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CASE AND COMMENTARY

What Should Be the Scope of a Health Network's Obligation to Respond After a Hospital Closure?

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Abstract

As rural hospital closures become more common, many patients are left without sources of care, raising ethical questions about hospitals' and clinicians' responsibilities during and after closures. In many cases, such as the one considered in this article, hospitals have been economic hubs of some communities for many years and are obliged to consider short-term and long-term consequences of closures on community life. This commentary suggests that health networks can help communities transition to new service locations when they partner with community members to identify and respond to remaining gaps in access to and delivery of needed health care services.

Case

N Health Network recently announced the closure of one of its institutions, S Medical Center. In a rural location, the medical center is the area's only full-service, inpatient hospital, providing primary, emergency, and specialist care to over 20 000 residents since its opening 40 years ago. Reasons given by N Health Network for the medical center's closure include decreasing revenue, decreased patient volume, and burdensome building maintenance costs. The medical center's patients and staff of local clinicians will be consolidated and transitioned to N Health Network's main campus about 30 miles away.

Beyond medical care, S Medical Center has served as an economic anchor for this town, employing residents in a wide variety of professions and consistently contracting with local businesses. Unsurprisingly, there has been considerable public outcry since the announcement. Many residents feel that S Medical Center has become a way of life for their town and express great concern over its impending departure. Generally, the community feels unprepared for the ramifications of this decision.

The medical center's clinicians, including Dr P, acknowledge that the reasons given by N Health Network administrators are good ones, but they are concerned about the closure's impact on their and their community's livelihood. Because the medical center is one of the main employers in the community, its closure will mean job losses and reduced economic prosperity in the community and make it harder for many long-time

community members to access the clinicians they've been used to seeing when they have health problems. Dr P wonders how he should respond to his colleagues' and patients' concerns during the consolidation and transition.

Many of Dr P's long-term patients have asked for more information regarding S Medical Center's closure. Mr H, a 63-year-old man with diabetes and fatty liver disease, expresses his concern. "After all these years, I can't believe S is leaving, and that you're leaving! You're still going to be my doctor, right?" Dr P tries to reassure Mr H that everything will work out and that he will continue to care for him. Mr H responds, "How do they expect me to travel so far to see you?"

Dr P apologizes to Mr H for the distressing situation. Dr P feels frustrated, too, and wonders how the collective distress of the closure could be hurting patient-clinician relationships all over the town. Dr P wonders what to say and do.

Commentary

The last few years have seen an increase in the rate of rural hospital closures[1]; from 2010 through 2013, there were 7.5 rural hospital closures per year, compared to nearly 13 per year from 2014 through 2018.[2] The causes of rural hospital closure are varied and largely specific to a particular instance but can be roughly categorized into 4 broad groups: (1) demographics (ie, low volume due to declining or aging population or decreases in women of childbearing age), (2) economics (eg, lower insurance coverage or lower household income, which reduces ability to pay), (3) technology and market trends (eg, consolidation, decreasing use of inpatient services, staffing requirements), and (4) policy changes (eg, projected decreases in Medicare physician payment rates by 2025,[3] although improved financial performance of hospitals in states that expanded Medicaid[4] and Affordable Care Act provisions that shifted the financial costs of providing care from consumers to the federal government[5] could reduce the likelihood of hospital closure). Public policy is one tool that is often used to support rural hospitals, as a number of special Medicare payment provisions were established that recognized financial challenges facing rural hospitals by allowing cost-based reimbursement or supplemental payments.[6] The elimination of these special provisions has been identified as a potential federal cost-cutting strategy[7]; unsurprisingly, these cuts, if enacted, are projected to have considerable impact on hospital financial viability.[6]

Of course, a hospital can only serve its community if it remains open. Rural health care systems with the most generous approach to serving the community can find it challenging to generate sufficient revenue to remain open. Although some services valued by rural communities are potentially profitable (eg, surgery),[8] others are typically unprofitable (eg, obstetrics).[9] Previous research has found that rural nonprofit hospitals are more likely to offer unprofitable (and underprovided) services than rural for-profit hospitals[10] and that nonprofit hospitals face additional requirements to ensure that their

tax exempt status is consistent with their ability and commitment to meet the needs of the community.[11] Thus, although rural nonprofit hospitals can remain committed to meeting the needs of their communities, many face the stark reality of challenging financial conditions, rendering their continued operation difficult; roughly one-third of rural hospitals have a negative total margin.[12] Given this context, how can Dr P best help his patients—and his community—transition to a postclosure world?

Understanding Rural Patients' Vulnerability to Hospital Closures

By one estimate, socioeconomic factors account for 47% of health outcomes.[13] Poverty and inadequate transportation are 2 important social factors that make rural residents particularly vulnerable to a hospital closure. Rural residents experience higher rates of poverty than do urban residents and can live in communities of "persistent poverty," where the poverty rate is at least 20% over approximately 30 years.[14] Transportation is a constant issue for rural areas faced with limited public transit options, as rural residents travel farther to obtain services, including health care, than urban residents.[15] Rural residents with low income are likely to depend on their local hospital for more than just inpatient services. Multiple studies have confirmed that those with lower socioeconomic status are less likely to bypass their local rural hospital and seek care in a larger urban hospital,[16] possibly due to inability to access reliable transportation and the costs of traveling to more distant hospitals.[17] Similarly, members of communities more distant to the closest trauma center are more likely to be living in poverty, uninsured, or African-American.[18] Thus, a closure of the local rural hospital is likely to have a larger effect on the more vulnerable residents than on those with the means to travel to alternative sources of care.

