

**Statement by  
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Before the Senate Agriculture Committee  
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Chairwoman Stabenow, Ranking Member Boozman, and Members of the Committee, thank you for the opportunity to come before you today to discuss the state of the care economy in rural America. Health care, elder care, child care, and behavioral care, among others, are critical to rural America—they allow families to live their entire lives in the place they want to call home. The Biden-Harris Administration has been clear about its commitment to a better caring economy and at the U.S. Department of Agriculture’s (USDA) Rural Development, we have people on the ground, doing our part to keep rural care doors open for our rural customers.

The tools at USDA Rural Development have never been more important to maintaining the physical infrastructure of the care economy. Since 2010, 135 rural hospitals have closed, and another 453 are vulnerable to closure.<sup>1</sup> Sixty-two percent of rural hospitals do not have intensive care unit beds. In 2015, thirty-nine percent of rural hospitals were operating at a deficit compared to forty-six percent of rural hospitals today.<sup>2</sup> The number of health care occupations is projected to grow sixteen percent from 2020 to 2030,<sup>3</sup> yet in 2020 alone the actual workforce shrank more than three percent<sup>4</sup>. Further, even though approximately 20 percent of Americans live in rural areas, barely one-tenth of physicians practice there and more than sixty percent of all Primary Medical Health Professional Shortage Areas in the United States are in rural areas.<sup>5</sup> COVID-19 brought the critical need for access to care into very sharp focus—lack of access to care costs lives. As COVID swept the country, it proved to be nearly twice as fatal for rural Americans compared to urban Americans.<sup>6</sup>

The same challenges extend to the rest of the care economy. There are fewer nursing homes in rural America, many are housed inside struggling hospitals, and rural areas often do not have Medicare-certified home care agencies. Even before the pandemic, nearly sixty percent of rural families lived in a child care desert, with too few child care slots or no providers at all.<sup>7</sup> The pandemic made it harder for rural families to access these programs – with one in eleven<sup>8</sup> licensed child care providers closing before between December 2020 and March 2021<sup>9</sup>. And,

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<sup>1</sup><https://www.beckershospitalreview.com/finance/staffing-crisis-payment-cuts-put-453-hospitals-at-risk-of-closure.html#:~:text=More%20than%20135%20rural%20hospitals,rural%20hospitals%20closed%20in%202021.>

<sup>2</sup> <https://www.chartis.com/resources/files/Crises-Collide-Rural-Health-Safety-Net-Report-Feb-2021.pdf>

<sup>3</sup> <https://www.bls.gov/ooh/healthcare/home.htm>

<sup>4</sup> <https://www.beckershospitalreview.com/workforce/healthcare-workforce-is-3-5-smaller-one-year-after-its-2020-peak-analysis-shows.html>

<sup>5</sup> <https://data.hrsa.gov/Default/GenerateHPSAQuarterlyReport>

<sup>6</sup> <https://www.cidrap.umn.edu/news-perspective/2021/09/rural-americans-more-likely-die-covid-19>

<sup>7</sup> <https://www.americanprogress.org/article/5-facts-know-child-care-rural-america/>

<sup>8</sup> <https://info.childcareaware.org/media/new-report-finds-fewer-child-care-providers-and-increased-prices-highlighting-need-for-significant-federal-investment-in-child-care>

<sup>9</sup> <https://info.childcareaware.org/media/new-report-finds-fewer-child-care-providers-and-increased-prices-highlighting-need-for-significant-federal-investment-in-child-care>

child care costs have long been out of reach for working families, rising faster than inflation and family incomes<sup>10</sup>. As the COVID pandemic becomes endemic, mental health stressors persist in rural America yet more than sixty percent of rural residents live in a designated mental health providers shortage area.<sup>11</sup>

The care economy faces a number of challenges—federal and state reimbursement rates, workforce, affordable access, transportation to care facilities, and culturally-competent care, to name a few. While the federal government works as a whole to tackle these issues, Rural Development’s tools are focused on keeping care in communities, and keeping doors open. I look forward to working to tackle these issues and partnering with Congress to keep care in your communities.

