

Rural Health Transformation: How did we get here?

Dr. Cody Mullen, Clinical Professor

6/9/2026



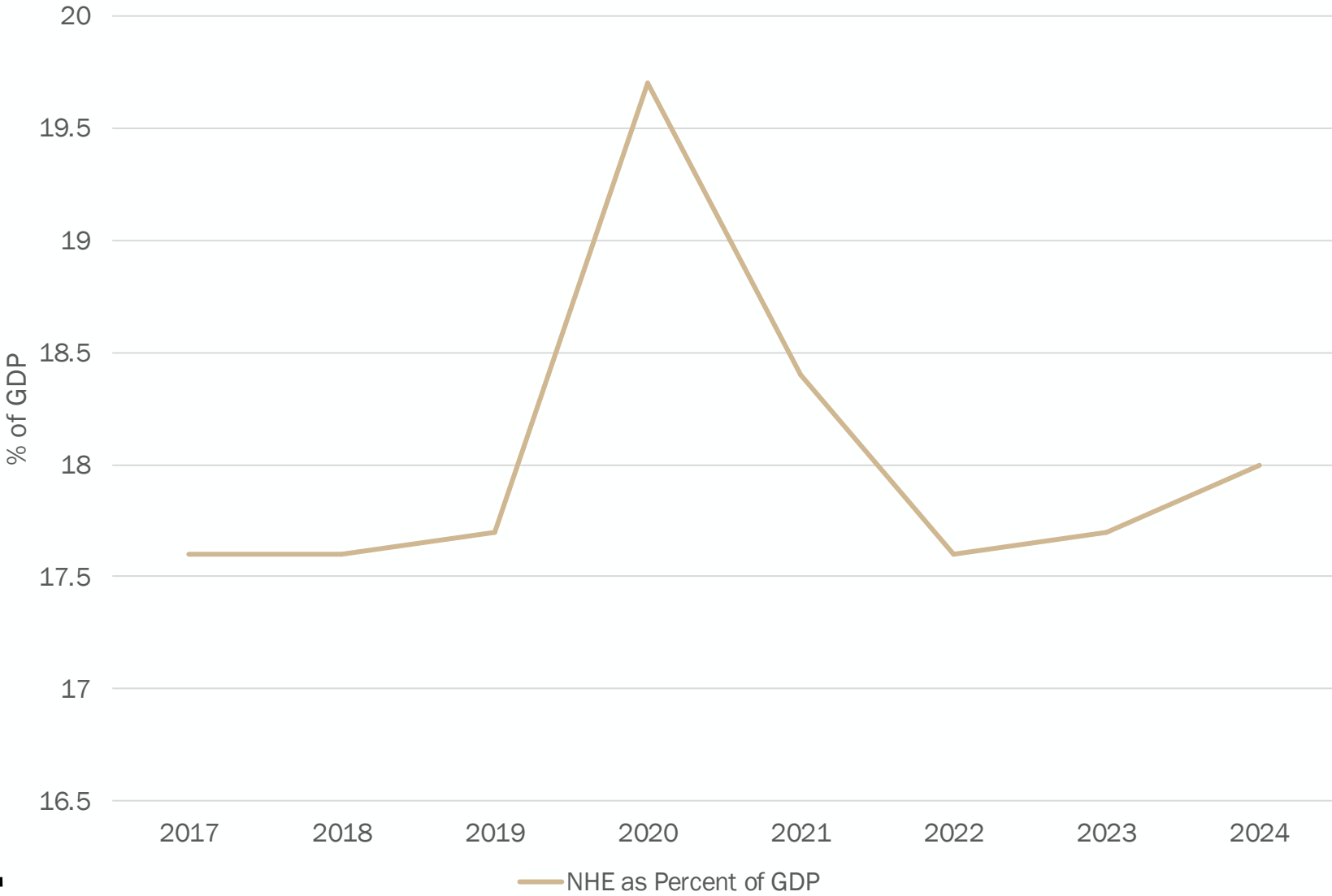
Agenda

- Where are we?
- Where do we go from here?

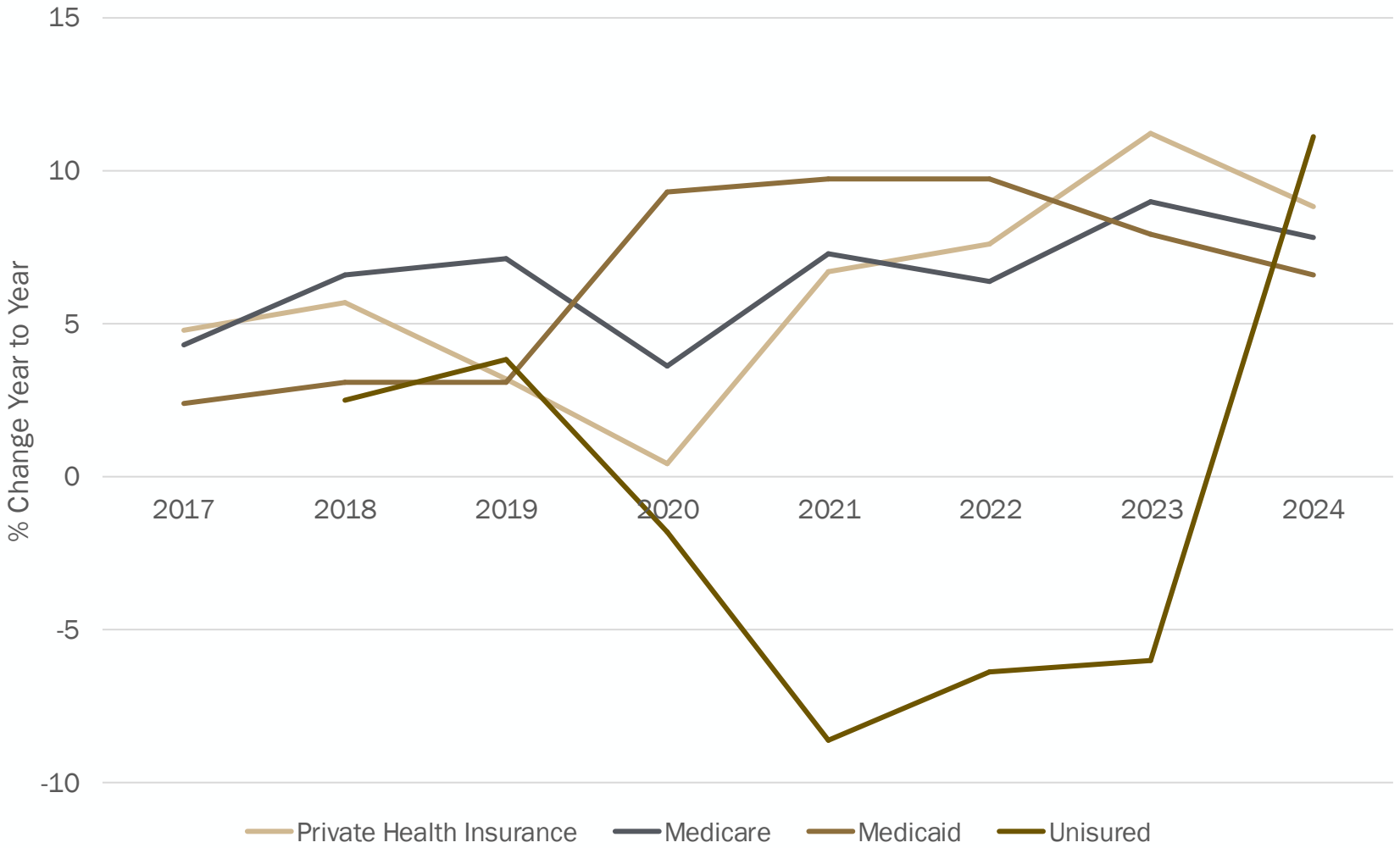
Where are we?



