# RURAL & REGIONAL HEALTHCARE SECTOR

**INDUSTRY CHALLENGES, TRANSITIONS & OPPORTUNITIES | Working Paper**
**October 2026 I 3CORE 2028-2033**

**The central question for this paper:** *Where can regional economic development help remove barriers to healthcare access and sector growth, strengthen healthcare workforce capacity, and expand pathways into high-demand jobs across Butte, Glenn and Tehama counties?*

## 1.0 RESEARCH, BACKGROUND & KEY FINDINGS

### 1.1 Community Health Assessments (CHA) — Regional Health Conditions

The Community Health Assessments for Butte, Glenn and Tehama counties identify common concerns involving access to healthcare, behavioral health, chronic disease and the social conditions affecting health.

**Common Regional Health Concerns**

- Access to Care: Shortages of healthcare providers, including primary care, specialty and behavioral health professionals, and barriers to timely services.
- Behavioral Health: Mental health and substance-use concerns, including limited access to treatment.
- Chronic Disease: Significant health concerns involving conditions such as diabetes, heart disease and obesity.
- Barriers to Healthcare: Transportation, affordability and other social and economic conditions that affect residents' ability to obtain care.

**County-Specific Findings**

- **Butte**: Access to healthcare, including dental care, is the highest-priority need. Other concerns include food insecurity, youth mental health, wildfire-related trauma and chronic disease.
- **Glenn**: Four priorities for community health improvement are medical provider shortages, behavioral health, transportation and access to resources.
- **Tehama**: Significant shortages of primary care and mental health providers, limited specialty care, transportation barriers and broadband limitations affecting telehealth. The assessment reports 2,030 residents per primary care physician compared with 1,240 statewide.

Sources: Butte County 2023 Community Health Assessment; Glenn County 2024 Community Health Assessment; Tehama County 2023 Community Health Assessment, updated February 2025.

## 1.2 Tribal and Indian Healthcare – Regional Delivery Assets

Tribal and Indian healthcare organizations are important components of the healthcare delivery system across Butte, Glenn and Tehama counties**.** These organizations provide primary care, dental, behavioral health, prevention and other services to Native American and surrounding communities, while contributing healthcare employment and workforce capacity. Key regional providers[1] include:

- **Northern Valley Indian Health (NVIH):** A tribally founded nonprofit healthcare organization with clinics in Chico, Willows and Red Bluff. Services include medical, dental, behavioral health, pediatrics and community outreach.
- **Feather River Tribal Health:** Based in Oroville, providing medical, dental, behavioral health, pharmacy and other services.
- **Rolling Hills Clinic:** A tribally owned healthcare organization operated by the Paskenta Band of Nomlaki Indians, with medical and dental facilities in Corning and Red Bluff.

These organizations are regional healthcare assets and potential partners in workforce development, clinical training, healthcare access and future facility investment.

## 1.3 Healthcare Workforce Shortages – Employer Demand

Lightcast job-posting data for January–September 2026 identifies significant recruitment activity across healthcare occupations in Butte, Glenn and Tehama counties. The data documents employer postings for registered nurses, physicians, rehabilitation specialists, medical technicians and other healthcare professionals, 3,487 selected occupational postings over the period.

**MEDICAL JOB OCCUPATIONAL POSTINGS — JANUARY–SEPTEMBER 2026**
Unique postings | Lightcast Job Posting Analytics, Q4 2026 dataset

| Healthcare occupation | Butte | Glenn | Tehama |
|---|---|---|---|
| Registered Nurses | 890 | 31 | 115 |
| Radiologic Technologists & Technicians | 308 | 10 | — |
| Medical & Health Services Managers | 232 | 18 | 36 |
| Physical Therapists | 181 | 21 | 63 |
| Nurse Practitioners | 159 | 6 | 45 |
| Medical Assistants | 150 | 6 | — |
| Occupational Therapists | 149 | 54 | 25 |
| Licensed Practical/Vocational Nurses | 144 | 15 | — |
| Nursing Assistants | 136 | — | — |
| Family Medicine Physicians | 124 | 9 | 62 |
| Physicians, All Other | 95 | — | 29 |
| Speech-Language Pathologists | 93 | 61 | 46 |
| Home Health Aides | — | 10 | 25 |
| Personal Care Aides | — | 11 | 53 |
| **TOTAL – Selected Occupations** | **2,761** | **252** | **474** |

[1] *Sources: Northern Valley Indian Health; Feather River Tribal Health; Rolling Hills Clinic; Indian Health Service.*

Source: Lightcast Job Posting Analytics, Q4 2026 dataset; January–September 2026. Selected O*NET occupations. A dash indicates that a comparable occupational count has not been verified, not that demand is zero. Occupational categories may overlap.

