



STATE OF EMERGENCY

Rural Hospital Crisis in Mississippi



All Mississippians deserve access to quality, affordable healthcare. And one's neighborhood should not create a life-or-death situation for people experiencing a health emergency. Yet, Mississippi is currently experiencing a rural hospital crisis that is worsening an already dire healthcare crisis in the state and leaving many Mississippians in rural communities without the care they need to thrive, or even survive.

According to a report from the Center for Healthcare Quality and Payment Reform, there are 74 rural hospitals in Mississippi.¹ Thirty-three of these hospitals are at risk of closure, and 24 are at risk of immediate closure.²

Rural hospital closures can be devastating to communities.³ When hospitals close, residents are forced to drive longer distances for what is sometimes life-changing care.⁴ It is a difficult situation in a state that already has some of the country's worst health outcomes.⁵ Even more, Mississippi's rural hospital crisis is occurring on top of existing poverty, income inequities, and race disparities, thereby exacerbating health outcomes and health disparities across the state.

Many of the state's hospitals have been financially vulnerable for a while. During the COVID-19 pandemic, the cost to run hospitals increased, supplies and labor became more expensive, and hospital profits decreased.⁶ Hospitals in rural and poor communities are continuously losing money due to uncompensated care because Mississippi has such a high number of uninsured residents.⁷ The staffing shortages are impacting the type of care patients receive.⁸ And altogether, many of Mississippi's rural hospitals are losing money serving patients.⁹

Hospitals are taking different approaches to stay open.¹⁰ Some hospitals are closing certain departments to cut costs.¹¹ Others are applying for a new federal designation to bring in more money.¹² State lawmakers attempted to provide hospitals with additional funding during the 2023 Legislative Session, but that plan failed.¹³

What's next for Mississippi's rural hospitals is still to be determined. Possible solutions to saving the hospitals include increased funding from the state through legislative action or savings from Medicaid expansion—if state leaders were to accept federal funds to increase healthcare access and affordability. Changes to private healthcare plans to help increase payments to hospitals and expand the type of services those plans cover will also help rural hospitals improve financially. No matter the method, Mississippi's rural hospitals need help. The time is now to save Mississippi's rural hospitals under threat of closure, increase access to healthcare for people throughout the state, and support thriving, healthy communities.

MANY RURAL HOSPITALS ARE AT RISK OF CLOSURE IN MISSISSIPPI.

Hospitals are deemed at risk of closing when they can only sustain losses for six to seven years and at immediate risk when their assets can offset those losses for only two to three years.¹⁴ Overall, Mississippi is fourth in the nation for the percentage of rural hospitals at immediate risk of closure.¹⁵ And while more than 600 rural hospitals, over 30%, across the country are at risk of closing, Only three other states in the nation have rural hospitals in a worse state of crisis than Mississippi.¹⁶

RURAL HOSPITALS AT RISK OF CLOSING									
STATE	CLOSING SINCE 2005	CURRENT RURAL HOSPITALS	HOSPITALS WITH LOSSES ON SERVICES		HOSPITALS AT RISK OF CLOSING		HOSPITALS AT IMMEDIATE RISK		
			NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT	
MISSISSIPPI	5	74	48	65%	33	45%	24	32%	

Source: Center for Healthcare Quality and Payment Reform

Not unlike other states across the nation, rural hospitals in Mississippi are facing financial problems for a number of reasons.¹⁷ Mississippi rural hospitals were struggling financially before the COVID-19 pandemic. The higher costs due to inflation and workforce shortages has made it worse.¹⁸ Also, due to a lack of insurance coverage for some patients and health insurance plans not covering enough of the costs of patient services, hospitals are taking financial losses as a cost of rendering some patient services.¹⁹ In addition, rural hospitals do not have enough financial reserves to offset continuous losses on patient services, and grants, local tax revenues, and other profits have not been enough to overcome the financial hurdles they are experiencing.²⁰

MISSISSIPPI'S RURAL HOSPITAL CRISIS IS MADE WORSE DUE TO EXISTING

The rural hospital crisis affects many residents throughout this state as 65, or 79.3%, of the 82 counties in Mississippi are considered rural areas.²¹ All 82 counties in Mississippi are designated whole or in part as medically underserved areas, according to the United States Department of Health and Human Services' Health Resources and Services Administration.²²

For instance, in Mississippi, over half of the state's counties are experiencing persistent poverty and have had a poverty rate of at least 20% for over three decades.²³ The state's poverty rate ranks the highest in the nation with 18.9% of Mississippians living in poverty.²⁴ And according to United Way's Mississippi ALICE report, 31% of Mississippians cannot afford basic household necessities.²⁵ Also, Mississippi has the highest child poverty rate in the country and has not shifted from that ranking in more than a decade.²⁶

