



INSIGHTS from the AHA Rural
Health Care Leadership Conference

From risk to resilience:
How rural hospitals
are redesigning care
for the future



The dominant theme across the conference was clear:

PROACTIVE TRANSFORMATION

Rural hospitals are shifting from reactive survival strategies to proactive transformation — investing in these five areas:

- Workforce innovation
- Care model redesign
- Digital transformation
- Strategic partnerships
- Governance & leadership





Introduction

Hospitals across the country are redesigning workforce models, care delivery and partnerships to strengthen sustainability and expand access in rural communities.

Rural hospitals have long faced profound structural challenges. Workforce shortages, financial instability, geographic isolation and aging populations have strained their ability to sustain services, while closures over the past decade have underscored the fragility of rural access. For many organizations, the question is no longer whether transformation is necessary, but how quickly it can be achieved.

Yet leaders at the 2026 AHA Rural Health Care Leadership Conference described a turning point. Rather than

focusing solely on survival, rural hospitals are redesigning workforce pipelines, expanding specialty access, leveraging technology and forming strategic partnerships to strengthen their future. These efforts reflect a fundamental shift — from reacting to disruption to actively building more sustainable models of care.

As Carl Vaagenes, CEO of Alomere Health in Alexandria, Minnesota, told attendees, the path forward requires intentional growth: “We’re either growing or we’re shrinking ... and that depends on continuing to grow specialty and primary care services in our community.”

Across the country, rural hospitals are making that choice and reshaping what comes next. ●

Nicole Malachowski

Former combat veteran and fighter squadron commander, first woman Thunderbird pilot and White House fellow and adviser



Building the workforce pipeline and redesigning roles

Workforce shortages remain the most immediate and persistent threat to rural hospital sustainability. But conference leaders made clear that successful organizations are no longer relying on recruitment alone. Instead, they are stabilizing their workforce by building pipelines earlier, redesigning training pathways and creating roles and cultures that make rural practice more sustainable and attractive over time.

Leaders also noted that rural hospitals' independence and mission-driven culture are increasingly attractive to clinicians seeking autonomy and closer patient relationships, creating a competitive advantage in recruitment.



Marc Boom, M.D.

The 2026 Chair of the American Hospital Association and president and CEO of Houston Methodist

Building workforce pipelines at the source

York General, a critical access hospital serving just over 8,000 residents in York, Nebraska, offers one of the clearest examples of how early pipeline development can reshape workforce stability.

Recognizing the limitations of traditional recruitment, hospital leaders partnered with York Public Schools to introduce students to health care careers while still in high school. Since launching the program in 2016:

- **More than 150 students have participated.**
- **Students have logged over 10,000 hours of hands-on experience.**
- **Multiple participants have returned as hospital employees.**

Through internships, job shadowing and clinical rotations, students gain practical experience and develop connections with the hospital early. The program has transformed workforce planning from a reactive challenge into a sustainable, community-based pipeline aligned with long-term needs.

Strengthening retention through culture and career pathways

FirstHealth of the Carolinas in Pinehurst, North Carolina, demonstrates how workforce stability also depends on organizational culture and career development.



Facing declining engagement and recruitment challenges, leaders implemented CEO listening sessions, workforce academies and leadership development programs. A \$20 million capital campaign funded student scholarships, apprenticeships and workforce training.

The results were significant: Employee engagement rose to the 82nd percentile nationally, and recruitment pipelines strengthened. Leaders emphasized that workforce stability depends on creating clear pathways for growth and fostering a culture where employees feel supported.

Redesigning training pathways to attract rural clinicians

Sanford Health in Bemidji, Minnesota, addressed physician shortages by embedding one-month rural rotations into urban residency programs through a partnership with Hennepin Healthcare.

The impact was immediate. After years without interest in rural emergency medicine practice, four residents expressed interest following the rotation, and one ultimately chose to work in Bemidji.

This model offers a scalable way to influence workforce decisions by introducing clinicians to rural practice early in their careers.

Redesigning roles and leveraging technology to expand workforce capacity

At Schneck Medical Center in Seymour, Indiana, medical assistant turnover reached 33.3%, nearly three times the hospital's overall turnover rate of 12.4%.

Leaders redesigned the role to include expanded clinical responsibilities, structured training and career pathways, improving retention and efficiency.

