

Review & Commentary on Health Policy Issues for a Rural Perspective – Summer Special Edition, 2025

Nation's Hospitals Brace for Deep Cuts

“Hospitals across nation brace for Medicaid cuts under ‘big, beautiful’ law” by Nathaniel Weixel, *The Hill*, 07/13/25:

“Hospitals are bracing for the impact from the Medicaid cuts in President Trump’s sweeping spending and tax cut law.”

“While most of the cuts won’t happen immediately, rural facilities in particular say they likely will have to make difficult financial decisions about which services they can afford to keep and which may need to be cut.”

“Hospitals loudly raised alarms about the legislation, but their warnings went unheeded, and now they say they will bear the brunt of the changes.”

“The new law cuts about \$1 trillion from Medicaid, primarily through stringent work requirements as well as reductions to how states can fund their Medicaid programs through provider taxes and state directed payments.”

“Rural hospitals rely heavily on Medicaid funding because many of their patients are low income.”

“‘Restrictions on state directed payments and provider taxes cut off critical financial lifelines for hospitals,’

Bruce Siegel, president and CEO of America’s Essential Hospitals said in a statement.”

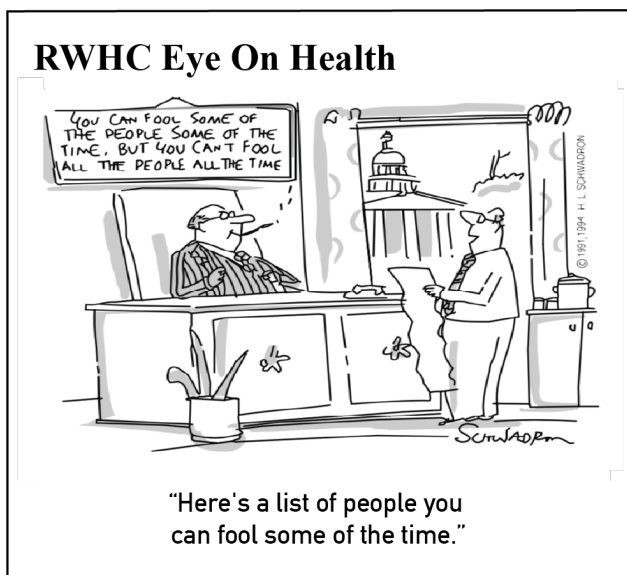
“ ‘State directed payments are a critical source of support for hospitals, particularly in rural areas, and provider taxes help reduce the gap between Medicaid and other payers, ensuring that physicians can take Medicaid patients and hospitals can be adequately staffed. Cutting these lifelines is not sustainable, and will harm patients.’ ”

“More than 300 rural hospitals in the U.S. are at risk of closing down because of the bill, according to research conducted by the University of North Carolina’s Sheps Center for Health Services Research and released last month by Democratic lawmakers.”

“Rural hospitals already operate on thin margins. The law’s Medicaid cuts will lead to more uninsured patients, meaning rural hospitals will not get paid for the services they are required by law to provide to patients, according to the report. In turn, they will face deeper financial strain.”

“Medicaid-dependent services—like labor and delivery units, mental health care, and emergency rooms—are some of the least profitable, yet most essential, services that hospitals provide. But experts said those will likely be cut as hospitals try to stay afloat.”

“In rural communities, Medicaid covers nearly half of all births and one-fifth of inpatient discharges.”



“Republicans pushed back the start date for the provider tax reductions until 2028, and they won’t be fully phased in until 2031. The bill was signed into law on July 4, so hospitals said it’s too early for them to know specifics on which services they’ll have to cut back on.”

“But the discussions are underway because hospitals need to start planning.”

“ ‘If they see a very negative outlook in terms of Medicaid revenue reductions, increases in uncompensated care costs, I think that will tip the scales towards cutting services, cutting staff, not hiring, not expanding,’ said Edwin Park, a research professor at the McCourt School of Public Policy at Georgetown University.”