## **Health Care**

Rural America cannot exist without healthcare systems. In the face of an emergency, every second can matter, and when getting treatment for long-term illnesses or basic routine screenings and primary care, accessibility and consistency is crucial. That care is especially important for rural families, who require affordable, accessible maternal health care for mothers. Yet, as hospitals face threats of closure, obstetrics (OB) is among the first practices at risk of being cut. Between 2004 and 2014, 179 rural hospitals eliminated OB services.<sup>12</sup>

For rural communities that lose access to OB services, mothers are faced with significantly more time in the car. For women experiencing difficult pregnancies and births, that time is critical and can be directly correlated with health outcomes. The rate of women who die for reasons relating to their pregnancy is more than a third higher for rural women compared to urban women.<sup>13</sup> Already rising maternal mortality rates also disproportionately affect women of color. Black women are three times as likely to die from a pregnancy-related complication.<sup>14</sup> Many factors contribute to this disparity—including quality of care, underlying conditions, and lack of culturally-competent care. Roughly half of Black and Native American rural residents live in economically distressed areas,<sup>15</sup> and are less likely to be insured or have the means to access consistent prenatal care. If we want rural communities to succeed, we need to support mothers’ access to care. Rural Development works closely with the Department of Health and Human Services to support positive health outcomes in rural mothers.

New models of care, supported by innovative investments in infrastructure can help bridge these divides. At Rural Development, we are working to address this crisis by supporting rural hospitals’ financial viability so that OB programs are less likely to be eliminated. In the Community Facilities program, we have expanded access to COVID-19 vaccines, testing, and

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<sup>10</sup> <https://www.whitehouse.gov/wp-content/uploads/2021/08/Costs-Brief.pdf>

<sup>11</sup> <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7681156/>

<sup>12</sup> <https://www.cms.gov/About-CMS/Agency-Information/OMH/equity-initiatives/rural-health/09032019-Maternal-Health-Care-in-Rural-Communities.pdf>

<sup>13</sup> <https://www.hrsa.gov/sites/default/files/hrsa/advisory-committees/rural/publications/2020-maternal-obstetric-care-challenges.pdf>

<sup>14</sup> <https://www.cdc.gov/healthequity/features/maternal-mortality/index.html>

<sup>15</sup> <https://www.aspeninstitute.org/wp-content/uploads/2021/12/TR-FP-3-Rural-Capital-singles-FINAL.pdf>

supplies, while strengthening rural health care providers. Congress and President Biden also provided \$500 million through the American Rescue Plan for USDA to create the Emergency Rural Health Care Grant Program. The program will provide \$350 million to help rural hospitals and local communities increase access to COVID-19 vaccines and testing, medical supplies, telehealth, and food assistance, and support the construction or renovation of rural health care facilities. It also provides recovery funds that compensate for lost revenue or staffing expenses due to COVID-19. In addition, the program provides up to \$125 million in grants to plan and implement models that help improve the long-term viability of rural health care providers, including health care networks that allow rural providers to collectively address community challenges and develop innovative solutions. The outpouring of interest for this new grant program has been overwhelming and speaks directly to the tremendous need for this support from our rural hospitals.

The Emergency Rural Health Care grants also represent an administrative success for Rural Development. The American Rescue Plan provided a five percent set aside for staffing, technology, and technical assistance for applicants. This has allowed Rural Development to hire industry-specific staff, create a user-friendly application portal, and provide technical assistance for our customers to apply in record time. While some federal programs of this scope often take years to stand up, Rural Development understood the urgency of supporting rural hospitals immediately. We stood up a brand-new approach to health care support in less than six months, speaking to the possibilities when programs are appropriately resourced and given the capacity to administer them.

