



# Rural America Has Been Forgotten During the Coronavirus Crisis

By Olugbenga Ajilore | October 28, 2020

Throughout the coronavirus crisis, the Center for American Progress has highlighted the effects of the COVID-19 pandemic on rural communities.<sup>1</sup> At the onset of this public health crisis, CAP warned that the conditions in several rural communities made them ripe for the virus to spread; subsequently, CAP shared research showing that spread and how rural communities of color are disproportionately harmed.<sup>2</sup> During the summer, CAP continued to track the virus spread, illustrating the effects on households and small businesses in rural communities.<sup>3</sup> CAP called on federal policymakers to provide further fiscal relief to continue helping households, small businesses, and state and local governments. This relief remains crucial, particularly for rural communities, as the virus continues to spread unchecked. In fact, only a national strategy to tackle the public health crisis and stave off a deep recession can turn the U.S. economy around and keep all Americans safe.<sup>4</sup>

With the country well into fall without additional federal relief—Congress having allowed the expanded unemployment insurance program and the Paycheck Protection Program to lapse<sup>5</sup>—it is time to check in on rural areas again. Tim Murphy and Tim Marema, from the Daily Yonder, have kept weekly tabs on new infections throughout the country, with a particular focus on nonmetropolitan counties. They focus on what are called “red zone” counties, a term taken from a definition from a document reportedly written for the White House Coronavirus Task Force but never published. The document defines a red-zone county as a county that has had 100 or more new one-week infections per 100,000 residents.<sup>6</sup> Murphy and Marema recently found that rural counties have experienced a disproportionate share of the new cases. In fact, 1,357 of the nation’s 1,976 rural counties—or 69 percent—are red-zone counties.<sup>7</sup> For comparative purposes, 630 of the nation’s 1,165 metropolitan counties—54 percent—are red-zone counties.

In addition to the macro numbers showing the continuing rise in new cases, there are the individual stories that do not get told about rural America. Stories about the workers in occupations deemed essential, who die without any recompense or support from agencies whose duty it is to protect them. The story of Marco

Antonio Galvan Gomez, a farmworker who after contracting the virus was forced to continue working in 100-degree conditions and as a tragic consequence died from the disease. Unfortunately, his story is all too common.<sup>8</sup> However, the impact of COVID-19 in rural areas is now no longer limited to farms,<sup>9</sup> meatpacking plants,<sup>10</sup> prisons,<sup>11</sup> and nursing homes.<sup>12</sup> What is being seen now is that many other residents in rural communities are experiencing new highs in COVID-19 cases.<sup>13</sup>

This issue brief provides an update on the pandemic in rural counties, focusing on the spread of the virus and its impact on rural economies. While rural communities of color continue to experience the worst of the outbreak, now other rural communities—most notably in the upper Midwest and Great Plains regions—are experiencing severe outbreaks, with the trends going in the wrong direction. It is a situation that requires policymakers to act and provide relief to households, businesses, and state and local governments.

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## COVID-19 in rural America

The first case of COVID-19 in the United States was discovered in January 2020, and from there it has spread throughout the country. This spread has not been equally distributed, with communities of color disproportionately affected. Though the initial spread was concentrated in the New York tri-state area and other large metropolitan cities, its impact was not limited to those places. Through the end of April and the summer, the virus spread in rural areas. Some rural communities, places with large farms and low population densities, have for the most part been spared, but many others have been hit hard—harder, in fact, than any other region of the country on a per capita basis.

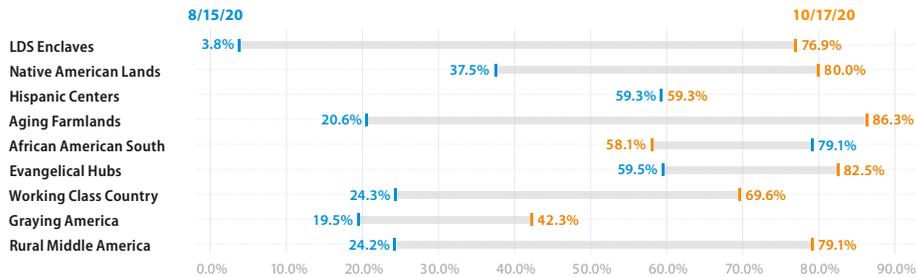
As with previous CAP work analyzing the dynamics within rural areas, the authors rely on the American Communities Project's nine rural classifications to display virus spread through the variety of rural communities. This classification is used to determine which rural regions are experiencing a rise in red-zone counties. While the number of red-zone rural counties fluctuated through the spring and most of the summer, by the end of summer the trend started to rise, and since the beginning of August, the rural share of new cases has exceeded the rural share of the U.S. population.<sup>14</sup>

