The Economic and Community Importance of Rural Health

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• Established in 1980, at The University of North Dakota (UND) School of Medicine and Health Sciences in Grand Forks, ND
• One of the country’s most experienced state rural health offices
• UND Center of Excellence in Research, Scholarship, and Creative Activity
• Home to seven national programs
• Recipient of the UND Award for Departmental Excellence in Research

Focus on
– Educating and Informing
– Policy
– Research and Evaluation
– Working with Communities
– American Indians
– Health Workforce
– Hospitals and Facilities

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Objectives

• What are the issues?

• What is the impact?

• Why is this important?
What are the issues?

- Level of core infrastructure.
  - Population.
  - Proximity to other resources.
  - Business activity.
  - Trade or service area.
  - Age of physical plant and age of population.
  - Dynamic or static.
- Policy that contributes or undermines viability and growth.
- Attitude to change, to new ideas, new people, diversity – desire to be viable.

What is the economic impact of rural health?

- Nationally, about 14% of total rural employment is associated with rural health.
  - Rural hospitals are typically number 1-2 as largest employer.
  - 10-15% of the direct rural economy and 20-25% direct and indirect.
- Nationally, about 18% of GDP is health or $3 Trillion (20% by 2025).
  - North Dakota about 7-8% of state domestic product is health/human services.
  - GDP is a static number – good and/or bad.
  - Almost $10,000 per capita in the US (2017).
    - $9,800 – ND (2014)  $8,900 – SD  $8,800 - MN
    - $7,300 – TN  $7,500 - CA
What is the economic impact of rural health?

- North Dakota as an example – organizational structure
  - 35 of 36 CAHs own another health enterprise.
  - About 90% own a clinic (53 primary care clinics with 42 being RHC).
  - About 40% own a nursing home.
  - About 20% own an ambulance.
  - About 20% own basic care.
  - About 20% own assisted living.

- Rural hospital is a “hub” and is central to the local economy.
- CAH in ND has a payroll impact of about $6.5 million and contributes 224 jobs (primary and secondary).
- Each physician has an impact of about $2 million and 17 jobs.
But what is the real effect? Why is this important?

- Community viability and survivability.
- Jobs – good jobs – support a family – attract younger families.
- More jobs and better income contribute to community vitality and a platform for continued growth.
- Related to this is it contributes to community infrastructure and local investment.
- Anchor for other business and economic activity – perceptions of stability and potential growth.
- Health services – health care – health – population health.
- Identity and pride.
Center for Rural Health

Flow of Rural Health Redesign

- Health Delivery System
- Integration
  - APM
  - ACO
  - CHNA
- Population Health
- Community
Contact us for more information

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