



MARCH 2021

## NATIONAL ORGANIZATION OF STATE OFFICES OF RURAL HEALTH

### *Action Alert: Proposed Changes to the Definition of Metropolitan Statistical Areas (MSAs)*

---

#### What's the issue?

The federal Office of Management and Budget (OMB) published [proposed changes](#) to its definitions of Metropolitan and Micropolitan Statistical Areas (MSAs/MiSAs). Changes in population size, infrastructure, and migratory patterns have highlighted a need to evaluate current definitions in place since the 1970s.

Under the [proposed changes](#) an MSA would be required to contain an urban area of at least 100,000 population instead of the current minimum of 50,000, resulting in an estimated 144 MSAs losing their Metropolitan designation. OMB states that MSAs/MiSAs exist solely for statistical purposes and should not be used in nonstatistical activities or for making funding decisions.

#### Why does it matter?

Multiple programs link eligibility to location within an MSA, including programs of the Department of Transportation and the Department of Housing and Urban Development. The [Housing and Urban Development \(HUD\) Community Development Block Grant](#) also links eligibility to location within an MSA. The proposed redefinitions would have a direct impact on eligibility for federal support for applicants in the affected areas.

The proposal would also have an *indirect* impact on reclassified MSAs. For example, the proposed changes could have negative financial impact on as many as 248 acute care hospitals across the nation. One acute care hospital has estimated that it would lose \$2 million annually, attributable to differences in the [Medicare Hospital Wage Index](#) for MSAs. Medicare revenue losses would place these essential health care providers at risk unnecessarily.

#### What solutions are recommended to OMB?

Recognizing the need to update the definition, there are several recommendations that will build consensus and ensure an accurate reflection of MSAs in the country. These are:

- Maintain the current levels of MSA and MiSA until a more appropriate alternative is identified.
- Explore other alternatives to proposed changes, including international standards found in the U.N. Statistical Commissions' [Degree of Urbanization](#).
- Improve transparency in the MSA/MiSA standards review committee and provide for greater stakeholder input.

#### Action items and next steps for rural advocates:

1. Share this information with key stakeholders in your state.
2. Raise attention of the issue to decision-makers at the local, state and Federal level.
3. Submit your own set of comments to the [Federal Register](#) by Friday, March 19<sup>th</sup>, 2021.

---

NATIONAL ORGANIZATION OF STATE OFFICES OF RURAL HEALTH