

COMMENTARY ON THE IMPACT OF RURAL HOSPITAL CLOSURES  
ON THE ECONOMIC HEALTH OF THE LOCAL COMMUNITIES

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COMMENTARY

This month's edition of the *Texas Journal of Rural Health* contains an interesting article entitled, "The Impact of Rural Hospital Closure on the Economic Health of the Local Communities." The authors test the hypothesis that rural hospital closures have a negative impact on the economies of their communities. Following a comparison of five economic indicators in a selected list of communities where hospitals closed versus where they remained open, the authors found that there were no significant differences between the groups. Furthermore, the data compared both short-term (one year after closure) versus long-term (ten years after closure) results. Therefore, they concluded that "this study clearly fails to support our hypotheses that rural hospital closures hurt local economies."

First of all, the 1980 demographic data used to arrive at their conclusion is outdated. The 2000 census data shows a marked shift in population from West Texas to East, Central, and South Texas. As a result, there has been a significant change in our state demographics, which most certainly have affected rural economies, particularly in West Texas.

Second, the authors do not take into account the method of financing rural hospitals in Texas, many of which are supported by hospital taxing districts. If it were not for significant local tax subsidies for many

of the rural hospitals, they may not have been able to remain open and serve their rural citizenry.

Third, there is no reference to studies of the multiplier effect, which state that for every dollar a hospital employee is paid enables another dollar and a half of other goods and services to be purchased within the community. The hospital and the school system are usually two of the top three businesses within each rural area, and there is often a ripple effect on maintenance of the local economy and new business development when such vital services are ailing or missing from an area.

Additionally, there is no attention given to either the sense of community pride or tradition engendered by a local rural hospital. While it is true that it is very difficult to measure such intangible qualities, the maintenance of a local hospital is interwoven into the very fabric of our rich Texas cultural traditions. Generations of families have been born in their local hospitals, and they support them through the good times and the bad times.

In my travels throughout the Lone Star State, which take me to approximately 150 to 175 rural hospitals each year, it is clearly evident that most Texans love and support their local hospitals. The closure of any one of them, although infrequent in most recent years, is devastating to any rural community experiencing it, and the loss cannot be measured only in economic terms. And so, although the economic data submitted by the authors would seem to support the notion that rural hospital closures do not affect the local economies, I can tell you from my visits to rural towns that have suffered a hospital closure: It hurts, both economically and in other harder to measure ways.