

Issue Brief № 49

Healthcare: A Key Challenge in Alabama's Black Belt

By Emily Jacobs, Hunter Whann, Emily Grace Corley,
Jonathan Bowen, and Noel Keeney

Healthcare is cited by Pew Research Center as one of the most important issues to voters in 2020, second only to the economy.¹ This is not likely to change anytime soon—even after the election—as communities continue to grapple with the coronavirus pandemic. Just as the past several months have exposed inequities in access to internet (the subject of a forthcoming issue brief), so too has the pandemic revealed stark differences in access to healthcare. In this issue brief, part of a series produced by the University of Alabama's Education Policy Center, access to healthcare in Alabama—and specifically the Black Belt—is examined alongside national healthcare trends.

The Black Belt lacks access to healthcare

Employing an expansive definition of the Black Belt that includes 24 counties, the Education Policy Center (EPC) produced several charts outlining the state of healthcare access in the region and across Alabama.² Chart 1, on the following page, displays the number of hospital beds per 1,000 residents by county. It shows that the majority of Black Belt counties—17 of 24—are below the statewide average of 3.9 beds per 1,000 residents. In fact, 4 Black Belt counties (Lamar, Lowndes, Perry, and Pickens) simply do not have a hospital. It should be noted that, as of 2018, Alabama ranks #13 in the country in hospital beds per 1,000 residents.³ Though the total number of hospital beds in the Black Belt is proportional to its total population—the Black Belt constitutes 14 percent of the state's population and contains 13 percent of the hospital beds—a closer look reveals that many of those counties are underserved.

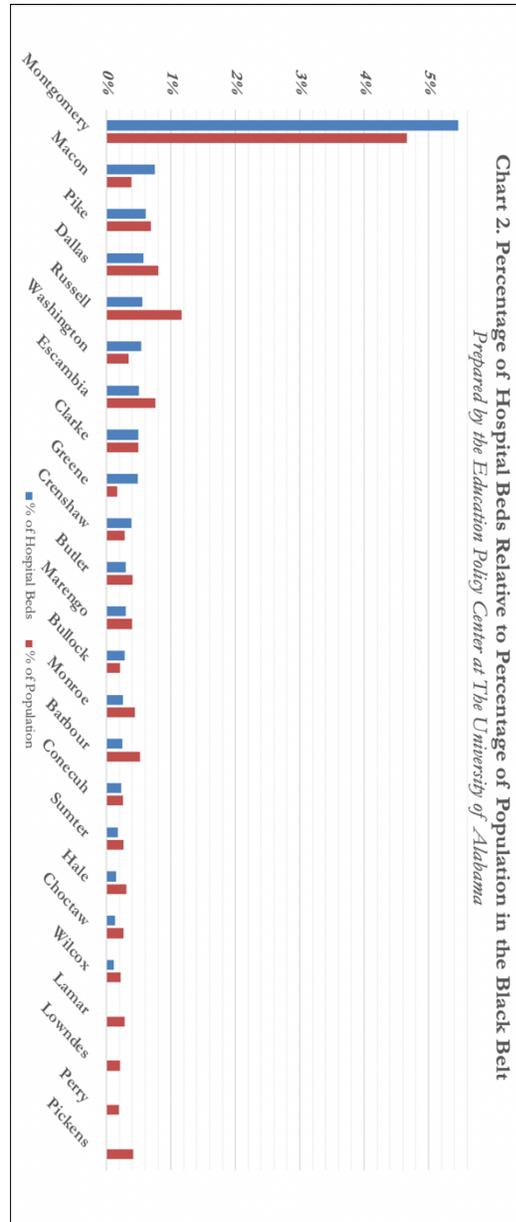
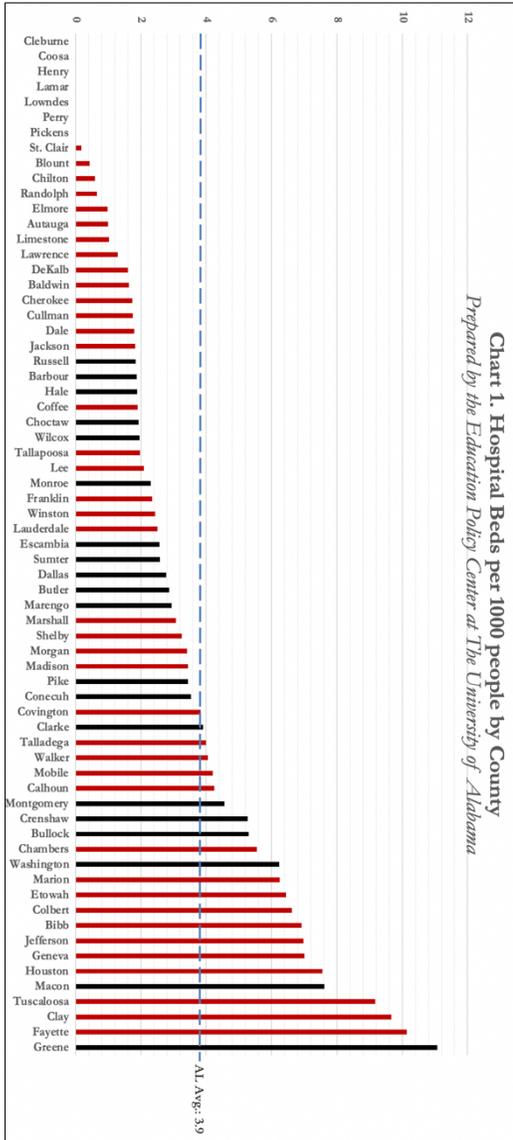