“Mark Nantz, president and chief executive officer of Valley Health System, oversees a network that includes six hospitals in the Shenandoah Valley of Virginia and West Virginia, ranging from a 495-bed regional facility in Winchester to a 36-bed facility in Front Royal, about 70 miles outside of Washington.”

“Nantz said Medicaid expansion and provider taxes have allowed the system to break even when taking care of Medicaid patients. Previously, they were losing about 25 cents on every dollar.”



“Once the cuts are fully phased in, Nantz said Valley Health will lose about \$50 million a year in revenue for Medicaid patients.”

“ ‘We’ve got, really, two and a half to three years to make those kinds of decisions and

prepare for what we will do. So we’re not threatening to cut jobs or hospitals or service locations or any of that right now,’ Nantz said, ‘but we have to look at whether or not we can continue’ offering the same types of services.”

“Republicans concerned about the impact of the provider tax reduction on rural hospitals inserted a \$50 billion relief fund into the law. The law calls for the money to be distributed by the Centers for Medicare and Medicaid Services (CMS) over five years.”

“The federal government will distribute half of the program’s \$50 billion allotment equally among all states with an approved application over the next five years.”

“But experts said the money isn’t nearly enough to make up for the impact of the cuts. According to a KFF analysis, federal Medicaid spending in rural areas is estimated to decline by \$155 billion over a decade.”

“The states and hospitals that will be hit the hardest will benefit the least, Park said.”

“He noted the law gives the Trump administration a lot of discretion on how they divide up the funds, so there’s potential for favoritism.”

“Every state has until the end of 2025 at the latest to apply for funds by submitting a ‘detailed rural health transformation plan’ that addresses the program’s aims, according to the legislation.”

“But if CMS Administrator Mehmet Oz doesn’t agree with how states are using their funds, the law says he then ‘may withhold payments to, or reduce payments to, or recover previous payments from, the State.’ ”

“ ‘It’s a fig leaf,’ Park said. ‘The fund is temporary. These cuts are permanent.’ ”

Eye On Health is the monthly newsletter of the Rural Wisconsin Health Cooperative. Begun in 1979, RWHC has as its **Mission** that rural Wisconsin communities will be the healthiest in America. Our **Vision** is that... RWHC is a strong and innovative cooperative of diversified rural hospitals... it is the “rural advocate of choice” for its Members... it develops and manages a variety of products and services... it assists Members to offer high quality, cost-effective healthcare... assists Members in partnerships to make their communities healthier... generates additional revenue by services to non-Members... ongoing use of strategic alliances in pursuit of its Vision. Tim Size <timsiz@rwhc.com>, Editor, 880 Independence Lane, Sauk City, WI 53583

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U.S. Upcoming Caregiving Emergency

From: “Report: U.S. Is Close to Experiencing a Caregiving Emergency.” “Yesterday was the time to start thinking about solutions,” by Pietje Kobus, *Healthcare Innovation*, 7/15/25:

“A recent study from Columbia University Mailman School of Public Health revealed that nearly half of the U.S. is on the brink of a caregiving emergency.”

“The report underlined that ‘states must advocate for funding to support programs that provide financial assistance, training, and respite care for unpaid family caregivers to meet the growing demand and avoid putting more strain on their local healthcare systems.’ Additionally, the report writers concluded, ‘Investing in the long-term care workforce at the federal level is crucial.’ ”

“Healthcare Innovation spoke with WellSky’s CCO and nurse by background, Tim Ashe, about the caregiving crisis.”

Could you provide a general sense of the current caregiving landscape and the challenges you see?—“The current landscape across healthcare is challenged from a capacity standpoint. It’s a concerning paradigm as we think about the expansion of individuals who need care. We’re in a near-critical caregiving emergency in this country that’s rapidly expanding.”

Do you foresee long-term consequences from the crackdown on immigrant workers who work in caregiving?—“I think that workforce shortages in healthcare, broadly and specifically in the post-acute space, are complex. They’re really driven by a number of factors, including the demand increase. The enforcement policies around immigration may add to some of those challenges in some areas, but I think the priority for most providers is to think broadly about how to

make sure that they are hiring and retaining a dedicated workforce.”

