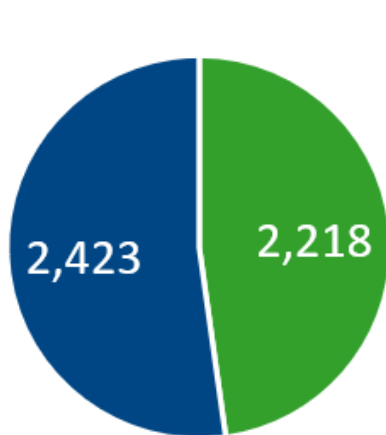




Understanding the Broader Context of Rural Hospitals and Profitability

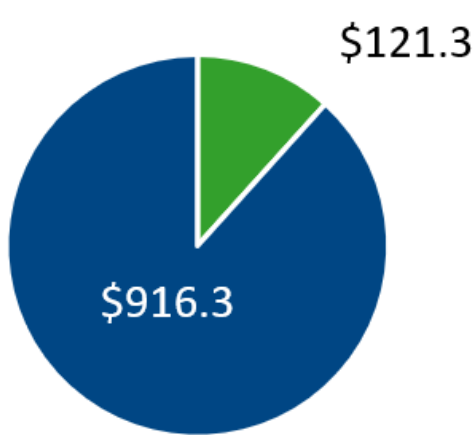
To stay in business, hospitals need profits (revenues greater than expenses). Hospitals use profits to pay for new and upgraded buildings, equipment, technology, programs, and other needs of patient care. A common measure of hospital profitability is **operating income**, which is the difference between **operating revenue** (payment for patient care) and operating expenses (the cost of providing patient care.) Urban hospitals, by far, have the bulk of operating revenue and income.

The intent of this infographic is to quantify rural hospital profitability in the broader context of all hospitals. Many rural hospitals qualify for special payment adjustments in recognition of the challenges they face in serving low-volume, geographically isolated communities that are heavily reliant on public insurance coverage (i.e., Medicare and Medicaid). These payment adjustments often receive significant attention from policy makers, researchers and analysts without necessarily having the broader context.



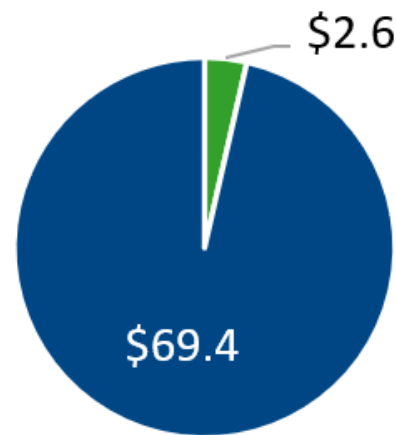
Number of Hospitals

For this study, there were data for 4,641 acute care hospitals. About **52%** of all acute care hospitals were located in urban areas. **48%** were in rural areas.



Operating Revenue (billions)

In 2018, total operating revenue of all acute care hospitals was \$1,037.6 billion. Hospitals in **urban areas had 88%** of total operating revenue. Hospitals in **rural areas had 12%**.



Operating Income (billions)

The percentage of total operating income in rural hospitals was even smaller. In 2018, total operating income of all acute care hospitals was \$71.9 billion. **Urban hospitals had 96%** and **rural hospitals had 4%**.

■ Rural ■ Urban