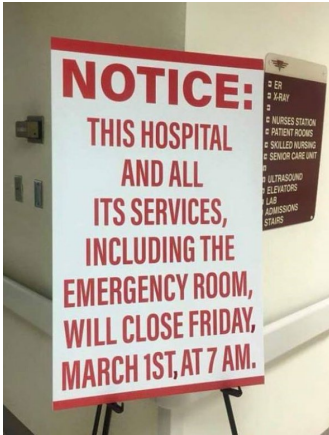


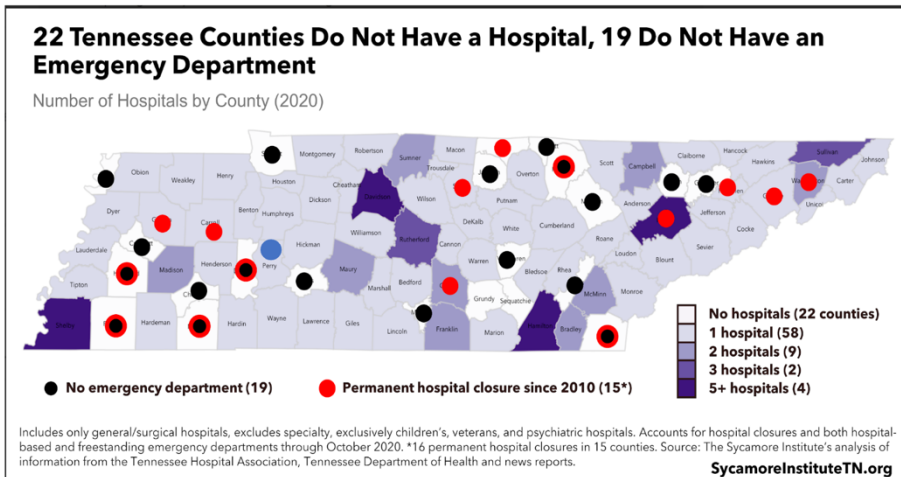
"The ambulance is our emergency room"--the voices of rural Tennesseans

EXECUTIVE SUMMARY



Since 2010, Tennessee has had the second highest number of hospital closures in the nation, and the highest number of closures per population. Seventy five percent of Tennessee's 25 remaining essential access rural hospitals are at high risk of closure in the next few years if current healthcare policies and practices remain the same [[2020 Rural Hospital Sustainability Index: Trends in Rural Hospital Financial Viability, Community Essentiality, and Patient Outmigration](#)]. <https://guidehouse.com/insights/healthcare/2020/rural-hospital-sustainability-index>. A more recent report indicated that **24 of Tennessee's rural hospitals were at immediate risk of closure and another 6 were at high risk of closure** [[The Crisis in Rural Health Care](#) released in January 2021 by the Center for Health Care Quality and Payment Reform

https://ruralhospitals.chqpr.org/downloads/Rural_Hospitals_at_Risk_of_Closing.pdf. Bottom line for Tennessee's rural communities: over one quarter of Tennessee's rural counties have no hospital, and one fifth have no emergency room services, and that number will continue to grow unless concerted effort is made to prevent that from happening.



This map, which is reprinted with permission of The Sycamore Institute [SycamoreInstituteTN.org] was prepared in October of 2020. In December 2020, Perry County Hospital also closed. There was hope at the time of closure that it would reopen in 2021, but at the time of publication of this report it remains closed. That brings the number of Tennessee's counties that have no hospital to 23.

In response to the steady and harmful loss of Tennessee's rural hospitals, the Tennessee Health Care Campaign (THCC) developed a partnership with community representatives and academic partners to identify factors that influence these closures and their effects on rural communities. Our goals were to identify innovative strategies to reestablish health care infrastructures, learn lessons that might prevent future closures, and ultimately build a broader advocacy network to respond to the problem. During 2018-20, THCC gathered information from a panel of rural health experts, community listening sessions in six counties representing communities that had lost a hospital or were expected to, and a series of interviews with stakeholders including administrators, patients, and others, we explored the Tennessee hospital closure issue.

We learned from our community and other informants that hospital closures

- Impact the health of low-income residents, the elderly, chronically ill, and others who need specialized care.