Could you speak about what’s called the ‘silver tsunami’?—“The baby boomers are leading the charge of folks over 65, who are really the epicenter of the individuals that make up the population, who need the care that we’re talking about. Over the next 25 to 30 years, that continues to increase. While we have a really critical situation on our hands...the increased demand over the next couple of decades is going to put more and more pressure on the system. Yesterday was the time to really start to think about solutions.”

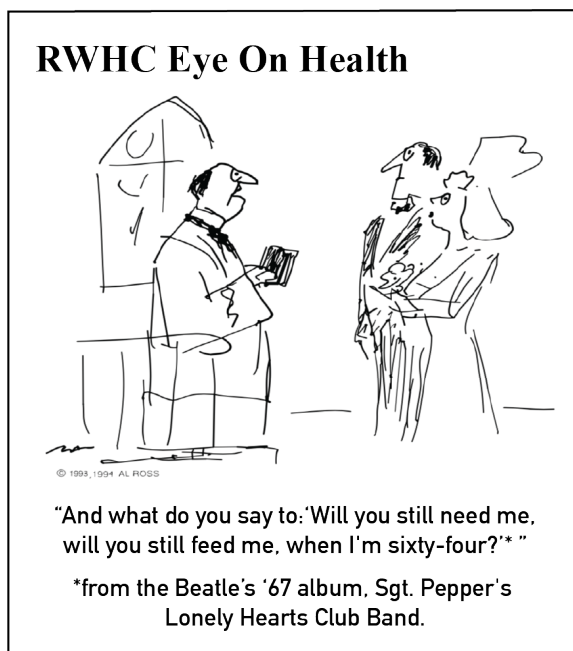
Could you elaborate on the increasing demands?—

“Up to 99 percent of facilities have vacancies that they’re trying to recruit and fill. You’ve got an existing workforce shortage on the paid side, and burnout and stress on all of the workforce, both paid and family-based caregivers.”

How are we enabling family caregivers to be effective in providing the right level of support, safety, and care to their loved ones? The value of that of that unpaid group is huge. It’s a big segment, and it’s worth equates to large dollar amounts. How do we elevate the knowledge and effectiveness of those caregivers so that patients and individuals’ families are

getting the right level of care when those family caregivers are engaged?”

How could this knowledge be spread more?—“I think innovation in the form of technology is part of it; software and solutions that enable decision support, so that the right clinical intervention or the right decision can be made every single time in a standardized and scalable way. WellSky put a lot of emphasis into creating technology that allows and provides the caregiver with the right treatment decisions, helps to coordinate care, and helps to link members of the care community together. We’ve used predictive analytics to help forecast and better understand the needs of populations of



patients, and that will continue to be the case. Now we're starting to layer in AI solutions that can help automate and accelerate decisions. Education delivered remotely through some of those innovative communication tools can be highly, highly effective. Some of (the education) happens through advocacy, combining state and federal programs and making sure that we have, you know...the direction to create programs that support the health and wellness of our communities."

"Oftentimes, the physicians, the nurses, the physical therapists, or occupational therapists, have a license, a more formal defined role. And they often are receiving continuous education, making sure that their practice is always advancing to the top of their license. I think the same needs to be true for the family caregiver that takes on this responsibility but has historically limited access to that information. Why not open that system up to all caregivers in the United States?"

What are your ideas on addressing the staffing shortage?—"We saw during the pandemic a significant number of exits from the workforce. We know that we need to change the operating models for most of our healthcare settings, because it's currently just leading to too much administrative burden, too much stress, burn-out, and a lack of balance. Technology, innovation, clinical support, decision-making tools, and AI take away some of the transactional things that nurses, therapists, and physicians are forced to do. That starts to free those individuals to focus on the patient and making sure that the interactions that they're having with, whether it's an individual patient or a population of patients, can be enhanced to its fullest extent. How do we remove some of the things that don't require the license and allow those practitioners to operate at the top of their skill set?"

