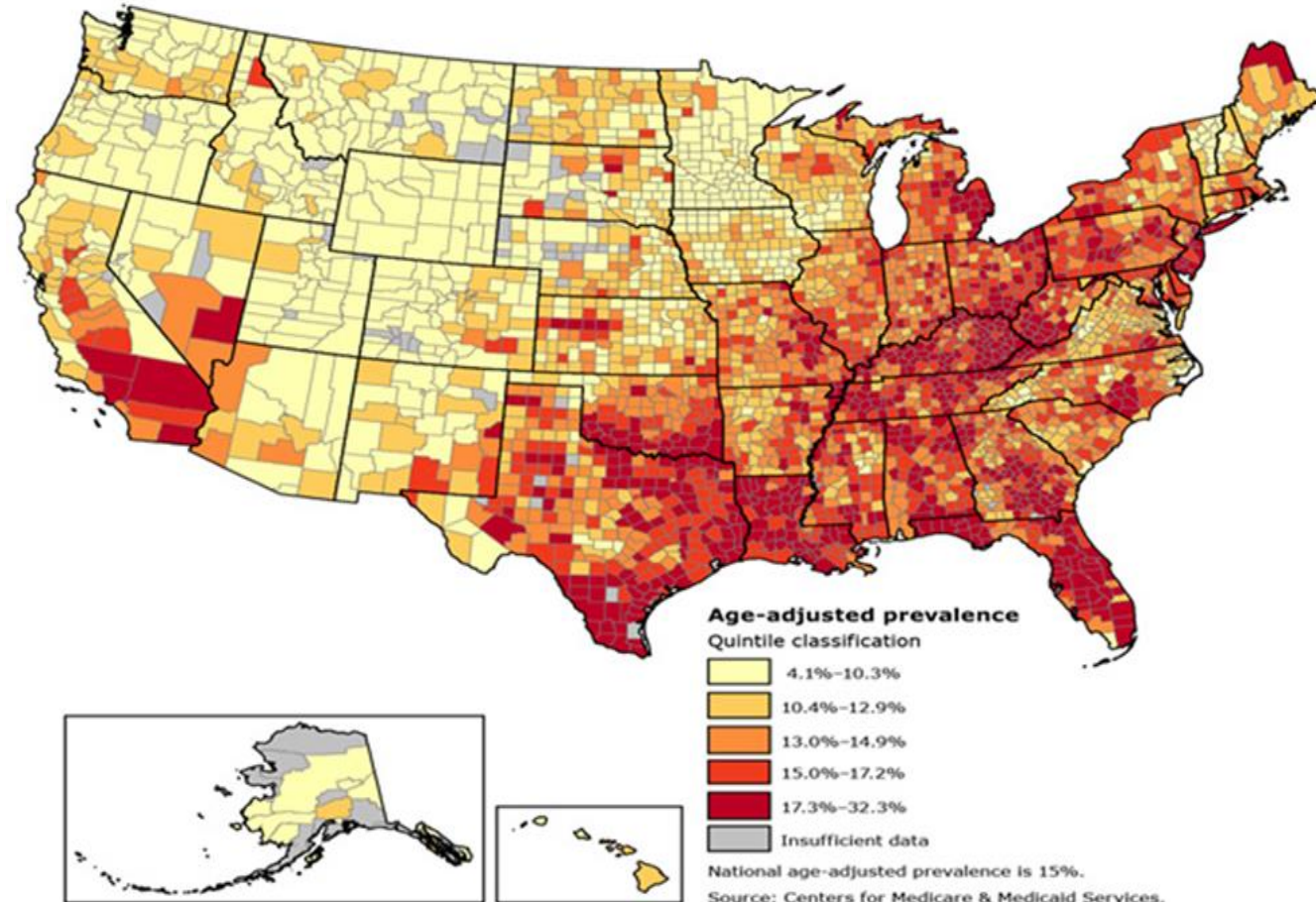
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- The median age of adults living in rural areas is greater than those living in urban:
  - Rural: 51 years
  - Urban: 45 Years
- 18.4% of rural residents are age 65+, whereas its 14.5% in urban
- **Rural areas have higher rates of several health risk factors/conditions:**
  - **Obesity**
  - **Diabetes**
  - **Smoking**



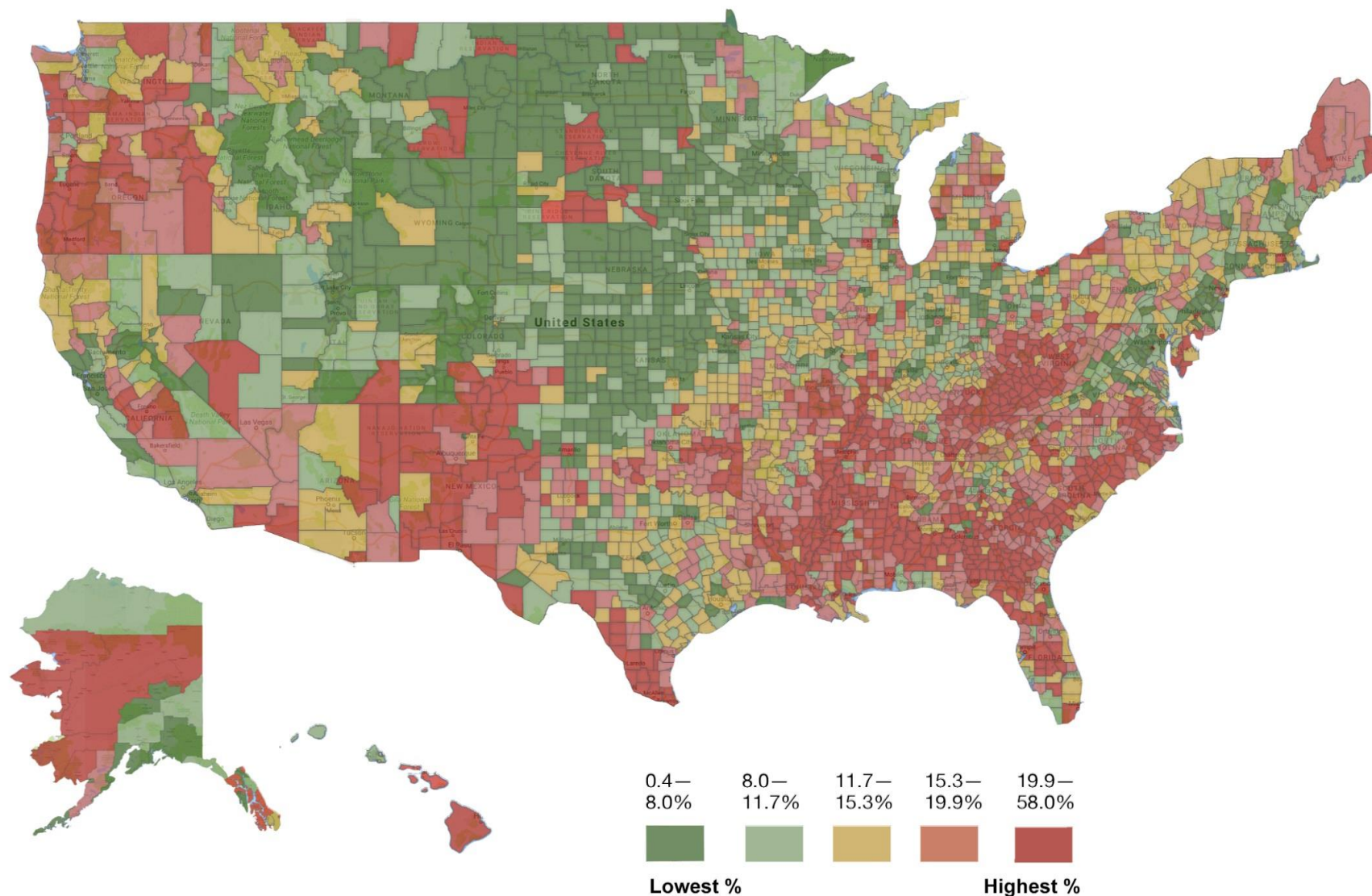
# Prevalence of Medicare Patients with 6 or more Chronic Conditions

