



Cutting Medicaid Would Hurt Rural America

Medicaid is critical to the fabric of rural America.

Rural residents in communities across America rely on Medicaid to get health coverage. Medicaid also helps rural hospitals keep their doors open so they can continue to provide people with health care and jobs.

If Republicans in Congress end the Affordable Care Act's (ACA) Medicaid expansion or radically change the structure of the Medicaid program by capping and cutting funding, it could severely hurt rural Americans and cripple state economies across the country.

Rural residents rely on Medicaid

22.5 percent of rural residents rely on Medicaid for health care coverage. In states that have expanded Medicaid under the ACA, that number increases to more than 25 percent. (See Table 1.)

People in rural areas are more likely to depend on Medicaid than their urban counterparts. In rural areas, people are less likely to have higher incomes or jobs that include health insurance, and the population tends to be older with higher incidences of disability.¹

Who are some of the rural residents counting on Medicaid for health coverage?

Children: 47 percent of rural children get their health coverage through Medicaid.²

Veterans: 5.3 million veterans live in rural America and 41 percent of them struggle with service-related disabilities.³ Many of these veterans and their family members rely on Medicaid, particularly the Medicaid expansion, for their health coverage.⁴

Table 1. **Medicaid Enrollment Among Rural Residents, 2015**
Select States and U.S. Percentages

State	December 2015 Rural Medicaid Enrollment	Percent of Rural Population in 2015 on Medicaid	State	December 2015 Rural Medicaid Enrollment	Percent of Rural Population in 2015 on Medicaid
AK	56,597	23.7%	NE	88,347	13.2%
AL	253,696	6.8%	NH	82,520	16.7%
AZ	71,561	20.6%	NV	50,296	18.6%
CO	190,945	27.5%	NY	359,934	25.9%
FL	167,205	23.7%	OH	573,357	24.2%
HI	89,636	33.4%	OK	407,095	30.1%
IA	245,558	19.2%	OR	200,484	30.5%
ID	98,592	17.9%	PA	337,722	22.8%
IL	380,564	25.6%	SC	247,238	33.0%
IN	298,562	20.3%	SD	69,810	15.6%
KY	714,515	38.9%	UT	41,677	13.0%
KS	164,122	17.4%	VT	133,425	32.6%
LA	209,224	27.4%	WA	224,472	31.2%
ME	132,947	24.5%	WV	228,837	32.4%
MI	423,487	23.5%	WY	42,696	23.8%
MN	305,180	24.7%	US Total		22.5%
MO	306,366	19.8%	US – States that did not Expand Medicaid		17.2%
MT	107,086	16.0%	US – Medicaid Expansion States		25.5%
ND	61,517	16.0%			

NOTES: The sample includes data from 37 states and DC, a mix of states that did and did not expand Medicaid. Included in the sample but not represented in this Table are Delaware, DC, New Jersey, and Rhode Island, which did not have any rural counties based on the area of classification used. In terms of the percent distribution between rural and urban, the sample is considered sufficient to be representative of the national distribution. The United States Department of Agriculture/Economic Research Service (USDA/ERS), Urban Influence Codes (UIC) defines "rural" for this analysis. Data was provided by Timothy McBride and Kelsey Huntzberry, Washington University in St. Louis, RUPRI Center for Rural Health Policy Analysis, Center for Health Economics and Policy.

Seniors and people with disabilities: Nearly **one-third** of dual eligibles—low-income seniors and people with disabilities who rely on both Medicare and Medicaid—live in rural areas.⁵ They rely on Medicaid to pay for home care, nursing home care, and other critical health care needs that Medicare does not pay for.

Low-wage workers: Workers in rural areas tend to make less and are less likely than urban workers to get health insurance through their employer.⁶ As a result, Medicaid—and particularly the Medicaid expansion—is an important source of health coverage for rural workers.⁷

Cutting Medicaid—ending the Medicaid expansion or capping and cutting payments—would put the health care of millions of rural Americans at risk.

Rural communities depend on Medicaid

With a large percent of rural residents relying on Medicaid, a strong Medicaid program is critical to the health of rural health systems and rural economies.

Rural hospitals are critical to rural communities, and Medicaid is critical to those hospitals. Rural hospitals serve as essential sources of care and essential employers. In rural areas, hospitals often account for as much as 20 percent of local economies.⁸ Yet many rural hospitals are at financial risk—80 hospitals have closed since 2010.⁹ Medicaid accounts

for nearly 15 percent of rural hospitals' gross revenue, making it essential to their fiscal health.¹⁰ Federal Medicaid cuts put rural hospitals—and the economic health of rural communities—at risk.

Medicaid is important to other rural health providers. Physicians in rural areas also rely heavily on Medicaid. For about one-third of rural physicians, Medicaid accounts for at least 25 percent of their patient revenues.¹¹ Cutting Medicaid puts their revenue at risk and can make it financially impossible for these physicians to continue their practice in rural areas. More than 75 percent of rural areas already suffer from a shortage of primary care professionals.¹² Cutting Medicaid would make that worse.

Medicaid has been essential to fight the opioid crisis in rural areas. The opioid epidemic has hit rural areas particularly hard.¹³ Medicaid—particularly the Medicaid expansion—has been essential to states' efforts to address that health crisis.¹⁴

- » Ohio's Republican Governor John Kasich has attributed the state's ability to help people combat opioid addiction to Medicaid expansion.¹⁵
- » In Alaska and West Virginia, two states with large rural populations, Medicaid pays for

between 35 and 45 percent of medication-assisted treatment. That level of coverage is possible because those states expanded Medicaid.¹⁶

Cutting Medicaid or ending the Medicaid expansion will jeopardize the health of rural residents and reverse rural communities' progress fighting the opioid epidemic.

The ACA has improved health care access in rural America

The ACA has expanded access to health insurance—and health care—in rural areas, due largely to the Medicaid expansion.¹⁷ Because of the ACA, particularly the Medicaid expansion, more people in rural areas have health care coverage. In addition, more rural residents report that they have a physician and are able to afford the care they need.¹⁸

The ACA has also been a boost to rural hospitals, particularly in states that chose to expand Medicaid.¹⁹

Changing the structure of the Medicaid program (through caps or cuts) or ending the Medicaid expansion would hurt rural America

Rural communities have been struggling since the recession. In 2014—coincidentally, the year the ACA started in full—rural communities started to show signs of gradual job growth.²⁰

Ending the Medicaid expansion or capping and cutting Medicaid would threaten that progress.

- » Children, disabled veterans, and grandparents, among others, would see cuts to their health coverage and benefits.
- » States would need to make impossible financial decisions about which health benefits and provider payments to cut since they would receive less financial funding. This would mean less money for already-struggling rural hospitals, possible closures, layoffs, and even greater strains on rural economies.
- » States would have fewer resources to fight the opioid epidemic that is damaging rural communities across the country.

Voting to end the Medicaid expansion or to cap and cut Medicaid is a vote against hardworking rural Americans.

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Endnotes

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