Hospitals are also deploying AI tools to automate documentation and administrative tasks, reducing workload and allowing clinicians to focus more fully on patient care.

Some hospitals are also addressing practical barriers to recruitment, such as housing and childcare, recognizing that workforce sustainability depends on supporting clinicians beyond the workplace. These operational changes are helping rural hospitals extend workforce capacity without relying solely on new hiring. ●

TAKEAWAY

Rural hospitals are shifting from competing for scarce talent to actively producing and sustaining their workforce. By building local pipelines, redesigning training and roles and leveraging technology, they are creating durable workforce models that improve retention, expand capacity and support long-term sustainability.

Expanding specialty access and strengthening financial sustainability

Rural hospitals are increasingly redesigning care delivery to align services with community needs by expanding specialty access through hybrid care models and investing in high-demand services that strengthen both access and financial viability.

Hybrid specialty care improves access and retains patients locally

Winona (Minnesota) Health demonstrates how hybrid specialty models can expand care while improving sustainability. Facing ongoing challenges recruiting full-time specialists, the hospital implemented tele-neurology, tele-rheumatology and tele-behavioral health programs that connect patients and local providers with remote specialists.

In addition, Winona has incorporated fractional specialists — physicians who work part time onsite and part time remotely — allowing the hospital to expand services without the financial burden of full-time recruitment.

These strategies have helped Winona retain patients who previously would have been referred elsewhere, preserving both continuity of care and keeping more of the community's care resources local. Just as importantly, they have strengthened confidence among primary care providers, who can now access specialty support more easily.

Behavioral health expansion creates both access and financial stability

Behavioral health has emerged as one of the most important service lines for rural hospitals, reflecting both rising demand and persistent workforce shortages.

Cannon Memorial Hospital in Newland, North Carolina, redesigned its care model by co-locating a behavioral health hospital alongside its critical access facility. The two hospitals share infrastructure — including laboratory, pharmacy and imaging services — improving efficiency and lowering operating costs. Behavioral health referrals now exceed 3,000 annually, creating a sustainable source of growth while expanding access in a region with limited behavioral health resources.

St. Charles Health System in Bend, Oregon, and strategic partner Sheppard Pratt in Baltimore, expanded outpatient behavioral health and crisis services and community partnerships. These investments have improved access while reducing emergency department overcrowding and strengthening care coordination. ●

TAKEAWAY

Rural hospitals are strengthening both access and financial sustainability by redesigning care around community needs. Hybrid specialty models and targeted service line expansion — particularly in behavioral health — are helping hospitals retain patients, improve efficiency and build more resilient care delivery systems.

Expanding access while preserving local care

Digital transformation is rapidly reshaping what rural hospitals can deliver, allowing them to provide higher-acuity care, extend workforce capacity and retain patients who once had to travel elsewhere.

Birmingham, Alabama-based UAB Medicine's virtual care network demonstrates how technology can fundamentally expand rural capability. The program supports 41 rural hospitals across Alabama, providing tele-ICU, tele-stroke, tele-neurology and virtual nursing services that connect local clinicians with centralized specialists in real time.

This model allows rural hospitals to safely manage more complex patients who previously would have required transfer. As a result, participating hospitals have improved access to specialty care, reduced costly transfers and retained patients and investment within their communities. Just as importantly, patients are able to remain close to family support systems while receiving advanced care.

Technology is also helping rural hospitals extend workforce capacity.

Many organizations are deploying artificial intelligence tools to automate clinical documentation, generate patient summaries and streamline administrative workflows. These tools reduce time spent on paperwork, allowing clinicians to focus more on patient care while helping address workforce shortages without adding staff.

Some hospitals are also using virtual nursing programs to support bedside teams, improving patient monitoring while reducing burnout among on-site nurses.

These digital tools allow rural hospitals to operate more efficiently while expanding the scope of care they can provide locally. However, leaders emphasized that virtual care must strengthen local hospitals by expanding their capabilities while preserving their central role in the community. ●

TAKEAWAY

Digital transformation is no longer optional for rural hospitals — it is a force multiplier. Virtual care and AI are enabling hospitals to expand specialty access, strengthen workforce capacity and retain patients locally, positioning rural organizations to compete and thrive in an increasingly technology-enabled health care landscape

From safety net to strategic growth engine

For many rural hospitals, partnerships have become an increasingly important strategy for expanding services and strengthening long-term sustainability. Faced with workforce shortages, limited capital and growing patient needs, rural hospitals are collaborating with a wide range of partners — including health systems, community organizations and other local providers — to restore access and stabilize operations while preserving care in their communities.