Figure 1 shows that while some of the communities hardest hit by the virus in the spring and early summer are starting to see decreases in higher rates of new cases, the numbers are still troubling. The number of rural counties with new cases is decreasing in African American rural counties and is holding steady in Hispanic rural counties. However, there has been a big jump in cases in Native American rural communities, which continues to be cause for concern.<sup>15</sup>

FIGURE 1

## Several rural areas are seeing stark increases in their one-week COVID-19 infection rates

Percentages of counties that have new one-week infection rates at or above 100 per every 100,000 residents from August to the third week of October



Sources: Tim Murphy and Tim Marena, "Rural Infections Break Record for Fourth Week. Total of Rural Cases Breaks 1 Million," Daily Yonder, October 19, 2020, available at <https://dailyyonder.com/rural-infections-break-record-for-4thweek-total-of-rural-cases-breaks-1-million/2020/10/19/>; American Communities Project, "The American Communities," available at <https://www.americancommunities.org/> (last accessed October 2020).

In both the Aging Farmlands and Rural Middle America communities, there has been a startling increase in the percentage of counties that are considered red-zone counties. Aging Farmlands represents upper Midwest and northern Great Plains states that have elderly populations and little diversity and contain mostly agricultural lands. Rural Middle America represents upper Midwestern states and northeastern states that are majority-white and middle-income and have average college graduation rates.<sup>16</sup> At the end of September and beginning of October, more than 200 counties in Rural Middle America have seen a one-week infection rate of more than 100 cases per 100,000 residents.<sup>17</sup> This is very concerning because the virus has been ravaging so many communities in the past six weeks. It is as if the United States did not learn the lessons from the virus spreading through rural areas this summer.

A CAP study found that states who had premature reopenings did not experience the economic benefits estimated; in fact, their residents struggled more economically than residents in states with longer lockdowns.<sup>18</sup> These same states with premature openings saw surges in COVID-19 cases during the summer and now are continuing to experience further outbreaks.<sup>19</sup> This economic struggle, entirely due to the public health crisis, is a greater concern now than during the summer because policymakers have allowed the many components of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which were shown to have helped keep the economy afloat during the early part of the pandemic, to expire.<sup>20</sup> The existing unemployment insurance program has been shown to be insufficient for many households around the country, with the average one adult, one child household facing a shortfall of nearly \$3,000.<sup>21</sup>

This pandemic has been allowed to ravage the economy for more than seven months, and the data make clear that the recovery can only happen when the public health crisis ends.<sup>22</sup> As of October 14, the United States has surpassed 216,000 COVID-19 deaths and 7.9 million cases, with numbers of cases and deaths continuing to rise across the country.<sup>23</sup> Rural communities of color were the canaries in the coal mine when it came to the pandemic, but now the United States is at a point where all communities, both urban and rural, are being adversely affected. Rural areas in states such as Kansas, Nebraska, and Montana, which saw little impact early on, are now experiencing high levels of new infections.

These stark realities should spur policymakers not only to reup federal fiscal relief to help households and small businesses but also to engage in a national strategy to provide a consistent set of parameters that will finally reverse these frightening trends in new infections.

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## Policy recommendations

As the daily case count continues to rise without abating, the solutions have been well-documented.<sup>24</sup> In addition to those solutions, there are rural-specific solutions that can be implemented right now that will have immediate positive effects. States that have not already done so can expand Medicaid to help stem the tide of rural hospital closures; Congress and the administration can pass significant fiscal relief to households, small businesses, and states and localities; and the U.S. Department of Agriculture (USDA) can be more proactive in making sure that rural areas have a voice in federal policy.

### Expand Medicaid

Rural areas have suffered from the spate of hospital closures that have occurred over the past 15 years. More than 170 rural hospitals have closed since 2005.<sup>25</sup> These hospitals struggle with financial viability due to a number of factors, including uncompensated care. States that have expanded Medicaid as part of the Affordable Care Act (ACA) have helped hospitals remain financially viable. States that have not expanded Medicaid, which tend to be in the South and more rural, are putting their residents' health at risk by diminishing their opportunities to receive health care. Data from the 2010 census shows that more rural people live in states that did not expand Medicaid than in states that did, at 31 percent and 23 percent, respectively.<sup>26</sup>

