



## Rural Americans Lose Bigly Under TrumpCare

America’s rural communities have long faced challenges with access to affordable health care insurance and services. Doctors and hospitals are farther away, higher poverty rates lead to worse health outcomes and lower coverage rates, and older populations result in more expensive coverage pools. The Affordable Care Act (ACA) made progress in addressing these challenges, and rural residents were more likely than urban\* residents to gain coverage as a result of the law.

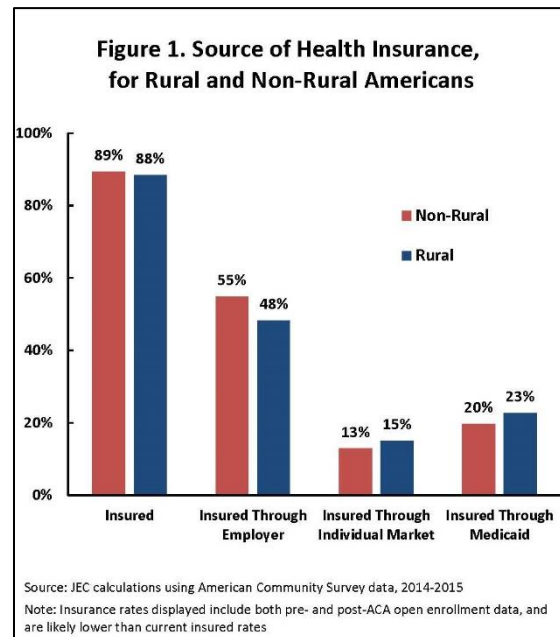
Rather than building on this progress, TrumpCare – the Republican plan to repeal and replace the ACA – would have devastating impacts on rural America. Many rural Americans who live in Medicaid expansion states would lose coverage. Eliminating need-based tax credits that reduce the cost of purchasing health insurance would disproportionately impact rural Americans, who are more likely to receive tax credits under current law.<sup>1</sup> Fewer insured individuals could result in many rural hospitals closing, harming whole communities that rely on them.

TrumpCare 2.0, as introduced last week, would be even worse for rural communities, putting at risk access to coverage for the 20 million rural Americans who have a pre-existing condition.

### Trumpcare Lowers Coverage for Rural America

The Republican health care plan would make it substantially harder for rural Americans to obtain health insurance. The Congressional Budget Office (CBO) estimates that 24 million Americans would lose health insurance under the bill—many of whom will come from rural America. Rural Americans are more likely than urban Americans to receive coverage from both *individual* insurance markets and Medicaid (see Figure 1). Altogether, 2.9 million rural Americans could lose coverage by 2020 if the bill passes.<sup>2</sup>

The Republican bill is also more likely to hurt older, poorer Americans,<sup>3</sup> who are more likely to live in rural areas. In 2015, the rural poverty rate was almost 3 percentage points higher than in urban areas.<sup>4</sup> Rural residents are on average 2.4 years older than urban residents and are more likely to be aged 50 to 64, a group that the Republican plan will disproportionately hurt.<sup>5</sup> CBO estimates that a 64 year-old with an income of \$26,500 would have to pay \$14,600 a year for health insurance. And it’s likely to be even higher in rural areas. For these individuals and their families, premiums will rise, tax credits will be less generous, and coverage rates will fall.

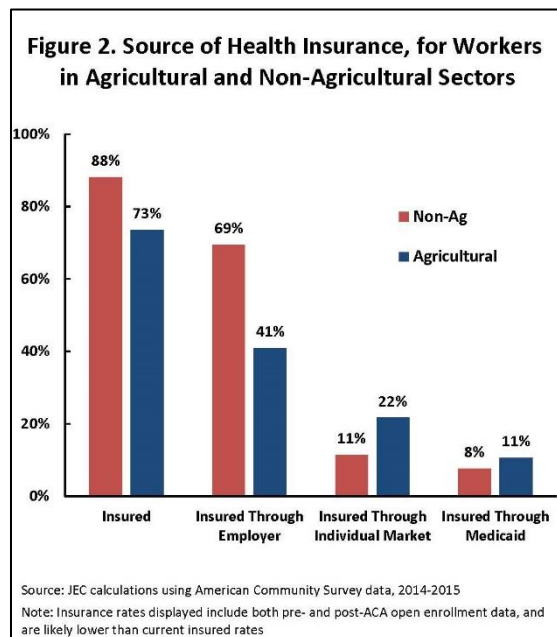


\* Throughout the brief, urban refers to metropolitan areas as defined by the Census Bureau, and rural refers to non-metropolitan areas.

