

# U.S. SENATOR BOB CASEY



RANKING MEMBER *Special Committee on Aging*

## Republican Health Care Bill Threatens Rural Hospitals and the Older Americans and Economies They Support in McKean County

Rural hospitals play a critical role in ensuring that Americans and their families have access to needed health care services. Given that rural communities tend to be older, rural hospitals are particularly important for older Americans in these communities. Rural hospitals are also often a critical driver of economic activity in the areas in which they are located, serving as an important employer and providing good-paying jobs that inject money into local communities.

The health care and social services sector employs 17% of all workers in rural counties nationwide and 19.8% of all workers in rural counties in Pennsylvania. At the center of rural health care delivery systems are often rural hospitals. More than 40% of rural counties in the U.S. rely on hospitals alone for more than 10% of their total employment.<sup>1</sup> Across all rural counties in Pennsylvania, hospitals alone employ 5.7% of all workers. These jobs are also good-paying jobs: nationwide, the average pay of rural hospital employees is 43% higher than the average pay of other workers in the same counties.

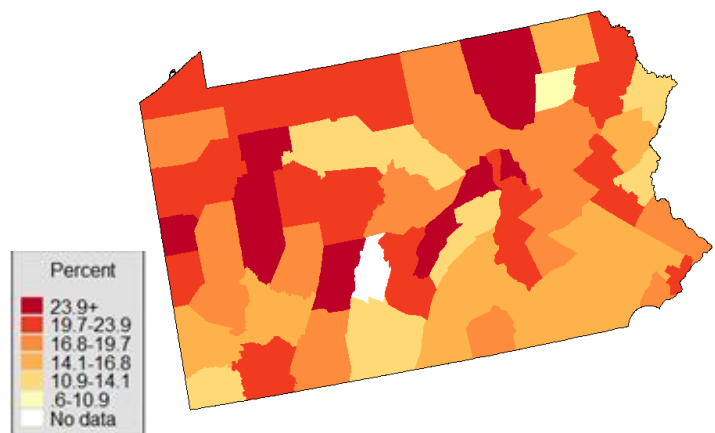
The Republican health care bill – which will cut \$772 billion over 10 years from Medicaid<sup>2</sup> and undermine the private health insurance market in rural areas by cutting premium assistance – will hurt rural hospitals. Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than 1%.<sup>3</sup> Medicaid revenues and related funding are responsible for, on average, more than 10% of rural hospitals' net revenues nationwide.<sup>4</sup> In Pennsylvania, Medicaid revenues and related funding make up 10% of all rural hospital net revenues statewide.

The Republican health care bill's deep cuts to Medicaid funding will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put at risk the jobs and economic growth rural hospitals support across the nation.

### McKean County By the Numbers

- The health care and social services sector employs 20.8% of all workers in McKean County.
- In McKean County, hospitals alone employ 5.7% of all employees.
- Medicaid revenues and related funding make up 16.2% of rural hospitals' net revenues in McKean County.

Percentage of Employment in Health Care and Social Services in Pennsylvania



Data Source: Joint Economic Committee & Senate Aging Committee  
Democratic Staff Calculations based on the 2015 County Business Patterns.

<sup>1</sup> Unless otherwise noted, all figures presented are the product of Senate Joint Economic Committee and Aging Committee calculations. See Senate Joint Economic Committee and Senate Special Committee on Aging, "[TrumpCare Threatens Rural Hospitals](#)," June, 2017, for details of analysis and data sources.

<sup>2</sup> Congressional Budget Office, "[H.R. 1628 Better Care Reconciliation Act of 2017](#)," June 26, 2017.

<sup>3</sup> Brystana Kaufman et al., "'Medicaid Expansion Affects Rural and Urban Hospitals Differently,'" *Health Affairs*, September 2016.

<sup>4</sup> Ibid. See also "[TrumpCare Threatens Rural Hospitals](#)." The term 'related funding' refers to Disproportionate Share Hospital (DSH) Payments.