Poverty and income inequality contribute to poor health outcomes including increased risk of mortality and other disease risks.²⁷ Today, Mississippi remains the unhealthiest state in the country.²⁸ The state is ranked last in the nation for overall health system performance.²⁹ And according to a 2023 report by the Commonwealth Fund, Mississippi ranks as one of the worst states for a number of health categories, including high rates of premature and preventable death, poor reproductive care and women's healthcare, and low rates of healthcare access and affordability.³⁰

Mississippi

Ranking Highlights^a

	National Rank	Rank Among Southeastern States [*]
Overall	51 of 51	12 of 12
Reproductive & Women's Health	50	12
Access & Affordability	47	11
Prevention & Treatment	47	12
Avoidable Hospital Use & Cost	37	8
Healthy Lives	50	11
Income Disparity	35	3
Racial & Ethnic Health Equity	49	12

^{*} Southeastern states include AL, AR, FL, GA, KY, LA, MS, NC, SC, TN, VA, WV

Source: The Commonwealth Fund

How Health Care Performance Changed in Mississippi^b



- Indicators That Improved
- Indicators That Worsened
- Indicators with Little or No Change

These income and health disparities that Mississippians face are even worse for marginalized communities like Black and other people of color. In Mississippi and nationwide, health disparities are significantly worse for those who have systematically faced obstacles to health due to their socio-economic status, race, ethnicity, religion, sexual orientation, geographic location, and other characteristics historically linked to discrimination or exclusion.³¹

MISSISSIPPI'S RURAL HOSPITAL CRISIS IS A MATTER OF LIFE AND DEATH.

Mississippi's rural hospital closures have a devastating and long-lasting impact on communities, including worsening health complications and even sometimes death.

For instance, in 2019, a 23-year-old mother, who was expecting her second child, collapsed and died from an asthma attack.³² The emergency room at the nearest hospital, which was eight minutes away, closed its emergency room five years prior.³³ The only ambulance in the area was one county over and a half-hour away.³⁴

In another example, the absence of a nearby healthcare facility became fatal for a mother and her unborn child in Belzoni in 2021.³⁵ The two were on their way to a hospital. Unfortunately, the closest healthcare facility was 30 minutes away in Yazoo City.³⁶ Although more than 2,000 people live in Belzoni, there is not one hospital in the community.³⁷

The rural hospital crisis limits care for many. Concerns regarding access to care is critical for someone living in an area where a hospital is at risk of closure. For example, a 72-year-old resident of Greenwood relies on Greenwood Leflore Hospital for emergency care due to problems with his prostate.³⁸ But although a third of Mississippi's rural hospitals are at risk of closure, Greenwood Leflore's situation appears to be one of the direst in the state.³⁹ If Greenwood Leflore closes, he will have to travel over a half-hour to the nearest hospital in Grenada.⁴⁰

Access to a nearby hospital saves lives. On March 24, 2023, a massive tornado hit Rolling Fork, a town in the Mississippi Delta.⁴¹ The tornado tore through Sharkey-Issaquena Community Hospital, damaged the hospital's emergency room, and took two of its three ambulances offline.⁴² Staff tended to patients despite the rain coming through the ceiling as they worked by flashlight when the generator went out.⁴³ That night, it took an hour before patients reached the hospital. The next hospital was 45 miles away.⁴⁴ There were 26 people who died in the storms, including one of the hospital's employees.⁴⁵ The death toll and suffering may have been a lot worse if the hospital was not there on that night.⁴⁶ If something is not done about Mississippi's rural hospital crisis, these and other examples of lack of access will impact communities across the state for years to come.

MISSISSIPPI TODAY'S HEADLINES SINCE 2022:DISPARITIES.

- Vicksburg hospital, evicted by Merit Health, is now closed
- Jackson area's only inpatient hospice facility closes
- St. Dominic lays off 5.5% of its workforce, halts mental health services
- Health care giant with dozens of facilities in Mississippi announces layoffs
- Memorial Hospital in Gulfport lays off nearly 100 employees
- North Mississippi health system announces layoffs
- In last ditch effort to stay open, Holly Springs hospital ends inpatient care
- 'The funding just isn't there': Yazoo health department reopens just two days a week
- Delta hospital, once projected to close within 6 months, will stay open until next year
- 'Leaving for greener pastures': Mississippi's nurse vacancy rates are at their highest in at least a decade
- Hospitals thought they'd get \$450M in extra money this year. They're actually getting much less.
- A quarter of Mississippi's rural hospitals could close within three years, report shows⁴⁷

MEMORIAL HOSPITAL IN GULFPORT LAYS OFF NEARLY 100 EMPLOYEES

**ST. DOMINIC LAYS OFF 5.5% OF ITS WORKFORCE,
HALTS MENTAL HEALTH SERVICES**

**VICKSBURG HOSPITAL, EVICTED BY
MERIT HEALTH, IS NOW CLOSED**

JACKSON AREA 'S ONLY INPATIENT HOSPIGE FACILITY CLOSES

**NORTH MISSISSIPPI HEALTH
SYSTEM ANNOUNCES LAYOFFS**

STATE LEADERS CAN HELP SOLVE MISSISSIPPI'S RURAL HOSPITAL CRISIS BUT MORE URGENCY, GREATER INGENUITY ARE NEEDED. DISPARITIES.