## Farmers and Ranchers Disproportionately Harmed

Prior to the ACA, many workers in the agriculture sector went without health insurance coverage, most commonly due to excessive cost.<sup>6</sup> Tax credits based on income created by ACA gave farmers and ranchers greater access to insurance.\* Farmers and ranchers are more than twice as likely to get health insurance in individual markets as workers in other industries (see Figure 2).

Given that farmers and ranchers typically earn less than workers in other sectors, removing need-based tax credits would greatly harm their ability to retain insurance on the individual markets.<sup>7</sup> Since less than half of farmers and ranchers receive insurance from their employers, many would be left uninsured. Some states would be particularly hard hit: 49 percent of farmers and ranchers in North Dakota, 45 percent in South Dakota, and 44 percent in Iowa rely on individual markets to obtain health insurance.



## TrumpCare Hurts Rural Hospitals

Americans in rural areas already have less access to health care than urban Americans. They typically have to travel farther to receive care, particularly for specialized services, and have limited public transportation to get there.<sup>8</sup> More than one-third of rural hospitals are already at risk of closure.<sup>9</sup> When facilities like these close, it exacerbates the difficulties that whole communities face in accessing the care that they need. AHCA would likely lead to many of these hospitals shuttering their doors.

Rural hospitals depend heavily on Medicaid funds and could be disproportionately hurt by the proposed Medicaid cuts. Researchers find that Medicaid expansion helped rural hospital profitability more than urban hospitals.<sup>10</sup> Fewer rural hospitals have closed in recent years in states that have expanded Medicaid than in states that did not.<sup>11</sup>

Lower coverage rates and less Medicaid funding under TrumpCare would increase uncompensated care charges at rural hospitals. Before the ACA, researchers estimate that uncompensated care places a financial burden of more than \$4 billion annually on rural hospitals.<sup>12</sup> Next year, new uncompensated care just from private insurance losses could cost over \$7 billion nationally if the Republican bill passes.<sup>13</sup> The ballooning costs would further squeeze rural hospital finances, which are already under pressure.

When hospitals in rural communities close, the residents often lose more than just access to health care. They also lose a major employer and source of economic growth. It is estimated that when a single hospital closes, nearly one hundred jobs are lost, taking more than \$5 million in wages, salaries, and benefits out of the local economy. Overall, the health sector employs 14 percent of workers in rural communities.<sup>14</sup>

\* Farmers and ranchers refers to all workers in the agricultural sector.