Healthcare recruitment extends across a broad range of occupations in all three counties. Registered nurses are a major recruitment category, particularly in Butte and Tehama. Demand for physical therapists, occupational therapists and speech-language pathologists is evident throughout the region, including Glenn County's smaller labor market. Physician recruitment, including family medicine, is also significant, particularly in Tehama.

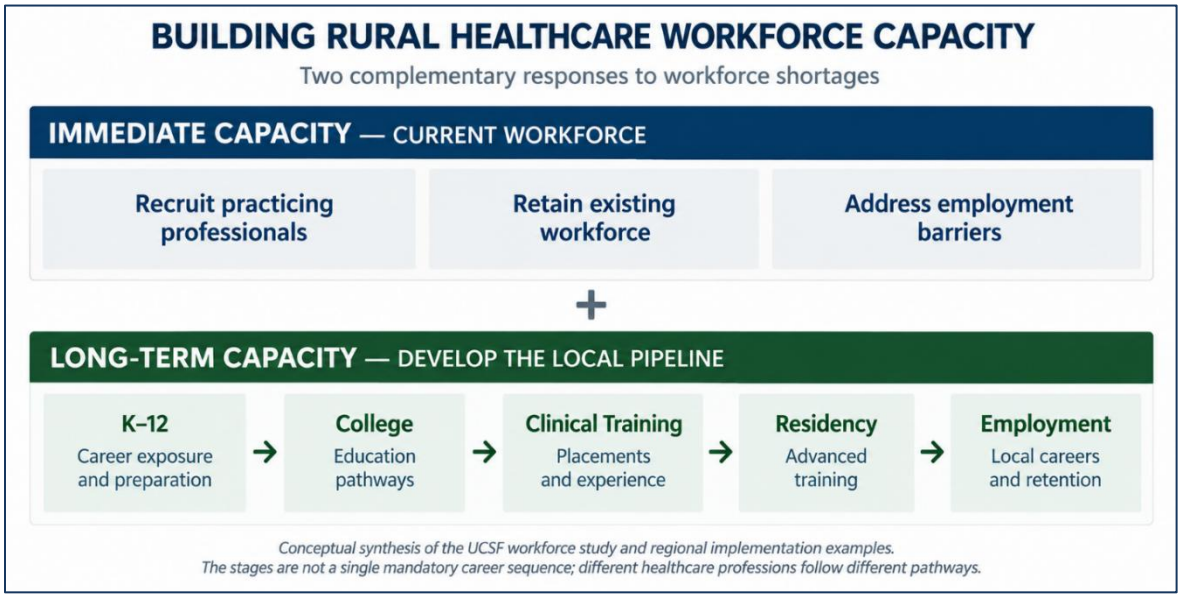
***Note — Interpreting Job Postings**: Lightcast postings are used as an indicator of employer demand, not a count of actual job vacancies or new positions created. A single position may generate multiple advertisements, and some postings may represent ongoing recruitment rather than an immediate vacancy. Conversely, the data may understate recruitment activity because hospitals, health systems and other healthcare providers conduct hiring through their own recruitment channels, which may not be fully captured by Lightcast.*

## 3. Rural Healthcare Workforce Shortages Require Immediate and Long-Term Responses.

The *2023 UCSF Healthforce Center study, Healthcare Workforce in CMSP & RCRC Counties*, documents 1) the uneven distribution of healthcare professionals across rural California and 2) the challenges of recruiting and retaining physicians and other providers.

The study recommends two complementary approaches to addressing rural healthcare workforce shortages:

- ***Immediate workforce capacity***: Recruit and retain practicing professionals, improve working conditions, and address barriers to accepting and keeping rural positions.
- ***Long-term workforce development***: Introduce students to healthcare careers, create accessible education pathways, expand clinical training, and develop rural residencies that connect graduates to local employment.