Healthcare Spending Growth



Healthcare Spending Growth



Healthcare Spending Growth-Projection

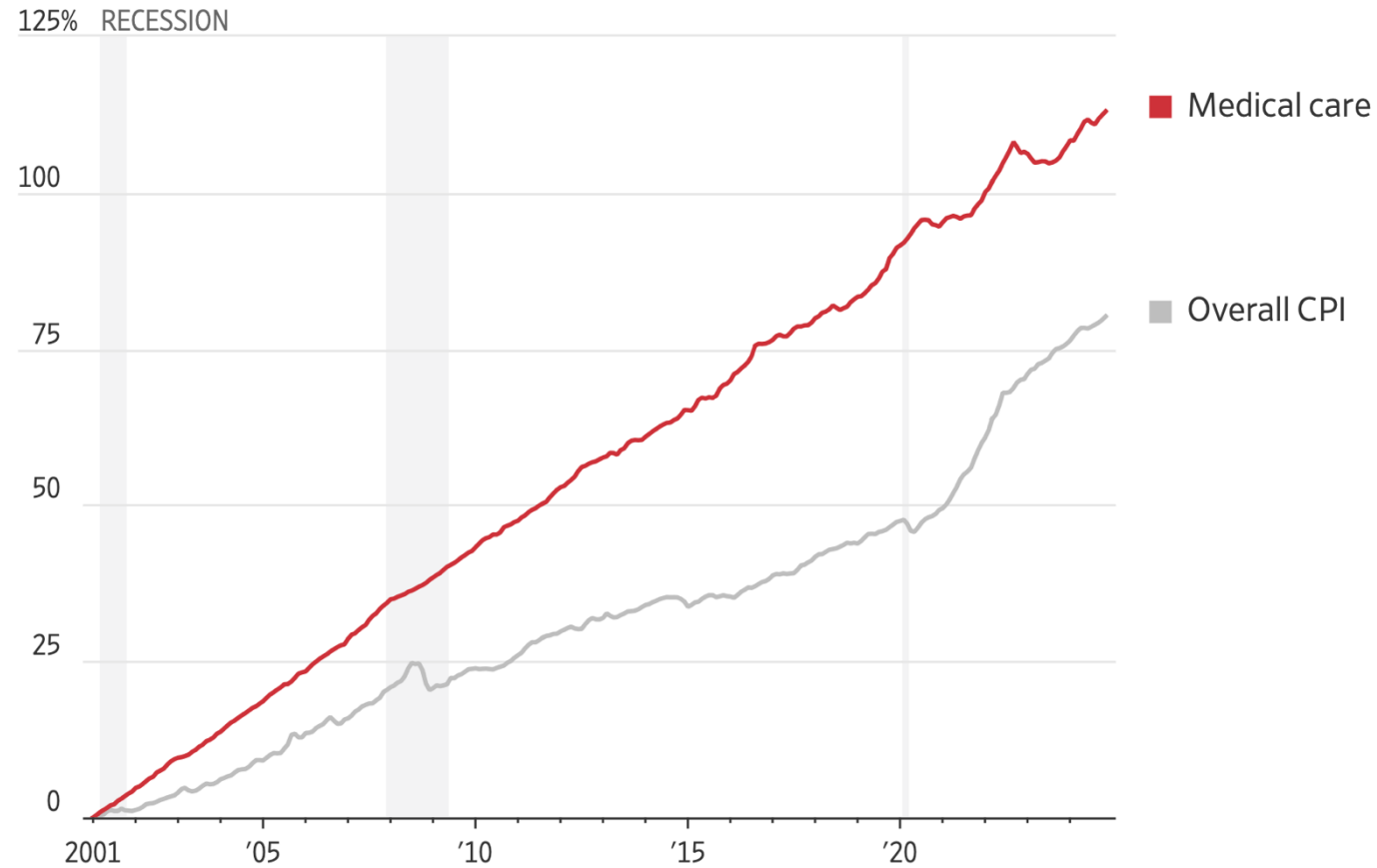
National health expenditures (NHE) and personal health care (PHC) expenditures, aggregate and per capita amounts, share of gross domestic product (GDP), and annual growth, selected calendar years 2021–32

	2021	2022	Projected			
			2023	2024	2026	2032
NHE, billions	\$4,289.1	\$4,464.6	\$4,799.3	\$5,048.8	\$5,560.3	\$7,705.0
PHC, billions	\$3,561.5	\$3,704.8	\$4,038.2	\$4,251.2	\$4,687.4	\$6,532.3
GDP, billions	\$23,594.0	\$25,744.1	\$27,314.5	\$28,489.0	\$30,798.9	\$39,158.1
NHE as percent of GDP	18.2%	17.3%	17.6%	17.7%	18.1%	19.7%
Disposable personal income, billions	\$18,664.4	\$18,702.5	\$20,163.4	\$21,048.4	\$22,869.4	\$29,225.6
Population, millions ^a	329.6	330.9	332.7	334.9	339.3	351.4
NHE per capita	\$13,012	\$13,493	\$14,423	\$15,074	\$16,387	\$21,927
PHC per capita	\$10,805	\$11,197	\$12,136	\$12,692	\$13,815	\$18,590
GDP per capita	\$71,579	\$77,808	\$82,087	\$85,055	\$90,771	\$111,436
Prices (2017 = 100.0)						
Chain-weighted NHE deflator	1.080	1.114	1.146	1.182	1.247	1.466
Chain-weighted PHC deflator	1.073	1.098	1.125	1.160	1.224	1.437
Chain-weighted GDP Implicit Price Deflator	1.102	1.180	1.224	1.251	1.304	1.473
Real spending						
NHE, billions of chained dollars	\$3,973	\$4,007	\$4,187	\$4,273	\$4,458	\$5,254
PHC, billions of chained dollars	\$3,320	\$3,375	\$3,589	\$3,665	\$3,831	\$4,547
GDP, billions of chained dollars	\$21,408	\$21,822	\$22,346	\$22,815	\$23,667	\$26,705

How is this directly affecting consumers?