UNC Chatham Hospital in Siler City, North Carolina, offers a powerful example. Through its integration with UNC Health, the hospital restored maternity services after a 30-year absence and expanded surgical and imaging capabilities. These additions improved access for local patients while allowing the hospital to retain services and the economic activity tied to that care, which had previously gone elsewhere.

Carilion Clinic in Roanoke, Virginia, has similarly used partnerships and Rural Health Clinic designation to expand primary and specialty care across its rural footprint. Cost-based reimbursement supported tens of thousands of visits annually, strengthening financial stability while improving access in underserved communities.

Partnerships are also helping rural hospitals overcome specialty workforce shortages. Through tele-consult arrangements and system partnerships, hospitals are expanding access to psychiatry, nephrology and infectious disease services without recruiting full-time specialists. These programs allow patients to receive care locally while supporting the hospital's financial health and clinical capabilities.

Community partnerships remain equally critical. At Memorial Hospital of Sweetwater County in Rock Springs, Wyoming, leaders have strengthened engagement with local employers, schools and civic groups to improve recruitment and reinforce trust. As CEO Irene Richardson noted, “We get our narrative out there ... we tell the community what we do.” ●

Tina Freese Decker

The 2025 Chair of the American Hospital Association and president and CEO of Michigan-based Corewell Health



TAKEAWAY

Strategic partnerships are no longer simply a safety net — they are a core growth strategy. By expanding services, strengthening finances and improving access, partnerships are helping rural hospitals remain viable anchors of care in their communities.

The strategic foundation for transformation

While workforce innovation, care redesign and partnerships dominated much of the conference conversation, leaders repeatedly returned to a central point: Transformation begins with governance. In rural hospitals, where margins are thin and leadership teams are often small, the effectiveness of boards and executive leaders can determine whether new strategies succeed or fail to take hold.

Increasingly, high-performing rural hospitals are treating governance not simply as an oversight function, but as a strategic driver of long-term sustainability.

Gunnison (Colorado) Valley Health offers a clear example. Recognizing that its future depended on stronger alignment between leadership and strategy, the organization redesigned its governance structure. Leaders implemented formal board education, trustee skills assessments and clearer role definitions between the board and executive team. They also invested in leadership development to ensure trustees could engage more effectively in complex strategic decisions.

These changes strengthened board engagement and allowed governance discussions to focus less on day-to-day operations and more on long-term priorities such as workforce investment, partnership opportunities and service line growth. Leaders said this shift helped position the organization to navigate financial pressures while pursuing new opportunities.

North Country Healthcare in Whitefield, New Hampshire, demonstrates how leadership alignment across multiple facilities can support transformation at scale. The system includes several critical access hospitals, physician practices and community programs serving a large rural region. By creating an integrated leadership structure — with shared accountability, coordinated planning and unified organizational goals — leaders improved operational performance, strengthened workforce stability and enhanced care coordination.

This approach has been particularly important as the system expands workforce development programs and redesigns care delivery, ensuring that initiatives are implemented consistently across all sites. Leaders emphasized that strong governance creates the conditions necessary for innovation to succeed. When boards and executives share a clear strategic vision, hospitals are better positioned to invest in workforce pipelines, pursue partnerships and adopt new care models with confidence. ●

TAKEAWAY

In rural health care, transformation is ultimately a leadership challenge. Hospitals that invest in governance development and leadership alignment are better equipped to navigate uncertainty, sustain innovation and build resilient organizations for the future.



The Bottom Line: Rural hospitals are building the future

Rural hospitals are no longer waiting for solutions — they are creating them. Across the country, leaders are investing in workforce pipelines, redesigning care models to expand specialty access, leveraging technology to extend clinical capacity and forming partnerships that strengthen both services and financial stability. With stronger governance, hospitals are aligning strategy and resources to build more sustainable models of care.

The challenges remain significant, but the trajectory is shifting. Rural hospitals are moving from reacting to disruption to actively designing resilient, locally driven health systems. In doing so, they are not only preserving access to care for their communities — they are redefining what the future of rural health care can be. ●



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