The Prevalence of Medicare Fee-for-Service Beneficiaries 65 Years or Older With 6 or More Chronic Conditions, by County, 2012

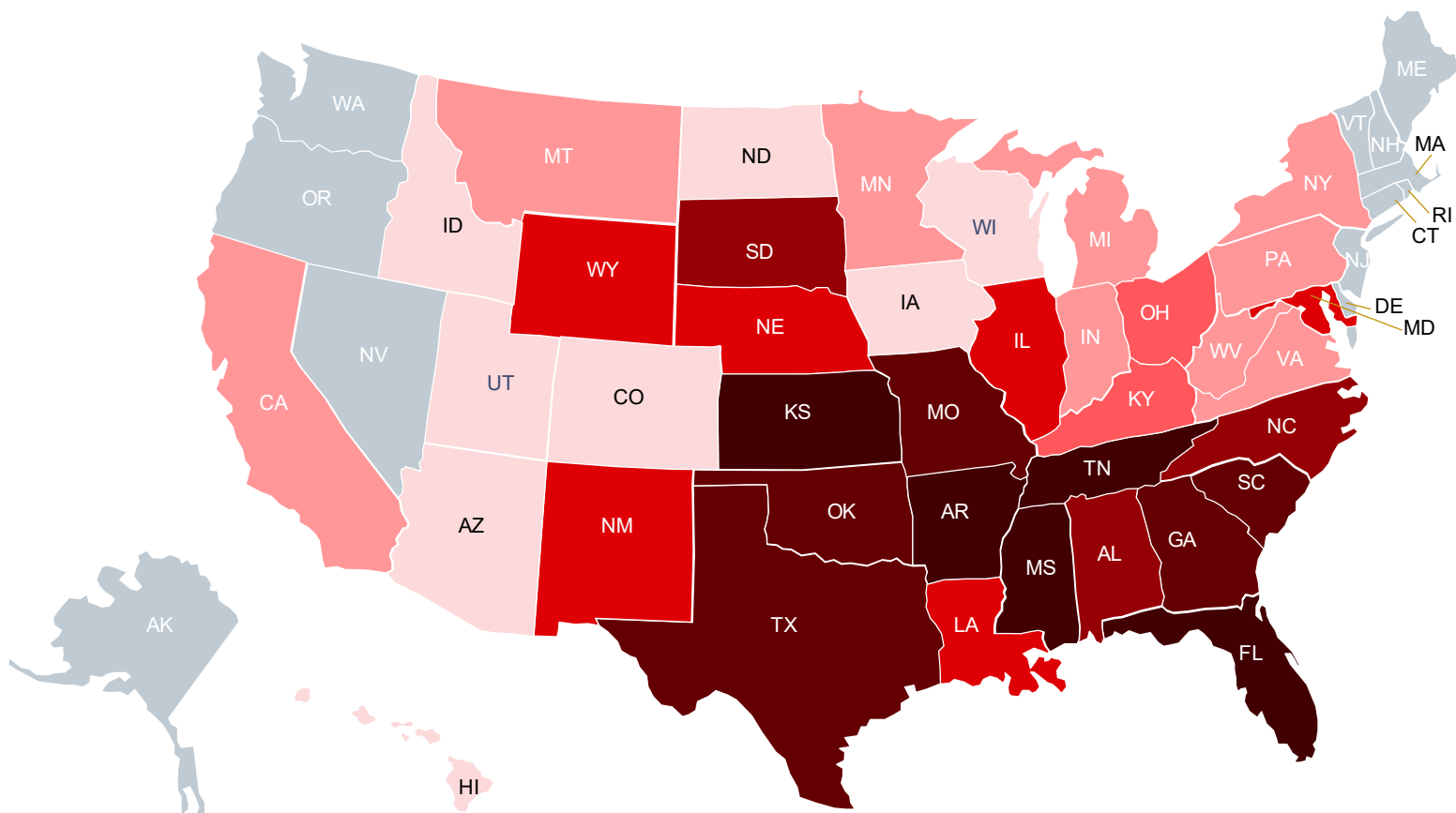


# The Geography of Food Stamps

## SNAP Enrollment as Percent of County Population



# 432 Rural Hospitals Vulnerable to Closure

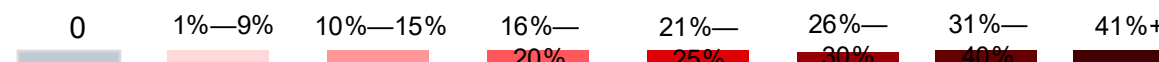


**432** rural hospitals across America are **vulnerable to closure**.

Across **15 states**, the percentage of rural hospitals **vulnerable to closure** is **25% or higher**.

