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Health Care Access ‘Doctors Up’ Local Economies

Providing quality health care not only strengthens the well-being of a population—it also helps grow rural economies.

BELLEVILLE, Kan. – Many thoughts go into choosing a place to live and work. Access to affordable housing, high-quality schools and a comprehensive health care system are among those considerations that typically rise to the top of the list.

“Access to health care service is one thing you want for yourself and your family,” said Blaine Miller, administrator for the Republic County Hospital in Belleville, Kansas. “If you have a robust hospital with doctors and the health care services you would need, the likelihood of going there is better than going some place that doesn’t have those health care services.”

Economic development, particularly for rural communities, relies on quality of life attributes such as health care, which can include access not only to hospitals, but also physician offices, pharmacies, ambulatory care, dental care, nursing care, and wellness and fitness centers.

These establishments can contribute directly to the local economy through employment and income from items such as retail sales and tax revenue, said John Leatherman, professor of agricultural economics at Kansas State University and director of the Office of Local Government, K-State Research and Extension. A sustainable health care system has many other indirect economic benefits, including attracting and maintaining other business and industry growth, and keeping retirees in the local area.

“The local health care industry contributes about 10 to 15 percent of the total economic activity in any given Kansas county,” Leatherman said. “Hospitals are often the second largest employer in a county, followed only behind local government and the school system. Indirectly, it allows other businesses to have access to a healthy and productive workforce.”

Leatherman, a specialist in community and regional economics, studies the health care industry in Kansas by analyzing three main items: the economic contribution of local health services in Kansas’ counties and the state as a whole, the health care needs in rural communities and the direct feasibility of various health services brought into a community.

His work is part of the Kansas Rural Health Works (<http://www.krhw.net/>) program, and his most recent state report, “The Importance of the Health Care Sector to the Kansas Economy,” (<http://www.kha-net.org/Communications/MediaReleases/101030.aspx>) was released January 2015 with funding provided by the Kansas Hospital Association and K-State Research and Extension.

Building local economies

The report shows the estimated total economic contribution of health services in Kansas. Health services directly and indirectly support 357,408 jobs in the state, which is up nearly 9,000 from a year ago and have gradually increased over time following national trends. National employment in health services has increased 75 percent from 1990 to 2010 and by about 350 percent since 1970.

The Kansas health care industry contributes an estimated \$17.5 billion in income, retail sales of \$5.5 billion, and sales tax revenue of at least \$340 million for the state alone, according to the report.

Nationally, the health sector is projected to continue growing in its share of the gross domestic product. In 1970, Americans spent \$74.9 billion on health care, which was 7 percent of the GDP. In 2012, health care costs increased to about \$2.82 trillion, or 17 percent of the GDP. If trends continue, the cost by 2023 will be \$5.16 trillion, or 19 percent of the GDP.

Leatherman said even during the U.S. economic recession in 2009, all industries shrunk except for health care, which may have slowed in growth but continued on an upward trend despite tough economic times.

“When you think about the kind of spending we do for health services, it’s quite considerable, and spending continues to grow,” he said. “For communities to have greater economic viability, they will want to capture a piece of that growth.”

Building healthy communities

During his career in the medical field, Miller said he’s noticed that an aging baby boomer population combined with issues associated with obesity and other lifestyle choices have made health care a growing demand.

“We’re also seeing a younger population bring in mom and/or dad into the community so they can be closer and take care of them,” he said. “That increases our older population.”

Leatherman agrees that health care access tends to attract and retain a population of older adults, who tend to control, even at modest levels, economic dollars made possible through government assistance programs including Medicare, Medicaid and Social Security.

“Many of these older people rank health services No. 1 or No. 2 for community importance, only behind protective services such as law enforcement,” Leatherman said.

Miller said people of all ages in the community need to have access to primary care services. These services might include such practices as health promotion and

maintenance, disease prevention, counseling, patient education, and diagnosing and treating acute and chronic illnesses, according to the American Academy of Family Physicians (<http://www.aafp.org/about/policies/all/primary-care.html>).

In addition to primary care services, each community typically has specific needs, which is where the community health needs assessment comes in to help inspire change and make a community overall healthier. Miller said about 10 years ago, the needs expressed included more specialist doctors and facilities, but the most recent assessment showed the need for wellness activities.

“People were asking, ‘Where can we go when weather is bad and walk for exercise?’” Miller said. “With our city and county, we are now working on a trails program to create opportunities where people can go out and safely walk as a form of exercise.”

Key challenges in rural areas

Having access to sustainable health care is something people shouldn’t take for granted, Leatherman said, but many don’t think about health services until they need them. Many challenges remain to keep local health services intact, such as acquiring and retaining qualified health professionals to rural areas, and properly defining priorities and resources.

Miller said getting physicians and other health professionals to come to rural communities and stay is always an issue. To help with this, his hospital and hospital board supports scholarships funded by a bequest and provided to health staff members to advance their education and certification if they plan to stay and work in Republic County.

Additionally, Miller said Republic County participates in the Rural Opportunity Zones program through the Kansas Department of Commerce (<http://www.kansascommerce.com/index.aspx?nid=320>), which has allowed the hospital to support a physical therapist and medical technologist on student loan repayment.

Telemedicine, or providing health care at a distance, also helps increase health care access to people who live in rural areas, he said. The Republic County Hospital partners with Pawnee Mental Health in Manhattan, for example, for patient evaluations via telemedicine.

“Those technologies allow you to stretch the physician’s capabilities and keep those patients from having to travel as much,” Miller said. “They may have an initial face-to-face evaluation, but the follow ups can be done via telemedicine. We are exploring this option for oncology services.”

Miller added that in Republic County, he’s been fortunate to have a fairly stable medical staff and community support to allow for building projects and advancements to the

hospital. But, differences exist in the health services and financial support available in communities throughout the state.

“The Kansas Hospital Association has a technical advisory group looking for an alternative care delivery system for hospitals that are struggling financially to maintain primary care services and keep people in the community,” he said. “Distance really is our enemy out here in the rural areas.”

Leatherman said he has witnessed rural communities coming together and developing initiatives to keep their health care services strong. In addition to hospital administrators, it takes government, business and civic leaders to join in the effort.

“Many communities value health services similarly, but when you have a gap, it is keenly felt,” Leatherman said. “When it’s important, there is money to be had, but it takes defining priorities despite resources.”

Through these and other challenges, however, come many more rewards, Miller said. Working in the health care industry, particularly in rural areas, is a call to service. It means caring for friends, relatives and people you know, which is likely why the motto of the Republic County Hospital is, “Our family caring for your family.”

“Health care is getting more and more challenging with all of the budget cuts, the cuts to Medicare and all of that,” he said. “The reward is being able to continue providing those necessary services in spite of all of those financial challenges, being able to embrace change and being able to do a better job at what we do with less. When you accomplish that, it’s a job well done.”

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K-State Research and Extension is a short name for the Kansas State University Agricultural Experiment Station and Cooperative Extension Service, a program designed to generate and distribute useful knowledge for the well-being of Kansans. Supported by county, state, federal and private funds, the program has county Extension offices, experiment fields, area Extension offices and regional research centers statewide. Its headquarters is on the K-State campus, Manhattan.

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