Healthcare Compared to CPI

Change in the consumer-price index since January 2001

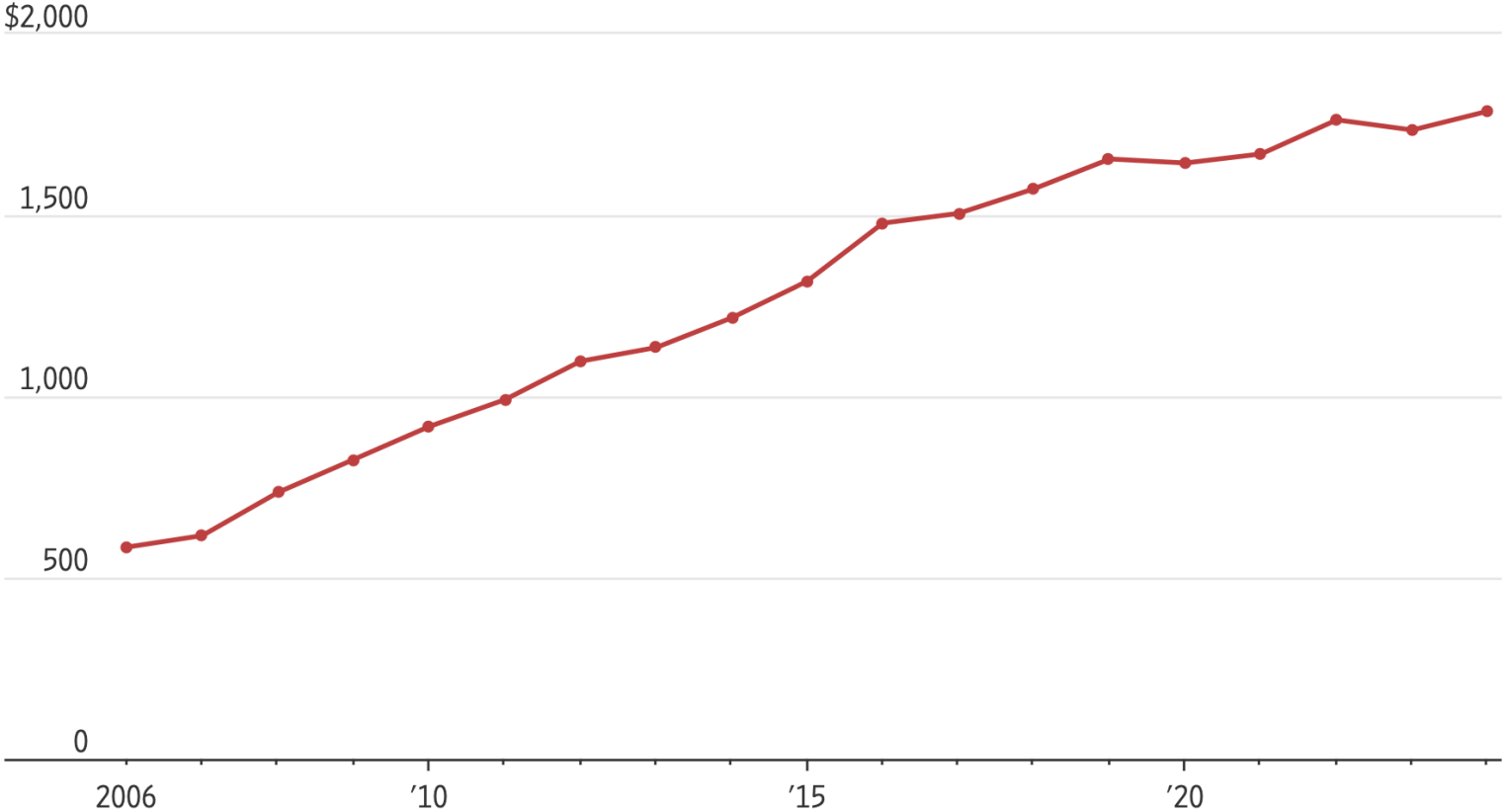


Source: Labor Department

How is this directly affecting consumers?

Average Deductible

Average deductible amount for a single covered worker in plans with a deductible



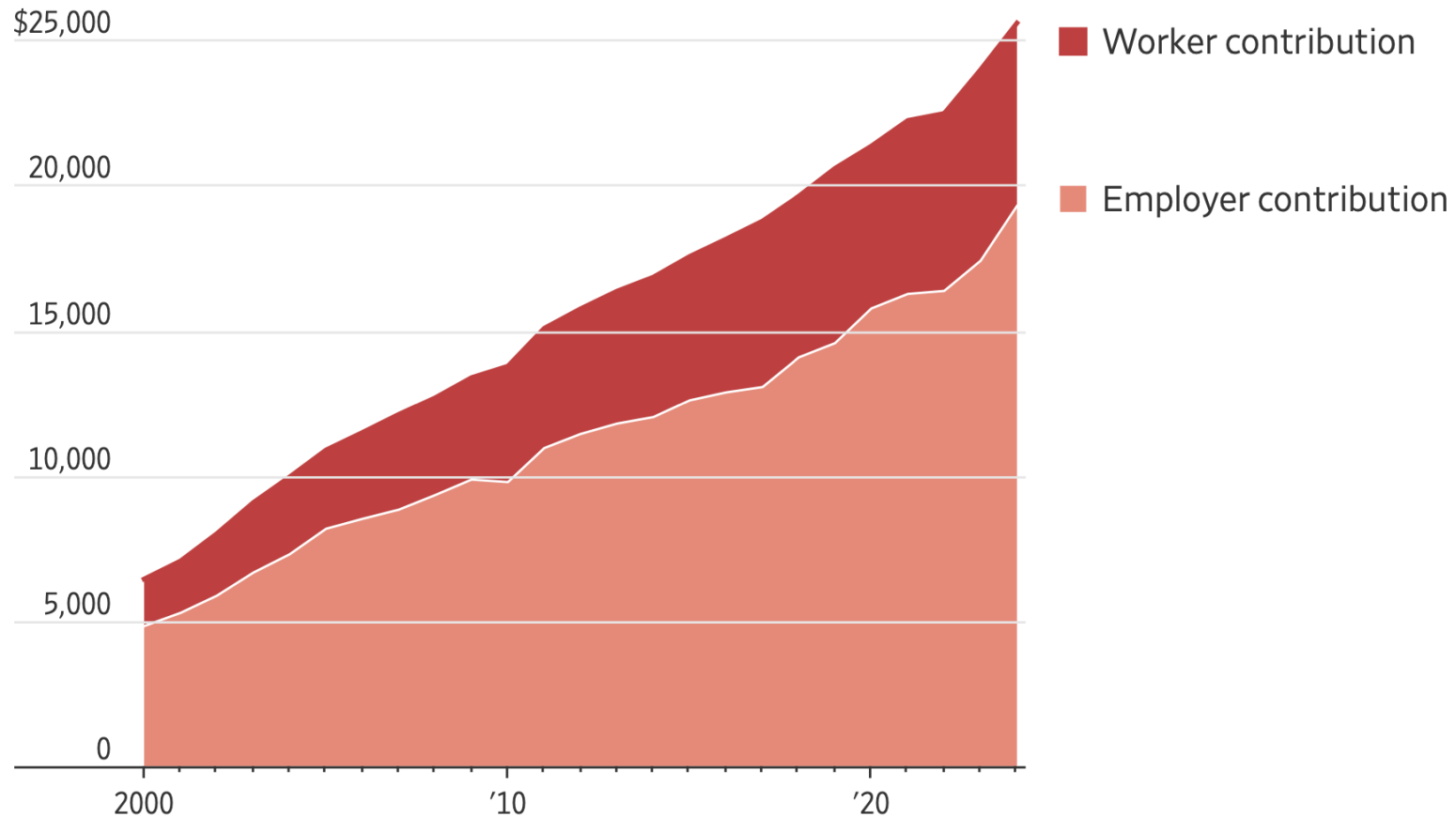
Source: KFF Employer Health Benefits Survey



