



Center for  
Rural Health

<http://ruralhealth.und.edu>

## What Does My Hospital Have To Do With My Town's Economic Development?

**AgriWellness, Inc.**

*The Clock is Ticking for Rural America Conference*

Sheraton Hotel, Sioux Falls, SD

August 4, 2009

**Brad Gibbens, Interim Co-Director and Assistant Professor  
UND Center for Rural Health**

*Connecting resources and knowledge to strengthen  
the health of people in rural communities.*

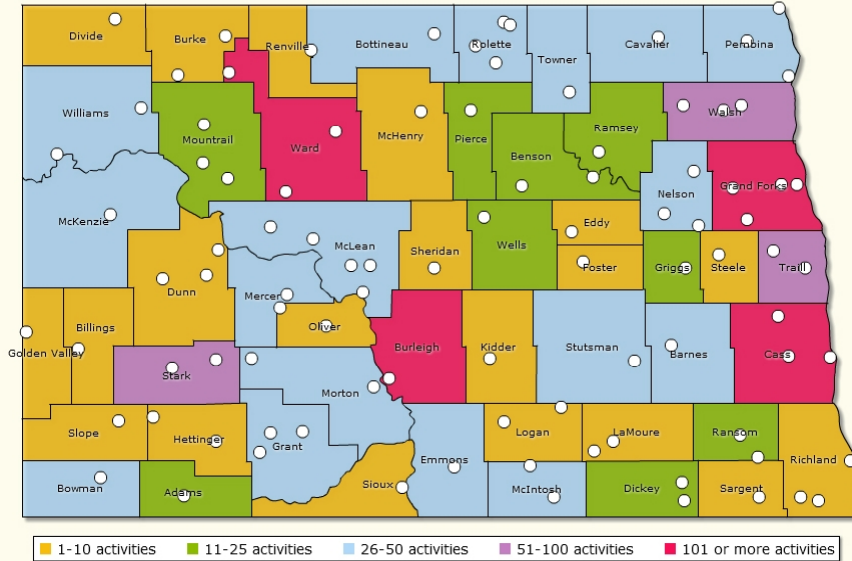


## Center for Rural Health

- **Established in 1980, at the University of North Dakota School of Medicine and Health Sciences in Grand Forks, ND**
- **One of the country's most experienced state rural health offices**
- **Focus on:**
  - **Education, Training, & Resource Awareness**
  - **Community Development & Technical Assistance**
  - **Native American Health**
  - **Rural Health Workforce**
  - **Rural Health Research**
  - **Rural Health Policy**
  - **Program Evaluation**
- **UND Center of Excellence in Research, Scholarship, and Creative Activity**
- **Web site: <http://medicine.nodak.edu/crh>**



# CRH Community Activities 2007-2009



Funding | Information Guides | News & Events | Experts & Organizations | Publications & Maps | Success Stories | State Resources

Health and Human Services Information for Rural America

### About RAC

- Funding**
- [Funding by Topic](#)
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  - [Funding Research](#)
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  - [Capital Funding](#)
  - [Grantwriting](#)

### News & Events

- [Top Stories](#)
- [Federal Register News](#)
- [Calendar of Events](#)
- [RSS Feeds](#)

### Publications & Maps

- [Maps](#)
- [The Rural Monitor](#)
- [RAC Updates](#)

### Experts & Organizations

- [Directory of Rural Health Contacts](#)

### Success Stories

- [Success Stories by Topic](#)
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- [Share a Success Story](#)

### Contact Us

Spread the Word About RAC

### Information Guides

RAC news, events, funding, publications, maps and other resources by topic:

- Hot topics:**
- [Health Reform](#)
- Most viewed guides:**
- [Federally Qualified Health Centers](#)
  - [Critical Access Hospitals](#)
  - [Rural Health Clinics](#)
  - [Women's Health](#)
  - [What is Rural?](#)
  - [Teen Pregnancy](#)
  - [J-1 Visa Waiver](#)
  - [Domestic Violence](#)
  - [Health Education Financial Aid](#)
  - [Dental Health](#)
  - [Grantwriting](#)
  - [Emergency Medical Services](#)
  - [Community Development](#)
  - [Methamphetamine](#)
  - [Funding](#)

>> [View all topic guides](#)

### State and Regional Resources

News, events, funding, publications, maps and other resources by state:

- [Select Your State](#)
- [Resources for All States](#)
- [USA-Mexico Border Health](#)
- [Delta Resource Project](#)

