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.

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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
- 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](http://medicine.nodak.edu/crh)
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Comparison of Health Care and Economic Development Sectors

<table>
<thead>
<tr>
<th>Health Care Sector</th>
<th>Economic Development Sector</th>
<th>Health and Economic Convergence</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Health Status</td>
<td>• Wealth and prosperity</td>
<td>• Global or macro level goals</td>
</tr>
<tr>
<td>• Services</td>
<td>• Product – goods and services</td>
<td>• Acquisition and management of resources</td>
</tr>
<tr>
<td>• Employment</td>
<td>• Employment</td>
<td>• Employment – primary and secondary jobs</td>
</tr>
<tr>
<td>• Finance</td>
<td>• Capital, investment, income</td>
<td>• Finance – inflow and outflow</td>
</tr>
<tr>
<td>• Resources</td>
<td>• Resources</td>
<td>• Economic impact</td>
</tr>
<tr>
<td>• Element in the local economy</td>
<td>• Grow and maintain local economy</td>
<td>• Overall community building</td>
</tr>
</tbody>
</table>
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”

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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

<table>
<thead>
<tr>
<th>Rural</th>
<th>Urban</th>
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<tbody>
<tr>
<td><strong>Strengths:</strong></td>
<td></td>
</tr>
<tr>
<td>Strong informal support network</td>
<td>More stable economy</td>
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<tr>
<td>Fundraising</td>
<td>Availability of resources</td>
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<tr>
<td>Cohesive</td>
<td>Availability of professionals</td>
</tr>
<tr>
<td>Established interdependence</td>
<td>Growing and diverse population</td>
</tr>
<tr>
<td>Collaboration</td>
<td>Change is natural</td>
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<tr>
<td></td>
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<tr>
<td><strong>Weaknesses:</strong></td>
<td></td>
</tr>
<tr>
<td>Skewed population demographics</td>
<td>Lack of cohesiveness</td>
</tr>
<tr>
<td>Fluctuating economy</td>
<td>Limited informal support</td>
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<tr>
<td>Resistance to change</td>
<td>Competition among providers</td>
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<tr>
<td>Shortage of professionals fundraising</td>
<td>Competition for</td>
</tr>
<tr>
<td>Lack of resources</td>
<td>More contentious-fractionalized</td>
</tr>
</tbody>
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### 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_wmnr.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 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 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

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

For more information contact:

Center for Rural Health
University of North Dakota
School of Medicine and Health Sciences
Grand Forks, ND 58202-9037

Tel: (701) 777-3848
Fax: (701) 777-6779

http://medicine.nodak.edu/crh