Chart 2, above, compares the percent of hospital beds per Black Belt county alongside that county's percentage of the population of Alabama. Of the 24 Black Belt counties, 6 have a greater percent of hospital beds than population. Another 14 have a lesser share of hospital beds relative to their population. The other 4, once again, lack a hospital altogether. These data suggest that the Black Belt is largely underserved in terms of healthcare. Specifically, it indicates that Black Belt residents lack *physical* access to healthcare, i.e. the nearest hospital or clinic can be over an hour away.

Rural hospitals are closing, and residents are suffering

Easy physical access to a nearby healthcare facility, indicated by the above data, is a luxury fewer and fewer rural Alabamians – and rural Americans—enjoy. Researchers at the healthcare analytics Chartis Group report that as of February 2020, 6 of Alabama’s rural hospitals have closed (a 7th in Pickens County closed, within weeks after this report was published) and 17 more remain vulnerable.⁴ One Black Belt mayor, Jerome Antone, was recently hospitalized 65 miles away from his town of Georgiana.⁵ “As COVID-19 continues to spread,” the Kaiser Health Network reports, “an increasing number of rural communities find themselves without their hospital or on the brink of losing already cash-strapped facilities.”⁶ Mayor Antone is quoted saying “you may have to go four or five hours away” if one’s local community does not have beds available.⁷

Rural hospital closures are a national problem, with immediate and often severe consequences for the communities no longer being served. The University of North Carolina’s Cecil G. Sheps Center for Health Services Research estimates that from 2005 to the present, 174 rural hospitals across the country have closed their doors.⁸ Communities losing their healthcare facilities face a corresponding 8.7 percent increases in mortality, according to the National Bureau of Economic Research. “As has been the case recently,” researchers Kritee Gujral and Anirban Basu explain, “economic downturns can lead to outmigration of rural residents to urban areas.”⁹ As the EPC’s own research has found, this appears to be the trend in Alabama’s Black Belt.¹⁰ Gujral and Basu continue: “[shrinking] populations imply lower patient volumes at hospitals, which can prevent hospitals from achieving economies of scale.”¹¹ As more hospitals close, residents are required to travel further for healthcare. Longer travel times for patients mean delays in treatment and worse health outcomes.