### Featured Resources

- [Rural Health Network Development Planning Grant Program](#)
- [National Health Service Corps Accepting Loan Repayment Program Applications](#)
- [Uninsured and underinsured information guide](#)
- [State Resources: North Dakota](#)

### News Headlines

- [Why Rural America Needs a Public Health Insurance Plan](#)
- [Farmer Suicides Spotlight Lack of Mental Health Care in Rural America](#)

[More News >>](#)

### Get Rural Updates

- [By E-mail](#)
- [RSS Feeds](#)

### Our Call Center

Need information? Free assistance to rural communities.  
Phone: 1-800-270-1898  
E-mail: [info@raconline.org](mailto:info@raconline.org)



Contact *RAC* for  
Customized Assistance  
*in finding solutions to support and sustain  
your agency.*

1-800-270-1898

[info@raconline.org](mailto:info@raconline.org)

M-F 8am-5pm Central



## Comparison of Health Care and Economic Development Sectors

### Health Care Sector

- Health Status
- Services
- Employment
- Finance
- Resources
- Element in the local economy

### Economic Development Sector

- Wealth and prosperity
- Product – goods and services
- Employment
- Capital, investment, income
- Resources
- Grow and maintain local economy

### Health and Economic Convergence

- Global or macro level goals
- Acquisition and management of resources
- Employment – primary and secondary jobs
- Finance – inflow and outflow
- Economic impact
- Overall community building



## Community Development and Economic Development are different ideas

- **Community Development**

- Enhancement of the overall community – community sustainability
- Broader focus inclusive of all sectors – economic, health, education, housing, faith, recreation, arts and entertainment, environmental, government
- Recognition that rural community needs all sectors to progress and each sector relies on the others
- Characteristics or attributes of a community that attract and retain people – what makes a collection of sectors a community, a place to live
- Community involvement and engagement

- **Economic Development**

- Enhancement of economic activity – focus on economic attributes to sustain and grow community
- production, finance, employment, prosperity
- “net gain of money flow into the community”
- “create and retain jobs and stable tax base”



## Community Development Model

### Environmental Impacts

- Demographics
- Economic Conditions
- Political Process
- Workforce
- Finance
- Technology
- Health Organizations
- Culture and Attitude

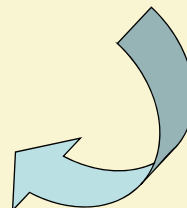
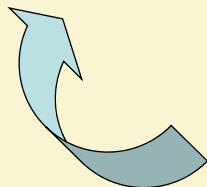


### Community or Health Organization

- Take Action
- No Action
- Delay Action

### Action

- Assessment and Planning
- Community Forums
- Community Education
- Collaboration/Networking
- Regional Approach
- Community and Economic Development Integration
- Service Diversification
- Skill Development
- Build Community Capacity
- Advocacy



Source: Brad Gibbens, Associate Director  
UND Center for Rural Health



## Comparative Rural and Urban Strengths and Weaknesses

### Rural

#### *Strengths:*

**Strong informal support network  
Fundraising  
Cohesive  
Established interdependence  
Collaboration**

#### *Weaknesses:*

**Skewed population demographics  
Fluctuating economy  
Resistance to change  
Shortage of professionals fundraising  
Lack of resources**

### Urban

**More stable economy  
Availability of resources  
Availability of professionals  
Growing and diverse population  
Change is natural**

**Lack of cohesiveness  
Limited informal support  
Competition among providers  
Competition for  
More contentious-fractionalized**



## Factors for Successful Community Building

- **Community awareness of an issue**
- **Motivation from within the community**
- **Flexibility and adaptability**
- **Small geographical area**
- **Pre-existing social cohesion**
- **Ability to discuss, reach consensus, and cooperate**
- **Existing identifiable leadership**
- **Prior success with community building**
- **Widespread participation**
- **Minimal competition in pursuit of goals**
- **Benefits accrue to many residents**
- **Focus on the process and the product concurrently**

Source: Fieldstone Alliance ([http://www.fieldstonealliance.org/client/client\\_pages/tools\\_you\\_can\\_use/](http://www.fieldstonealliance.org/client/client_pages/tools_you_can_use/))

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## Factors for Successful Community Building

- **Linkage to organizations outside the community**
- **Systematic gathering of information and analysis of community issues**
- **Training to gain community skill building**
- **Use of technical assistance**
- **Continual emergence of leaders, as needed**
- *Community control over decision making*
- **Sincerity of commitment**
- **Understanding of the community**
- **Relationship of trust**
- **Flexible and adaptive**