**Non-expansion states** are home to **205** vulnerable rural hospitals.

Percentage of State Rural Hospitals Determined to be Vulnerable

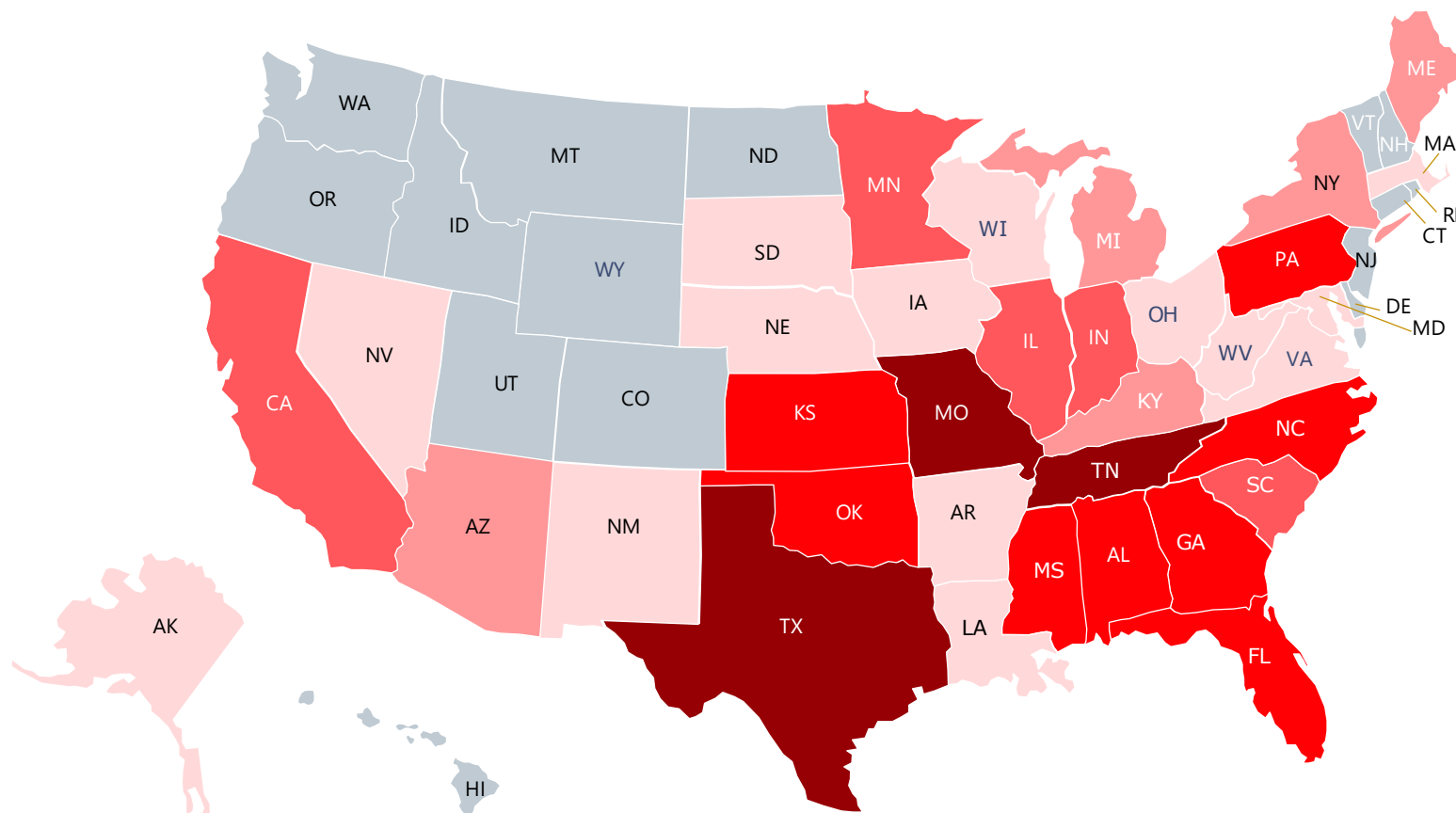


# America's Rural Hospital Crisis \*2024

Since 2010, **access to care has deteriorated significantly** in rural communities across America.

**195 rural hospitals** have either closed or converted to a model that excludes inpatient care (e.g., REH).

**Highest loss of inpatient care** tends to be in **states resisting** (or slow to adopt) **Medicaid Expansion**.



Number of rural hospitals closed or ceasing inpatient care since 2010.