The Long-Term Capacity developing the healthcare workforce pipeline as noted in the chart above requires several connected components, K-12, community college and universities, professional education programs, clinical training graduate medical education, residency and employment.

| LONG-TERM CAPACITY – HEALTHCARE WORKFORCE PIPELINE - ASSET & PROGRAMS | | |
|---|---|---|
| **Pipeline Stage** | **Existing Local/Regional Initiatives** | **Contribution to Workforce Capacity** |
| **K–12 through College** | Butte: Building Butte Health Workforce, part of North State Together, connects schools, Chico State, Butte College, healthcare providers and community organizations.<br>Glenn: Glenn 2 Greatness medical career programs, high school medical education clubs and Glenn County Office of Education career programs.<br>Regional: HRC's Grow NorCal Physicians Pipeline includes K–12 awareness in Butte and Glenn. | An organized partnership already exists to improve healthcare career pathways, particularly allied health, nursing and mental health.<br>Introduces students to healthcare careers and connects rural students with education pathways. |
| **Community College Education** | Glenn: Butte College operates its Licensed Vocational Nursing program at the Glenn Center in Orland, with clinical rotations in Butte, Glenn and Tehama.<br>Tehama: Shasta College's Tehama Campus offers Medical Assistant and Certified Nursing Assistant training. | Provides locally accessible entry points into healthcare occupations and advancement toward nursing careers. |
| **Clinical Education** | Chico State's Rural California Nursing Preceptorship includes participating in clinical sites.<br>Regional: Butte College's LVN clinical rotations span all three counties. | Rural clinical experiences can be built into nursing education, although placement eligibility and capacity are limited.<br>Expands clinical learning opportunities and introduces students to healthcare practice in rural communities.<br>Note: This is a challenge area in having sufficient faculty and clinical placements. |
| **Medical Education Pathways** | Butte: Grow NorCal Physicians Pipeline, led by Healthy Rural California with UC Davis, Touro, Chico State and Enloe, links premedical pathways with development of third-year medical clerkships in Butte, Glenn and surrounding counties.<br>Regional: HRC connects Chico State, UC Davis, Touro University California and Enloe Health through its physician pipeline initiative.<br>Glenn: Glenn County's health improvement plan identifies HRC, Glenn Medical Center and Northern Valley Indian Health among its workforce partners. | The region is actively developing connections between undergraduate education and medical training. |
| **Graduate medical education** | Healthy Rural California operates family medicine and community psychiatry residency programs. | Rural residency training is already part of the local healthcare system. |

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|---|---|---|
| | Tehama: The county's Community Health Improvement Plan calls for developing residency rotations with regional medical centers and academic partners, including HRC, UC Davis and Touro. | |
| **Additional regional capacity** | Oroville Hospital received a 2026 federal award supporting development of a rural internal medicine residency, with training planned to begin in July 2027. | Residency expansion is occurring elsewhere. |

# 2.0 Research Synthesis — October 2026

## 2.1 Rural Healthcare is Facing a Structural Challenge

The research suggests that rural healthcare difficulties are not simply the result of too few doctors. They reflect several interconnected pressures: smaller patient markets, higher operating costs, financial vulnerability, an uneven distribution of medical professionals and difficulties sustaining specialized services.

The California Hospital Association reported in 2025 that 59% of California's rural community hospitals were operating at a loss, up from 40% in 2019. It also documented reductions in obstetric and chemotherapy services. These findings point to a fundamental issue: ***healthcare services can be essential to a community without generating sufficient revenue to sustain their delivery.***

**Watch Factors:**

- Hospital beds and services: Changes in staffed beds, emergency services and specialty care can affect access throughout the regional healthcare network.
- Glenn Medical Center: The potential loss of Critical Access Hospital designation creates uncertainty about funding and the sustainability of local services. A June 2025 regional healthcare coalition report identified this as a significant financial risk; the current designation and operating status require confirmation.
- Oroville Hospital: The hospital is operating through a Chapter 11 restructuring process. An August 2026 court-approved financing amendment provided additional time to pursue restructuring or a sale. The outcome and its implications for regional service capacity remain important to monitor.

These developments warrant continued attention because changes in hospital services or staffed bed capacity in one community can shift patient demand, costs and operational pressures to healthcare facilities elsewhere in the region.

