



# ADVANCING RURAL HEALTH

## ILLINOIS SMALL AND RURAL HOSPITALS



**85**  
SMALL  
AND RURAL  
HOSPITALS



**38%**  
OF ALL  
ILLINOIS  
HOSPITALS



**\$21.4**  
BILLION  
ANNUAL  
ECONOMIC  
IMPACT

Over **1.6 million people** live in rural Illinois and rely on the essential, lifesaving healthcare services our state's **85 small and rural hospitals** provide every day. These residents, comprising **13.1%** of Illinois' population, turn to their local hospital for high-quality care that's close to home.

Small and rural hospitals represent **38.3% of all Illinois hospitals**. Like their urban peers, they are major drivers of economic growth. They often serve as the primary source of good-paying jobs in their region, **directly employing 33,622 individuals**, and they fuel community revitalization and help attract new business.

**LEARN ABOUT THE UNIQUE CHALLENGES FACING ILLINOIS' SMALL AND RURAL HOSPITALS.**



**SPECIAL FOCUS:  
ADDRESSING MENTAL AND BEHAVIORAL  
HEALTH IN RURAL COMMUNITIES**








Illinois Health and Hospital Association

# ENSURE ACCESS TO HIGH-QUALITY CARE CLOSE TO HOME

Illinois' **85** small and rural hospitals represent **38.3%** of all hospitals in the state.

### KEY FACTS

 <b>97.6%</b> FEWER THAN 150 BEDS	 <b>72.9%</b> LOCATED IN RURAL AREAS	 <b>41.2%</b> OPERATE ON NEGATIVE OR THIN MARGINS
 <b>100%</b> GENERAL ACUTE, SHORT- TERM CARE	 <b>77.6%</b> NON-PROFIT	

Small and rural hospitals account for a significant portion of hospital utilization in Illinois.

-  **OUTPATIENT VISITS: 22.8%**
-  **BEDS: 13.1%**
-  **ADMISSIONS: 11.4%**
-  **INPATIENT DAYS: 9.1%**

### IMPACT ON RURAL HEALTHCARE

Individual and community health and well-being depend on small and rural hospitals remaining financially viable and able to meet the growing community needs. An increasing number of Illinois' small and rural hospitals care for communities while facing significant operating pressures, as costs have risen and reimbursements fall short of the cost of care.

Sources: Illinois Department of Public Health Annual Hospital Questionnaire, 2023 and 2024; Medicare cost reports (HCRIS), September 2025 release; IHA member database

# FILL A VITAL ROLE - CRITICAL ACCESS AND TWEENER HOSPITALS

**56** of Illinois' **85** small and rural hospitals (65.9%) are designated as **Critical Access Hospitals (CAHs)**.

- ▶ **66%** of small and rural hospitals are CAHs
- ▶ CAHs provide care in **49** of the state's **102** counties
- ▶ **78%** of these counties are rural

CAHs have **25 or fewer acute care inpatient beds** and an average length of stay of **no more than 96 hours**.

## TWEENER HOSPITALS

Illinois' **29** tweener hospitals make up **13%** of all Illinois hospitals. Tweener hospitals are too big for CAH designation and too small to thrive under Medicare's Prospective Payment System.