What other things can organizations do to prepare for the aging population?—"Investing today in some of those advanced technologies is important, getting back to the basics, and making sure that they're spending time on professional development. Oftentimes, what we see is that the

organization is struggling to meet the demand of patient care, so the first thing they let go of is education, training, or professional development. While that may make sense in the immediate term, in the longer term, those things are what support professional caregivers, their development, their growth, their confidence, and ultimately, their competency to do a great job. The basics are critical."

How are we thinking differently about how care is being planned and coordinated?—"We have the ability to connect the acute care world to the post-acute world through our connected network system. The further upstream we can develop a meaningful care plan that has the right interventions and the right service intensity, the better off we are in terms of not only misutilizing services, but ultimately driving the best possible outcome for those individuals. We have to be striving to find new, more efficient, and effective ways to prepare, plan, and deliver care through technology. But ultimately, I think we would all agree there's a huge human part of this; the human-to-human interaction, we can't lose sight of. We have to figure out how to maximize that engagement."

What do you foresee will happen in the coming years?—"A continued rise in demand. There's a lot of work underway. I think there will be a major disruption. I think AI will provide a meaningful step forward in terms of our ability to provide more care in a more meaningful way, at a higher quality, and with higher engagement over the next couple of years. And I think it can't stop there. We have to continue to push the envelope. How do we learn how to provide the best possible care and the most efficient delivery mechanism?"

"Again, the undertone here is what we started with, which is the family caregiver network. We have to make sure that we don't leave them behind. How are we also enabling and supporting the family informal caregiver network across this country that's already stressed, and that will become increasingly important."

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Link Between Housing Costs & Medical Care

From “Rising housing costs are forcing some Wisconsinites to delay medical care” by Joe Schulz, Wisconsin Public Radio, 6/4/25:

“Rising housing costs have been forcing some Wisconsinites to delay medical care, which can lead to negative health outcomes for residents and communities.”

“That’s according to a new report from the University of Wisconsin-Extension <https://bit.ly/3HTZHWa> as part of a project examining livability in rural communities led by Tessa Conroy, associate professor of agricultural and applied economics at UW-Madison.”

“The report examined how rising housing costs intersect with health care. It found older homeowners were more likely than renters to prioritize paying housing expenses over medical care. That’s despite renters making up the largest share of households dealing with housing financial stress.”

“ ‘Housing financial stress is not an individual issue—it does impact the broader community’s health outcomes,’ said Erin Gaede, a Ph.D. student in the sociology department at UW-Madison who conducted interviews for the study. ‘At a time when so many communities are actively discussing housing affordability and overburdened health systems, it’s important to understand how housing financial stress and health are connected.’ ”

“Compared to the average across Wisconsin, Illinois, Indiana, Michigan and Ohio, ‘Wisconsin has consistently faster growth rates in housing price since the start of 2021,’ the report stated.”

“The report identified those facing housing financial stress as households spending more than 30 percent of their income on housing expenses. It used data from the U.S. Census Bureau’s American Community Survey.”

“In Wisconsin, 18.6 percent of owner-occupied households pay 30 percent or more of their income on housing, while 35 percent of renting households pay 30 percent or more of their income on housing, the report said.”

“ ‘Even though housing stress is more common among renters, the relationship between health and housing challenges is likely more pronounced among the older home-owning segment of the population,’ the study states. In other words, the relationship between housing financial stress and well-being, as defined by our simple health measure, is an interplay between age, income, housing financial stress.”

“The report recommends that community and state efforts to address housing shortages and affordability include voices from the health care sector.”

Steven Deller, a professor of agricultural and applied economics at UW-Madison who worked on the report, said he believes the more perspectives talking about housing issues and how they connect to other quality of life concerns, the better.

Four Leadership Steps to Rebuilding Trust

From “How Hospital CEOs Are Rebuilding the Public’s Trust in Providers from the Inside Out,” by Jay Asser, *HealthLeaders*, 7/16/25:

“Trust in providers has eroded in recent years and hospital CEOs are seeing the effects across their organizations. The pandemic may have sparked the decline, but misinformation, politicization, and access disparities have kept the issue front and center.”

“In a *HealthLeaders*’ Webinar, ‘The Winning Edge for Rebuilding Patient and Public,’ Trust Glencoe Regional Health CEO Ben Davis and Vernon Health CEO David Hartberg



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shared how they're addressing the challenge through strategies spanning internal culture, community engagement, and operational transparency."