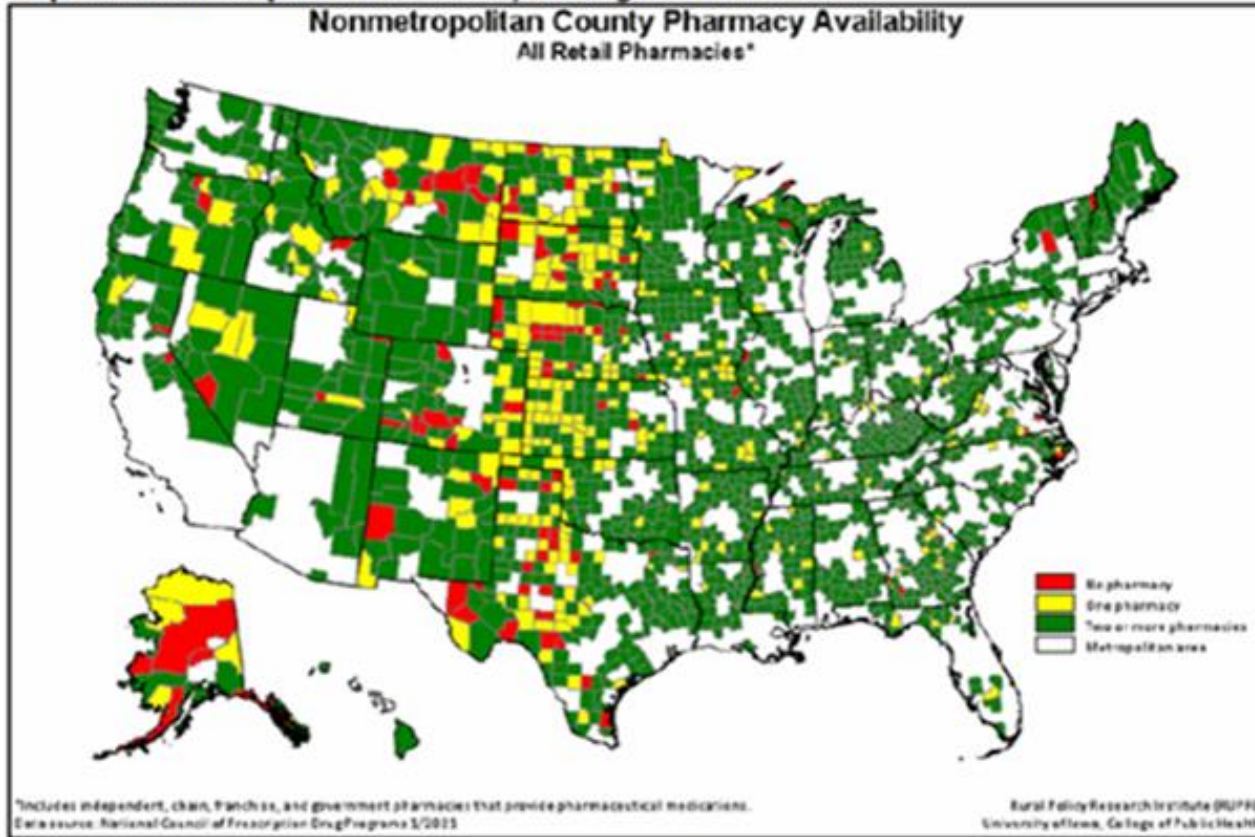




# Rural Pharmacy Closures

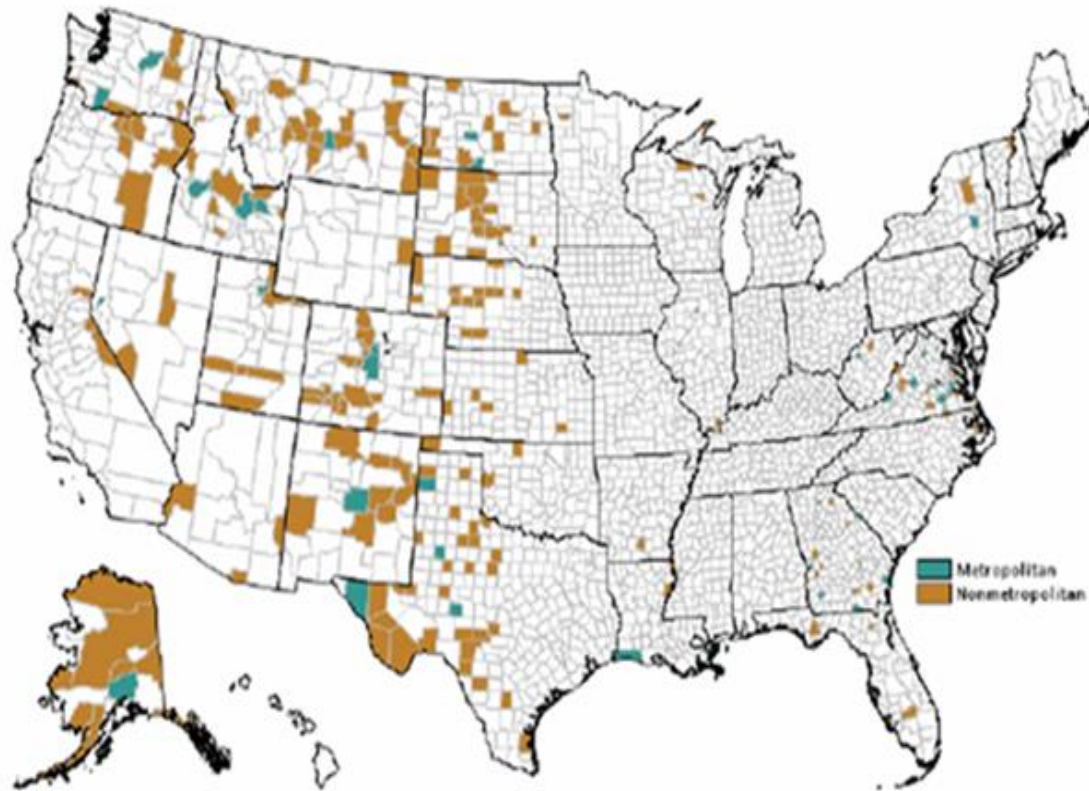
**Map 1. Nonmetropolitan Counties, all Eligible Pharmacies**

**Nonmetropolitan County Pharmacy Availability**  
**All Retail Pharmacies\***



- From 2003 – 2018, 1,231 independently owned rural pharmacies (16.1%) closed
- 630 rural communities with at least 1 retail pharmacy in 2003 had 0 in 2018

# Rural Nursing Home Closures



- 10% of rural counties are nursing home deserts
- From 2008-2018, 400 rural counties experienced at least 1 nursing home closure

# Declining Life Expectancy



# Declining Life Expectancy

There is a 20 percent higher natural-cause mortality gap in rural areas than urban areas.



Economic Research Service  
U.S. DEPARTMENT OF AGRICULTURE

Economic  
Research  
Service  
  
Economic  
Information  
Bulletin  
Number 265  
  
March 2024

## The Nature of the Rural-Urban Mortality Gap

Kelsey L. Thomas, Elizabeth A. Dobis, and  
David A. McGranahan





# Choosing Rural



- University of Minnesota Age Friendly Research
- Appalachian Regional Commission “Bright Spots.”
- Institute of Medicine “Quality through Collaboration.”