## 2.2 Workforce Shortages are Broader than Physician Shortages

The research identifies two interconnected challenges: meeting immediate staffing needs and developing a sustainable regional workforce. Shortages extend beyond individual healthcare providers and affect the ability of hospitals, clinics and other facilities to maintain services and expand capacity.

The regional challenge is both attracting healthcare professionals and developing the local workforce needed to sustain healthcare services over time.

## 2.3 Clinical Training Capacity Can Limit Healthcare Workforce Growth

Nursing and other clinical professions depend on access to hospitals, clinics and other healthcare settings where students can complete required supervised training. Programs also need qualified faculty, clinical instructors and practicing professionals who can supervise students.

**Chico State's** Rural California Nursing Preceptorship program provides clinical experience in Northern California healthcare facilities, but the program also reports limited placement availability.

California has begun addressing this issue through legislation requiring hospitals and clinics to work with CSU and community college nursing programs to assess opportunities for additional clinical placements.

**EXAMPLES OF EMERGING RESPONSES TO CLINICAL PLACEMENTS**

1. **Regional Response**
   Healthy Rural California is working to expand clinical training opportunities through its Grow NorCal Physicians Pipeline Program, in partnership with UC Davis, Touro University California, Chico State and Enloe Health. The initiative is developing medical student clerkships in Butte, Glenn and surrounding counties, connecting local education pathways with medical school training and HRC's existing residency programs. This complements Chico State's Rural California Nursing Preceptorship Program, which provides supervised clinical experiences in Northern California healthcare facilities.

2. **Kern County — Dedicated Education Units**
   Kern Community College District partnered with Adventist Health to establish dedicated clinical education units at hospitals in Bakersfield, Delano and Tehachapi. Experienced hospital nurses supervise students as part of their clinical training, increasing opportunities without relying solely on traditional college-based clinical instruction. bakersfieldcollege.edu

3. **California Regional Partnerships — Coordinated Clinical Placements**
   Health Impact's Centralized Clinical Placement System is used by nursing schools and healthcare facilities in regions including the Bay Area, Los Angeles and the Central San Joaquin Valley. It helps coordinate available placements, reduce scheduling conflicts and make better use of existing clinical training capacity. Optimizing Health Through Nursing

4. **California Community Colleges — Expanding Training Models**

   A statewide nursing education demonstration project includes Butte College among 12 participating colleges. Its strategies include expanded simulation labs, evening clinical rotations, flexible scheduling and greater use of hospital-based instructors to increase nursing program capacity. Find Your Path

## 2.4 Healthcare Recruitment is also a Community Development Challenge

Example: Redding, Ca. Dignity Health recruiters described substantial physician shortages and efforts to recruit for primary care, obstetrics/gynecology and oncology. Their recruitment approach extends to physicians' spouses, families and perceptions of the North State. [2]

The economic development connection: housing, schools, childcare, professional opportunities for spouses and community image can influence healthcare recruitment.

[2] Redding faces healthcare provider shortage, efforts underway to recruit doctors.pdf

These factors do not replace competitive compensation, clinical resources or working conditions. They are complementary conditions affecting whether recruitment succeeds.

## 2.5 The Education-to-Practice Pipeline is Becoming a Regional Strategy

Healthy Rural California (HRC) is already implementing this approach for the North State. Its Community Psychiatry Residency Program began in 2024 in partnership with Butte County Behavioral Health, followed by a Family Medicine Residency Program in 2025 in partnership with Enloe Health. The programs provide graduate medical training focused on rural and underserved communities, with the objective of developing physicians who will establish practices in the region.

Elsewhere in California, the University of the Pacific is planning a School of Medicine and a clinical partnership with Dignity Health St. Joseph's Medical Center, including clinical rotations in regional hospitals. These initiatives bring medical education and clinical training into rural communities without requiring a local medical school, giving future physicians opportunities to experience rural healthcare firsthand, build relationships within the community, and establish roots that encourage them to remain and practice in the region.

Tribal and Indian Healthcare Organizations Are Regional Partners**.** Tribal and Indian healthcare providers represent established healthcare delivery capacity serving Native American and broader rural communities. Their participation in regional workforce planning, clinical education, recruitment and facility investment discussions could strengthen coordination and expand opportunities across the three counties. These partnerships should recognize tribal sovereignty and the independent priorities of tribal healthcare organizations.