Here are four approaches CEOs are using to restore confidence in their institutions:

Identify Trust Gaps—"Before rebuilding trust, hospital leaders must first recognize where and why it's broken."

"Davis and Hartberg emphasized the importance of listening, both formally and informally, to detect early signs of distrust within your organization and in your communities."

"Feedback from conversations with staff, patients, civic groups, local influencers, and public forums can surface concerns not captured quantitatively."

"I asked 'who are the informal leaders that are in the community that might not show up on a list somewhere, but they had a large influence?' Hartberg said. 'I was trying to establish those relationships so that I could be seen as a connection from Vernon Health out into the community and vice versa.' "

"Hospital leaders can also utilize data-driven indicators like patient experience surveys, employee engagement scores, and market share shifts to systematically pinpoint trends in satisfaction, morale, and quality."

"While trust is not easily measurable, the combination of data-driven insights with human-centered listening can allow CEOs to proactively identify trust gaps and tailor their strategies to address them."

Simplify Transparency—"Transparency is essential to creating an environment of trust, but too much technical detail can overwhelm patients, which means CEOs must work to strike the right balance with communicating complex medical information."

"Davis and Hartberg both acknowledged the importance of simplification to clearly and effectively convey the full message."

" 'We want to look like the smooth gliding duck on the top of the water,' Hartberg said. 'They're already dealing with lots of things as patients. They're dealing with pain and confusion and frustration over what's going on in their life.' "

"Leaders should engage in selective public messaging to avoid alarming their community, while also training their staff on communication techniques like AIDET (Acknowledge, Introduce, Duration, Explanation, Thank You) to make patients feel comfortable."



"Using plain language to explain technology and procedures is another way to communicate without overwhelming patients. Hartberg shared an example of a physician at his organization explaining ambient AI listening to a patient by saying, 'I've got my robot friend here... it's going to help me keep track of what we're talking about.' The plain-language approach helped the patient feel at ease without diving into technical jargon."

Expand Access To Care—"How providers communicate with patients is vital, but that can only happen if they meet them where they are. Without providing necessary access to care, reducing barriers, and reaching underserved populations, organizations risk losing credibility."

" 'You can't let access slide,' Davis said. 'That's key to keeping trust within the community—that you have access to the services your communities are depending on you for.' "

"One way both Glencoe Regional Health and Vernon Health have strived for that is through primary care expansion by hiring providers to improve availability. Additionally, Vernon Health is adding a psychiatrist and licensed social worker to meet rising behavioral health needs."

“Meanwhile, Glencoe Regional Health has deployed on-site interpreters and bilingual providers to serve its Hispanic population.”

“Addressing health literacy and social determinants of health like food insecurity also allow organizations to better serve populations.”

“ ‘We’re trying to explore food pantries in our clinics and work with some area high schools to create some food pantries out into the communities,’ Hartberg said.”

Strengthen Internal Culture—“Though public perception often dominates the conversation around trust, hospital CEOs increasingly recognize that rebuilding it starts within their own walls.”

“A strong internal culture, defined by shared values, psychological safety, and frontline engagement, is not only essential for staff morale, but also directly influences patient experience and community perception.”

“ ‘We can’t be the provider of choice if we’re not the employer of choice,’ Davis said. To achieve that, Hartberg and Davis emphasized the importance of involving frontline staff in decision-making. Whether it’s redesigning workflows, shaping patient experience initiatives, or contributing to strategic planning, staff engagement fosters ownership and trust.”

“Recognition can also be a powerful tool for reinforcing culture. Hartberg shared how he publicly celebrated a team’s emergency care success after receiving a heartfelt call from a former community member. Sharing these stories internally helps staff see the impact of their work and strengthens their connection to the mission.”

“By investing in internal culture, hospital leaders are laying the foundation for rebuilding trust externally. Davis said: ‘It’s having great people doing great work caring for our community.’ ”

Leadership Insights: “Playing Catch”

The *Leadership Insights* series is by Corrie Searles, RWHC Leadership Development Educator. You can find back issues at www.RWHC.com.

