The Governance Institute

BOARD BRIEFING

Why hospital closures are not just a rural concern

A hospital building can stay open after inpatient care disappears.

5–6 MINUTE READ

In This Briefing

Hospital closures are not confined to rural communities, and a building may remain open after inpatient care ends. Following the services and patients, rather than facility names alone, reveals what changes for access and for neighboring health systems.

About Board Briefings

Board Briefings offer deeper explanations of healthcare issues and their implications for governance. Each includes a practical example, authoritative sources, and key questions to support informed board discussion.

What Happened

On October 8, JAMA published research identifying 432 hospital closures and 216 openings during 2010–2025. Urban and rural closure rates were not significantly different in the study. Closure meant the loss of inpatient services, including facilities converted to other kinds of care. (1)

Of the affected hospitals, 117 retained outpatient services. Patients could still obtain some care at the same address while needing another hospital for admission. The study therefore describes changes in available services as well as complete closures. (1)

The Issue, Explained

A patient needs several days of treatment, a staffed bed, and overnight monitoring. The local facility still offers appointments and tests. It may even provide emergency assessment. None of that guarantees the patient can stay there for the hospital care now required.

The research counted both complete shutdowns and facilities that stopped inpatient care while retaining other services. A conversion can preserve valuable local care without replacing everything that disappeared. The patient's route changes even when the building looks much the same. (1)

That route can become difficult in a city as well as in a rural community. Several hospitals close together on a map do not guarantee an available bed, the right specialty, or care covered on the same insurance terms. Rural patients may face much longer travel. The barriers differ, but neither geography makes access automatic.

The statistical finding needs the same care. The study did not establish a significant difference between urban and rural closure rates. It did not prove that every community faces equal risk. The result challenges a rural-only account without making all local circumstances alike. (1), (2)

A facility count also treats unlike losses as equal. A small community hospital and a large referral center each add one closure, although they serve different numbers of patients and perform different roles. Losing a site may change the region's ability to provide particular care in ways the total cannot show.

The Issue, Explained (continued)

An opening elsewhere does not necessarily replace that lost role. A new hospital may serve another city or offer different services. It improves the national count without necessarily helping the patient who needs a bed here. Openings and closures cannot be subtracted to determine whether a community has a workable alternative.

Depending on the services lost and the alternatives nearby, the change may affect a system whose own finances remain sound. A neighboring hospital might receive its transfers, provide specialist care, or serve people it has little room to absorb. A change in that provider can alter the surrounding network.

Additional patients may create a need for beds, staff, or services beyond earlier plans. In another setting, existing providers or a partnership may be able to meet the need. The closure announcement does not establish which response is appropriate or how much demand any one system will receive.

The research describes a historical period, not a sudden wave of closures this month or proof that a recent policy caused the pattern. Its contribution is a wider view of where inpatient care has disappeared and a more practical way to understand what preserving access requires.

A Practical Example

A hypothetical community hospital stops admitting patients but keeps emergency and diagnostic services. A person can still be assessed locally. When several days of treatment are needed, that person must transfer to another hospital.

If a nearby receiving hospital has an appropriate bed and staff, the transfer may proceed smoothly. If it is full, the same service change creates a different experience. The original building looks much the same in both cases.

A new hospital opening in another part of the state adds one to the national count without necessarily resolving this transfer. These invented circumstances show why access depends on available services and reliable connections, not simply whether a hospital symbol remains on a map.

Governance Implications

A health system's service commitments can rely partly on care available elsewhere. Changes in that network may affect regional access, demand, and future investment needs even when the organization's own services remain unchanged.

The consequences depend on which care disappears and where patients can go. Meeting additional demand may require resources, while a partnership or another arrangement may preserve access differently. A neighboring closure is not, by itself, a case for acquisition or expansion.

Management assesses service needs and possible responses. The board considers major strategic commitments, their resource requirements, and their community benefit. Those decisions are better informed by the care that remains available than by a facility count alone. Preserving a building and preserving dependable access can be different achievements.

Questions for the Board

1. **When reviewing regional service strategy:**
   Which services elsewhere in the region are important to the organization's care commitments?

2. **When a neighboring hospital changes services:**
   What care remains and what realistic alternatives are available to patients?

3. **When considering a major regional response:**
   What community benefit, resources, and continuing responsibilities would a major proposed response involve?

Sources & Further Reading

1. Calianos JE and colleagues. Longitudinal Trends and Characteristics of Hospital Closures and Openings. JAMA, October 8, 2026. Closure includes loss of inpatient care.

2. Harvard T.H. Chan School of Public Health. Hospital closures on the rise in both rural and urban areas. October 8, 2026. Institutional account of the same study.

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