# Rural Population since 2015

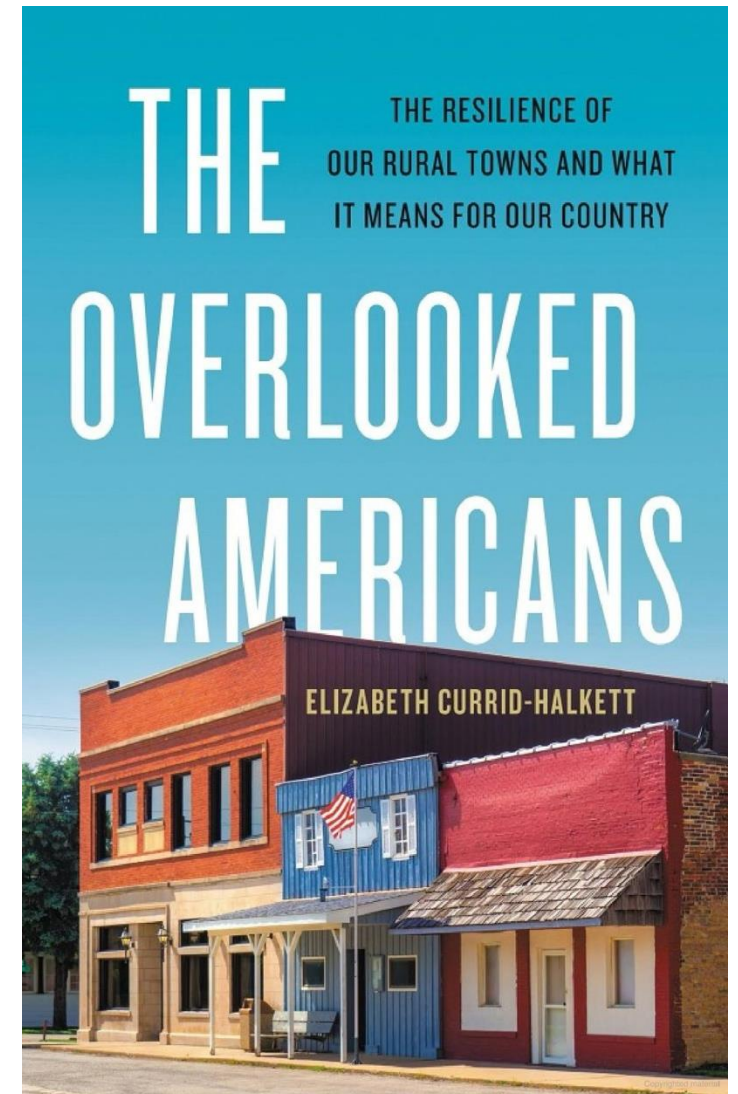
- U.S. Census shows that population in nonmetropolitan counties remained stable from 2014 to 2023 at about 46 million.
- (2014-2018 rural adjacent to urban saw growth.)

# What is happening in Rural?

“By most economic measures, rural Americans are doing surprisingly well. Higher home ownership, less income inequality, and a comparable median income.

One thing is clear from my research: Life in rural America is not the drumbeat of heartache and destitution.”

The Overlooked Americans  
Currid-Halkett 2023





National Rural  
Health Association



The  
John A. Hartford  
Foundation



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# Choosing Rural

“...In asking about their secrets for people living long, healthy lives, we were able to begin to understand not just why older adults stay, but how older adults are able to age successfully in their communities.”

**“They’re not leaving their home; this is where they were born, this is where they will die.”: Key Informant Perspectives From the U.S. Counties With the Greatest Concentration of the Oldest Old**

-Carrie Henning-Smith, Megan Lahr, and Jill Tanem. Division of Health Policy and Management, University of Minnesota School of Public Health, Minneapolis, MN, USA



# How Do Rural People Age Well?

“...The lifestyle and community subtheme attributed the high prevalence of oldest old to individual characteristics and behaviors, including eating well, staying active, avoiding tobacco and other substances, working hard, having good coping skills, and going outside often.”

**“They’re not leaving their home; this is where they were born, this is where they will die.”: Key Informant Perspectives From the U.S. Counties With the Greatest Concentration of the Oldest Old**

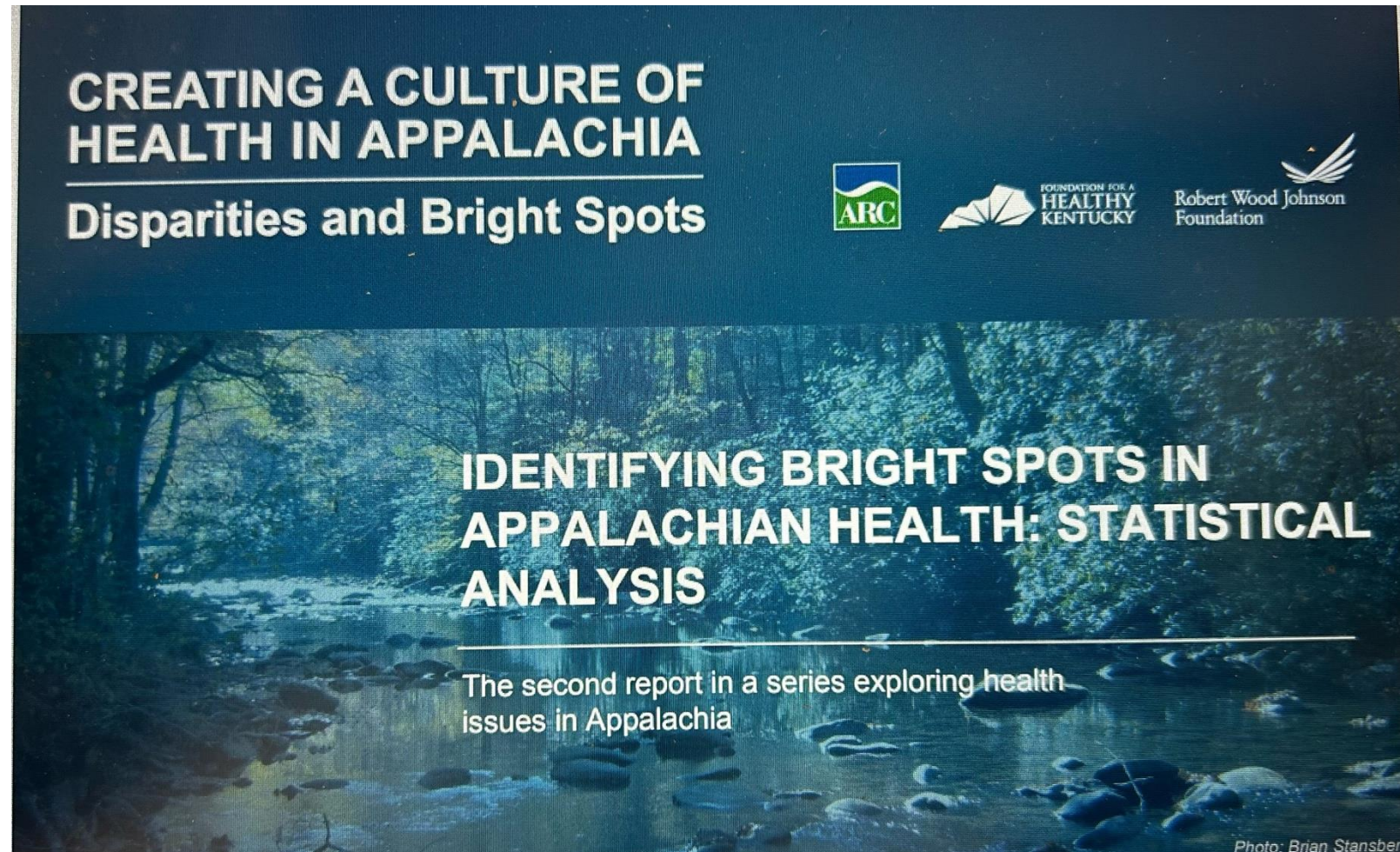
-Carrie Henning-Smith, Megan Lahr, and Jill Tanem. Division of Health Policy and Management, University of Minnesota School of Public Health, Minneapolis, MN, USA