- Require police, ambulance, and other services to meet community health needs for which they are untrained.
- Increase community anxiety about what will happen in emergency situations
- Reduce the viability and sustainability of local businesses, causing job creation to slow or stop.
- Discourage in-migration from retirees and young families.

The reasons for this crisis in our state are complex and interlocked. Over the decades since most rural hospitals were originally constructed, rural populations have declined in numbers. Remaining rural populations are older, often with a higher burden of chronic health conditions, and less likely to be insured. Tennessee's failure to draw down federal funds for Medicaid expansion and the rural patient mix of more uninsured and underinsured patients than privately insured, as well as trends toward corporate hospital ownership, rather than community ownership, in the US which favor the interests of shareholders over community members, are key factors.

In this environment, a rural hospital's financial situation is hidden from community members who have almost no notice of an impending closure, oftentimes not until the very day of closure. In addition, the state offers no assistance to rural community leaders to discourage hospital owners from closing the facility, finding a replacement administrative structure, or addressing the health needs after the loss. As one informant said, "Community members are crying out for some state oversight to this problem." Tennessee's Certificate of Need processes have been weakened, so that they also prevent problem solving that could help meet rural care needs.

The project also revealed that there are many strategies that can be employed to preserve a community's access to health care when facing a hospital closure. Community, as well as state and federal actions may be needed. Given the tremendous variety of rural characteristics across the state, no one strategy will work for every situation, but communities can be assisted to explore strategies that could be a good fit, capitalizing on the strengths within their community.

At the community level, these actions might include merging with another hospital or developing new service lines that meet local health needs, including freestanding or linked emergency, as well as urgent and primary care services.

State and federal support for collaboration among neighboring communities, global budget payments and telemedicine could be more strongly and effectively mobilized.

Finally, key policy changes are essential to stabilize Tennessee's rural hospitals and avert future closures, the most effective of which would be an acceptance of federal funds for Medicaid expansion. Others include:

- Requiring hospitals to provide communities with annual reports and notify them in advance of significant changes in services.
- Reforming the Certificate of Need program to investigate the failure of hospital operators to provide promised services and to encourage the use of mini-hospitals, stabilization

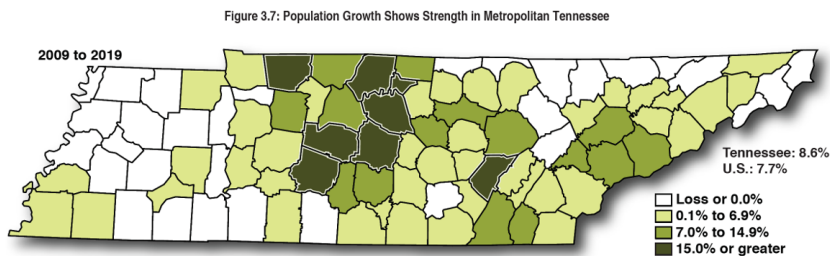
sites, alternative critical care centers, and emergency transport services and other creative response to losses of hospital services.

- Developing free-standing Emergency Rooms
- Reforming insurance laws to allow rural communities near state borders to form multi-state insurance cooperatives and/or networks across state lines.

Federal funding and fiscal relief for all rural states would be essential as a long-term strategy for allowing rural hospitals to accommodate the disproportionately high number of low-income, uninsured, older, and chronically ill residents who live in these areas. Communities can promote this strategy by:

- Encouraging elected officials to engage in systematic problem solving to meet the health care needs of rural communities
- Challenging candidates for statewide offices to generate and follow through on proposals to address rural health care issues.
- Informing legislators of community health needs on a regular basis.

Population loss in rural Tennessee counties—a cause and effect of rural hospital closures.



This map, from the *Economic Report to the Governor of the State of Tennessee 2020* [Boyd Center for Business and Economic Research, Haslam College of Business, University of Tennessee-Knoxville.

<https://haslam.utk.edu/sites/default/files/erg2020.pdf>] illustrates strong population growth in urban areas of the state over the past decade, but it also illustrates past population losses throughout rural Tennessee. Many young families and older retirees are attracted to rural and suburban living, but are looking for locations with a strong community health system with access to emergency care. Stakeholders in our listening sessions repeatedly mentioned real estate prospects that had fallen through when potential home buyers learned that there was no hospital in the county. It is also difficult to attract large employers to counties without access to hospital care in event of occupational injury.