During the 2023 Mississippi Legislative Session, state lawmakers passed a bill to send millions in grant money to Mississippi's struggling hospitals, but acquiring access to this money has proven difficult.⁴⁸ During the session, state lawmakers reached an agreement to distribute \$103 million to hospitals using funds from the American Rescue Plan Act.⁴⁹ The money each hospital was supposed to receive was determined by an allocation model created by state lawmakers, based on bed counts, hospital designation, emergency room, and other factors.⁵⁰

However, state lawmakers allocated the funds from federal pandemic relief money from the American Rescue Plan Act (ARPA), instead of money from the state's general fund—the main source of money the state uses to spend on public services.⁵¹ Under federal guidelines, money from ARPA can only be used for certain things, like COVID-19-related expenses. Most hospitals had already claimed ARPA money and federal guidelines prohibit expenses claimed through ARPA from being claimed under any other federal and state reimbursement programs.⁵² As a result of this and other guidelines, many Mississippi hospitals will not be able to access the intended funds, and for those that can, those hospitals will receive less than expected.⁵³ Still, the state's smaller, rural hospitals are among the hospitals less likely to receive any funds.⁵⁴

In addition, the agreement fell short of what hospital leaders stated was needed.⁵⁵ For instance, the Mississippi Hospital Association (MHA) projected hospitals would need \$230 million in extra funds. And the agreement fell short of what state leaders could have done to support the state's struggling hospitals. This is because the state continues to sit on a revenue surplus of \$4 billion, while leaving another \$1 billion on the table per year since the American Rescue Plan Act became law by rejecting Medicaid expansion.⁵⁶

State lawmakers may address the funding complications that came about after the session in 2024, or before if the Governor calls a special session to address the issue.⁵⁷ But questions remain as to if and how many rural hospitals will survive until more help comes their way.

PREVENTING RURAL HOSPITAL CLOSURE IS POSSIBLE THROUGH INVESTMENT AND POLICY CHANGE.

Although experts agree it will not completely solve the issue, Medicaid expansion would bring in millions to Mississippi's struggling hospitals.⁵⁸ Medicaid expansion is one of the most viable solutions to save hospitals in rural communities. Medicaid expansion is a special provision created under President Barack Obama's 2010 Affordable Care Act.⁵⁹ In 2014, states were allowed to start expanding Medicaid to provide healthcare coverage to primarily the working poor.⁶⁰ The provision aims to allow more low-income Americans to be covered by Medicaid and decrease the number of uninsured people.⁶¹

A majority of Mississippians support Medicaid expansion.⁶² But Mississippi is one of ten states that has refused to expand Medicaid as the state's state leaders have adamantly opposed the idea.⁶³

Currently, there are over 100,000 uninsured adults in Mississippi with incomes below the poverty line who are caught in the Medicaid “coverage gap” and who would be eligible for Medicaid if the state were to expand its Medicaid program.⁶⁴ By expanding Medicaid, Mississippi could not only increase access to healthcare, it could also help reduce health-related disparities and improve the stability of health systems, including rural hospitals and community health centers.

The federal government pays 90% of the health care costs for those covered through Medicaid expansion.⁶⁵ According to a 2021 report from state economists, Mississippi would save approximately \$206 million to \$227 million annually between 2022 and 2027.⁶⁶

In addition to freeing up state revenue through Medicaid expansion, rural hospitals need increased payments from private health plans to cover the costs of care for patients with private plans.⁶⁷ The increased payments should be sufficient to cover the cost of primary care and emergency services.⁶⁸ Also, private insurance plans must expand plans to support the fixed costs of essential rural services like emergency departments, laboratory capability, and treatment capability, as opposed to traditional in-patient care services, and the Service-Based Fees that would cover the costs of those services.⁶⁹

CONCLUSION

Rural hospital closures in Mississippi have a devastating impact on people and communities across the state. There are a number of possible solutions to address the crisis, but there is a lack of urgency on the part of state leaders to implement effective, long-term measures that will save existing hospitals and support communities experiencing lack of access to care. One’s neighborhood should not be hazardous to one’s health. We must come together to solve the state’s rural hospital crisis. The time to act is now!

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