**93.1%**  
**HAVE FEWER THAN 150 BEDS**



**100%**  
**GENERAL ACUTE CARE HOSPITALS**



**90%**  
**NON-PROFIT HOSPITALS**



**65.5%**  
**IN RURAL AREAS**

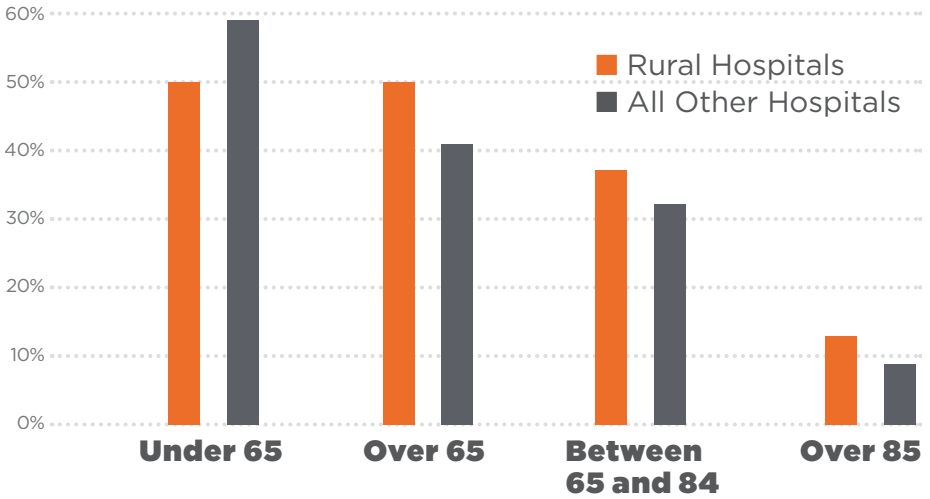
## TWEENER HOSPITALS ARE DEPENDENT ON STATE AND FEDERAL FUNDING.

Medicare and Medicaid are primary payers for **73.6%** of patients admitted to these hospitals and **61.1%** for Tweener outpatients.

Source: Illinois Department of Public Health Annual Hospital Questionnaire, 2024

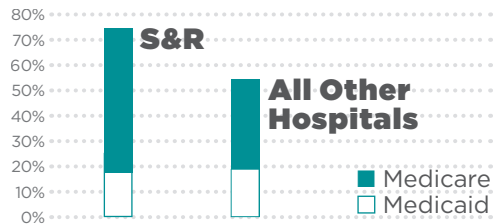
# CARE FOR MORE OLDER PATIENTS

**50%** of inpatients in small and rural hospitals are over age 65, compared to **41%** of inpatients over age 65 in other hospitals.



Medicare and Medicaid are the primary payers for **74.7%** of small and rural hospital inpatients and **60.6%** for small and rural outpatients.

## Small and Rural Hospitals Rely More on Government Payers\*



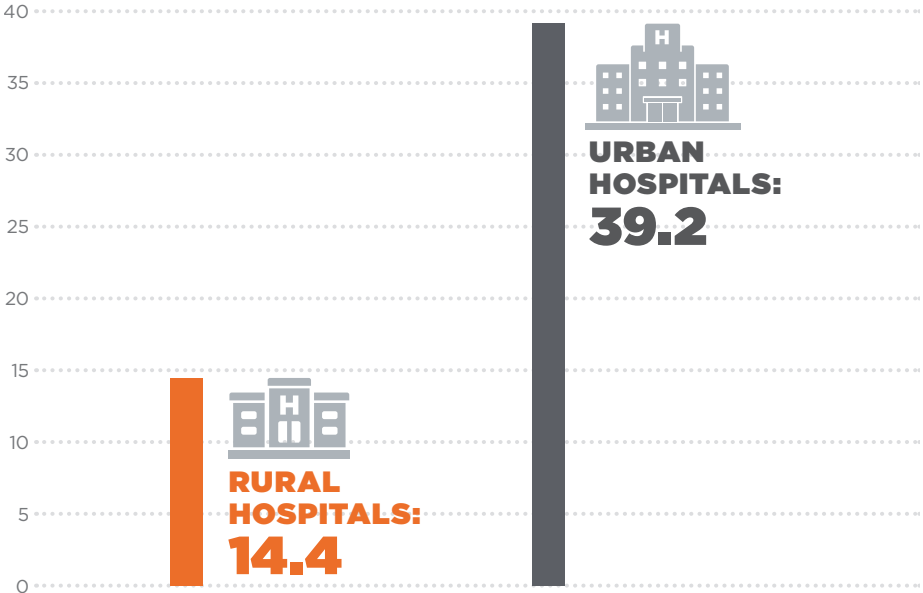
## IMPACT ON RURAL HEALTHCARE

Three in four small and rural hospital inpatients are covered by Medicare and Medicaid, yet government payers do not cover the full cost of providing care. Medicare covers 88% while Medicaid covers 66% of Medicare rates. For Medicare Advantage, whose growth in rural communities has accelerated in recent years, reimbursement is 10-15% less than original Medicare. Inadequate reimbursement rates contribute to the financial pressures facing small and rural hospitals as they continue to provide rural populations with essential healthcare services.