COVID-19 is straining already fragile healthcare

As explained above, the state of healthcare access for rural residents was tenuous before the coronavirus pandemic. Now, Americans who were already struggling to access healthcare are under more strain than ever. A poll conducted by the Harvard T.H. Chan School of Public Health, National Public Radio, and the Robert Wood Johnson Foundation reported 24 percent of all rural households “unable to get medical care for a serious problem when they needed it during the coronavirus outbreak.”¹² Of those, over half (56 percent) reported “negative

health consequences as a result.”¹³ “When it comes to healthcare,” the report concludes, “the coronavirus outbreak has dramatically affected delivery, with systems facing disruptions, delays, and deferrals in care for many patients.”¹⁴

The CARES Act impact in Alabama

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law by President Donald J. Trump in March 2020. Since then, roughly \$3.7 billion has been allocated for use in the State of Alabama.¹⁵ Of the \$3.7 billion total, \$1.9 billion was provided via the Coronavirus Relief Fund for discretionary use by the Governor and Legislature, the remaining assistance was issued to state agencies. A total of \$449.4 million, the largest single share, went to 4,652 Alabama health care providers and systems. An additional \$191 million went specifically to 175 rural hospitals, clinics, and community health centers. With nearly 80 percent of the state’s rural hospitals beginning 2020 “with negative balance sheets and about eight days’ worth of cash on hand” the CARES Act funds “helped rural hospitals with the immediate storm,” according to Dr. Don Williamson, Alabama Hospital Association president and former Alabama State Health Officer.¹⁶ The future of Alabama’s rural hospitals remains unclear, however, as COVID cases remain prevalent and Congress stalls on new relief.¹⁷

Poor health outcomes are common across Alabama

While Charts 1 and 2 show physical access to healthcare as a problem for the Black Belt, other data analyzed by the EPC did not find Black Belt counties to be significantly any worse-off than the rest of Alabama. Poor health outcomes are instead common across the state, irrespective of a rural-urban divide. Charts 3 and 4, on the following page, examine percent change in premature deaths and the rate of preventable hospital admissions, respectively by county.

