



Protect and Revitalize Rural Texans' Health Care

Prior to the arrival of the COVID-19 virus, Texas' rural health care already faced unprecedented financial and demographic pressures. The pandemic now has amplified the crisis.

Rural hospitals cover emergency and local hospital care for 85% of the state. In the last decade, 27 rural hospitals have closed in Texas,¹ while more than 70 remain financially tenuous. Without a hospital, physicians are left without facilities needed to deliver essential patient care.

COVID-19 further threatens rural hospitals' and physicians' ability to serve local communities. Like any business, Texas hospitals have closed because costs outweigh revenues. Inadequate Medicaid and Medicare payments for rural physicians and hospitals force practices and facilities to operate with razor-thin margins. During the pandemic, 65% of Texas rural physicians reported reduced compensation in response to COVID-19 business concerns.²

Many rural patients have expensive health care conditions due to high rates of obesity, tobacco use, chronic health conditions, and poorer health, which drive up their health care costs. Texas leads the nation with the highest uninsured rate in the country, saddling rural hospitals with significant uncompensated care costs and often insurmountable debt. After a rural hospital closes, death rates in surrounding communities increase nearly 6% – and that's without a pandemic.³

Research illustrates physicians stay and practice medicine in the region where they trained.⁴ Two Texas programs have been demonstrably successful in attracting physicians to training and practicing in rural areas: the Physician Education Loan Repayment Program (PELRP) and the Rural Resident Physician Grant Program. The PELRP will repay up to \$180,000 over four years in student loans for physicians who commit to practicing in rural and underserved areas. The Rural Resident Physician Grant Program funds new or expanded residencies in rural areas.

Solutions to ensure rural Texans have timely and quality health care close to home include providing meaningful health care coverage to all Texans, paying physicians and hospitals fairly for the cost of providing patient care, and fully funding physician education repayment opportunities.

Improving broadband capacity will also prevent care delays and enable more Texas patients to receive care from the convenience of home via telemedicine, regardless of where they live. The use of telemedicine escalated with the onset of the public health emergency, and 72% of patients indicate a desire to continue using it.⁵

TMA's Legislative Recommendations

- Redouble Texas' efforts to make comprehensive, affordable health care coverage available.
- Ensure physicians and hospitals are paid the cost of care they provide.
- Support step-down hospital formation by expanding the bed capacity and service requirements used to qualify a hospital for Medicaid and Medicare payments.
- Encourage physicians to practice in rural areas by replenishing funding for the State Physician Education Loan Repayment and Rural Resident Physician Grant programs.
- Prevent budget cuts that would further drive rural hospitals to closure.
- Improve broadband capacity to ensure telemedicine is available to all Texans.

1 Ayla Ellison, Rural hospital closures hit record high in 2019 — here's why, Becker's Hospital Review, Becker's Healthcare, Dec. 5, 2019.

2 Texas Medical Association Survey on Practice Viability, May 2020.

3 Sarah Jane Tribble, [Prognosis for Rural Hospitals Worsens With Pandemic](#), Kaiser Health News., Aug. 26, 2020.

4 [Physician Retention in State of Residency Training, by State](#). Association of American Medical Colleges.

5 Kyruus survey of 1,000 patients.



27 RURAL HOSPITALS
CLOSED IN THE LAST DECADE ³



Physicians Caring for Texans