Sources: IHA COMPdata, 2024 (based on inpatients only); Illinois Department of Public Health Annual Hospital Questionnaire, 2024; 2025 Omniscient Health Physician Medicare Income Report; IHA's "What's at Stake: The Health of Communities," 2026

# PROVIDE MORE OUTPATIENT CARE

## Have a Greater Proportion of Outpatients

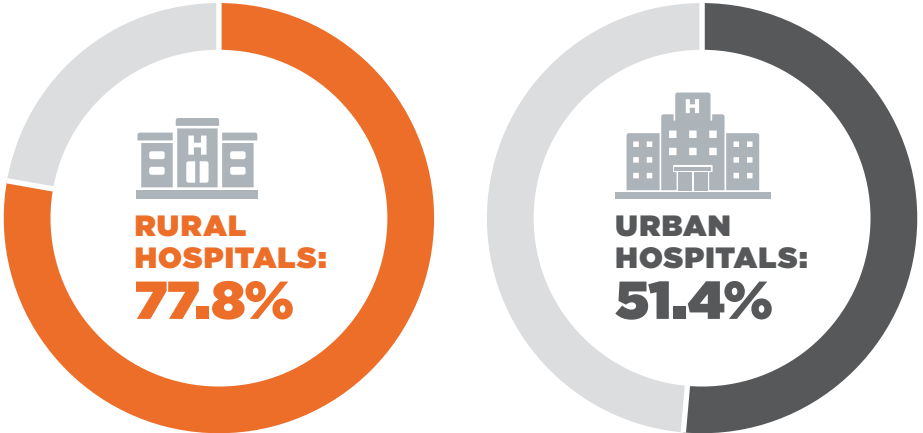


Inpatient Admissions Per 1,000 Outpatient Visits



In 2024, **89.8%** of all surgeries in small and rural hospitals were performed on an outpatient basis.