Race and ethnicity, gender identification, and age compound the effects of these social factors. Racial and ethnic minorities living in rural areas are more likely to report being in a state of fair or poor health, having obesity, and having to forego health care in the last 12 months due to costs.[19] The risk of mental illness is higher for lesbian, gay, bisexual, and transgender (LGBT) people than for those who identify as heterosexual, and these risks are exacerbated for rural LGBT people who are geographically isolated and residing in areas with limited mental health care resources.[20] And the rural elderly face high rates of poverty, inadequate housing, and isolation.[21]

Understanding the Impact of Rural Hospital Closures

As discussed, rural residents are more likely to face a mix of factors that place them at increased risk of poor health outcomes—and the loss of their local hospital will not improve their health status. Of course, the effects of a hospital closure on a community are not limited to access to quality health care. In many communities, the rural hospital is a major employer, and so a closure represents a potentially seismic shift in a community's employment and economic well-being. For example, the loss of a rural community's only hospital leads to a decrease in per capita income.[22] A study of remote

hospitals in Scotland and Australia identified additional contributions that hospitals make to a community, including providing a sense of reassurance and security that health care needs will be met should the need arise (manifest as the infrastructure to age in place), a locus for community volunteering, and a career ladder for local residents.[23] Thus, rural hospital closures have a notable and diverse impact on communities. The cessation of certain services—eg, obstetric[24] and surgical units—in hospitals that remain open presents similar challenges even if they are not as dramatic as the closure of the entire hospital.

Responsibility in the Decision to Close a Rural Hospital

One way to frame the decision of whether to close the hospital is to explicitly recognize the tradeoff facing the network. Frank Harrison frames it this way: "The dilemmas present us with the ominous task of choosing one of two goods to the exclusion of the other."[25] From the perspective of the rural residents in this case, S Medical Center is a part of their lives and livelihood—a source of primary, specialty, and emergency care as well as a significant contributor to the economic and social well-being of the community. For N Health Network, S Medical Center is not a viable campus and could be consolidated with a larger campus nearby. Both hospitals and clinicians have a responsibility to the community during and after closure.

Hospitals' responsibility. Based on community and clinician perceptions of rural hospital closure, health care organizations faced with the decision of whether to close a rural hospital should also consider the potential emotional, economic, practical, and political impacts of closure for the community and for itself. A health care organization should then develop and communicate a closure process and plan. Ideally, the community, the patients, the staff, and the clinicians in partnership with the health care organization would play a role in the decision to close a hospital, as all are stakeholders. However, in any hospital closure, establishment of an advisory group incorporating the stakeholders—current hospital executives, current hospital physicians and care team members, and members of the community—to oversee the closure process can mitigate much of the uncertainty and feelings of frustration. While a health care organization is removed from the community, the clinicians who have consistently delivered care within the community are also members of the community and therefore can bring the concerns of the community to the discussion and even advocate for an advisory group or closure plan.

Even if the public announcement of a hospital closure is abrupt, a decision to close a hospital is not: it involves research, planning, and addressing legal or regulatory processes. Clinicians who have not have been involved in the decision to close their hospital might learn of a closure along with the rest of the community. During the transition, having a clear communication network with the staff and clinicians is critical.

Clinicians' responsibility. While the health network could engage the community in discussions, for patients, it would be important to hear from their clinicians and care team at the hospital. Rural residents faced with hospital closure feel distressed about increased travel time to access hospital services and loss of emergent or urgent care.[26] Dr P can take action to mitigate any potential patient backlash about the closure by taking appropriate steps to ensure continuity of care for his patients. N Health Network has decided that all patients and clinicians will transition to care at the main campus 30 miles away. At least one patient has expressed a concern over this distance, and it is likely that other rural residents will face a transportion or economic barrier to receive care 30 miles away. Dr P can provide information on his patients (eg, how many will have foreseable transportation issues that will impact continuity of care) to N Health Network and offer potential solutions such as public or subsidized transportation or a telehealth-based approach. Ideally, N Health Network would develop a plan that Dr P could share with his patients. On the other hand, physicians and other clinicians will likely have to cope with their own feelings of anxiety and even depression.[27] The need for a consistent message about the reason for and the process of closure and transition is essential for patients, clinicians, and members of the community.

Conclusion

Hospitals need to be financially viable in order to fulfill their mission (whether it be service to indigents, a specific population, the community, or others). The old maxim "no margin, no mission" holds true; ultimately, a hospital that is financially struggling might be simply unable to continue to operate, and the closure could have a devastating impact on the community in the near and long term. In such a case, it is important for the health system and local health professionals to balance the tradeoff between financial viability and service fairly to ensure that rural residents have appropriate and timely access to quality care and to provide the supports for transitioning to new service locations when the hospital closes. The ideal—the most ethical—response will be dependent on the unique circumstances of the rural community. And these can best be ascertained by approaching the transition with the community as an active participant.

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