

**Did non-metro healthcare organizations disproportionately benefit from the United States Paycheck Protection Program (PPP) During the Covid-19 Pandemic?**  
**Identifying the differences between metro and non-metro loan recipients in the healthcare sector**

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**Purpose**

To identify the differences between non-metro and metro healthcare CARES Act Paycheck Protection Program participants

**Background**

In the early weeks of the covid-19 pandemic, health systems were treating patients for covid-19, while postponing non-urgent medical services. Escalating costs, combined with the loss of billions in revenue, motivated United States policymakers to include healthcare organizations in the Paycheck Protection Program which provided small businesses with attractive emergency loans. The program was designed to mitigate the effects of economic closures amidst record-breaking unemployment. Early reports, however, suggested that rural businesses were disproportionately benefiting compared to metro businesses. Despite these claims, no study has attempted to evaluate the program by rurality or industry. The ongoing threats to the healthcare system warrant greater attention to this sector’s participation in the program. Additionally, given the dire financial outlook for rural healthcare organizations before the pandemic, a failure to understand the variation in program participation could hinder policy implementation and devastate health inequities as the pandemic continues.

**Methods**

Comprehensive data became available July 7/6/20 from the U.S. Small Business Administration, which included every program recipient. Recipients were coded as healthcare organizations by the North American Industry Classification System (NAICS) code. Metro status was determined by the Rural-Urban Continuum Code associated with each organization’s zip code. Outcomes included loans, value of loans, and jobs retained per 100,000 population. The analysis aggregated results for the healthcare industry, sectors within the industry, and by legal-status.

**Table 1 – Number and proportion of healthcare businesses receiving Paycheck Protection Program (PPP) loans, by metro status**

	Recipients		
	All	Non-Metro	Metro
All	4,842,901	851,393	3,991,508
Health Care	500,092	71,818	428,274
	10.33%	8.44%	10.73%

Significant Difference  
*p* <0.0001



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**Table 2 – Funds Dispersed, Jobs Retained, and Number of Loans per capita for non-metro and metro healthcare organizations receiving Paycheck Protection Program (PPP) loans.**

	\$ Funds Dispersed		# Jobs Retained		# Loans	
	non-Metro	Metro	non-Metro	Metro	non-Metro	Metro
All	1,608	2,128	16,533	18,400	1,764	1,719
Health	266	277	2,731	2,581	175	189
Clinic	122	152	1,040	1,164	125	136
Physician	71	83	532	557	49	52
Dentist	34	37	299	308	40	41
Outpatient Center	36	23	319	181	14	9
other	30	29	302	266	57	47
Hospitals	177	20	1,342	146	13	7
General	197	16	1,473	114	13	6
Psychiatric	38	16	416	143	8	4
Specialist	28	16	239	112	8	4
Long-Term Care	91	74	1,207	876	27	20
Skilled-Nursing Facilities	66	44	825	461	13	7
Residential Facilities	47	24	552	240	10	5
Assisted Living & other facilities	39	28	502	305	15	7
Home Health Agencies	37	32	587	446	16	12
Other & non-clinical	46	58	650	641	45	37
Community Services	32	32	438	346	23	15
Vocational Rehab Services	23	14	319	160	9	4
Diagnostic & Other Ambulatory	26	20	256	177	16	12
Childcare	11	13	226	203	26	16

Table 2 reports the funds dispersed per capita, the number of jobs retained per 100,000 population, and number of loans per 100,000 population for both metro and non-metro regions in the United States.

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Table 3 – Funds Dispersed, Jobs Retained, and Number of Loans per capita for non-metro and metro healthcare organizations receiving Paycheck Protection Program (PPP) loans, for non-profits, small businesses, and corporations.

		\$ Funds Dispersed		# Jobs Retained		# Loans	
		non-Metro	Metro	non-Metro	Metro	non-Metro	Metro
Not-for-Profits	All	143	65	1,353	591	25	13
	Clinics	64	37	519	263	9	5
	Hospitals	310	70	2,303	511	13	4
	Long-Term Care	79	53	900	495	12	5
	other	34	33	436	334	18	10
Small Businesses	All	15	16	163	148	45	38
	Clinics	13	13	116	108	35	31
	Hospitals	11	3	84	23	9	4
	Long-Term Care	10	5	122	59	11	6
	other	3	2	56	29	20	9
Corporations	All	160	205	1,717	1,920	125	140
	Clinics	95	125	813	951	97	104
	Hospitals	59	15	479	105	11	6
	Long-Term Care	67	58	944	725	22	16
	other	28	33	396	383	26	24