<b>Table 1. Percent of Residents with Medicaid Coverage</b>			
	<b>Overall</b>	<b>Rural Areas</b>	<b>Agricultural Workers</b>
Alabama	19.9	23.3	6.7
Alaska	17.9	29.1	16.2
Arizona	21.5	39.6	22.9
Arkansas	25.2	27.8	15.1
California	25.1	28.9	26.8
Colorado	18.5	15.2	14.5
Connecticut	20.1	17.4	15.7
Delaware	19.5	N/A	N/A
D.C.	27.2	N/A	N/A
Florida	18.6	25.8	9.6
Georgia	17.9	23.9	6.2
Hawaii	17.3	26.3	14.5
Idaho	16.3	15.8	7.4
Illinois	19.9	20.9	9.5
Indiana	16.8	16.7	6.0
Iowa	18.2	19.2	8.1
Kansas	14.2	16.5	4.4
Kentucky	24.9	32.3	17.5
Louisiana	22.2	24.5	8.8
Maine	21.2	24.7	16.6
Maryland	17.7	N/A	12.4
Massachusetts	23.5	N/A	23.7
Michigan	21.9	22.7	15.4
Minnesota	17.5	21.6	11.6
Mississippi	25.1	28.7	9.9
Missouri	15.0	19.7	6.0
Montana	15.5	16.1	6.7
Nebraska	13.4	14.4	6.0
Nevada	17.8	19.4	4.9
New Hampshire	11.9	15.0	13.5
New Jersey	16.8	N/A	9.2
New Mexico	29.8	28.6	21.2
New York	25.3	25.3	20.4
North Carolina	18.7	24.3	7.9
North Dakota	11.3	15.9	4.4
Ohio	20.3	21.1	10.1
Oklahoma	17.6	17.9	5.8
Oregon	23.5	29.7	20.4
Pennsylvania	17.9	19.3	10.0
Rhode Island	22.8	N/A	N/A
South Carolina	19.6	28.4	7.9
South Dakota	14.3	16.2	2.4
Tennessee	20.4	24.6	12.6
Texas	17.5	20.5	6.0
Utah	11.2	13.7	4.5
Vermont	25.7	27.7	29.8
Virginia	11.9	20.7	3.6
Washington	20.1	26.2	15.4
West Virginia	25.8	29.0	13.5
Wisconsin	17.5	17.3	11.1
Wyoming	12.7	11.8	4.7

Source: U.S. Census Bureau, American Community Survey, 2014-2015

Notes: 2-year estimates are used to all for sectoral breakdowns; includes both pre- and post-open enrollment data; current Medicaid coverage rates are likely higher; N/A denotes data not available in all states due to sample size restrictions

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- <sup>1</sup> Avery, Kelsey, Kenneth Finegold and Xiao Xiao. "[Impact of the Affordable Care Act Coverage Expansion on Rural and Urban Populations.](#)" U.S. Department of Health and Human Services. June 10, 2016.
- <sup>2</sup> Kendall, David. "[American Health Care Act: Devastating for Rural America.](#)" Third Way. March 21, 2017.
- <sup>3</sup> U.S. Congressional Budget Office. "[American Health Care Act.](#)" March 13, 2017.
- <sup>4</sup> U.S. Department of Agriculture, Economic Research Service. "[Poverty Overview.](#)" March 1, 2017.
- <sup>5</sup> Joint Economic Committee Calculations from 2015 American Community Survey.
- <sup>6</sup> Farmworker Justice & The National Center for Farmworker Health. "[Farmworkers' Health Fact Sheet.](#)" January 2015.
- <sup>7</sup> [All occupations for sector 11 and cross-industry:](#) Bureau of Labor Statistics. Occupational Employment Statistics.
- <sup>8</sup> Mattson, Jeremy. "[Transportation, Distance, and Health Care Utilization for Older Adults in Rural and Small Urban Areas.](#)" Small Urban & Rural Transit Center, Upper Great Plains Transportation Institute, North Dakota State University. December 2010.
- <sup>9</sup> National Rural Health Association. "[NRHA Save Rural Hospitals Action Center.](#)" 2017.
- <sup>10</sup> Kaufman, Brystana, Kristin L. Reiter, George H. Pink, and George M. Holmes. "[Medicaid Expansion Affects Rural and Urban Hospitals Differently.](#)" *Health Affairs*, vol. 35. September 2016.
- <sup>11</sup> Kendall, David. "[American Health Care Act: Devastating for Rural America.](#)" Third Way. March 21, 2017.
- <sup>12</sup> Data for 1999-2000. Bennett, KJ, CG Moore, and JC Probst. "[Estimating Uncompensated Care Charges at Rural Hospital Emergency Departments.](#)" *Journal of Rural Health*. Summer 2007.
- <sup>13</sup> Joint Economic Committee Democratic Staff calculations using CBO projections of the uninsured and Garthwaite, Craig, Tal Gross, and Matthew J. Notowidigdo. "[Who Bears the Cost of the Uninsured? Nonprofit Hospitals.](#)" Kellogg Insight.
- <sup>14</sup> Doeksen, Gerald A., Cheryl F. St. Clair, and Fred C. Eilrich. "[Economic Impact of Rural Health Care.](#)" National Center for Rural Health Works. October 2016.