# Relevance of Rural Providers

“Finally, under the subtheme of providing current services and amenities, many respondents mentioned the importance of formal health care services in the county, including clinics, hospitals, specialists, and long-term care (e.g., nursing homes, assisted living, and Medicare swing beds). And, several respondents also described home care services in the county, including help with errands, home maintenance/repair, and home health care. Above and beyond the simple presence of services, however, several respondents also described the importance of commitment to the community by providers themselves.”



# Rural “Bright Spots.”

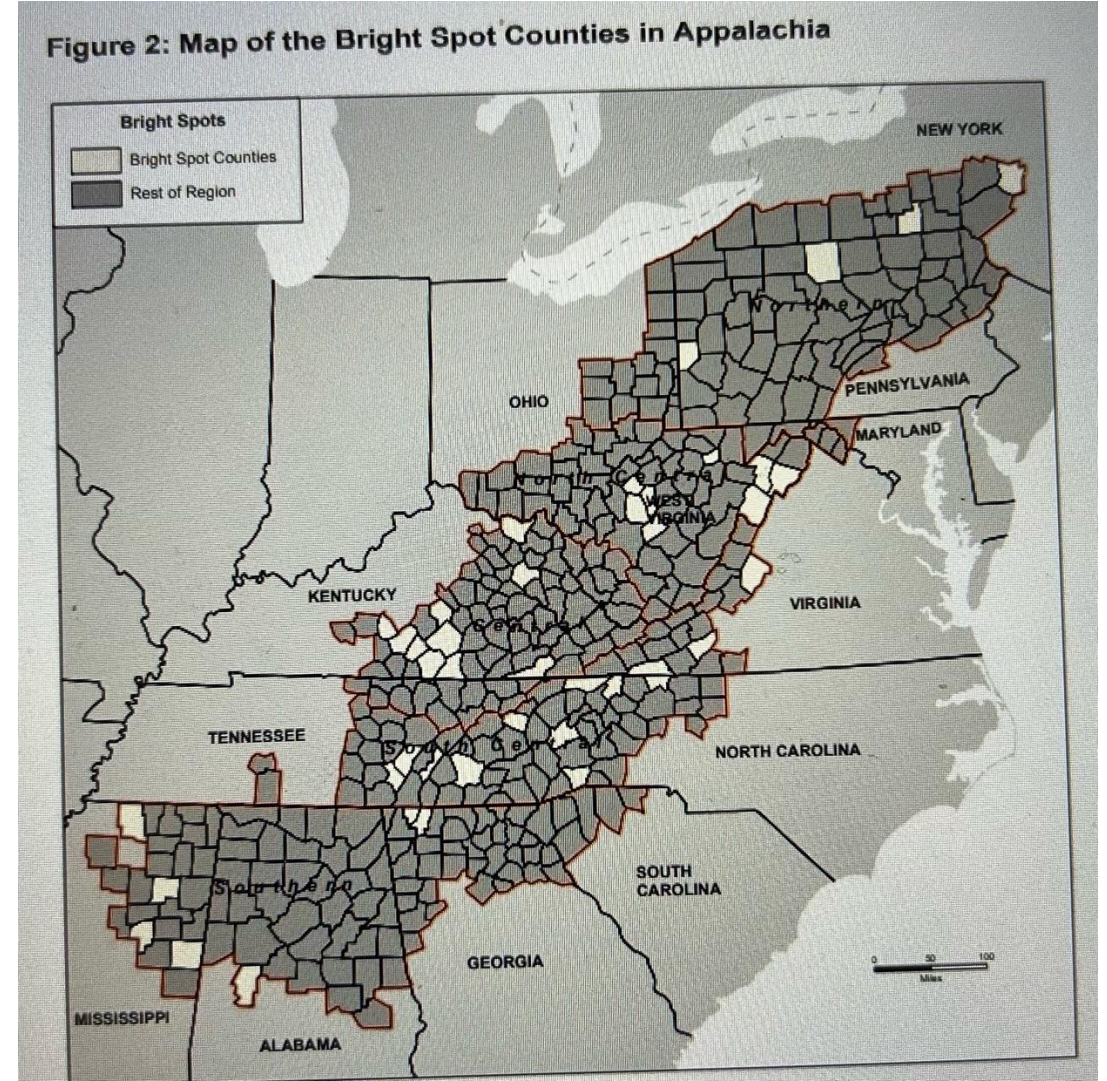


# Appalachian Regional Commission – “Bright Spots” research

- The Creating a Culture of Health in Appalachia initiative defines a **Bright Spot** as an Appalachian county that has better-than-expected health outcomes given its characteristics and resource levels—that is, the socioeconomics, demographics, behaviors, health care facilities, and other factors that influence health outcomes.
- **Author(s):** G. Mark Holmes, Nancy M. Lane, William Holding, Randy Randolph, Jonathan Rodgers, Pam Silberman, Lisa Villamil, Thomas A. Arcury, Kelly Ivey, Daniel Goolsby, Ashli Keyser, and J&J Editorial
- **Author Organization(s):** Appalachian Regional Commission; PDA, Inc.; Cecil G. Sheps Center for Health Services Research, University of North Carolina at Chapel Hill



# Rural “Bright Spots.”



# Bright Spots

- Our findings suggest that traditional public health initiatives should accompany efforts to develop community health infrastructure. For example, funding for community health workers trained to communicate chronic disease prevention behaviors might reach deeper into community values and have a greater impact on population health than the supply of additional providers alone.
- Overall, this study supports an emerging body of literature that attests to the association between positive population health outcomes and a community's social, economic, and environmental factors.

