Equitable Access to Health and Health Care: The Rural Hospital Climate

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June 2017
Overview

- Rural Hospital Closures
  - What
  - Studies
- Our Research
  - Rural Hospital Closure Rate
  - Comparison of Closed Rural Hospitals
  - Community Characteristics and Closure
- Case Study
Rural Hospital Closures

- We define closure as permanent cessation of acute inpatient care
- A closed hospital can be considered as:
  - Abandoned - no health services remain in the closed hospital building
  - Converted - becomes an ER or urgent care facility; outpatient facility; rehabilitation or nursing facility
Rural Hospital Closures

- Why rural hospitals close:
  - Rural residents:
    - Older
    - Poorer
    - Sicker
    - Face More barriers
  - Financial:
    - Daily census
    - Management
    - Charity care
    - Negative profit margin
  - Competition
  - Insurance mix

Why rural hospitals close:

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Financial:
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Market:
- Competition
- Insurance mix

NC Rural Health Research Program Rural Hospital Closure Tracking
Rural Hospital Closures

<table>
<thead>
<tr>
<th>Hospital</th>
<th>City</th>
<th>Closure Year</th>
<th>% Black</th>
<th>% Hispanic</th>
<th>Poverty Rate</th>
<th>Unemployment Rate</th>
<th>High School Grad Rate</th>
<th>Closure Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Florala Mem Hospital</td>
<td>Florala</td>
<td>2013</td>
<td>11.0%</td>
<td>1.1%</td>
<td>16.6%</td>
<td>12.1%</td>
<td>74.4%</td>
<td>Outpatient</td>
</tr>
<tr>
<td>Elba General Hospital</td>
<td>Elba</td>
<td>2013</td>
<td>24.3%</td>
<td>0.4%</td>
<td>20.6%</td>
<td>8.7%</td>
<td>69.8%</td>
<td>Rehabilitation</td>
</tr>
<tr>
<td>Chilton Medical Center</td>
<td>Clanton</td>
<td>2012</td>
<td>10.0%</td>
<td>3.2%</td>
<td>14.5%</td>
<td>10.3%</td>
<td>76.1%</td>
<td>None</td>
</tr>
<tr>
<td>SW Alabama Med Ctr</td>
<td>Thomasville</td>
<td>2011</td>
<td>51.6%</td>
<td>1.2%</td>
<td>22.2%</td>
<td>10.8%</td>
<td>78.5%</td>
<td>None</td>
</tr>
<tr>
<td>Randolph Medical Ctr</td>
<td>Roanoke</td>
<td>2011</td>
<td>30.8%</td>
<td>1.0%</td>
<td>14.3%</td>
<td>5.4%</td>
<td>62.2%</td>
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</tr>
<tr>
<td>Woodland Medical Ctr</td>
<td>Cullman</td>
<td>2009</td>
<td>1.6%</td>
<td>3.0%</td>
<td>9.8%</td>
<td>4%</td>
<td>71%</td>
<td>None</td>
</tr>
</tbody>
</table>

Other Studies

- Other hospital health facility studies show:
  - that closure of trauma centers, emergency departments, and public urban hospitals disproportionately burden race/ethnic minorities
  - Medicaid beneficiaries disproportionately impacted
The Rising Rate of Rural Hospital Closures

- Rate of closures since 2010 increasing
- Formative step to understand rural hospitals closures and their markets
- Compared to open rural hospitals, closed rural hospitals:
  - Had lower levels of profitability
  - Had smaller market shares
  - Served a smaller population
- Approximately half of closed rural hospitals were abandoned

The Rising Rate of Rural Hospital Closures

Next steps:

- This study compared closed with all open
- Identified that market characteristics are associated with closure:
  - Did not look at race/ethnicity
- Identified policy gap to provide alternative healthcare delivery

Comparison of Closed Rural Hospitals

- Same study population but looked only at closures
  - Distinguished between abandoned and converted
- Considered: race/ethnicity; miles to nearest hospital; community voice
  - Perceived closure to: impact vulnerable, increase barriers
- Abandoned markets had:
  - Higher proportion of non-whites (ab: 26%; con: 11%)—Blacks (ab: 14%; con: 2%) in particular

Comparison of Closed Rural Hospitals

- **Next steps:**
  - How did market characteristics impact closure
  - How did closures impact populations

Community Characteristics and Closure

105 closures from 2005 to 2015:
- Compared to open hospitals with similar profitability

Markets of closed rural hospitals have:
- Smaller market share; Higher rate of unemployment; Higher percentage of Blacks and Hispanics

Implication:
- Rural closures may disproportionately impact Blacks and Hispanics

Research: Inequities in Rural Hospital Closure

Next steps:
- Racial segregation and political power
- Health outcomes
- Other methods of health care delivery
Case Study: A Tale of Two Cities

- Two rural hospital closures hint at inequities
- Race and political power
A Tale of Two Cities: Hospital Comparison

Blowing Rock Hospital
- **Opened:** March 2005
- **Closed:** October 2013
- **FDI:** High

Vidant Pungo Hospital
- **Opened:** February 2002
- **Closed:** June 2014
- **FDI:** High

Financial distress index includes: financial performance, government reimbursement, hospital characteristics, and market characteristics
Blowing Rock - 133,728 total population*

Vidant Pungo - 53,513 total population*

*Sources:

SAIPE 2012, Census Bureau. 2013

Annual County Resident Population Estimates by Age, Sex, Race, and Hispanic Origin: April 1, 2010 to July 1, 2013, U.S. Census Bureau. 2014

A Tale of Two Cities: Health Status Comparison

1 = Top quartile, low need area
4 = Bottom quartile, high need area

Data from County Health Rankings, 2013
A Tale of Two Cities: Social Context of Blowing Rock

“transition,” “closing soon”

- **Transparency**: early community involvement
  - town hall meeting minutes
  - Chamber of Commerce and community leaders actively involved

- **Social Action**: 2012 capital campaign to raise $10 million
  - Town pursued grants ($1.2 million water and sewer)
  - NC Transportation Secretary helped secure road grant ($2.58 million)
  - NC Rural Economic Development Center awarded town grant ($586,000)

“It's a great day for Blowing Rock.”
A Tale of Two Cities: Social Context of Pungo

“closing” “outrage,” “rally,” “save,” “economy…”

- **Transparency:** discrepancy on community and public officials involvement:
  - Mayor says they were not informed or involved prior to the decision
  - Vidant says consulted with: Pungo Director’s Council (residents of Beaufort and Hyde, no regulatory voice) twice, and leaseholders, Pantego Creek, LLC
  - Pungo voting board has no members that reside or hold a practice in Beaufort or Hyde counties

- **Social Action:** Grassroots efforts
  - Committee
  - Social media
  - March to D.C.

“Vidant’s leadership is immoral. You don’t make $100 million and close a critical access hospital.”
North Carolina Rural Health Research Program

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