How is this directly affecting consumers?

Average Contribution by Worker/Employer

Average annual contributions to premiums for family coverage



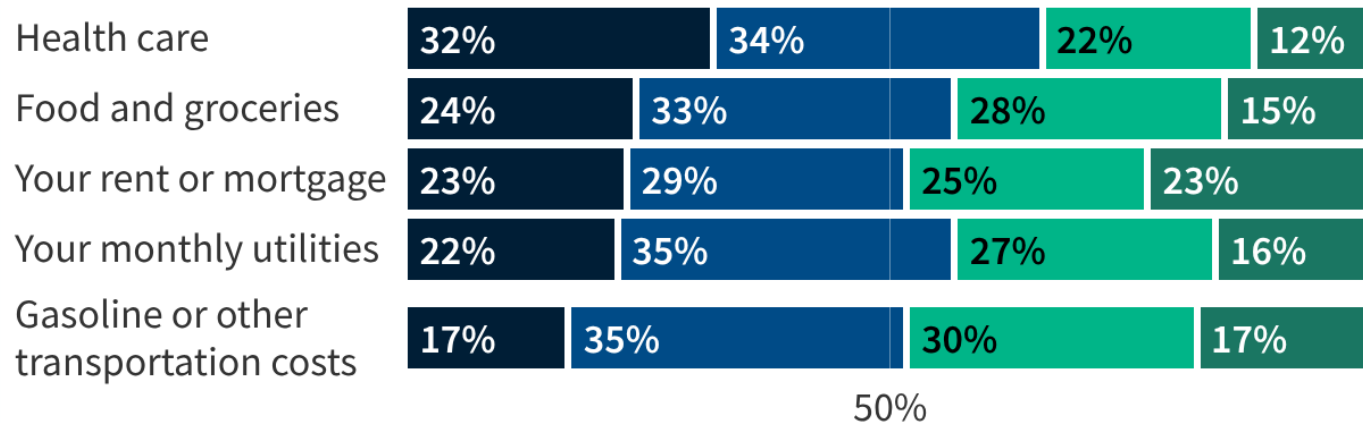
Current Concern of Individuals

Figure 3

Health Care Costs Are the Top Household Expense the Public Worries About

How worried, if at all, are you about being able to afford each of the following for you and your family?

■ Very worried ■ Somewhat worried ■ Not too worried ■ Not at all worried



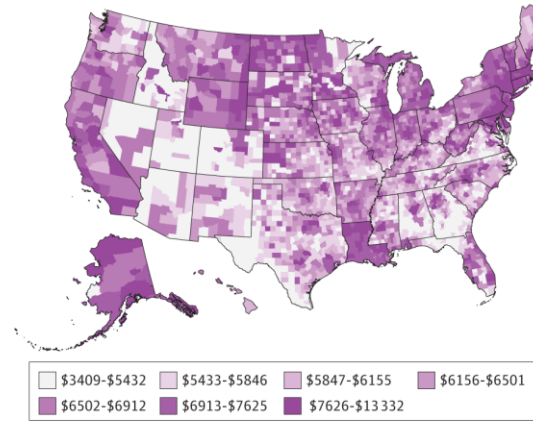
Note: Health care includes the cost of health insurance and out-of-pocket costs for things like office visits and prescription drugs. Monthly utilities include electricity or heat. See topline for full question wording.

Source: KFF Health Tracking Poll (January 13-20, 2026)

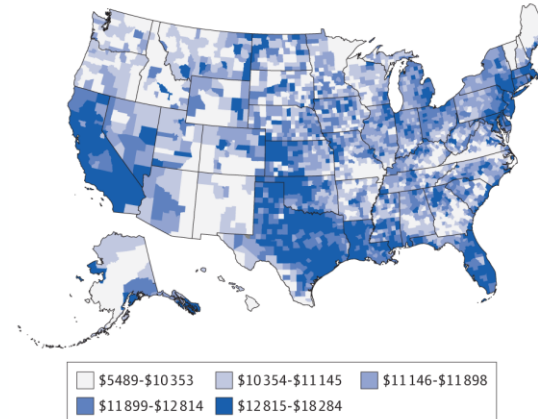
Spending

A

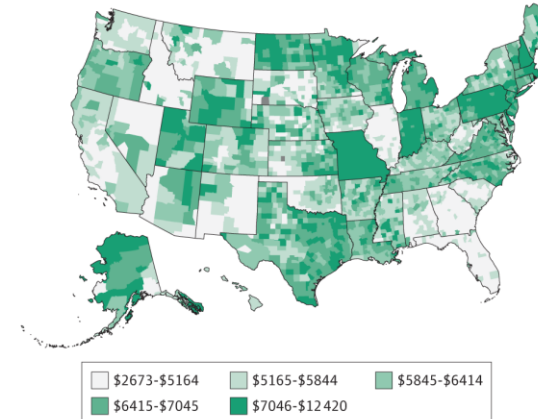
Spending per capita by US county (2019)