# Need for a New Model

- Rural hospital closures
  - Closures could resume after covid funding is gone
- Declining inpatient utilization
  - Average revenue coming from outpatient services increased from 66.5% in 2011 to 74.2% in 2019
- Access to emergency care
  - Study show rural ED care for potentially life-threatening conditions is comparable to that in urban settings
  - Importance of ensuring access to treatment at local EDs in rural and frontier communities

# CMS Center for Innovation

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## OLDER MODELS

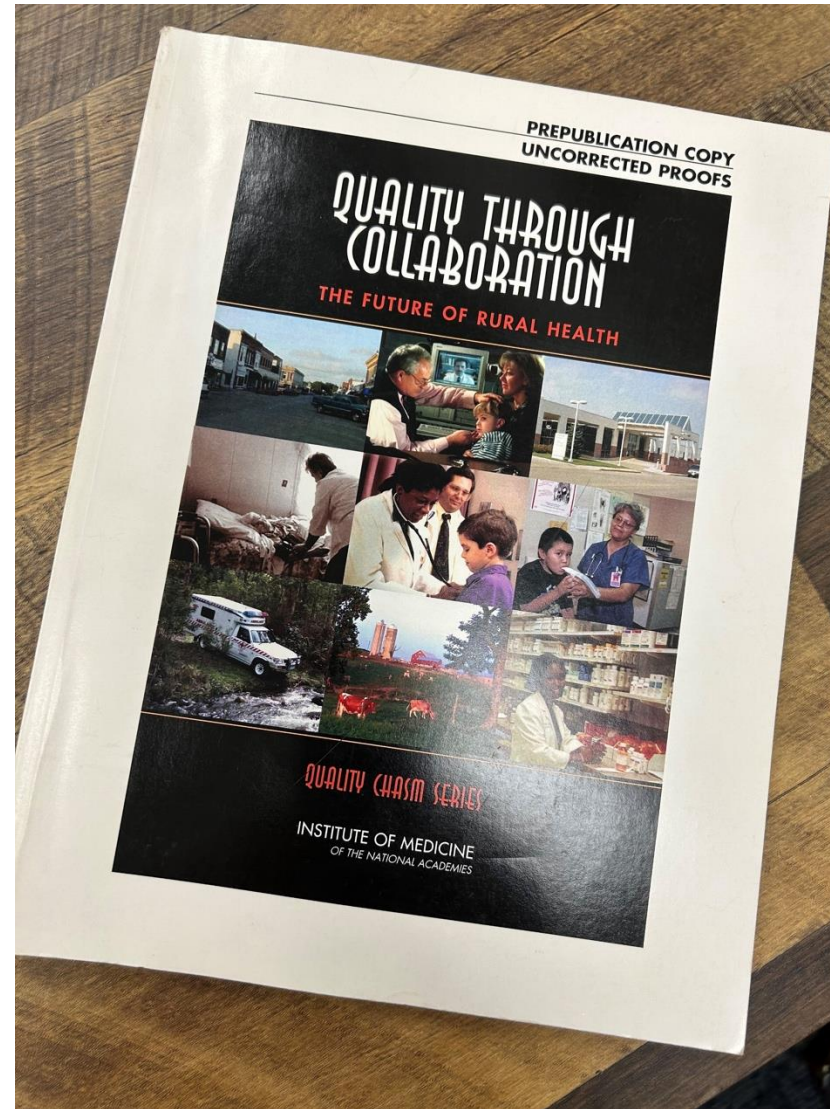
- Frontier Extended Stay Clinic (FESC)
- Frontier Community Health Integration Project (F-CHIP)
- Rural Community Hospital Demonstration Program

## NEWER MODELS

- Global Budget Model
  - Sen. Bob Casey (D-PA)
- 24/7 ER Model with Cost-Based Reimbursement
  - Rural Emergency Hospital



# Rural Collaboration and Leadership





# Rural Quality

- Strong sense of community responsibility, propensity toward collaboration (unique ways to develop and provide services needed.)
- Ability to create regional networks to provide greater access to state-of-the-art health care.
  - Institute Of Medicine “Quality through Collaboration”

# Rural Quality

- Rural hospitals consistently outperform urban hospitals on patient experience metrics and patients often report higher levels of trust in their providers.
  - Joynt et al., 2016

# Rural Quality

- Rural hospitals are more likely to practice patient-centered care as opposed to “more expensive” specialized care, which drives up Medicare costs.
  - Hiler 2014

# Rural Quality

- Rural hospital perform better than urban hospitals in Medicare's Hospital Value-Based Payment Program.
- Rural hospitals scored better than their urban counterparts in postoperative wound infection rates and measures of health care related to infections.
  - Joynt et al, 2016

# Rural Quality

- Rural home health care agencies are initiate care more quickly than their urban counterparts and typically outperform in the care process measure.
  - New York University, 2022



# Rural Quality

- Patients seeking prenatal care at rural hospitals are less likely to experience potentially avoidable maternity complications.
  - Laditka et al, 2005

# The Rural Provider Environment

- 1400 total Federally Qualified Community Health Centers  
(600 rural, serve 1 in 5 rural residents)
- 5000 Rural Health Clinics
- 1300 Critical Access Hospitals
- 500 Rural Prospective Payment Hospitals

# Drivers behind rural workforce shortage

- COVID-19 burnout/exhaustion
- Baby Boomers are retiring
- Desire for flexible work schedules
- New options like remote work/digital opportunities
- Salary and benefit limitations
- Education opportunities limited
- Rural patients need more services
- Rural practice characteristics
- Rural communities lack spouse opportunities

