

# **Rural Hospital Sustainability Act (S.2157)**

## **Why do we need the Rural Hospital Sustainability Act?**

Approximately 10 million older adults over the age of 65 live in rural areas.<sup>1</sup> Rural adults are more likely to be poorer and sicker and have an average life expectancy of two years less than their urban counterparts.<sup>2</sup> More than half of the patients in rural hospitals are age 65 or older,<sup>3</sup> which means rural hospitals serve as important providers of health care and support for rural older adults and their families. However, rural hospitals are struggling.

Rural hospitals face increasing financial instability due to decreasing populations in rural areas, which translates to less revenue in a fee-for-service environment. Since 2005, 161 rural hospitals have closed across the country and an estimated 700 are financially unstable and at risk of closure.<sup>4</sup> Instead of spending time and resources ensuring they remain open, hospitals should be able to focus on the health of their patients and communities. Introducing a payment system that moves hospitals away from fee-for-service and towards a stable, value-based system can keep rural hospitals open and improve health outcomes for their communities.

## **What will the Rural Hospital Sustainability Act do?**

The Act seeks to provide financial stability to rural hospitals, while increasing quality of care and health outcomes for rural communities. The Rural Hospital Sustainability Act would expand upon an existing demonstration program through the Center for Medicare and Medicaid Innovation (Innovation Center) to allow rural hospitals across the country to fiscally and programmatically redesign care by implementing a global budget. The Act would:

- Provide a stable prospective budget that allows hospitals to focus on treating patients instead of how they will keep their doors open;
- Make available to hospitals upfront funding for infrastructure costs needed to transform to this new way of delivering care;
- Require hospitals to conduct a community health needs assessment to guide the redesign of their care and to partner with community organizations to improve social supports and increase patient engagement; and
- Instruct the Innovation Center and participating hospitals to collect and report data on quality and health outcomes.

**Supporting Organizations:** National Rural Health Association, The Hospital and Healthsystem Association of Pennsylvania

**For more information,** contact Samantha Koehler ([Samantha\\_Koehler@aging.senate.gov](mailto:Samantha_Koehler@aging.senate.gov)) with Senator Casey.

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<sup>1</sup> <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5738994/>

<sup>2</sup> <https://www.ruralhealthinfo.org/topics/rural-health-disparities>

<sup>3</sup> <https://www.cdc.gov/nchs/products/databriefs/db147.htm>

<sup>4</sup> <http://www.shepscenter.unc.edu/programs-projects/rural-health/rural-hospital-closures/>