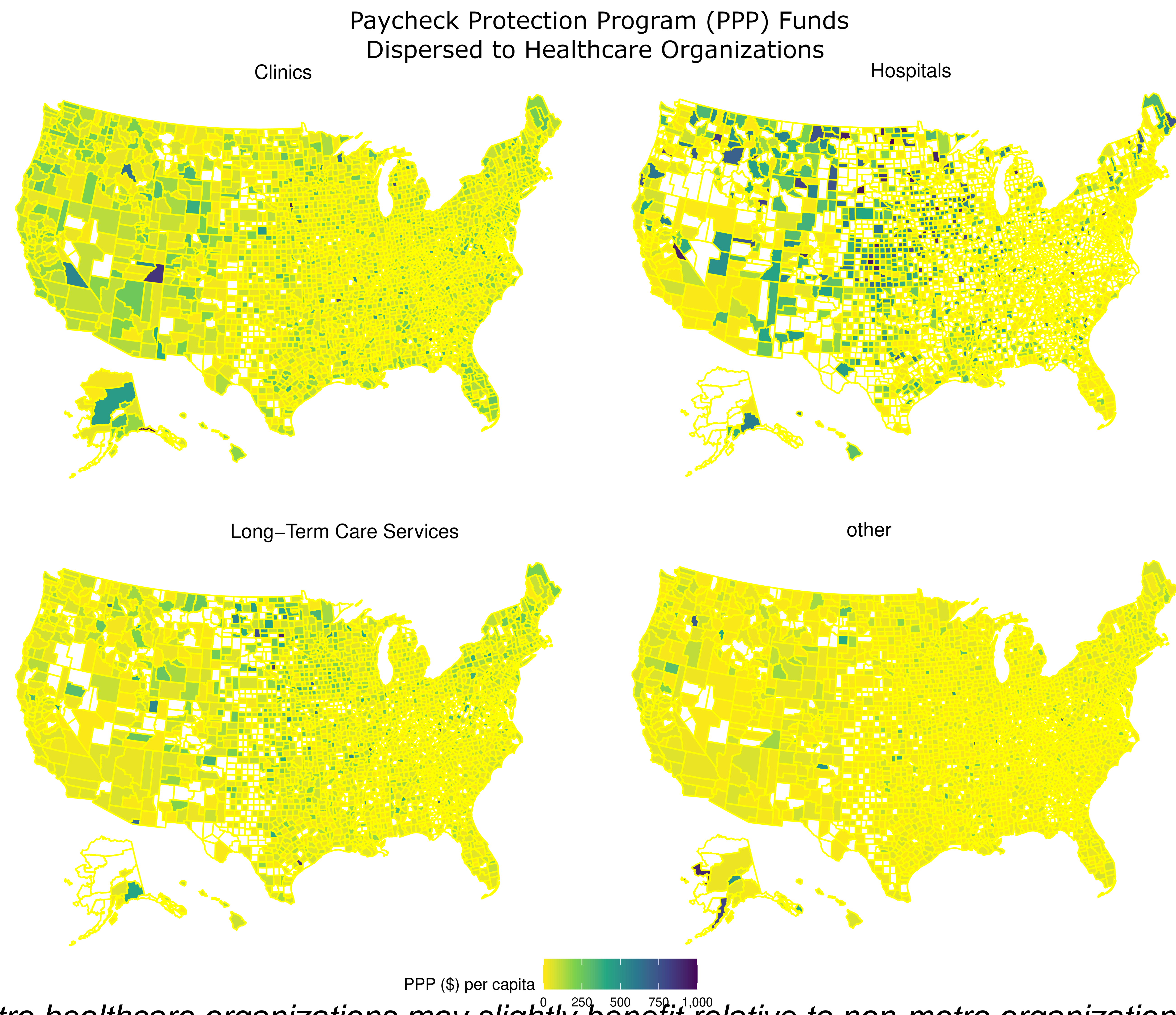
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**Conclusions**

- \*This study finds that metro healthcare organizations may slightly benefit relative to non-metro organizations. ,*
- \*Despite being designed for small businesses, a disproportionate share of loans went to corporate healthcare organizations.*
- \*Among healthcare organizations, the largest number of retained jobs came from loans to non-profit hospitals in non-metro regions.*
- \*The pandemic has reminded policymakers of the critical importance of non-profit hospitals and long-term care providers in rural areas.*
- \*Future research should continue investigating program variation, but more importantly evaluate this variation on short-term outcomes during the pandemic and the long-term financial solvency of rural providers.*