The COVID-19 pandemic changed communities across the U.S. in myriad ways. One of these was the migration of people no longer tied to an office from urban centers to beautiful and rural locations like Park County, Montana, where they could enjoy the big sky, the Yellowstone River, and the Gallatin Mountain Range, all while being driving distance away from Bozeman, one of the fastest growing areas in Montana. As the Chief Executive Officer of Livingstone HealthCare (LHC), a 25-bed critical access hospital in Livingston, I’ve watched these changes firsthand and felt their impacts on health care delivery in the area, most notably through a dramatic increase in the cost of living.

With a shortage of health care workers already in full swing at the start of the pandemic, things have reached a critical point. Housing unavailability and unaffordability have become the primary barriers to recruiting and retaining the staff necessary to provide the community access to the robust, high-quality health care it needs.

Park County, which adequately produced homes in 2012, now experiences underproduction, contributing to skyrocketing home prices for both purchase and rent. Single-family median sales prices rose in Park County from $282,753 in December 2019 to $425,250 in June 2021 and $587,500 in August 2023 (Redfin, 2023). Increased demand is a significant driver. Livingston is only 25 miles from Bozeman, where the median price of a single-family home is approaching $900,000. Many homeowners across the region took advantage of high real estate values and sold their rental properties, the new owners now living in those homes full-time. With the loss of this supply, what is available has seen steep price increases.

The average cost of a rental property in July 2020 was $1,275 per month across all types, and by June 2021, the cost had increased 23% to $1,565 per month (Park County Housing Coalition, 2021).

A lack of affordable housing is one of the main drivers of the staffing crisis in health care. The median annual wages for health care support workers, such as home health and personal care aides, medical and nursing assistants, medical transcriptionists and more, were $35,000 or less in May 2021, lower than the median annual wage for all occupations (U.S. Bureau of Labor Statistics, 2022). Even higher-paid medical professionals, such as registered nurses, physician assistants, and even some physicians, are being priced out of the market.

According to the National Association of Realtors Housing Affordability Index, the qualifying income needed to buy a median-priced existing single-family home was $81,184 in May 2023, up from $49,680 in 2020. When looking only at the western United States, the qualifying income needed rises to $155,568. Given the cost as home health and personal care aides, medical and nursing assistants, medical transcriptionists and more, were $35,000 or less in May 2021, lower than the median annual wage for all occupations (U.S. Bureau of Labor Statistics, 2022).
of housing, both for rent and purchase, many hospital staff cannot afford to live near their place of work. Even more urgently, the ability of hospitals and other health care facilities to recruit health care staff is critically undermined.

While shortages were already common throughout the country before the coronavirus outbreak, the pandemic pushed it to a crisis point, where it remains. In December 2022, there were 1.9 million sector job openings across the country; in 2021, the average was 1.6 million; in 2020 and 2019, 1.1 million (Brill & Sexton, 2023).

Rather than reducing services, many hospitals have been forced to hire temporary workers from out of the area at a cost that is often 2–3 times what a permanent position would be. Many traveling health care providers live in RVs in hospital parking lots, as no housing near their place of work. Even more urgently, the ability of hospitals and other health care facilities to recruit health care staff is critically undermined. Nationwide, hospital demand is available in the community (Gooch, 2022). Nationwide, hospital demand is available in the community (Gooch, 2022). Nationwide, hospital demand is available in the community (Gooch, 2022).

A recent McKinsey & Company report projected that by 2025, there will be a deficit of between 200,000 and 450,000 registered nurses to provide the direct patient care needed in communities nationwide (Berlin et al., 2023). In addition, Mercer projects that over the next five years, the U.S. will face a shortage of over 3 million lower-wage health care workers (Bateman et al., 2023). This approaching crisis has multiple causes, such as a health care workforce that includes many reaching retirement age, education programs that are financially out of reach for many, stagnant pay, pandemic-related burnout, and a shortage of homes near the workplace. It is critical that affordable housing be available to attract workers to the nation’s rural hospitals and health care clinics, without whom care delivery will be impossible.

Recently, Bill McBride, Executive Director of the National Governor’s Association, wrote a letter to Congress urging action on the national shortage of health care workers, calling out affordable housing as a critical need. The federal government could take steps to support the supply of health care workers, he wrote, by “making housing for health care workers more affordable, especially in high-cost metropolitan areas and high-cost rural areas” (2023). Yet, housing supply problems are not quickly solved in rural areas, as a limited construction workforce creates delays and bottlenecks, a barrier that often leads to potential projects never breaking ground. Custom builders in Livingston are telling potential buyers there is a two-year waiting period before they can break ground on a custom home, and the same challenge applies to multifamily developments. Recruiting construction professionals to the area without adequate housing for their families is equally challenging as in other sectors like hospitality, service, and health care.

LHC is fortunate to have purchased 100 acres adjacent to the hospital campus for future expansion. In different circumstances, we would use this property to grow existing and new health services our community needs, but now we must think in new ways about our future. We are partnering with a developer to build affordable residential housing for our health care workforce. Not every hospital has the option of such an intervention, though LHC is far from the only health care system taking this step. While not a solution to the problems of unaffordable and unavailable housing for workers who do not make the high wages needed in today’s economy to purchase or rent a home, we need to be willing to explore unexpected solutions while policymakers continue to make headway on removing the barriers to affordable housing.