## **Child Care**

Child care in rural areas is both a critical support system for working parents as well as a driving force for economic stability as a major employer in rural areas. Child care is also a driving employment force in rural areas. Child care providers are largely very small businesses and they employ almost a million people across America, and often child care centers are one of main employers in very remote areas.<sup>16</sup>

COVID-19 highlighted the difficulty a robust workforce has operating without sufficient access to affordable child care—parents faced hard choices as they aimed to maintain productivity while also keeping kids engaged in school and occupied during work hours. The pandemic also disproportionately impacted working mothers, more than four percent of whom have left the workforce since February 2020 compared to three percent of men.<sup>17</sup> As the pandemic becomes endemic and Americans return to work, child care is essential to supporting rural economic output.

Yet, operating child care facilities is capital intensive and often provides low financial returns. Additionally, distance and transportation make customer retention difficult in rural areas.

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<sup>16</sup> <https://www.bls.gov/ooh/personal-care-and-service/childcare-workers.htm#:~:text=in%20May%202020,-,Job%20Outlook,on%20average%2C%20over%20the%20decade>

<sup>17</sup> <https://www.apa.org/monitor/2022/01/special-workforce-losses>

In some communities, community-based and family-centric child care is predominant, while center-based care is more predominant in others. Yet other rural communities have adopted a cooperative model, in which parents and community members form a cooperative to self-own the facility, tying the success of the facility to the success of the community itself.

The Biden-Harris Administration and Rural Development aim to support this creativity, and help communities explore flexible avenues to support child care needs in rural communities. This creativity requires partnership—not just across rural America, but within the federal government itself. Rural Development and the Department of Health and Human Services’ (HHS) Administration for Children and Families partnered to develop a Joint Resource Guide to further their commitment to support rural families. The resource encourages investment in high-quality, affordable child care, and early learning opportunities because this is a critical component of building and strengthening economic prosperity in rural communities.

Rural Development offers Rural Cooperative Development grants of up to \$200,000 to nonprofit corporations and institutions of higher education to operate Rural Cooperative Development Centers, which provide technical assistance to new and existing cooperatives, like child care cooperatives. In response to the tremendous need in this area, Rural Development increased Community Facilities obligations for child care facilities in rural areas from \$864,000 in Fiscal Year 2020 to over \$9 million in Fiscal Year 2021.

This collaboration and investment aims to bolster child care options and increase the supply of child care and early learning facilities which is fundamental to revitalizing rural communities and the rural economy.

### **Behavioral HealthCare**

Before COVID-19, behavioral health issues were on the rise across rural America. COVID-19 compounded these issues—opioid use and overdose deaths are again on the rise, and farmers and ranchers are experiencing high levels of stress. Access to affordable care, availability of rural providers, and barriers associated with seeking care all stymie rural Americans seeking behavioral health care.

The opioid and mental health crisis are disproportionately impacting rural America. In 2015, the overdose death rate for rural areas surpassed that for urban areas, more than four times what it was in the 1990s<sup>18</sup>. Eighteen percent of rural Americans have a mental illness, and COVID-19 exacerbated mental stress in rural areas. Yet, as many as sixty-five percent of rural areas do not have psychiatrists and 60 percent of rural individuals live in a mental health care provider shortage area.<sup>19</sup>

The Biden-Harris Administration and Rural Development are working to take on these challenges head-on. Rural Development plays two important roles in helping to manage this

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<sup>18</sup> <https://www.cbha.org/about-us/cbha-blog/2020/august/small-towns-and-rural-areas-hit-hard-by-opioid-c/>

<sup>19</sup> <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7681156/#:~:text=Mental%20Health%20Providers,-There%20is%20a&text=It%20is%20estimated%20that%20as,provider%20shortage%20areas%20%5B13%5D>

crisis—helping provide planning, education, and training for communities, and providing vital telemedicine connectivity to rural behavioral health units.

One such example is the nearly \$1 million in funding that Rural Development provided through the Delta Health Care Services program to deliver an opioid and substance misuse training, education, and awareness program in north-central and northeast Arkansas, a region that suffers high rates of opioid overdose deaths and risk factors for substance use. Education will include live presentations, community event participation, and online learning modules focused on opioid and substance misuse identification and response. The project will also deliver hands-on, risk-free simulation training to adults and youth in the region to help them recognize and react to opioid overdose.

