

RON JOHNSON, WISCONSIN, CHAIRMAN

JOHN McCAIN, ARIZONA
ROB PORTMAN, OHIO
RAND PAUL, KENTUCKY
JAMES LANKFORD, OKLAHOMA
MICHAEL B. ENZI, WYOMING
JOHN HOEVEN, NORTH DAKOTA
STEVE DAINES, MONTANA

CLAIRE McCASKILL, MISSOURI
THOMAS R. CARPER, DELAWARE
JON TESTER, MONTANA
HEIDI HEITKAMP, NORTH DAKOTA
GARY C. PETERS, MICHIGAN
MARGARET WOOD HASSAN, NEW HAMPSHIRE
KAMALA D. HARRIS, CALIFORNIA

United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
WASHINGTON, DC 20510-6250

CHRISTOPHER R. HIXON, STAFF DIRECTOR
MARGARET E. DAUM, MINORITY STAFF DIRECTOR

April 3, 2017

The Honorable Gene Dodaro
Comptroller General of the United States
441 G Street, NW
Washington, D.C. 20548

Dear Mr. Dodaro:

I write to request that the Government Accountability Office review closures and access issues regarding rural hospitals as well as federal programs aimed at addressing this trend.

Rural hospitals provide invaluable health care services to families throughout my state of Missouri and across this country. Unfortunately, according to the numerous reports, in recent years, the number of rural hospital closures has increased significantly and if this trend continues, such closures could have a devastating impact on my constituents and countless other Americans.¹ As the *St. Louis Dispatch* recently reported, “rural hospitals face death by a thousand paper cuts: a nationwide trend toward outpatient care, trouble recruiting staff, industry consolidation, low-patient volume, and a preference by private-insurance clients for newer hospitals.”² In February, I met with leadership from several of Missouri’s rural hospitals and health care providers to discuss the impact a repeal of the Affordable Care Act (ACA) without a replacement would have on the communities they serve. These leaders discussed their critical work on behalf of patients in rural communities across the state, the challenges they face in performing that work, and the uncertainty that lies ahead. As the Kaiser Family Foundation noted in January of this year, the ACA’s full repeal, without a comparable and viable replacement, could signal the “death knell” of rural hospitals.³

The challenges facing rural hospitals are not new. In recent years, more than 70 rural health care facilities have closed across the country citing financial duress, and nearly 700 more

¹ *A Look at Rural Hospital Closures and Implications for Access to Care: Three Case Studies*, The Henry J. Kaiser Family Foundation (July 7, 2016) (online <http://kff.org/report-section/a-look-at-rural-hospital-closures-and-implications-for-access-to-care-three-case-studies-issue-brief/>).

² *Already in Peril, Rural Hospitals Unsure on Health Care Bill*, *St. Louis Dispatch* (Mar. 20, 2017) (online http://www.stltoday.com/business/local/already-in-peril-rural-hospitals-unsure-on-health-care-bill/article_944c7c99-c1e3-5632-9067-9db84cf23480.html).

³ *Even in Trump Country, Rural Hospitals Brace for Damage From Health Law’s Repeal*, *Kaiser Health News* (Jan. 11, 2017) (online <http://khn.org/news/even-in-trump-country-rural-hospitals-brace-for-damage-from-the-health-laws-repeal/>).

have been found at risk of closure.⁴ Numerous reports have noted that health care needs in these communities remain critical. For example, earlier this year, the U.S. Centers for Disease Control and Prevention (CDC) found that rural Americans are at higher risk of death from five leading potentially preventable causes, including heart disease, cancer, unintentional injuries, chronic lower respiratory disease, and stroke.⁵ Missouri and many other states are facing a crisis arising from addiction to prescription painkillers known as opioids.⁶ Research from the Kaiser Family Foundation also notes that nationally, “Medicaid expansion offered a bit of stability for some rural hospitals at risk of closure” and “disproportionately benefited” them.⁷

Hospital closures in rural areas not only reduce access to health care, but they can have other dramatic negative effects on these communities. Recent studies have noted that a hospital closure can eliminate a hundred or more jobs immediately, a significant loss in communities with small populations where the local hospital may be a large employer.⁸ When health care providers and other hospital employees move away following a closure or commute elsewhere for work, researchers found that the loss of jobs and residents can shrink the tax base in the community and potentially impact public sector jobs as well.⁹ In a 2016 study, the Kaiser Family Foundation found that hospital closures can make it more difficult for rural communities to attract new industries and employers to the area. For example, the report noted that “some businesses require, as a condition of locating in an area, that their employees have access to a hospital ED [emergency department] in close proximity.”¹⁰

In order to better understand and respond to the challenges facing rural hospitals across the country, please review the following questions:

1. To what extent have rural hospitals closed in recent years and what is known about the financial health of the remaining rural hospitals?

⁴ *Id.*

⁵ U.S. Center for Disease Control and Prevention, *Rural Americans at Higher Risk of Death from Five Leading Causes* (Jan. 2017) (online <https://www.cdc.gov/media/releases/2017/p0112-rural-death-risk.html>).

⁶ *Even in Trump Country, Rural Hospitals Brace for Damage From Health Law’s Repeal*, Kaiser Health News (Jan. 11, 2017) (online <http://khn.org/news/even-in-trump-country-rural-hospitals-brace-for-damage-from-the-health-laws-repeal/>).

⁷ *Id.*

⁸ *A Look at Rural Hospital Closures and Implications for Access to Care: Three Case Studies*, The Henry J. Kaiser Family Foundation (July 7, 2016) (online <http://kff.org/report-section/a-look-at-rural-hospital-closures-and-implications-for-access-to-care-three-case-studies-issue-brief/>).

⁹ *Id.*

¹⁰ *Id.*

2. What is known about the characteristics of hospitals that closed and what factors contribute to increasing the risk of rural hospital closures or to the financial distress of at-risk rural hospitals?
3. What is the impact of rural hospital closures on medical care accessibility in these communities?
4. What is the impact of rural hospital closures on economic indicators in these communities?
5. What is the impact of rural hospital closures on health care resources throughout the rest of their respective states?
6. To what extent are Medicare payments focused on ensuring that beneficiaries living in rural areas have appropriate access to hospital care? Assess the results of federal initiatives aimed at addressing at-risk rural hospitals and curbing closures including:
 - a. What federal efforts have been effective in addressing the viability of rural hospitals, and are they still in effect? Are there common trends among these programs?
 - b. What federal initiatives aimed at addressing the viability of rural hospitals need improvement, and are they still in effect? Are there common trends among these programs?
 - c. Does the federal government maintain centralized information on initiatives' outcomes?
7. What resources does the Department of Health and Human Services devote to help state and local communities address the challenges facing rural hospitals?
8. What steps can the federal government take to bolster the viability of rural hospitals and to assist state and local efforts to ensure accessibility in rural communities?

Should you have any questions regarding this inquiry, please contact Donald Sherman on my staff at Donald_Sherman@hsgac.senate.gov or by phone at (202) 224-2627. Thank you in advance for your prompt attention to this request.

Sincerely,



Claire McCaskill
Ranking Member

cc: Ron Johnson
Chairman