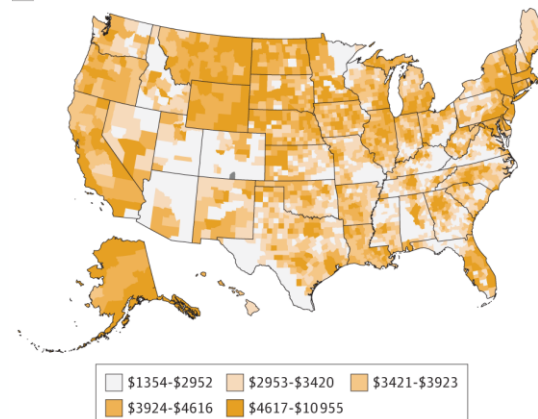
B Medicare spending per beneficiary



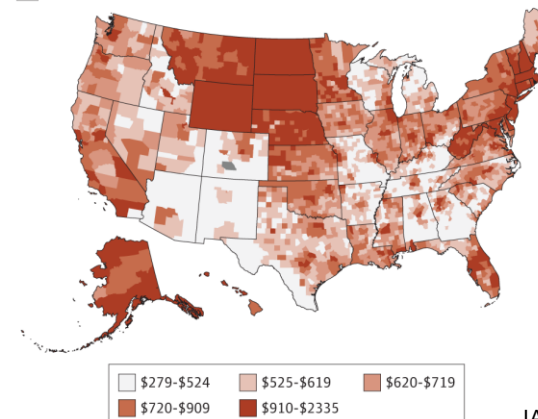
C Medicaid spending per beneficiary



D Private insurance spending per beneficiary

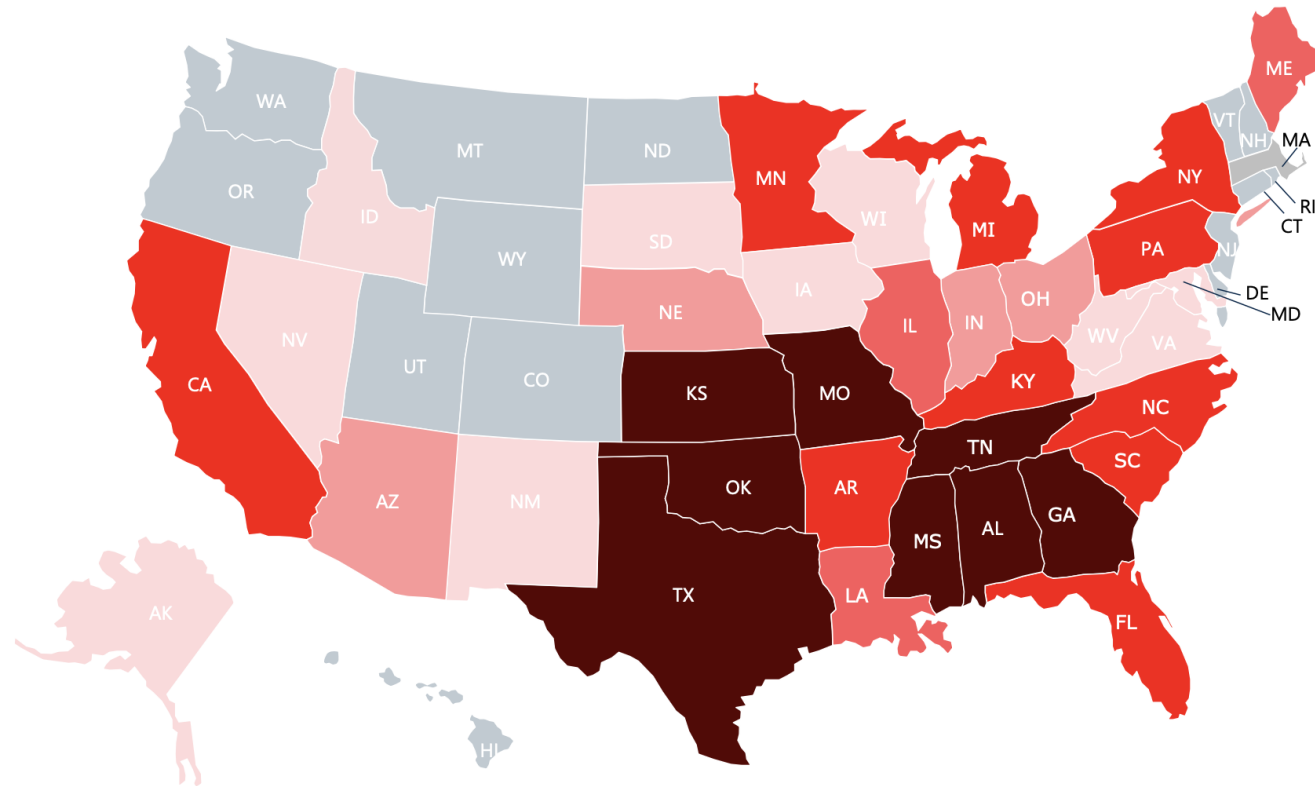


E Out-of-pocket spending per capita



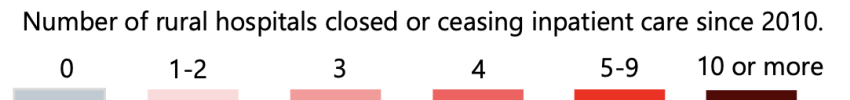
Rural Hospital Closure

Closures Thus Far



206

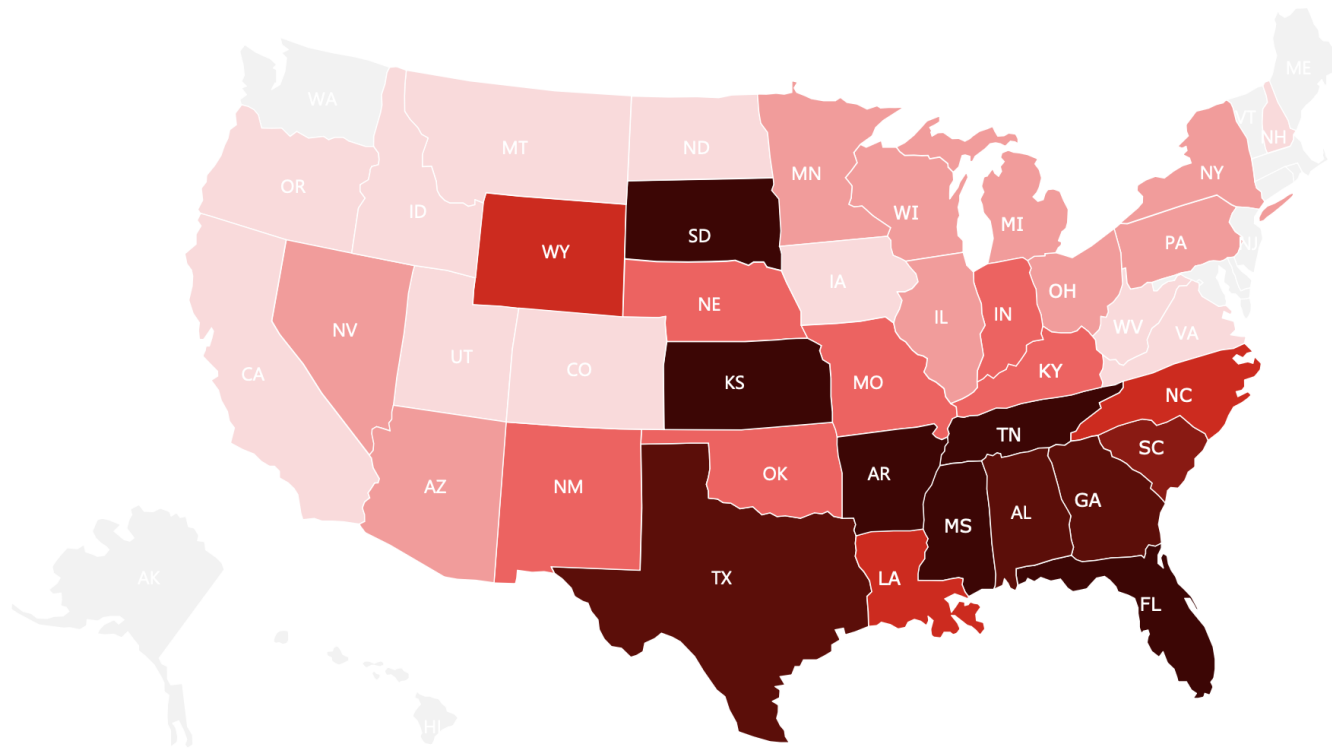
rural hospitals have closed or converted to a model that excludes inpatient care (e.g., REH) since 2010.



Source: The Chartis Center for Rural Health, Cecil G. Sheps Center for Health Services Research, December 2025.

Rural Hospital Closure

Vulnerable to Closure