Source: Fieldstone Alliance ([http://www.fieldstonealliance.org/client/client\\_pages/tools\\_you\\_can\\_use/04-06-06\\_cnty\\_bldg\\_wmiw.cfm](http://www.fieldstonealliance.org/client/client_pages/tools_you_can_use/04-06-06_cnty_bldg_wmiw.cfm))



## What is the Relationship Between Rural Health and Economic Development?

- **It is a significant part of the national economy**
  - Health care spending in 2008 reached \$2.4 trillion and projected at \$4.3 trillion in 2018 (CMS projection)
  - In 2008, about \$7,900 per person was spent on health care
  - U.S. spends about twice as much per capita on health care as other countries
  - Health care spending is over 4 times that spent on national defense
  - In 2008, health care accounted for 17.6% of GDP (20% by 2018 – CMS projection)
    - France – 9.5%
    - Canada – 9.7%
    - Germany – 10.7%
  - 7 of the top 10 fastest growing jobs are in health care
  - U.S. lost 467,000 in June 2009 but added 21,000 health care jobs



## What is the Relationship Between Rural Health and Economic Development?

- **Employment**
  - 10 percent of direct employment and 5 percent indirect (15%)
  - Rural hospital first or second largest employer
  - North Dakota - 36 CAHs payroll impact
    - \$117 million (direct)
    - \$ 59 million (indirect)
    - \$ 4.9 million (mean for each CAH, direct and indirect)
  - ND CAH average 80 employees (120 D and I)
  - Statewide CAH's contribute 2,880 jobs (4,320 D and I)
  - Rural physician practice (5-7 employees) - \$320,000
  - ND rural physicians --\$29.9 million
  - ND 8 of top 10 private employers
  - ND health care is 8.4% of state GDP for 2008 (18 western states = 6.4 %; SD = 8.8%; MN = 8.7%, NE = 7.4%, IA = 6.8%)
  - ND hospital's account for 19,700 jobs (36,000 D and I)
  - ND ranks 6<sup>th</sup> for percentage of workers in health care jobs
  - Health jobs rank 2<sup>nd</sup> only to business jobs for growth in ND (2000-2010)



## What is the Relationship between Rural Health and Economic Development?

- **Attracting and Retaining Local Residents for Business and Public Sectors**
  - Anchor for other economic activity
  - Stabilize and maintain (even grow) area population
  - Building a regional economy
  - Health care is major employer and creates jobs
  - Educated workforce
  - Dual employment
- **Generating Local/Area Investment Funds**
  - Local economic impact
  - Cash and short-term investment available from local financial centers
    - Source for local investments – loans for other business
  - Transfer payments – Medicare and Medicaid
  - Retirement income





## What is the Relationship between Rural Health and Economic Development?

- **Enhancing Local Leadership Capacity**
  - **Formal involvement as community leaders**
    - **Local government**
    - **Civic organizations**
    - **Local economic development**
    - **School and education**
    - **Faith community**
  - **Building skills and commitment to civic responsibility – catalyst**
  - **Linkage to external resources and knowledge**



## Examples of Health Care and Economic Development Confluence

- **Economic or Job Development Authorities – Wellness Centers as part of economic development**
  - Cavalier County Job Development, Hospital, and Public Health – WILL Outreach Grant
  - Bottineau County Economic Development Authority
  - Washburn Economic Development
- **Health Occupations Today and Tomorrow (HOTT) – Center for Rural Health (SORH and Flex funding) with rural hospitals, schools, and economic development –new Eastern AHEC will continue approach**
- **Flex plan – three community case studies on health and economic development**
- **Flex Economic Development Committee (3 CAH administrators and 3 EDA directors)**
- **Flex Program use of Rural Health Works IMPLAN model**
- **CRH presentation on health and economic development to state Economic Development Association in 2008**
- **CRH presentation on health and economic development to two regional hospital board education workshops “Boot-Camp ‘09”**
- **EDA board member of new ND Rural Health Association**



## What are the Next Steps – Where Do We Go From Here?

- Recognize the significance of the local health sector in economic matters
- Recognize the significance of the local health sector in community development
- Search for opportunities to link economic development and rural health development – state and community level
- For both economic development and rural health development *remember* the importance, the legitimate role, and the impact of community participation
- Recognize that one size does not fit all – change must fit with local needs
- Build a relationship with your state Rural Health Association
- Contact your State Office of Rural Health to work with you



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