WHEREAS, Our American Medical Association’s mission is to promote the betterment of public health; and

WHEREAS, Prior to the COVID-19 pandemic, the death rate was 20 percent higher in rural America than in urban areas due to lower rates of insurance coverage, higher rates of poverty, and less access to health care; and

WHEREAS, Rural hospitals generally operate on a smaller margin, thereby limiting their ability to pay the higher wages of nurses and staff; and

WHEREAS, Prior to the COVID-19 pandemic, rural communities nationwide saw an average mortality rate increase of six percent following a rural hospital closure; and

WHEREAS, Across the United States, a total of 631 rural hospitals—about 30 percent of all rural hospitals—are at risk of closing in the immediate or near future due to persistent financial losses on patient services, inadequate revenues to cover expenses, and low financial resources, according to a report from the Center for Healthcare Quality and Payment Reform; and

WHEREAS, More than 200 rural hospitals are identified as being at immediate risk of closure, losing money on patient services before the COVID-19 pandemic and lacking sufficient resources to cover those losses, according to the same report; and

WHEREAS, Rural hospital closures affect everyone, not just residents of rural communities, as most of the nation’s food supply, coal mining, oil production, and solar and wind energy facilities all rely on rural hospitals for healthcare services; and

WHEREAS, The primary cause of rural hospital closures is when payments from commercial health insurance plans don’t sustain essential services in rural communities; and

WHEREAS, Unlike large urban hospitals, small rural hospitals don’t make large profits on patients with private insurance that can be used to offset losses on uninsured patients and patients with Medicaid; and

WHEREAS, Rural hospitals need both adequate payments and a better payment system in order to provide essential healthcare services for their communities as current fee-for-service and cost-based payment systems don’t provide the support rural hospitals need, nor will the global payments Medicare and others have proposed; and
WHEREAS, Further closure of rural hospitals will be devastating to the rural health care delivery system, with an untold number of patients harmed from reduced access to care; therefore be it

RESOLVED, That our American Medical Association urgently collaborate with appropriate stakeholders to protect health care delivery in underserved, rural communities and work to preserve the economic viability of rural sole community hospitals which are the primary lines of healthcare defense in rural America (Directive to Take Action); and be it further

RESOLVED, That our AMA study alternative rural hospital payment models for feasibility, including a patient-centered payment model and standby capacity payments for essential services, in helping preserve rural community hospitals financially and preserving access to care for patients (Directive to Take Action); and be it further


Fiscal Note: TBD

Received: 4/27/2023

References:
RELEVANT AMA POLICY

Economic Viability of Rural Sole Community Hospitals H-465.979

Our AMA: (1) recognizes that economically viable small rural hospitals are critical to preserving patient access to high-quality care and provider sustainability in rural communities; and (2) supports the efforts of organizations advocating directly on behalf of small rural hospitals provided that the efforts are consistent with AMA policy.

Citation: CMS Rep. 3, A-15

Primary Care Physicians in Underserved Areas H-200.972

1. Our AMA should pursue the following plan to improve the recruitment and retention of physicians in underserved areas:
   (a) Encourage the creation and pilot-testing of school-based, faith-based, and community-based urban/rural family health clinics, with an emphasis on health education, prevention, primary care, and prenatal care.
   (b) Encourage the affiliation of these family health clinics with local medical schools and teaching hospitals.
   (c) Advocate for the implementation of AMA policy that supports extension of the rural health clinic concept to urban areas with appropriate federal agencies.
   (d) Encourage the AMA Senior Physicians Section to consider the involvement of retired physicians in underserved settings, with appropriate mechanisms to ensure their competence.
   (e) Urge hospitals and medical societies to develop opportunities for physicians to work part-time to staff health clinics that help meet the needs of underserved patient populations.
   (f) Encourage the AMA and state medical associations to incorporate into state and federal health system reform legislative relief or immunity from professional liability for senior, part-time, or other physicians who help meet the needs of underserved patient populations.
   (g) Urge hospitals and medical centers to seek out the use of available military health care resources and personnel, which can be used to help meet the needs of underserved patient populations.

2. Our AMA supports efforts to: (a) expand opportunities to retain international medical graduates after the expiration of allocated periods under current law; and (b) increase the recruitment and retention of physicians practicing in federally designated health professional shortage areas.

Closing of Small Rural Hospitals H-465.990

Our AMA encourages legislation to reduce the financial constraints on small rural hospitals in order to improve access to health care.

Citation: Res. 145, A-90; Reaffirmed: Sunset Report, I-00; Reaffirmed: BOT Rep. 6, A-10; Reaffirmed in lieu of Res. 807, I-13; Reaffirmed: CMS Rep. 3, A-15

Improving Rural Health H-465.994

1. Our AMA (a) supports continued and intensified efforts to develop and implement proposals for improving rural health care and public health, (b) urges physicians practicing in rural areas to be actively involved in these efforts, and (c) advocates widely publicizing AMA’s policies and proposals for improving rural health care and public health to the profession, other concerned groups, and the public.

2. Our AMA will work with other entities and organizations interested in public health to:
   - Encourage more research to identify the unique needs and models for delivering public health and health care services in rural communities.
   - Identify and disseminate concrete examples of administrative leadership and funding structures that support and optimize local, community-based rural public health.
   - Develop an actionable advocacy plan to positively impact local, community-based rural public health including but not limited to the development of rural public health networks, training of current and future rural physicians and public health professionals in core public health techniques and novel funding mechanisms to support public health initiatives that are led and managed by local public health authorities.
   - Advocate for adequate and sustained funding for public health staffing and programs.

Citation: Sub. Res. 72, I-88; Reaffirmed: Sunset Report, I-98; Reaffirmed: CLRPD Rep. 1, A-08; Reaffirmed: CEJA Rep. 06, A-18; Appended: Res. 433, A-19