

# ACA Medicaid expansion resulted in fewer hospital closures, especially in rural areas

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A new report published in the January issue of *Health Affairs* is the first to examine hospital closures in the context of the Affordable Care Act and Medicaid expansion. The study from researchers at the Colorado School of Public Health at the University of Colorado Anschutz Medical Campus used data from 2008 to 2016, including multiple years of post-expansion hospital performance data.

The findings indicate the Medicaid expansion under the Affordable Care Act was positively associated with improved hospital performance and a substantially lower likelihood of hospital closure especially in rural markets and counties where residents were largely uninsured adults prior to Medicaid expansion.

Richard Lindrooth, Ph.D., and coauthors in the Department of Health Systems, Management and Policy at the Colorado School of Public Health, examined national data on local market conditions, comparing the fiscal years immediately before the implementation of the Affordable Care Act (2008-12) with the years just after implementation (2015-16). The analysis was limited to nonfederal, short-term, general and critical access hospitals that had been in operation for at least one year between 2007 and 2015. According to the results, hospitals in the 32 states that expanded Medicaid were about six times less likely (or about 84 percent less likely) to close than hospitals in non-expansion states.

"Access to [health care](#) is a fundamental element of our health care

system," explains Lindrooth. "Our results suggest that if future policies are adopted that both eliminate the Medicaid expansion and lower [health insurance coverage](#) rates, we will see an increase in hospital closures, especially in rural areas."

The authors note that the effects of closures on access and patient welfare depend on the degree to which local residents rely on the hospital for inpatient care.

Gregory Tung, MPH, Ph.D., co-author of the study at ColoradoSPH, says some closures could be less detrimental in certain areas, especially if hospitals are inefficient or of poorer quality. In urban areas, patients have more options, but it is a different story in rural communities.

"In rural and smaller communities, [hospital](#) closures have a far greater impact because they not only affect the delivery of [health care services](#) and emergency care, but we also have to consider that these hospitals may be the largest employer and often are pillars in those communities. A closure could mean the loss of well-paid, highly skilled jobs which often leads to well-paid skilled labor leaving those areas for larger cities and urban areas," Tung said.

The authors also add that virtually all closures will increase the travel time required for receiving care that can lead to worse outcomes for patients with conditions that need immediate attention.

"If patients do not have access to other hospitals, as is the case in many rural markets, access to health care will suffer—regardless of whether a person has [health](#) insurance or not," added Lindrooth.

Provided by CU Anschutz Medical Campus

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