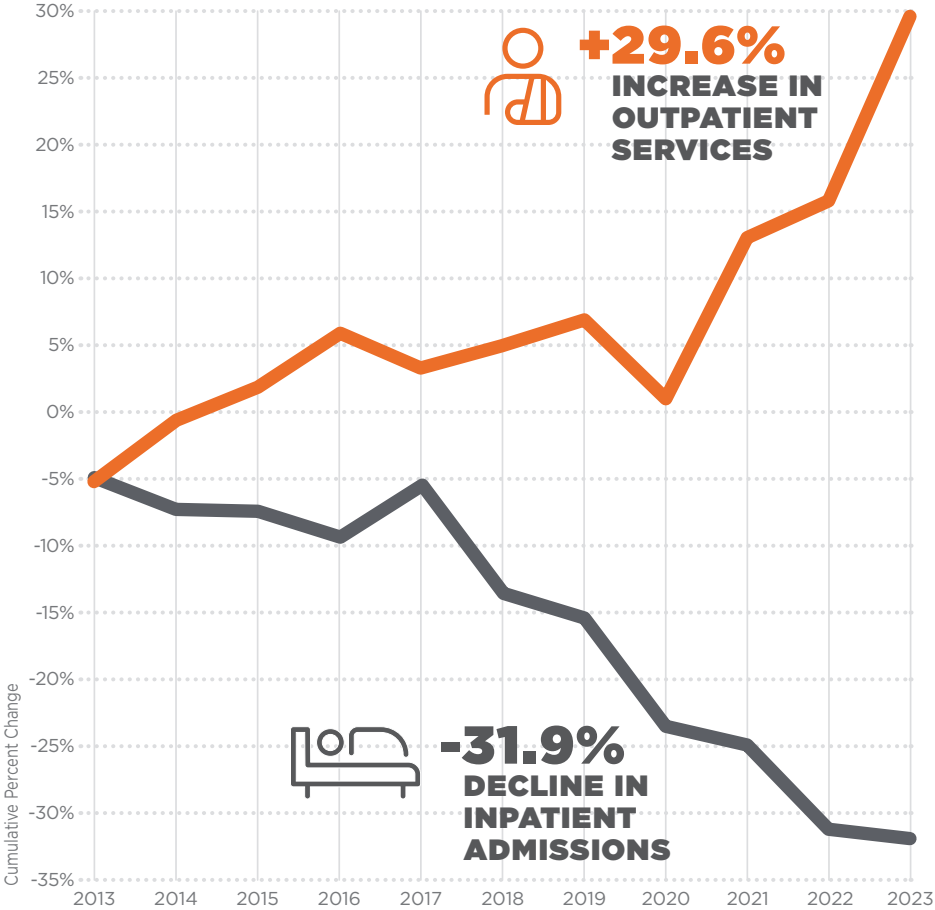
## Net Revenue from Outpatient Services



Source: Illinois Department of Public Health Annual Hospital Questionnaire, 2023-2024

# OUTPATIENT CARE CONTINUED

## Inpatient Decline Compared to Outpatient Growth (2013–2023)



### IMPACT ON RURAL HEALTHCARE

Hospital payment depends on the number of services provided. In rural areas, lower patient volumes can destabilize finances and restrict investment in additional healthcare services. Compared with urban hospitals—whose high patient volumes help balance higher operating costs—many rural hospitals put more revenue toward staying afloat. As hospital care in rural areas has shifted toward outpatient services, Illinois’ small and rural hospitals are further challenged to achieve financial stability.

Source: Illinois Department of Public Health Annual Hospital Questionnaire, 2013-2023

# SERVE AS POWERFUL ECONOMIC ENGINES



**\$21.4 BILLION**  
TOTAL ECONOMIC IMPACT

PAYROLL	SUPPLIES & SERVICES	CAPITAL
\$3.6B Direct	\$3.5B Direct	\$394M Direct
\$4.9B Indirect	\$4.7B Indirect	\$533M Indirect
<b>\$8.6B Total</b>	<b>\$8.2B Total</b>	<b>\$927M Total</b>



**86,909**  
JOBS IMPACT

DIRECT	INDIRECT
33,622	53,287



**13.9%**  
OF THE  
STATE'S  
HOSPITAL  
WORKFORCE

## IMPACT ON RURAL COMMUNITIES

Illinois' small and rural hospitals employ 13.9% of the state's hospital workforce, spending \$3.6 billion on employee salaries and benefits. Hospital workers then spend their income where they live, generating an additional \$4.9 billion in economic activity and 53,200 jobs in other industries. For every dollar small and rural hospitals spend on payroll, supplies, and capital, an additional \$1.40 is generated in spending in the state and local economy. Small and rural hospitals spend \$3.5 billion on goods and services annually. This spending spurs an additional \$4.7 billion in yearly economic activity that strengthens local communities.

Total economic impact includes direct spending and the ripple effect of that spending with the local economy. Indirect impacts are calculated by using a modeling system developed by the US Bureau of Economic Analysis (BEA). BEA multipliers are applied to Medicare cost report data on jobs and spending to obtain the ripple effect of jobs and spending throughout the economy.

Sources: IHA Economic Impact Report, 2026; American Hospital Association Health Forum Annual Survey of Hospitals, 2024

# FACE CRITICAL WORKFORCE SHORTAGES

## Primary Care Physicians

**90.6%** of small and rural hospitals are in areas designated as a **Health Professional Shortage Area (HPSA)** for primary care physicians (PCPs).

## Mental Health Professionals

**97.6%** are in areas designated as an **HPSA for mental health professionals**.

## Medically Underserved Areas

**44.7%** are in **Medically Underserved Areas (MUA)**.

## Rural Counties Impacted by Physician Shortages

	# of Counties	PCPs per 100,000	Psychiatrists per 100,000
Total	102	98.5	12.6
<b>Rural</b>	<b>65</b>	<b>64.5</b>	<b>5.1</b>
Urban	37	106.8	14.3

The Health Resources and Services Administration (HRSA) designates **HPSAs** as having shortages of primary medical care, dental, or mental health providers. HPSAs can be geographic areas (e.g., rural counties), specific population groups (e.g., low income or Medicaid eligible), or facilities (e.g., federally qualified health centers) that lack adequate access to healthcare.

HRSA designates **MUAs** as areas or populations having too few primary care providers, high infant mortality, high poverty or a high elderly population.