## 2.6 Two Emerging Regional Medical Education and Research Opportunities

- California Institute for Regenerative Medicine (CIRM): In September 2026, CIRM awarded $9 million to Enloe Health to establish a Community Care Center of Excellence in Chico. Expected to launch by February 2027, the center will expand access to cell and gene therapies, clinical trials, patient support and specialized workforce training. This represents an emerging regional healthcare and clinical research asset.
- UC Davis School of Medicine Branch Campus: Long-term vision includes a UC Davis School of Medicine branch campus with advanced medical education and clinical rotations in the North State. This remains a potential development requiring investment. Its regional significance lies in the potential to expand physician training, strengthen healthcare partnerships and retain more medical professionals in Northern California. Advancement of the proposed branch campus will depend on institutional partnerships, clinical training capacity and a sustainable funding structure.

## 2.7 Healthcare Financing and Policy Changes Add Uncertainty

Rural hospitals depend on a complex combination of Medicare, Medicaid/Medi-Cal, commercial insurance and other funding. Changes to reimbursement or coverage can affect operating margins, staffing and service availability.

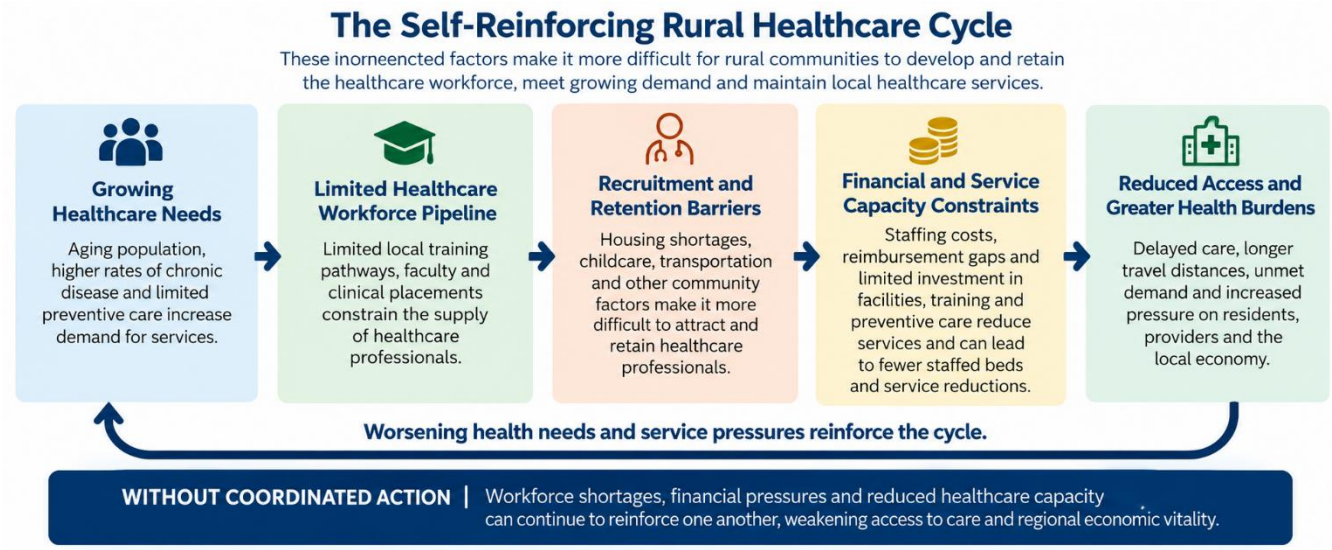
California's Rural Health Transformation[3] program introduces a new investment opportunity. The state reports a federal fiscal year 2026 award of approximately $233.6 million intended to strengthen rural healthcare delivery, workforce capacity and infrastructure.

[3] HCAI

## 3.0 CEDS - Preliminary Strategic Discussions & Direction

**Central Question**: *Where can regional economic development help remove barriers to healthcare access and sector growth, strengthen healthcare workforce capacity, and expand pathways into high-demand jobs across Butte, Glenn and Tehama counties?*

The research identifies interconnected challenges involving healthcare workforce availability, financial sustainability, service capacity and access to care. These pressures can reinforce one another, as illustrated in The Self-Reinforcing Rural Healthcare Cycle.