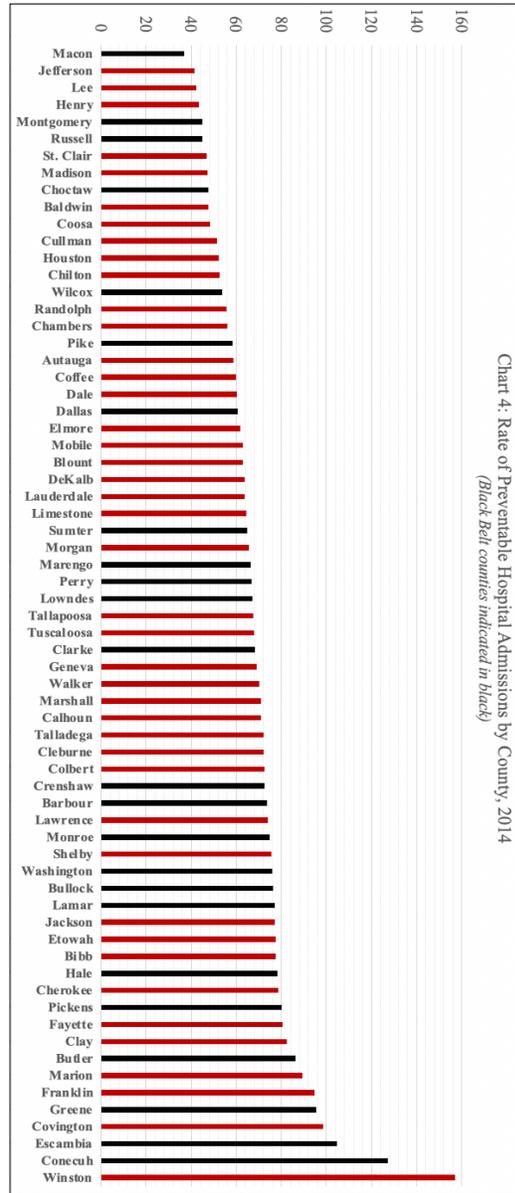
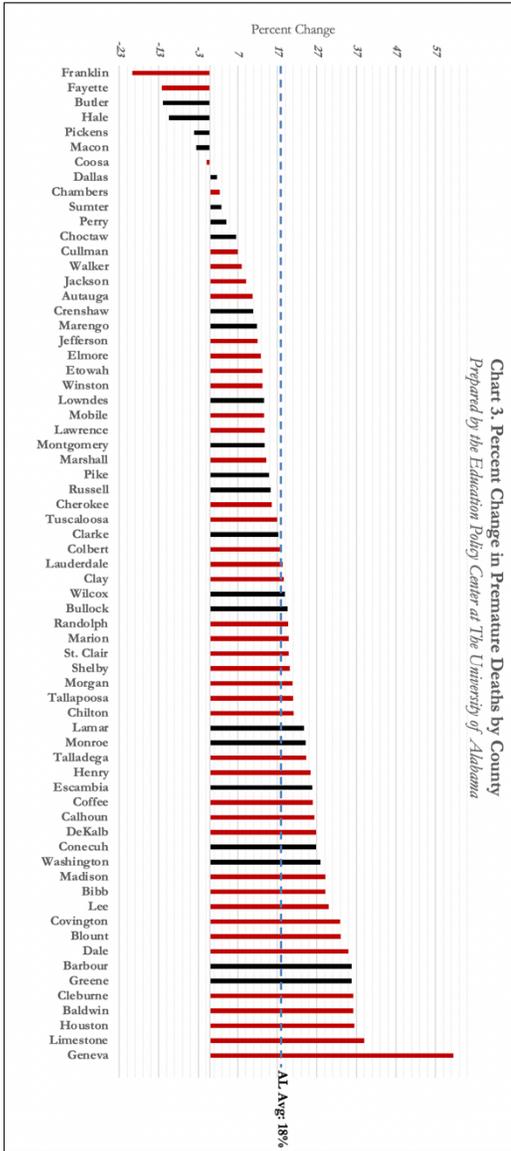
From 2008 to 2017, almost every single Alabama county saw increases in the premature death rate. Black Belt counties were both above and below the statewide average increase of 18 percent. In fact, a majority of the 7 counties (4) that saw decreases fall under an expansive definition of the Black Belt. Meanwhile, in 2014, the rate of preventable hospital admissions was evenly distributed across Black Belt and non-Black Belt counties. The federal Centers for Disease Control and Prevention define preventable hospital admissions as “admissions to a hospital for certain acute illnesses...or worsening chronic conditions...that

might not have required hospitalization had these conditions been managed successfully by primary care providers in outpatient settings.”¹⁸ Residents either don’t have access to primary care or must drive miles to receive it, as we noted earlier in the brief. Rural and urban, affluent and impoverished; that so much of Alabama is seeing poor healthcare outcomes speaks to the need for comprehensive policy reform, to which we now turn.

Not expanding Medicaid has cost Alabama billions

Since 2014, Alabama has chosen not to accept federal financial assistance to expand Medicaid under the Affordable Care Act (ACA). The federal government provided generous incentives for states to take ACA funding in the initial years of the program. Had Governor Robert Bentley chosen to do so, a University of Alabama at Birmingham study estimates it would have cost the state \$771 million from 2014 to 2020 as coverage expanded to an additional 300,000 more Alabamians.¹⁹ Over the same period, however, the federal government would have invested an additional \$11.7 billion to impact healthcare outcomes.²⁰ The state’s share would have steadily increased over the years, as the initial 100 percent reimbursement from the federal government fell, but, at the same time, as the UAB study estimates, Alabama tax revenue would have enjoyed an additional \$1.7 billion in added revenues. Over the next decade, Alabama could lose an *additional* \$4.9 billion in federal dollars for not accepting ACA funding.²¹

