

Rural Health Care in Maine: Essential and At Risk



The current situation

Almost two-thirds of Maine residents live in rural areas. Rural Maine counties tend to have higher rates of poverty, unemployment, and economic distress, and lower rates of health insurance coverage. Small rural hospitals and other rural providers face steep challenges in our current health care system, including workforce shortages and financial strain largely caused by underpayment and payment systems that don't meet their unique needs.

Small rural hospitals, along with Federally Qualified Health Centers (FQHC), provide most or all of the health care services in the communities they serve.

The health care services provided in rural areas also affect urban areas: farming and food production, recreational areas, resource extraction (mining, forestry), etc. are often located in rural areas.

“Having health insurance that pays fees for ER visits, laboratory tests, or treatments is of little value if there is no Emergency Department, laboratory, or treatment capability available in the community for the resident to use.”

28% of rural Maine hospitals are at risk of closing, including four at immediate risk

It costs more to deliver health care services in rural areas, in part because rural hospitals and providers need to cover the costs of keeping facilities open and staff available when people need them, often called "standby capacity," as well as the costs of the services people use day to day and month to month.

Paying rural hospitals and providers adequately could also help attract more health professionals to rural areas. Fifteen Maine counties have health professional shortages in primary care, mental health, and dental health.

Rural Living

61% of Maine residents live in rural areas

11 of Maine's 16 counties are rural

9 of Maine's rural counties experience economic and social distress

Maine's rural counties tend to have poorer population health and lower rates of health insurance

Source: NRBC 2022

Potential solutions

- On a basic level, we need to pay rural hospitals and providers more to serve the health care needs of rural communities.
- This includes funding "standby capacity" so that rural hospitals and providers can cover the costs to keep necessary facilities open and providers available.
- According to leadership at one rural Maine Critical Access Hospital, being reimbursed at Maine Medicaid rates would be financially viable for them.
- **By reducing administrative complexity and costs, a publicly funded, universal health care system would also help to keep rural health care available and sustainable.**

Imagine:

Everyone has health care. Crippling **medical debt and medical bankruptcies disappear.** Maine **towns and cities** can apply funds, time, and other resources now spent on health insurance toward pressing needs such as infrastructure maintenance, economic development, and preparing for climate change impacts. **Businesses** can focus on innovation and investment rather than providing health insurance to their employees. **Workers** are free to choose employment based on their interests and skills rather than being locked in a job for health insurance. **Entrepreneurs** are free to create new businesses without worrying about how they'll provide health care for themselves, their families, and their employees. With a **simpler, more efficient system**, it's more feasible to **plan for and contain costs**.

The obstacles are not economic or medical, they're political

Many studies have shown that universal health care systems can save money and increase value. A Maine Center for Economic Policy study in 2019 outlined one model for how universal health care could work in Maine, finding that the state could save more than \$1 billion, most people, by far, would pay less than they do now, and everyone would be covered.

Questions? Thoughts? Ideas?
We want to hear from you!
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Sources: [Saving Rural Hospitals](#), Center for Healthcare Quality and Payment Reform (CHQPR); [Maine Rural Health Research Center](#); [Maine: A Health-Focused Landscape Analysis](#), Northern Border Regional Commission (NRBC), April 2022); [Maine Center for Economic Policy \(MECEP\)](#) 2019, [Cai et al. 2020, PLoS Med](#)

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