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Midlands Voices: Rural economic challenges necessitate health reform

By Niel Ritchie

The writer is executive director of the League of Rural Voters, a Minnesota-based nonprofit working to strengthen rural communities nationwide.

Critics of health care reform argue that changing the system is just too costly. But for economically challenged rural areas, it's the status quo they can least afford.

The inseparable link between health care infrastructure and long-term economic viability was revealed in a study by the National Center for Rural Health Works. It found that one primary-care physician working in a rural area generates \$1.2 million in annual revenue and creates 23 jobs and that a single hospital accounts for as much as 20 percent of the local economy.

A loss of providers, by contrast, results in devastating hardship: Even the departure of one-half of one full-time doctor translates into more than a half-million-dollar drop in community income and 14 jobs.

"Health care is the No. 1 provider of jobs — good jobs — in rural areas," said Val Schott, director of the Oklahoma Office of Rural Health at Oklahoma State University. "On the reverse side, as we see health care fail we see whole communities dry up and virtually disappear.

"Health care is critically important to payroll and jobs but also to any kind of economic development, because no one is going to move where there is not good care."

According to Claudia Tanoos, vice president of the Terre Haute (Ind.) Economic Development Corp., access to good-quality health care ranks among the top considerations of companies looking to launch or locate in a community — just as its absence has a crippling effect on local economies.

Tanoos is part of the Rural Health Innovation Collaboration, launched early this year to increase providers and economic development opportunities in small communities. The group formed after the town of Clinton, Ind., lost one physician to retirement and another to relocation, leaving only one doctor to care for its 5,000 residents.

It's a situation that repeats throughout rural areas: Over the past 25 years, 470 rural hospitals have closed and another 2,157 areas have suffered from physician shortages. Today, of the 65 million Americans living in areas with too few primary care providers, 50 million are rural residents.

"It's not just that there is health care but the right health care to ensure workers are able to come to work each day," Tanoos said. "Rural areas do have difficulty attracting industries and companies where health care isn't accessible."

This is especially bad news for rural areas, where unemployment and underemployment are chronic issues. An analysis this fall by the nonprofit JOBS Now Coalition illustrates the point.

In Minnesota's Iron Range, for instance, 17,600 unemployed workers were competing for 1,500 unfilled jobs, more than half of which were part-time and nearly all offering wages well below the cost of living.

A recent study by the University of Nebraska-Lincoln found that these economic conditions have led to higher levels of self-employment in rural areas across the state, which means lower numbers of households with insurance coverage.

The result is that rural residents pay nearly half of their own health care expenses, greatly exposing them to the exploding price of care. The situation is particularly grim for farmers, in which one in five has substantial medical debt.

"For five or six years, Chambers of Commerce have been interested in this notion that health care is an economic driver in our communities," said John Roberts, executive director of the Nebraska Rural Health Association. "The people, the facilities — health care is critically important to help rural areas (stay) viable."

Their challenge will be even greater if opponents are successful in stopping reform.

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