Imagine sitting at your local park in your lawn chair, relaxed and enjoying a summer breeze as the warm sun lands gently on your cheeks. You turn to see a familiar neighbor boy playing catch nearby, and to encourage you to play, he tosses you the ball. *What do you naturally do? You catch the ball. You’ve joined the game.*

Now, recall how a large percentage of us went into healthcare because we wanted to help people. We went a step farther when we accepted our positions as leaders. As servant leaders. We want to continue helping to advance the mission of our team, our department, our organizations. We derive deep pleasure from supporting and uplifting others. It’s in our DNA. But that DNA foundation also puts us at risk.

The risk is that we are wired to “catch.” We assume responsibility to help, to fix. As in, when someone throws out a concern, we pick up their burden and respond. We join in. When an employee faces a challenge, we automatically offer our expertise, guidance, time, and energy. We make ourselves available, even when we may not truly have the capacity. Occasionally we even take the ball and run with it, only to later feel stressed by the overwhelming number of problems we’re carrying and trying to solve. *It’s hard not to catch the ball, isn’t it?*

Here’s my advice for you...*you don’t always have to catch the ball.*

When smart phones first came out, I didn’t have one. Despite good cell reception in town at the hospital, where I lived had poor coverage. It was years before I owned a phone that I kept with me regularly. During that time, my leadership colleagues and I would be in meetings.

RWHC Eye On Health



“ You are part of a team: you don’t have to catch every ball.”

They would get called out to respond to staff emergencies and started to notice that I didn't share their same experience. When asked why, I responded with, "I don't have a phone they can reach me with." The hidden plus was that I had a team of problem-solvers, who grew more self-sufficient. I trusted them to make decisions and offered permission to fail. If the outcome wasn't ideal, we'd learn a better option for next time. My inability to be readily available worked remarkably—for me and for them!

Later in my leadership, I strayed from that practice of supporting others to critically think and solve their own problems. I thought I was doing the right thing by always helping and found myself overwhelmed. I wasn't truly helping, however. I was enabling dependence on me and restricting my team's growth. Attending a Monkey Management course at RWHC reminded me that I was owning more tasks than were truly mine to own. I had been "catching" everyone's challenges and carrying them with me. They were weighing me down. I couldn't hold all the "balls" I was lugging around. And by taking them from the employees on my team, I was keeping them from playing the game. It was selfish of me and we were all paying the price.

Do you identify with any of these examples of too eagerly catching the ball?

- Responding to phone calls, texts, or emails when we're not at work (even when on vacation)
- Reacting to criticism that doesn't truly warrant our concern
- Offering step-by-step, side-by-side instruction when employees have answers available through procedure guidelines
- Taking and implementing the ideas of others instead of allowing them to develop the actions on their own
- Jumping into solving conflicts between peers rather than coaching them to hold their own crucial conversations

I'm not suggesting to never catch the ball. Give consideration to whether or not you might be doing it too often.

- Try practicing one or two of these strategies over this next month. Let me know how it goes.
- Put boundaries on your time, availability, and energy so you avoid resentment and burnout. Take care of yourself in a way that enables you to serve well for a long time. Your cup only fills those of others when yours is full.
- Delegate, teach, and enable your team to become action-oriented critical thinkers with the safety to fail forward.
- Choose wisely what you do and don't respond to (and keep in mind: it is a choice!).
- Evaluate each incoming task or request for your action. Determine if you truly own all or even a portion of the work...or if it better belongs with someone else.

Make sure you and others on your team can play the game well into extra innings. Put down the glove.

Explore these workshops and programs offered by our RWHC Education Team to improve your skills of *Playing Catch*:

- ***Time Management: Prioritization, Procrastination, Distractions, & Email***
- ***Win-Win Delegation: Growing Them While Helping You***
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- ***Servant Leadership***
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About the Author: Corrie Searles, MPT, Leadership Development Educator. In Corrie's role as Leadership Development Educator at RWHC, her aim is to empower leaders—formal and informal—to create positive influence that enables others to serve well.