Health Care as a Driver in Economic Development

Presented to:
CAH Board Training: Boot Camp ’09
Alerus Center - Grand Forks, ND

July 18, 2009

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Center for Rural Health

• Established in 1980, at the University of North Dakota School of Medicine and Health Sciences in Grand Forks, ND
• CRH Focuses on:
  – Education, Training, & Resource Awareness
  – Community Development & Technical Assistance
  – Native American Health
  – Rural Health Workforce
  – Rural Health Research
  – Rural Health Policy
  – Program Evaluation
• A UND Center of Excellence in Research, Scholarship, and Creative Activity
• Web site: http://medicine.nodak.edu/crh
Presentation Objectives

- What is rural health?
- What are the issues facing rural health?
- What is the relationship between rural health and rural economic development?
- What are the next steps?
What is Rural Health?

- Rural health facilities, providers, services, and programs available to the public
  - Community hospitals, clinics, public health, EMS, nursing homes/aging services, home health, mental health, dental, pharmacy, and other

- Philosophy: rural people have the same right to expect healthy lives and access to care as do urban people – fairness frame
  - Access essential services locally or regionally
  - Access to specialty services through network arrangements
  - Quality of care on par with urban
  - Availability of technology

- Rural health is very community oriented – interdependence frame
  - Integral part of what a community is and how people see themselves
  - Sectors: Economic/business, public/government, education, faith/church, and health/human services
  - Direct services provided to the public and secondary impact for other sectors
  - Major employer

What Does North Dakota’s Rural Health System Look Like?

- Hospitals (50 total in ND)
  - 39 rural hospitals
    - 36 are Critical Access Hospitals (Jamestown # 36)
    - 1 is a larger rural hospital in Dickinson
    - 2 are IHS hospitals in Belcourt and Ft. Yates

- Clinics
  - 74 rural primary care clinics
    - 64 federally certified Rural Health Clinics (RHC)
    - 10 communities with a central or secondary site for Community Health Center (CHC)

- Nursing Homes (83 total skilled nursing facilities)
  - 68 are rural
What Does North Dakota’s Rural Health System Look Like?

- **Home Health (29 agencies)**
  - 16 rural
  - 4 serve ND but are located in SD or MN

- **Public Health (28 agencies or units covering all 53 counties)**
  - Single county
  - Multi-county
  - City-County

- **EMS or Ambulance Services (141 ground ambulance services)**
  - 119 Basic Life Support
    - All rural
  - 22 Advanced Life Support
    - 6 urban
    - 16 rural
  - Number of providers
    - 2,465 EMTs
    - 1,880 First Responders

What Are the Issues Facing Rural Health?

- **Demographics**
  - Depopulation
  - Aging
  - Small towns getting smaller
  - Implications for community survivability
  - Implications for economic development and rural health viability

- **Health Workforce**
  - Demand, supply, and mal-distribution
    - Not just physicians
    - Demand
      - shortages of physicians and nurses
      - aging
    - Supply
    - Expectations of a new generation of health professional
Projected Percent Change in Total Population in the Great Plains States by County: 2000 to 2020

Note: For purposes of this study, the Great Plains is defined as all counties in Colorado, Iowa, Kansas, Minnesota, Montana, Nebraska, North Dakota, South Dakota, and Wyoming.

Source: U.S. Census Bureau, Decennial Censuses; Individual state agencies providing population projections

Projected Percent Change in Persons 65 and Older in the Great Plains States by County: 2000 to 2020

Note: For purposes of this study, the Great Plains is defined as all counties in Colorado, Iowa, Kansas, Minnesota, Montana, Nebraska, North Dakota, South Dakota, and Wyoming.

Source: U.S. Census Bureau, Decennial Censuses; Individual state agencies providing population projections
What Are the Issues Facing Rural North Dakota?

- Health Facility Viability
  - Rural hospitals
    - Financial picture
    - Workforce
  - Rural clinics
    - Financial picture
    - Number of closures – over 30
- Rural EMS
  - Number of closing
  - New state legislation to assist rural ambulance
What Are the Issues Facing Rural Health?

- Technology and Capital Improvement
  - Availability and need
  - Financial considerations

- Community Attitude
  - Agrarian fatalism
  - Community to community attitude – is there a region?
  - School consolidation as a wedge for health care
  - Brain drain and skill level

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
  - 36 CAHs payroll impact
    - $117 million (direct)
    - $59 million (indirect)
    - $4.9 million (mean for each CAH, direct and indirect)
  - 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
  - Statewide rural physicians --$29.9 million
  - Statewide 8 of top 10 private employers
  - Statewide health care is 8.6 % of GSP (18 western states = 6.4 %)
  - Statewide hospital’s account for 19,700 jobs (36,000 D and I)
  - ND ranks 6th for percentage of workers in health care jobs
  - Health jobs rank 2nd 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
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/04-06-06_cmty_bldg_wmiw.cfm)

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_cmty_bldg_wmiw.cfm)
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
- 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 the North Dakota Rural Health Association
- Contact the Center for Rural Health to work with you
- Flex program Rural Health and Economic Development Planning Group

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