# ADDRESSING MENTAL AND BEHAVIORAL HEALTH IN RURAL COMMUNITIES

Shortages of rural mental health professionals can mean fewer options for care and longer drives. In crisis, rural residents often turn to emergency departments; yet with fewer rural hospital beds, patients may experience prolonged boarding times. Well aware of these issues, rural hospitals have been investing in expanding access to care and fortifying mental health through community partnerships.



## Hammond-Henry Hospital: IMPACT Partnership Provides Compassionate Care

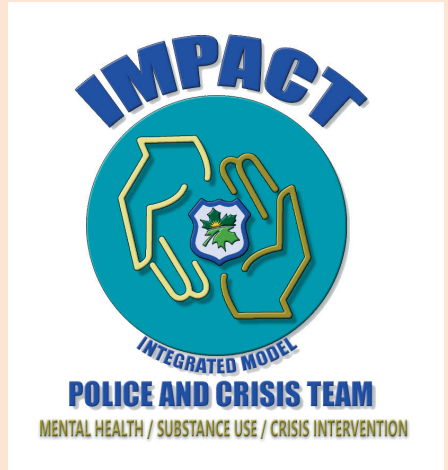
Compassionate, informed support for individuals with mental health challenges, substance use disorders, or acute crises is at the heart of a partnership between Hammond-Henry Hospital and the Geneseo Police Department. With resources often limited in rural communities, the hospital and police department are working together to address the growing mental health and substance use disorder needs of local residents.

**Launched in 2022, the police department's Integrated Model Police and Crisis Team (IMPACT) brings together law enforcement and hospital staff in a coordinated response to individuals in need.**

The community-based initiative combines immediate safety and law enforcement presence with the clinical expertise and resources of healthcare professionals. The approach prioritizes de-escalation, timely medical assessment, and linkages to appropriate treatment rather than punishment.

### **The IMPACT program provides several benefits:**

- ▶ Individuals in crisis are directed to the appropriate level of care;



- ▶ Emergency services are used more effectively;
- ▶ Outcomes are better for individuals and families; and
- ▶ Public safety is strengthened through a more humane, health-focused response.

Since IMPACT's inception, Hammond-Henry Hospital has sponsored an annual conference that educates law enforcement, EMS providers, crisis medical staff, and social workers on several essential topics: mental health conditions, early warning signs, real-life experiences, and available local resources.

IMPACT's mission is to build stronger community relationships, support individuals in crisis, and connect residents with needed resources through prevention and outreach.

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## **Blessing Health System: Answering the Call for Mental Health Care in Rural Communities**

Over the past two decades, a growing number of rural Americans have died by suicide, which has significant impacts on families and rural communities. In stark contrast with urban areas, rural areas have double the rate of suicides as large cities. Among rural youth, the suicide rate is a concerning 74% higher than their city-dwelling peers.

**Blessing Health System has worked purposefully since 2021 to ensure exceptional behavioral healthcare is accessible in the rural communities it serves.**

The health system's 10 rural health clinics are located throughout its service to be easily accessible to all residents. In-person or virtual behavioral healthcare are available through a 62-person team of 11 adult psychiatric providers,

seven child and adolescent psychiatric providers, two neuropsychologists, and 42 therapists and social workers.

### **Short- and Long-Term Behavioral Healthcare**

Social workers from Blessing's Integrated Care team are dedicated to providing crisis care focused on assessment, stabilization and short-term care to guide patients through the difficulties they face. If help is needed beyond five or six therapy sessions, Integrated Care Team members are the bridge to other behavioral healthcare peers who address a patient's long-term needs.

### **Care That Meets Individual Needs**

There isn't an exact formula for behavioral healthcare that can meet the needs of all rural residents. That's why Blessing has invested in a variety of providers, services and resources.



# Southern Illinois Healthcare: Providing Psychiatric Care Close to Home

Across the United States, one in four adults suffers from a diagnosable mental disorder, with many experiencing more than one such disorder. Yet in rural communities like Southern Illinois, patients in crisis have had to travel for hours for care, wait days in an emergency room for an open psychiatric bed or go without care.