417

rural hospitals are vulnerable to closure.

TN (61%), AR (55%), FL (52%)

States with highest percentage of vulnerable rural hospitals.

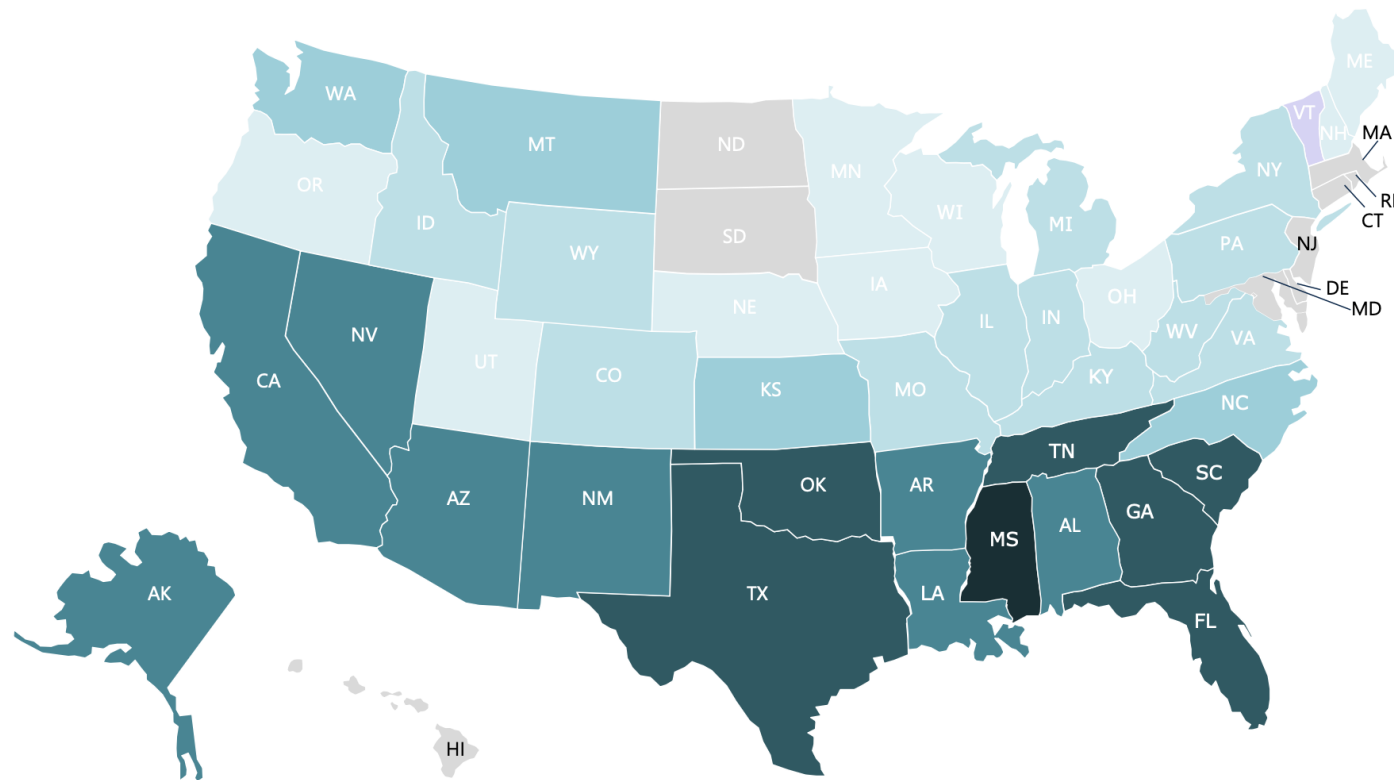
Percentage of state rural hospitals determined to be vulnerable.



Source: The Chartis Center for Rural Health, December 2025.

Rural Hospital Closure

Access to Chemotherapy



448

rural hospitals have stopped offering chemo between 2014 and 2024.

22%

of rural hospitals offering chemo in 2014 no longer provide this service.

Percentage of rural hospitals that stopped offering chemotherapy between 2014 and 2024.



Source: The Chartis Center for Rural Health, December 2025.