Rural Development also operates the Distance Learning and Telehealth (DLT) Grant Program and the Community Connect Grant Program. DLT aims to increase the adoption and use of technology via telemedicine offers opportunities for improving rural behavioral health care in the future. In some cases, applicants have helped place telemedicine carts at rural hospitals, rural health clinics, and rural penitentiaries for health care and behavioral health care purposes. Community Connect provides funding for broadband deployment to unserved rural communities and includes two years of free high-speed internet service for critical community facilities for the purpose of delivering educational, health care, and public safety opportunities to their communities. Rural Development is also deploying more than \$1.15 billion in appropriated funds for the ReConnect program, supplemented by nearly \$2 billion in funding through the Bipartisan Infrastructure Law to deploy high-speed internet services to rural areas, ensuring that currently unserved rural residents will have access to telehealth services in their home.

The benefits of connecting rural communities to the health resources of larger ones cannot be understated—it saves transportation time and child care time rural residents, opens up access to providers where one might not be available, and increases affordability. The Biden-Harris Administration and Rural Development are working to close the digital divide for rural American so that they can have access to the tailored resources necessary to serve the unique challenges in rural areas.

### **Elder Care**

Another aspect of care in rural America I would like to discuss today is elder care, which gives elderly adults the ability to live the end of their lives in the social fabric of their life-long communities. Roughly seventeen percent of the rural population is sixty-five or older, compared to roughly thirteen percent in urban areas.<sup>20</sup> The trends in nursing home closures across the country, especially in rural communities, are deeply concerning. Between 2008 and 2018, 472 nursing homes in 400 nonmetropolitan counties closed and 10 % of the nation's 1,976 nonmetropolitan counties are considered to be nursing home deserts.<sup>21</sup> Each closure results in

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<sup>20</sup> <https://www.census.gov/library/stories/2019/10/older-population-in-rural-america.html#:~:text=More%20than%201%20in%205,to%2013.8%25%20in%20urban%20areas>

<sup>21</sup> <https://rupri.public-health.uiowa.edu/publications/policybriefs/2021/Rural%20NH%20Closure.pdf>

residents being relocated, often further away from families and friends, which is stressful on those residents and their rural communities.

Transportation also poses one of the largest barriers to older adults successfully aging in place in rural communities<sup>22</sup>, followed by barriers related to accessing health care, workforce, and home health care. In the caring economy, the quality and dependability of relationships between the person receiving care and the person providing care is key to successful outcomes. In rural areas, caregivers are often required to travel long distances to access rural clients, both discouraging workforce and limiting the number of clients they can serve. Caregiver turnover can be devastating to elders, people with disabilities, and children—it severs trust and consistency necessary to provide intimate care to vulnerable populations.

Rural Development continues to support telemedicine technology to reduce transportation and travel burdens for elderly citizens, while working to keep doors open at inpatient elder care facilities. Most states across the country take advantage of Community Facilities funding opportunities to construct facilities in rural areas, including nursing homes and assisted living facilities. Rural Cooperative Development Grants also support the development of elder care cooperatives in rural areas.

At Rural Development, we understand the importance of supporting rural residents' desire to spend their entire life in the place they call home.

## **Conclusion**

The care economy is critical to rural America—it is not just the way to keep rural Americans healthy but is also an economic driver and support system for our rural communities. As the statistics show, the situation is dire. Clinics, care units, hospitals, and nursing homes are at risk across rural America.

Ultimately, creating a caring economy that works for people in rural, urban, suburban and tribal communities alike will require significant modifications to health care policy and also requires significant investments in training and appropriately compensating the critical frontline workers who provide care. Rural Development plays a support role to the rural care economy—we provide equipment and facilities to attract a robust workforce and support the best care on the ground. We connect the most rural residents so they can connect with their caregivers and loved ones. Providing flexible programming is key to this mission, and I look forward to working with this Committee to support the rural care economy and our rural communities.

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<sup>22</sup> <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4265215/>