The region's growing need for inpatient mental healthcare combined with its limited bed capacity have left over 700 people a year seeking urgently needed care in Springfield, Chicago or even out of state. That will soon change with a \$20 million expansion of the SIH Mulberry Center, a project funded in part through federal and state grants.

## State Approves SIH Mulberry Center Expansion

In May 2025, the Illinois Health Facilities and Services

Review Board unanimously approved SIH's Certificate of Need application to expand and modernize the SIH Mulberry Center. This inpatient mental health facility on the campus of SIH Harrisburg Medical Center will add a 12-bed medical-psychiatric inpatient unit and update existing spaces, increasing its acute mental illness bed capacity from 30 to 42.

The new medical-psychiatric unit will serve patients requiring both medical and psychiatric care, with medical care for conditions like diabetes, heart disease, or other current or chronic illnesses. There, clinicians will provide integrated treatment in a safe, specially designed setting. Patients will no longer face prolonged stays in emergency departments or medical units not equipped for behavioral health.



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## **Kirby Medical Center: Partnerships, Programs and Education to Enhance Mental Health**

To strengthen mental health across Piatt County, Kirby Medical Center's comprehensive, intentional strategy leverages community partnerships, preventive programming, and wellness education. The effort spans physical activity and social engagement to school partnerships and youth programs.

### **Reinforcing Positive Impacts on Mental Health**

Studies have shown that exercise and social interaction positively impact mental health. Kirby Medical Center's active-lifestyle campus reflects the importance of both through its 1.5-mile paved walking and running path and healthy hospital cafe. Its on-site community gyms offer water aerobics and youth fitness classes, along with coach-led programs KMC Active and KMC Move. These programs promote regular physical activity, confidence-building, and social engagement, with KMC Move addressing specific health or mobility needs of older adults while supporting their mental and emotional well-being.

Kirby Medical Group is also taking a proactive, community-centered approach to mental health, combining education, prevention and collaborative partnerships.

**Clinicians and support staff lead or participate in wellness fairs, trauma-informed care initiatives, and panels on substance use and mental health for hospital staff and community members.**

### **Growing the Mental Health Workforce**

A strong workforce of mental health clinicians is essential for caring for community members with mental and behavioral healthcare needs. To build up this workforce, the medical group collaborates with the University of Illinois School of Social Work on internships and career mentoring for students. It also helps lead programs about mental health and career paths for social workers during an immersive week-long experience aimed at incoming high school seniors.

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## Carle Richland Memorial Hospital: Strengthening Youth Mental Health in Rural Elementary Schools

Half of Illinois children and adolescents experienced one or more worsening mental health symptoms, with irritability symptoms most common, as reported through a March 2024 survey of 1,000 parents. Carle Richland Memorial Hospital has made educating youth in the communities they serve a priority, alongside providing high-quality care for those in need of mental and behavioral healthcare.

**Carle Richland launched an elementary school program that brings in a hospital mental health first aid instructor to help children better understand their emotions and how to express their feelings appropriately.**

The program is designed around the “Little SPOT of Emotion” books by Diane Alber.

### Teaching Young Learners About Emotions

The hospital’s outreach focuses on second graders. A refresher course is offered three times per year in third and fourth grade classrooms.

The model connects each emotion to a color. Anger, for example, is red and yellow is happy. Students are taught to tell their teacher if they are feeling “red” or another emotion-specific color. Daily check-ins by teachers, in addition to a Carle Richland mental health first aid instructor visiting the class monthly, help decrease the amount of outbursts and class disruptions.