*Where do we go from
here?*

One Big Beautiful Bill

Singed 7/4/2025



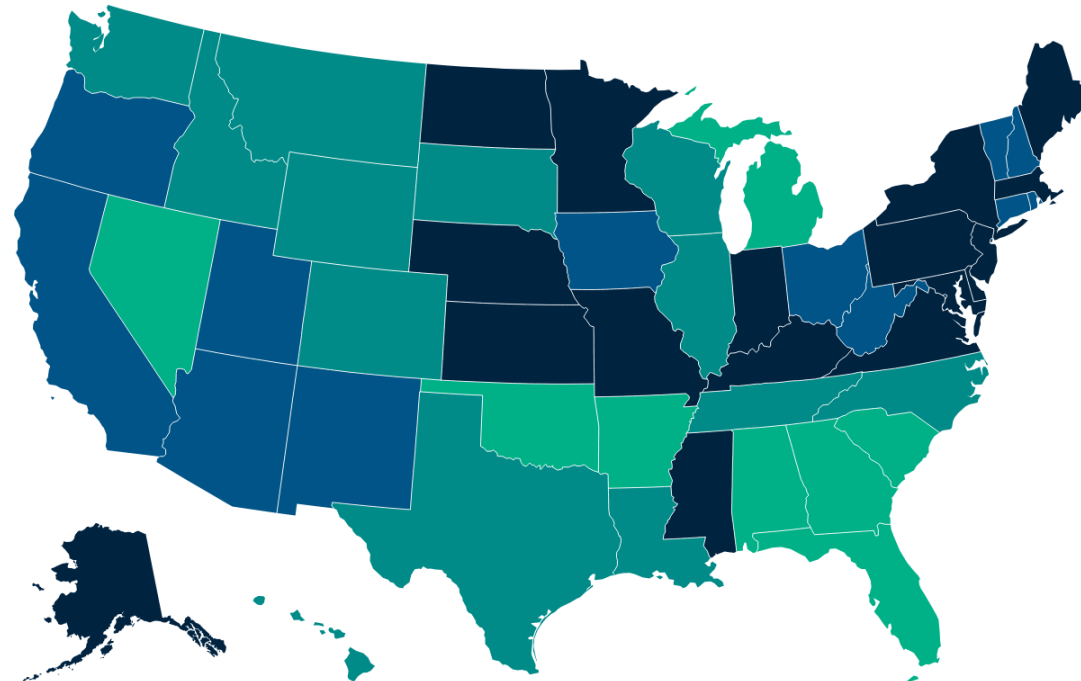
Medicaid Spend per Beneficiary

Figure 5

Medicaid Spending Per Full-Benefit Enrollee Varies Across States

Medicaid spending per full-benefit enrollee in 2023

■ < \$6,000 ■ \$6,000–\$7,500 ■ \$7,500–\$9,000 ■ ≥ \$9,000



Note: National per-enrollee spending for all Medicaid enrollees was \$7,909. Data include people who were enrolled in at least one month of Medicaid in 2023. They may not have actually used any services during this period, but they are reported as enrolled in the program. Washington D.C. (not reflected in the figure) spent \$12,295 per enrollee, the highest across all states.

Source: KFF analysis of the T-MSIS Research Identifiable Files, CY 2023

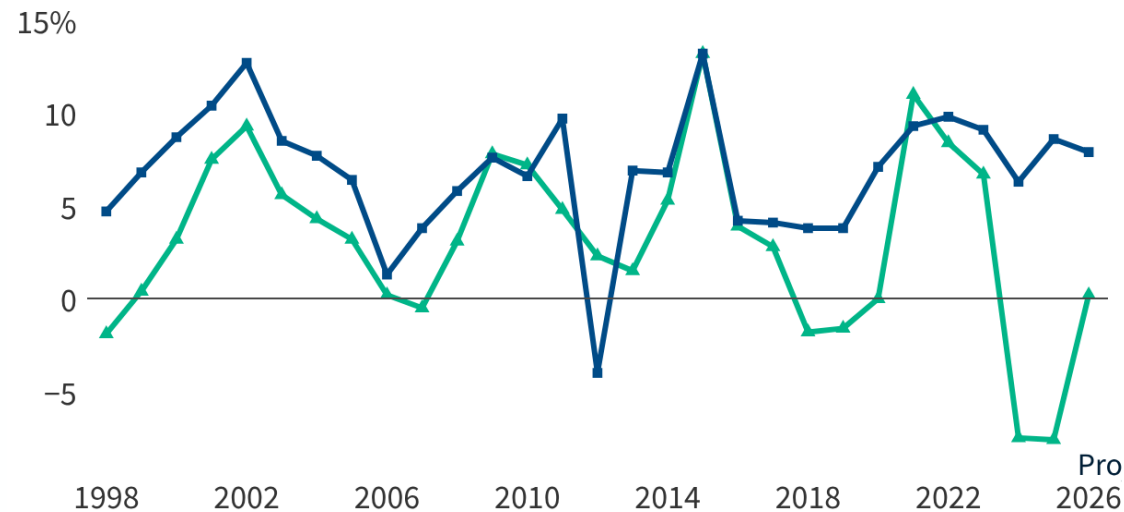
Medicaid Enrollment Over Time

Figure 9

Percent Change in Medicaid Spending and Enrollment, 1998-2026

Annual percentage changes, SFY 1998 - SFY 2026

■ Total Medicaid Spending ▲ Medicaid Enrollment



Note: Growth percentages refer to state fiscal year (SFY). SFY 2026 projections based on enacted budgets.

Source: SFY 2025-2026 spending data and SFY 2026 enrollment data are derived from the annual KFF survey of state Medicaid officials conducted by Health Management Associates, November 2025. 48 states submitted survey responses by Oct. 2025; state response rates varied across questions. Historic data reflects growth across all 50 states and DC and comes from various sources. See Methods of Medicaid Enrollment & Spending Growth: FY 2025 & 2026 for more information.

Medicare Changes Coming

- One Big Beautiful Bill (OB3)
 - Limited Coverage of Certain Individuals
 - Eligibility and Enrollment Final Rule (Medicare Saving Program-MSPs auto enrollment delayed till Fall 2034)
 - Updates to Physician Fee Schedule
 - Orphan Drugs
 - Pharmacy Benefit Manager Changes
 - Rural Emergency Hospital Changes
 - Nursing Home Staff Rule Change
- Payment Models under consideration in CMMI
- Drug Price Negotiation
- TrumpRx

Medicaid Changes

AMA

AMA resources

- [Summary of select provisions and implementation dates of OBBBA \(PDF\)](#)
- [Implementation timeline for ACA, Medicaid, Medicare, SNAP, and Student Loan Provisions of OBBBA and the Marketplace Integrity and Affordability Final Rule \(PDF\)](#)
- [Summary: Changes to Medicaid and CHIP enrollment, eligibility and cost-sharing \(PDF\)](#)
- [Summary: Changes to Medicaid financing \(PDF\)](#)
- [Summary: Medicaid community engagement requirements \(PDF\)](#)
- [Summary: Rural Health Transformation Program \(PDF\)](#)
- [Summary: Changes to ACA marketplace eligibility, enrollment and affordability \(PDF\)](#)
- [Summary: Changes to ACA marketplace eligibility and access for immigrants \(PDF\)](#)
- [Issue brief: Extension of enhanced premium tax credits key to ACA marketplace affordability \(PDF\)](#)
- [Federal student loans and the One Big Beautiful Bill Act \(PDF\)](#)

Recent Government Shutdown

THE WALL STREET JOURNAL.