The spread of the coronavirus in rural communities could be even more dire going forward, especially given the Trump administration's lawsuit to repeal the ACA.<sup>27</sup> The nearly 1 million rural residents who have survived COVID-19 now have a new preexisting condition that insurance companies could decline or charge higher premiums to cover.<sup>28</sup> Additionally, repealing the ACA would harm the viability of rural hospitals that are already struggling for many reasons. Primary among these is the fact that rural America is older,<sup>29</sup> sicker,<sup>30</sup> and poorer than more urban<sup>31</sup>

areas, all of which correlate with a higher volume of and more expensive health services. Prior to the ACA, many hospitals would treat uninsured patients and write the costs of that care off as charity care, but in states that have expanded Medicaid, these patients now have much of their care paid for by the federal government, representing a significant revenue boost to these facilities.<sup>32</sup>

Health disparities alone do not explain why many rural hospitals are struggling. Despite the pandemic and the accompanying recession the United States is currently experiencing, pharmaceutical companies are attempting to minimize their participation in the 340B Drug Discount Program.<sup>33</sup> The program<sup>34</sup> requires drug companies to offer discounts to critical-access hospitals and other facilities<sup>35</sup> as a condition of having their drugs covered by Medicaid and Medicare, and many of these facilities serve rural residents. By reducing rural hospitals' ability to purchase drugs at a discount, these companies would likely compound the struggles rural communities already face. With federal action needed to address the situation, a bipartisan group of 30 U.S. senators sent a letter to Health and Human Services Secretary Alex Azar—a former pharmaceutical executive—urging him to take action, but so far, he has declined to act.<sup>36</sup>

#### [Pass significant federal fiscal relief, especially state and local relief](#)

The CARES Act provided households with sorely needed resources at the onset of this pandemic through economic impact payments and expanded unemployment insurance for those who experienced layoffs. The payments were one-time-only and benefits expired on July 31. These assistance payments were crucial not just for households but also for small businesses, helping keep them afloat during the crisis.<sup>37</sup> However, the federal government and states failed to control the spread of the virus, with the length of COVID-19 going on seven months in America, and the assistance that was available and that supported the economy during the spring and early summer has lapsed.

A recent CAP analysis shows that for a one-adult, one-child household, the standard unemployment benefit is not sufficient to adequately cover monthly expenses such as food, child care, and housing.<sup>38</sup> This is especially true for rural counties, as they experience poverty at higher rates than metropolitan counties.<sup>39</sup> The poverty rate in nonmetro counties is 16.4 percent compared with the poverty rate of 12.9 percent in metro counties. Even worse, 85 percent of all the counties that experience persistent poverty—defined as 20 percent or more of the population living in poverty over the past 30 years—are nonmetro counties. Federal relief that provides cash assistance and child care assistance, as well as federal renewal of a nationwide eviction moratorium, will help rural residents through this crisis.

Even though the CARES Act was helpful, it lacked sufficient unrestricted relief for state and local governments. Moreover, the relief the act provided did not go directly to rural counties. While there was funding for health and education for rural counties,

it was not enough to get these long-struggling communities to the fall, when school was supposed to be back in session. The Heroes Act, passed by the House on May 15, provided direct funding to rural counties and would have allowed these local governments to continue helping their residents get through the pandemic.

### Elevate rural issues

One of the biggest problems coming to the forefront during the pandemic relates to who is being represented during policy discussions. Not only has there not been enough fiscal relief to combat this public health crisis, the policies that have been passed, including monetary policy, have also ignored the plight of rural areas. For example, the Federal Reserve Board's Main Street Lending Program, which was supposed to provide capital to small businesses, has lent only \$1 billion of its \$600 billion allocation.<sup>40</sup> As mentioned above, federal policymakers have not directly allocated unrestricted funds to rural counties to assist with budget shortfalls.

One reason for the lack of attention to rural areas is the elimination of rural development as a central mission for the USDA. As a consequence, there is literally no one to speak to the issues of rural communities, especially as the position of the undersecretary of rural development remains vacant.<sup>41</sup>

To elevate rural issues, rural stakeholders must have a voice in the administration. This recommendation is broader than just the current predicament, as such a step would ensure that rural voices are part of policy debates now and in the future. Elevating rural issues can be done either by reestablishing the White House Rural Council—making sure that the council is given a stronger mandate to pursue economic opportunity in rural communities—or by creating a new independent agency, like a Rural Opportunity Administration, that will have independence to pursue rural health, education, and opportunity and will have more clout within an administration.<sup>42</sup>

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## Conclusion

The COVID-19 pandemic is well into its seventh month, and rural communities are continuing to bear the brunt of the new cases. Nearly half of all rural counties are considered red zones—that is, they are experiencing a higher rate of new infections. While any level of new COVID-19 infections is unwanted, this level is untenable for any community if it is to sustain a vibrant and healthy economy. It is imperative that the nation and its leaders combat this public health crisis with the collective seriousness it requires and that the concerns of rural communities remain central to the conversations and actions on the pandemic.

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