States that expanded Medicaid under the ACA have experienced significant secondary benefits. A 2018 study from the Louisiana State University found that the infusion of \$1.85 billion in Medicaid-related federal dollars created or retained over 19,000 jobs and supported \$3.6 billion in economic activity statewide.²² Health Matters, a pro-Medicaid expansion advocacy group sponsored by the Alabama Hospital Association, estimates that expansion could similarly generate \$11.4 billion in new economic activity²³ and 30,000 jobs.²⁴ Additionally, hospitals in states that expanded Medicaid are 84 percent less likely to close.²⁵ A 2018 study²⁶ showed that beyond immediate healthcare coverage for the uninsured, states that expanded Medicaid have enjoyed significant economic benefits while at the same time avoiding Hospital closures that are especially hard on rural communities.



Conclusion

Healthcare continues to be one of the most important issues facing Alabama. In this brief, the Education Policy Center showed that a lack of physical access to healthcare services exist in Alabama’s Black Belt. This was clearly an important issue before the coronavirus pandemic. As the pandemic continues to unfold, rural Americans are under duress to access healthcare—with often negative consequences. We are concerned that without intervention, the trend of rural hospital closures may continue or even accelerate.

A large number of Alabama residents are presently experiencing declining healthcare outcomes. This is a matter of concern to informed Alabama policy-makers. In addition to focusing state resources to control the pandemic, Governor Kay Ivey's efforts to improve healthcare outcomes in Alabama include, but are not limited to, expanding behavioral-health services for many children and youth, reducing infant mortality and opioid overdoses, and requiring state licensing at more child-care centers.²⁷ In its 2021 agenda, the Alabama League of Municipalities advocates expansion of telehealth medicine tied to expanding broadband (the subject of a future Black Belt 2020 issue brief). There are many other initiatives underway that together can make a positive difference.

Sadly, in retrospect, it appears that the choice made by former Governor Robert Bentley in 2014 to not expand Medicaid has *both* cost the state billions and has produced negative, not positive, healthcare outcomes for rural Black Belt counties. Today, some leaders in Congress are working to reinstitute the same federal financial incentives for ACA participation that were initially in place in 2014, to encourage more states to participate if they choose to.²⁸ We endorse such efforts as they constitute good public policy. Should such legislation pass, it might be possible to simultaneously improve healthcare outcomes in Alabama's impoverished Black Belt counties and statewide and put the system in better long-term financial footing so that rural hospitals don't have to close.

THE EDUCATION POLICY CENTER AT THE UNIVERSITY OF ALABAMA

Established in 1924, the Education Policy Center is The University of Alabama's oldest center or institute. Through its ongoing nonpartisan research and programs, it seeks to assist the College of Education and the University to fulfill their mission to improve the quality of life for all Alabamians. The EPC promotes expanding access and success, strengthening equity, and advancing economic and community development with special emphasis on telling the story of the Deep South to policymakers in Alabama, the region and nation.

Director: Stephen G. Katsinas, Ph.D.

Associate Director: Nathaniel Bray, Ph.D.

Project Coordinators/Managers: Brandi N. Stacey, Michael S. Malley, Jr.

Senior Fellow & Issue Briefs Editor: James E. "Ed" Davis, PhD (Emeritus, MS State University)

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Fellows: Mark D'Amico, Ph.D., Janice Friedel, Ph.D., Linda Hagedorn, Ph.D., Michael Kennamer, Ph.D., Dustin Smith, Ph.D.

Research Associates: John Bruno, Emily Grace Corley, Brandon Glover, Emily Jacobs, Noel Keeney, Stephanie Paul, Hunter Whann, Jonathan Bowen

Box 870231, Tuscaloosa, Alabama 35487 · Telephone: (205) 348-6004 · <http://edpolicy.ua.edu>

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