The Rural Health Safety Net Under Pressure

Research Update: Decline of Access to OB Services

The Chartis Center for Rural Health explores and models various factors impacting rural hospital performance in order to better understand the overall stability of the rural health safety net. Over the course of the last several years, healthcare policies, economic policy, health disparities, population migration and physician recruitment have converged to create downward pressure on rural hospitals[1].

Since 2010, the number of rural hospital closures has increased to 95[2], and according to our research the percentage of rural hospitals with a negative operating margin increased from 40 percent in 2017 to 46 percent in 2019[3]. Against this backdrop of declining operating margins and closures, a new point of emphasis has emerged in the national conversation surrounding the rural health safety net – accessibility to obstetric (OB) services in rural communities[4].

Since 2011, more than 130 rural hospitals have eliminated OB services, representing 12 percent of all rural providers with OB services.

Our analysis of rural provider cost report data reveals that between 2011 and 2018, **134 rural hospitals – or 12 percent of all rural hospitals with OB services – ceased to provide OB services**[5]. Add to that an additional 18 facilities that have ceased operations altogether[6], meaning **152 rural communities have lost access to OB services**. This same analysis also shows that only **46 percent** of America's rural hospitals (1,011) **currently provide Labor & Delivery services**[7].

The Role of Financial Performance and Patient Volume

The majority of the 134 providers were financially unstable, citing a **median operating margin of -1.3% when OB services were terminated**[8]. Specifically, our analysis reveals that 71 (54% of hospitals with available data) of these providers were operating in the red. Only a thin majority of these hospitals saw improved financial stability after closing their OB units and 35 (58% of hospitals with available data) providers that were financially vulnerable saw higher margins[9].

With regard to patient volume, most rural hospitals that terminated labor & delivery services were experiencing **declining volumes**[10]. During the three years leading up to OB service line closure, 58 (76% of hospitals with available data) rural hospitals saw a reduction in nursery days[11].

OB Closures and Longer Drives to Receive Care

Across rural America, **3.8 million women** of reproductive age (ages 15-49) must cross county lines for labor and delivery services[12]. Of the 152 rural communities that lost OB services, **106 (70%) were the only hospital in their county providing maternity care**. These closures impacted nearly **450,000 women** of reproductive age, who are now without maternity care in their home counties[13].

A detailed, drive-time analysis conducted by The Chartis Center for Rural Health of each OB closure revealed that women seeking treatment at **89 of the hospitals (or 59%) must now travel up to *an additional* 30 minutes** to the nearest facility offering OB. The travel time **increases to *an additional* 30 to 60 minutes for patients previously receiving care at another 52 facilities**, and ***more than 60 minutes*** **for those served by 11 of the hospitals** no longer providing OB services[14].

Access to OB Services: State-level Analysis

Currently, women of reproductive age in rural **Virginia, New York, and Florida have the lowest access to maternity care** (based on the ratio of rural OB providers to 100,000 population of females of reproductive age, defined as 15-49)[15]. **None of Florida's rural hospitals provide labor and delivery services**[16].

Although **Minnesota** saw 13 rural hospital OB unit closures – the highest in the nation – most rural providers in the state still provide maternity services (55 hospitals, or 57%)[17]. Women of reproductive age in rural Minnesota still see among the highest access to maternity care (based on the ratio of providers to population). **Access to OB services is highest in rural Nebraska, Alaska, Kansas and Utah**[18]**.**

According to our research, **nine states have not seen any reduction in access to OB** - Connecticut, Delaware, Florida, Hawaii, Idaho, Nevada, Utah, Vermont and Wyoming. Although none of Florida's rural hospitals have terminated labor & delivery services, **women of reproductive age in rural Florida have among the lowest access to maternity care** (based on the ratio of providers to population)[19].

Today, 1,011 (46%) rural hospitals provide maternity care. Of these, 376 (39% of facilities with available data) operate at a loss[20]. **Kansas** has the most rural hospitals providing OB with negative margins (36 hospitals, or 82%), followed by **Texas** (30 hospitals, or 48%) and **Iowa** (29 hospitals, or 60%)[21]. Other Southern states also see high proportions of rural hospitals with OB struggling financially, especially **Mississippi** (14 hospitals, or 88%), **South Carolina** (10 hospitals, or 77%), and **Alabama** (9 hospitals, or 69%). None of these states (except Iowa) expanded Medicaid[22].

While rural hospital closures continue to frame the national discussion about the stability of the rural health safety net, these findings underscore the extent to which rural populations remain at risk even in communities in which hospitals continue to keep the doors open.

Research Authors

Michael Topchik leads the development and program operations for rural hospital performance improvement initiatives around the country, including grant-funded state networks organized by departments of health and universities. He is a frequent presenter at state, regional and national rural health events and brings a wealth of experience utilizing comparative analytics for hospital benchmarking and performance improvement. Michael is a key resource on matters impacting rural hospital performance for media outlets such as *CNN*, *The Washington Post*, *Forbes*, *Reuters*, *NPR* and *FiveThirtyEight*.

Amanda Howard advises rural and Critical Access Hospital networks in several states across the country. She collaborates with hospital executives to facilitate operational and clinical improvement initiatives by providing analytics around financial performance, value-based payment modeling, quality, patient satisfaction and population health. Her research on population health in rural markets, which has been featured by NRHA and NOSORH, has helped to drive state-wide initiatives for identifying and meeting unmet needs within their communities.

Research Citations: [1, 3] The Chartis Center for Rural Health, 2019, [2, 6] Sheps Center, University of North Carolina, 2019, [4] *The New York Times*, July 17, 2018, [5, 7, 8, 9, 10, 11, 16, 17, 18, 20, 21, 22] Healthcare Cost Reporting Information System Q2 2018, [12, 13, 15, 19] ESRI/Healthcare Cost Reporting Information System Q2 2018, [14] iVantage Health Analytics.