Latest World Business U.S. Politics Economy Tech Markets & Finance Opinion Arts Lifestyle Real Estate Personal Finance Health Style

Senate Passes Measure to End Government Shutdown

Package now goes to the House, and Trump has said he supports it

By [Olivia Beavers](#) [Follow](#)

Updated Nov. 10, 2025 9:55 pm ET

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The Washington Post
Democracy Dies in Darkness

Democrats push for a 'ruthlessly pragmatic' approach to counter Trump

The desire to hold firm on the shutdown was the latest example of a party that has decided it must adopt a different playbook given the president's unprecedented measures to consolidate and maintain power.

Today at 5:19 a.m. EST

[9 min](#) [Summary](#) [690](#)



ies (D-New York) blasted the eight Democrats who voted with Senate ould end the shutdown. (Jabin Botsford/The Washington Post)

Senate Passes Bill to Reopen Government Amid Democratic Rift

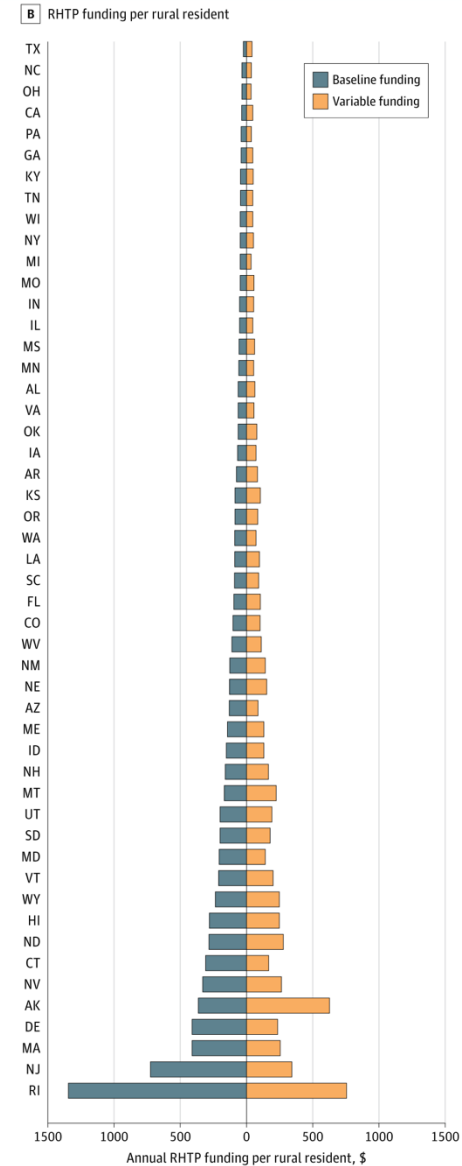
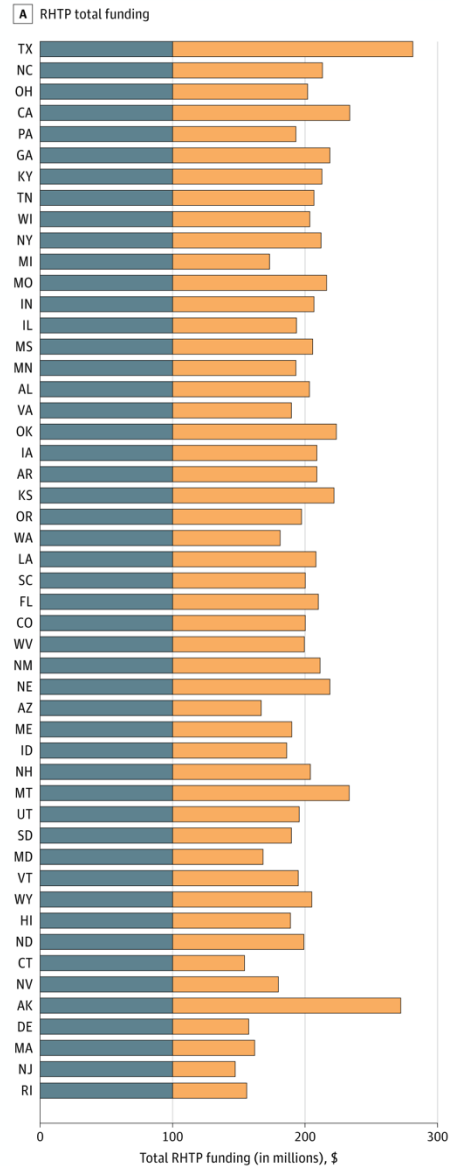
The vote, on Day 41 of the shutdown, signaled an end in sight to weeks of gridlock. Eight members of the Democratic Caucus supplied the critical backing.

<https://www.nytimes.com/2025/11/10/us/politics/senate-government-shutdown.html>

<https://www.washingtonpost.com/politics/2025/11/11/democrats-shutdown-trump/>

https://www.wsj.com/politics/policy/senate-passes-measure-to-end-government-shutdown-ea7168b8?mod=hp_lead_pos1

Rural Health Transformation Funds



Rural Health Transformation Funds

RURAL HEALTH PAYOUT

States Race To Launch Rural Health Transformation Plans

Every state will receive at least \$1 billion in Rural Health Transformation fund, but states are racing to pass policies embracing "passing Medicare & Medicaid services to rural health centers."

By Sarah Jane Tribble, A



RURAL HEALTH PAYOUT

Give and Take: Federal Rural Health Funding Could Trigger Service Cuts

States are rolling back rural health center services.

By Aaron Bolt

RURAL HEALTH PAYOUT

Trump's \$50B Rural Health Bet Meets a Healthcare Desert in North Carolina

Republicans promise that \$50 billion in new health funding will help rural America. But it's not expected to aid the years-long effort in North Carolina's Martin County to reopen its only hospital.

By Sarah Jane Tribble and Amanda Seitz **May 22, 2026**





Thank You

cjmullen@purdue.edu