***Without intervention***, the region risks continuing this cycle. Economic development and workforce organizations cannot resolve every healthcare challenge, but they may have important roles in removing barriers, building partnerships, developing projects and advancing investment.

The following areas are presented for discussion—not as proposed CEDS actions, but to determine where a regional role exists and what partners could realistically accomplish. There are two discussion areas – Addressing Regional Challenges and Advancing Regional Opportunities.

# CEDS DISCUSSION CHART

## A. Addressing Regional Challenges

| Challenge | Questions for Regional Discussion |
|---|---|
| 1. Healthcare facilities, infrastructure and service capacity | With financial/operational pressures affecting hospitals, beds and services—including watch factors involving Glenn and Oroville—<br>is there a role for regional economic development in identifying investment needs, supporting facilities and monitoring risks to regional capacity? |
| 2. Healthcare workforce recruitment and retention | Could healthcare employers, workforce organizations and communities collaborate on recruitment and retention?<br>What could be done regionally that individual employers cannot do as effectively alone? |
| 3. Community barriers to healthcare recruitment | Can regional partners address housing, childcare, transportation and spousal employment barriers?<br>Are there specific projects or partnerships that could make rural communities more competitive in attracting healthcare professionals? |
| 4. Clinical training capacity | With shortages of clinical placements, preceptors and instructors, could regional coordination among hospitals, clinics, colleges and universities expand training capacity across all three counties? |
| 5. Short-term housing for medical students and clinicians | Could communities and healthcare institutions develop furnished short-term housing arrangements to support clinical rotations, residencies and temporary medical assignments? |

## B. Advancing Regional Opportunities

| Opportunity | Questions for Regional Discussion |
|---|---|
| 6. K–12 healthcare career awareness and pathways | Programs are already introducing middle and high school students to healthcare careers. Could these be expanded across Butte, Glenn and Tehama? What would help more students move from career exploration into local education and employment? |
| 7. Community college and university healthcare education | Could regional partnerships strengthen nursing, allied health and other healthcare education pathways, particularly for students in smaller communities? Where are program capacity or access gaps? |
| 8. Healthy Rural California — Medical education and residencies | How can regional partners support HRC's expanding medical student rotations and residency programs? Could additional clinical sites and community partnerships help extend these opportunities across the three counties? |

| | |
|---|---|
| 9. Tribal and Indian Healthcare Partnerships | How can 3CORE engage tribal and Indian healthcare organizations in regional healthcare workforce development, clinical training, recruitment, and facility investment opportunities? Where are there shared priorities that could benefit from regional coordination? |
| 10. Proposed UC Davis School of Medicine Branch Campus | What would be required to advance the proposed branch campus? Is there a regional role in developing partnerships, identifying investment needs, addressing funding gaps and supporting medical education infrastructure? |
| 11. CIRM — Advanced therapies and clinical research | How could Enloe's emerging regenerative medicine and clinical research capabilities create opportunities for regional healthcare access, specialized workforce training and related investment? Is there a role for regional partners? |
| 12. Healthy Here — Prevention and workforce wellness | Healthy Here has established programs and employer interest but limited implementation capacity. Could the program be expanded across the region? What partnerships, delivery capacity and funding would be needed? |
| 13. Healthcare facility and technology investment | Are there emerging opportunities involving new facilities, specialized equipment, telehealth infrastructure or healthcare technologies where regional project development and access to capital could accelerate investment? |

Which of these challenges and opportunities warrant a coordinated regional response, who would need to participate, and what should be carried forward for consideration in the 2028–2033 CEDS?

**ABOUT THIS RESEARCH | INFORMING THE REGIONAL ECONOMY PLAN**

3CORE, an EDA District, serves as the regional planning unit for the economy. Working with jurisdictions, institutions and organizations, the District connects economic planning with land use, infrastructure, workforce, housing and other systems that support economic growth. Its responsibility is to assess how the regional economy is changing, identify emerging challenges and opportunities, and determine where coordinated planning, additional capacity or investment may be needed.

These research and briefing papers support the CEDS Committee's discussion of regional issues and opportunities and evaluation of priorities for the 2028–2033 CEDS. They are intended to inform regional economic planning, identify where coordinated action can achieve greater regional outcomes, and help establish the champions, lead organizations and partners responsible in advancing shared priorities.