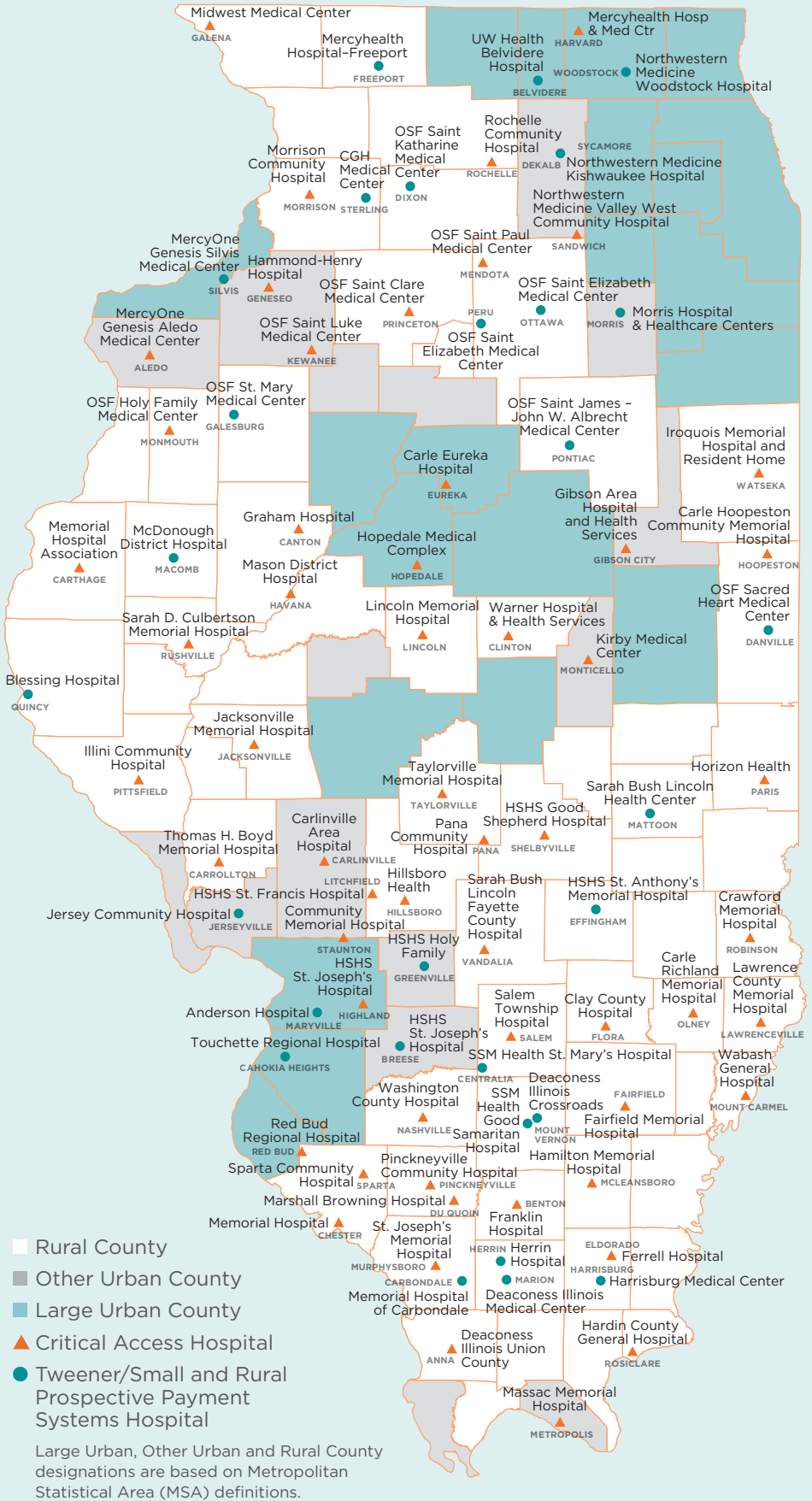
### Expanding the Program to Middle-Schoolers


Given the positive response, Carle Richland is swiftly expanding the program. In addition to the planned growth to fifth grade, discussions are underway on bringing the experience to seventh graders.



**Read more stories** about how Illinois small and rural hospitals are addressing mental and behavioral health challenges in the communities they serve. Scan the code or visit [tinyurl.com/srbackgrounder26](https://tinyurl.com/srbackgrounder26)

# ILLINOIS' 85 SMALL AND RURAL HOSPITALS





Small and rural hospitals are essential to their communities. They are working hard to meet the growing health needs of rural residents by forging partnerships with local organizations and reimagining care delivery. They're often the largest employers in their communities and major drivers of economic activity. **Illinois' small and rural hospitals need your support** to keep rural healthcare and rural communities strong.

Visit **[team-IHA.org](https://team-ih.org)**

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Illinois Health and Hospital Association

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