# Drivers behind rural workforce shortage

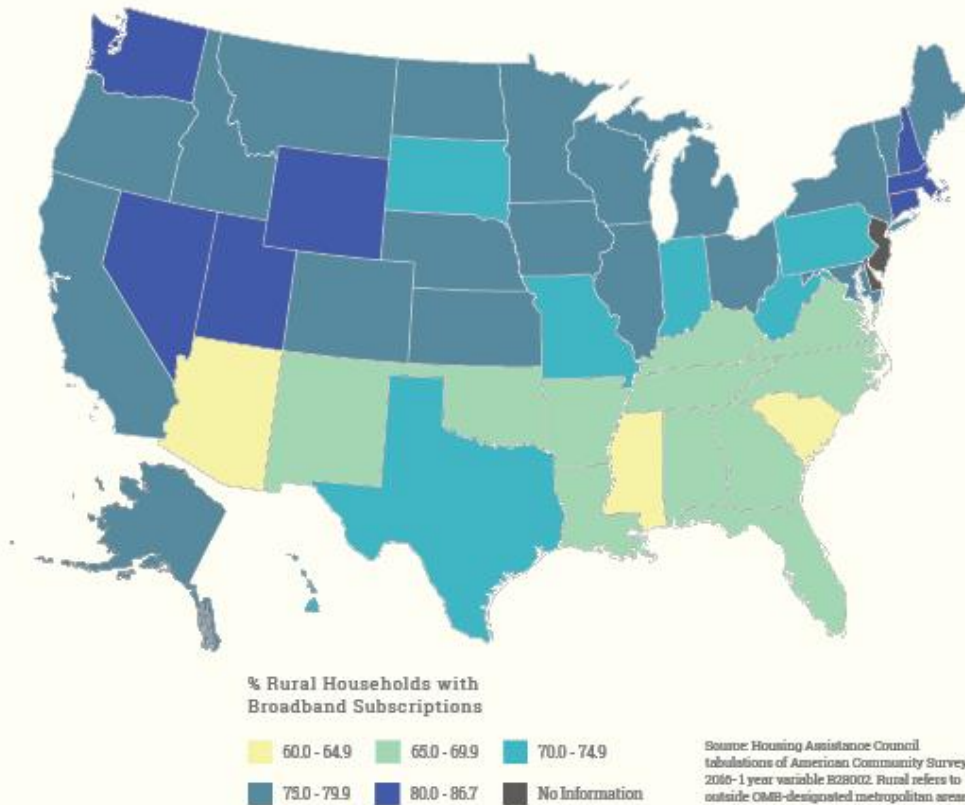
Only 4.3% of incoming medical students in 2017 were from rural areas.

-Health Affairs 2017



# The Digital Divide in Rural America

## RURAL HOUSEHOLDS WITH BROADBAND SUBSCRIPTIONS



## HOUSEHOLDS WITH BROADBAND SUBSCRIPTIONS

Source: Housing Assistance Council tabulations of American Community Survey 2010 - 1 year.

**83%**  
METROPOLITAN

vs

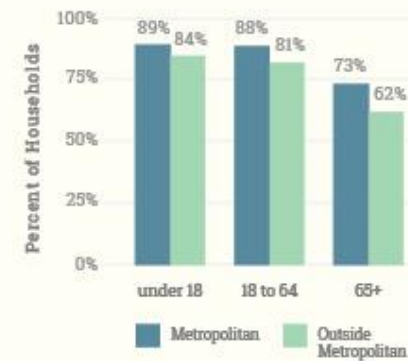
**73%**  
OUTSIDE METROPOLITAN

## BROADBAND SUBSCRIPTIONS

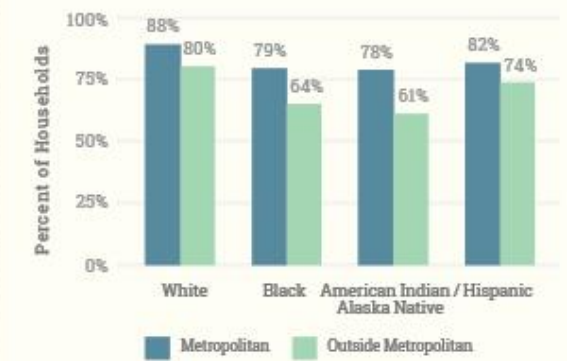
### BY INCOME



### BY AGE

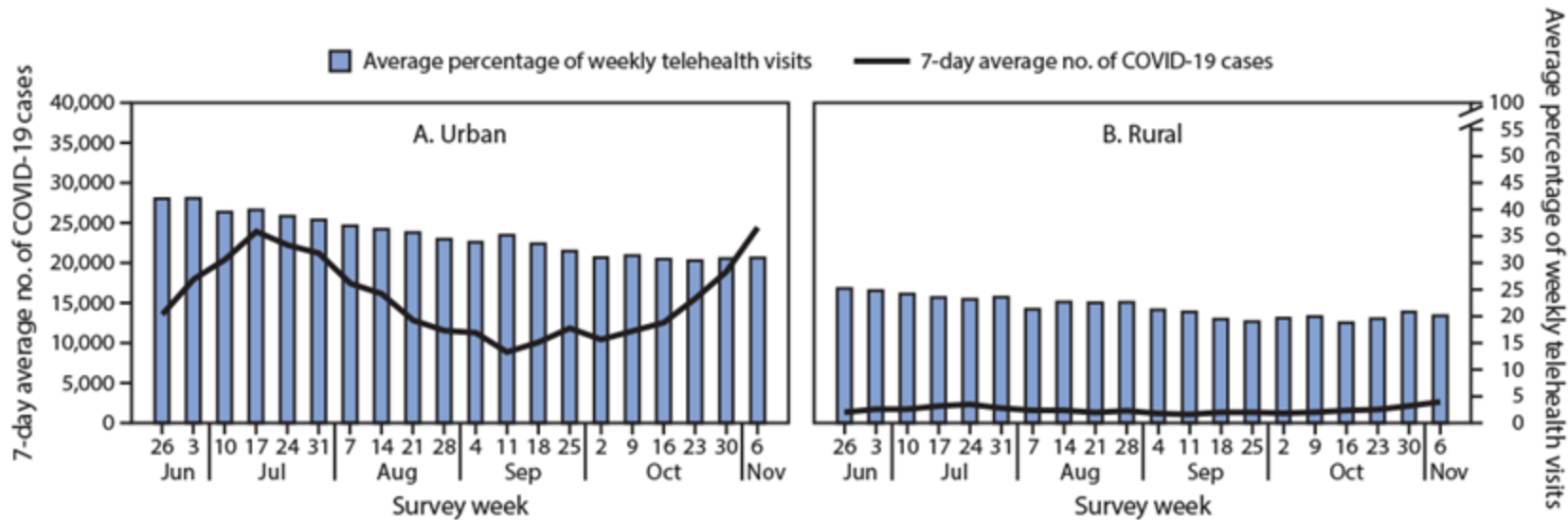


### BY RACE / ETHNICITY



# 2021 Rural vs. Urban

- Cohort study of 36 million Americans with private insurance
- 0.3% of contacts in 2019 to 23.6% of all contacts in 2020 (March-June)
- This represents a 79x increase
- Rural-urban disparity



# The Rural Context



Rural areas make up 80% of the land mass in USA

Rural areas have roughly 17% of the US Population

Rural areas provide the food, fuel and fiber to power our nation

# Takeaways

- A new framing for rural health  
(A researched-based competitive advantage for rural communities.)
- Leadership and collaboration matters.
- The case for rural hospitals as community assets.
- Policy need to link reimbursements to SDOH/Public health.



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**Your voice. Louder.**

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