ALABAMA RURAL HOSPITALS
Caring for Rural Communities
Rural hospitals are the backbone of much of Alabama. They provide emergency medical care to those in need and preventative health care that sustains rural communities. They employ thousands of hardworking Alabamians and drive local economies through their payrolls, purchases, and infrastructure investments.

They are a cornerstone to economic development and essential to attracting and keeping businesses. It is more likely that a major employer will locate in a community that has readily available access to health care.

Take a minute to learn more about Alabama’s rural hospitals and the vital role they play in our rural communities. Let’s work together to make sure they have a bright future and all Alabamians receive the care they need.
Rural areas in Alabama greatly contribute to the livelihood of our state. The majority of the state’s land mass is rural and most counties are classified as rural.

Rural Alabama is home to over 44,000 farms across 8.9 million acres, with sales contributing more than $5.5 billion to Alabama’s economy.

The well-being of Alabama’s rural communities depends on the continued availability of good-paying jobs, access to critical services such as education, communications, and especially health care.
Alabama's Rural Landscape
as Defined by Office of Rural Health Policy

Legend
- Rural Area
- Urban Area

Data Source: Office of Rural Health Policy, 2013
Map Source: Alabama Office of Primary Care and Rural Health, 2013
Alabama’s rural hospitals ensure that residents in rural communities receive the right care, at the right place, at the right time.

These hospitals treated more than 1.7 million patients in 2015.

Rural hospitals in Alabama deliver an impressive array of services, including emergency, primary, chronic, and long-term care, as well as home health care, hospice care, and assisted living.

Rural hospitals continue to provide quality care, high patient satisfaction, and efficient, effective health care for these communities.

Rural hospitals not only contribute to the health and wellness of local residents, but also to the overall strength of the community’s economy, spurred by the spending of both the hospitals and their employees.
Value of Rural Hospitals in Alabama: Economic Cornerstone

- **$552 Million**
  Rural Hospital annual payroll benefits

- **Every $1** spent by a hospital generates **$2.20** for the local economy

- **14%**
  of total employment in rural areas is attributed to health care

- Hospitals are a **Top 5** employer in **60%** of rural counties

- **11,283**
  Alabamians are directly employed by Rural Hospitals

- Every hospital job creates an **additional** job in the local economy
Health care services are not only important to a community’s economy through employment and the income generated but also in attracting and retaining business and industry. Quality-of-life issues, including access to health care, are important factors for a business seeking to relocate their facilities.

The presence of a viable hospital is an influential factor in a business’s decision to locate in a given area. Alabama’s award winning hospitals are often touted by economic developers as they recruit industries from around the world. 

“When an industry evaluates a community as a location for a new facility, both the quality and the availability of local healthcare is an essential part of that analysis and in rural communities, it is absolutely critical.”

Jim Searcy, Executive Director
Economic Development Association of Alabama
Key value of rural hospitals is that much of the time patients can be treated in their own community. Alabamians can access care immediately, or be stabilized and transported to a larger facility with more specialized services. Rural hospitals provide essential frontline health care services, keeping the patient close to home and near loved ones. In medical emergencies, every second counts. Having a hospital nearby provides critical care when it matters the most.

People with access to care are healthier. Rural hospitals help to maintain a healthy, productive community. In a rural hospital, the patient is a neighbor or friend that the health care providers know.

If patients have to travel long distances, they are less likely to seek preventative services. This often leads to delayed care, which can lead to more expensive interventions later.
Rural hospitals are at the frontline of the emergency response when facing big challenges during and after disasters.

24 hours a day, 7 days a week our hospitals are prepared to deliver needed care throughout every storm and disaster, saving lives and treating the sick and wounded.

When disasters strike...

...our hospitals are there.
Challenges Rural Hospitals Face

From 2011 to 2017, 6 rural hospitals closed in Alabama

By the numbers...
8% liquidated assets
33% cut services
38% reduced employee benefits
50% cut employee salaries
55% reduced hospital staff
Population Challenges

Rural communities have a disproportionate share of the elderly, uninsured and patients with major health challenges. Additionally, rural areas tend to have a higher percentage of those living at the poverty level.

Provider Recruitment Challenges

Often times physicians and nurses tend to locate in large urban centers rather than smaller, rural communities, causing physician shortages in these areas. Nationally, there are 55.1 primary care physicians per 100,000 people in rural areas, compared to 79.3 in urban. Lack of access to physicians can mean delays in getting care, poor continuity of care, lack of specialty services, lack of patient education, and other related problems.

Despite these challenges, rural hospitals continue to work everyday to provide efficient and affordable care, while keeping patients close to home.
Alabama’s rural hospitals have a median operating margin of negative 11%, with 86% of rural hospitals operating in the red. Additionally, more than half have seen an increase in bad debt and charity care, as well as an increase in costly emergency department care.

Alabama has the lowest Medicare reimbursement rates in the nation. Additionally, as most other reimbursement cuts continue, the cost of providing care increases. The result of this is that reimbursements are not covering the costs of hospital-based services, forcing hospitals to find extreme ways to cut costs by cutting staff, services, or even closing their doors.

While the average Alabama hospital might have half of its patients covered by Medicare and Medicaid, the rate can be as high as 90% for rural hospitals.

When a rural hospital closes, not only are jobs lost, but studies show that the local per capita income levels fall by as much as 4 percent. Research also shows that unemployment rates rise by 1.6 percentage points in communities that lose their only hospital.

86% of rural hospitals operate in the red
Supporting Rural Hospitals

Friends Helping Neighbors
A rural community tends to be a close-knit group of friends and families that share history and common interests. Health care providers probably know their patients and are there to treat them when the time comes. These relationships keep the local residents healthier and the economy stable.

Working Together
Alabamians can work together to ensure everyone has access to care, no matter where they live. Elected officials, lawmakers, rural hospitals, and the patients they serve can make positive changes at the local, state and federal level. Lawmakers need to hear first-hand from those living in these communities to better understand how important these facilities are to their constituents. This information enables them to make informed decisions that benefit rural hospitals.

With community support, rural hospitals in Alabama can continue to provide convenient and compassionate quality care for our citizens.
Rural hospitals are a tremendous asset to our state, to the communities they serve, to individual patients, and to the people they employ.

We are 100% committed to their future.