

COLORADO RURAL HEALTH CENTER

The State Office of Rural Health

Colorado Rural Health Center Highlights the Dire Financial Impact of COVID-19 on Rural Hospitals and Clinics

AURORA, CO – May 5, 2020 – The Colorado Rural Health Center (CRHC), Colorado’s nonprofit State Office of Rural Health, has released an infographic report detailing the extreme financial effects the COVID-19 pandemic is having on rural hospitals and clinics in the state. The document is titled “COVID-19 and a Looming Rural Health Crisis” and details, in the words of hospital and clinic administrators the profound impact the global pandemic has had on Colorado’s rural healthcare facilities.

“Rural hospitals and clinics were operating on razor thin margins before this pandemic. The effects of COVID-19 on the bottom lines of our healthcare facilities has been concerning, to say the least,” said Colorado Rural Health Center CEO Michelle Mills. “Urgent action is needed by legislators at both the state and federal levels to stave off closures and irreparable damage to our rural safety net.”

The new report (available at <http://www.coruralhealth.org/covidfinancials>) presents the responses to a survey put out by CRHC in April and May, 2020. Survey respondents are member facilities of the Colorado Rural Health Center, though their identities will be kept confidential.

Before the pandemic, 18 rural Colorado hospitals were operating in the red. Now, hospitals and clinics are reporting over 50% revenue loss due to significant decreases in patient volume. This is occurring at the same time as expenses are increasing, especially for PPE and other supplies. Some facilities report paying as much as triple the usual cost for PPE and other supplies.

The report contains such member responses as the following:

- “In March 2020 alone we lost \$1.4 million - gross revenues were down 17.7%”
- “Our hospital was previously profitable. We experienced an \$862k loss in March and anticipate a substantially larger loss in April.”
- “[We are losing] \$130,000 daily”
- “We live on very narrow margins, or break-even to serve our communities.”
- “We made great strides in the past two and a half years and have improved our young facility's financial status. If we had not, we would be closed. If this continues through the summer, we might be.”

The report is quoted as saying the following: “Without immediate and sustained financial support, the outlook for our rural healthcare facilities is bleak this summer and potentially beyond this year. Facilities are preparing to cut staff, services, or even close. Hospitals in Colorado have worked hard to fight the national trend of rural hospital closures, demonstrating innovation and resilience in the face of other critical financial hits, including the 2008 recession. However, there is widespread fear across the state that the financial impacts of COVID may close some facilities.”

The report closes with a call to support legislation aimed at aiding rural facilities.

To access the report, please visit <http://www.coruralhealth.org/covidfinancials>.

About The Colorado Rural Health Center

The Colorado Rural Health Center was established in 1991 as Colorado's State Office of Rural Health. As a 501(c)(3) nonprofit corporation, CRHC serves dual roles as the State Office of Rural Health with the mission of assisting rural communities in addressing healthcare issues; and as the State Rural Health Association, advocating for policy change to ensure that rural Coloradoans have access to comprehensive, affordable healthcare services of the highest quality. For more information visit www.coruralhealth.org, call 303-832-7493, or call toll free 800-851-6782 from rural Colorado.