Virginia's
Rural Economic Analysis Program

HORIZONS

May/June 1996 Volume 8, Number 3

Confronting the Rural Health-Care Crisis

Christopher Nye

Rural communities face a catch-22 with respect to health care. Many businesses seeking to locate in rural Virginia are concerned with the availability of community services such as health care. Most rural communities, however, do not have the population necessary to support these services or the economic base necessary to provide the amenities that would attract and hold health-care professionals. Yet, the presence of these new businesses would help to provide the health resources for increased community services, thus, the catch-22.

Rural health care affects all aspects of the community. A well-functioning health-care system is important to the economic health of the community as well as to its physical and mental health. A healthy labor force is critical to local production, and the availability of health-care resources is critical to maintaining that healthy labor force. A physician practicing in a rural community typically employs four people. The local spending by the practice and its personnel may generate as many as 13 additional non-medical jobs (Cordes). The presence of the hospital in Pulaski County provides an estimated additional 21 jobs in the community for each 100 jobs in the hospital sector (Kambhampaty, Siegel, and Johnson). Cuts in funding for health care will reduce incomes to doctors and other medical employees which will, in turn, lead to less disposable income for purchases in the community (Johnson, Scott, and Ma). Cash and short-term investments associated with local health organizations, especially hospitals, held in local financial institutions, provide an important source of funds used by local businesses and individuals for investment purposes. In addition, a rural community with sufficient health-care resources will be more attractive to employers than a community that does not have these facilities (Cordes).

Christopher Nye is Director of the Northwest Area Health Education Center, Staunton

Origin of Virginia Rural Health Association

In March 1995, a multidisciplinary, statewide group of individuals concerned with the lack of a constituency group to provide a rural health voice in Virginia, formed the Virginia Rural Health Association (VRHA). The mission of the VRHA is to improve the health of rural Virginians "through cooperative and collaborative efforts of its diverse members" (mission statement). The VRHA seeks to serve as a facilitator to help make the needed changes to rural health services in Virginia.

Community-based Health Issues Forums were held June 21, 1995 at seven community colleges: Blue Ridge Community College, Central Virginia Community College, Southside Community College, Lord Fairfax Community College, Rappahannock Community College, Wytheville Community College, and Paul D. Camp Community College. The community colleges donated meeting room space, local Area Health Education Centers provided mailing lists and staffed the forums with help from Virginia Cooperative Extension agents.

Horizons is a publication of the Rural Economic Analysis Program (REAP) in the Department of Agricultural and Applied Economics and College of Agriculture and Life Sciences at Virginia Polytechnic Institute and State University.

Virginia Tech

Participants at each of the these forums were asked to respond to four questions. A comparison of the results of the June 1995 VRHA forums with information in the May/June 1993 *Horizons* indicates that many of the same situations still existed two years later.

The participants were primarily health-care related personnel. Because of their involvement in health care, many of the concerns they voice were broad, embodying more specific concerns such as managed care, hospital closings, insurance costs and coverage. Furthermore, the answers were far from exhaustive in terms of addressing all the limitations and problems surrounding rural health care. Through additional conferences, VRHA is working to identify additional areas of concern and to help find ways to address the problems. These forums and annual conferences will guide the on-going activities of the VRHA.

Results of the June 1995 health care issues forums

Question 1: What are the most critical health needs of your community?

1. *Access to Primary Health care.* This area includes (1) issues of availability -- a lack of health-care professionals and services, such as emergency care; and (2) financial access to primary care for persons without the purchasing power, whether uninsured or underinsured. Forum respondents recommended an expansion of services available to low income individuals.
2. *Care for the Elderly.* Elderly residents of many rural communities lack appropriate information, services, and resources to support independent living. Necessary services include home and day care programs.
3. *Coordination of Care.* The fragmented nature of health-care delivery (that is health-care resources operating independently of one another without effective communication, collaboration, or cooperation) in many rural communities makes it difficult for people to adequately utilize programs and services to meet their health-care needs. Existing resources need to be maximized by increasing the communication, coordination, and collaboration among health-care and human service agencies, especially in an era of increasing competition for public and private dollars.
4. *Health Education and Disease Prevention.* To help individuals increase responsibility for their own health, there needs to be more public education addressing preventive health practices, an increase in health education programs, and more support for existing programs and activities. Forum participants noted that specific groups within rural populations should be targeted for health education programs. Examples include teenagers and the elderly.

Question 2: What do you see as barriers to having your community's needs met?

1. *Lack of Funding.* Not surprisingly, forum participants cited cutbacks in federal, state, and local funding for programs and services that further reduce the uninsured and underinsured citizens' ability to access health-care services. A cut in public funding also has the effect of shifting the cost to private funding by increasing what non-Medicare patients pay and by increasing health insurance premiums (Johnson, Scott, and Ma).
2. *Lack of Health-Care Providers.* Associated with access is the difficulty in recruiting and retaining health-care professionals to rural communities, a situation due in part to economic and cultural considerations. VRHA is seeking ways to work with the Virginia Department of Health to help recruit and retain health-care professionals.
3. *Transportation.* A persistent problem for many rural residents is the lack of transportation to needed services. The lack of health-care professionals within rural communities increases the impact of this barrier as citizens are forced to travel further for their health care.
4. *Passivity of the Population.* Making lifestyle changes to improve an individual's health is often very difficult. A general lack of awareness of the local health and human service system, frequently compounded by fragmentation within local systems, contributes to confusion regarding health care or wellness.

Question 3: What are the resources that have helped your community to overcome the barriers?

1. *Programs Designed to Increase Access.* Forum participants listed several providers who have helped increase access to health-care services.

Horizons (ISSN 1075-9255) is published bimonthly by the Rural Economics Analysis Program (REAP). REAP is administered in the Department of Agricultural and Applied Economics in Virginia Tech's College of Agriculture and Life Sciences. Please address all correspondence to REAP, Department of Ag. and Applied Economics, Virginia Tech, Blacksburg, VA 24061-0401; phone (540) 231-9443.

Most notable are free health clinics and health centers offering reduced fees for eligible individuals, community health centers, local health departments, and home health services.

2. *Funding.* Grant and foundation funding has assisted local communities in implementing programs and services.
3. *Partnerships.* As a response to fragmented health-care delivery systems, many local agencies and organizations have come together to meet community needs by sharing information and resources. One example is the Virginia Health Care Foundation which has made funds available to coalitions of citizens and health and human service agencies in rural communities. The support has been used to increase access to primary health and dental care services. Projects supported by the Virginia Health Care Foundation include health-care centers in Page and Highland counties, dental services in Charlotte County, a school health program in Greene County, and primary health-care outreach services in Nelson County.
4. *Non-Physician Practitioners.* The use of nurse practitioners (NP) and physician assistants (PA) was noted as a strategy to increase primary care among medically underserved populations. These NPs and PAs are educated and trained to perform a range of medical care. They are capable of providing 60 to 80 percent of the care normally provided by primary care physicians. NPs and PAs work in collaboration with physicians and have varying supervision requirements. They are seen as health care professionals capable of helping to alleviate the shortage of physicians in rural areas.

Question 4: What would you like to see the Virginia Rural Health Association do? What is the role of the Virginia Rural Health Association?

1. *Legislative/Advocacy.* Participants believed the VRHA should coordinate legislative issues affecting rural communities and serve as a voice for health-care issues impacting rural communities. The 1997 Virginia General Assembly session will be the first opportunity for VRHA to work with the General Assembly on health-care issues. Some of the issues before the General Assembly that will impact rural areas are managed care, telemedicine studies, access to obstetrical care, substance abuse services, and the future delivery of publicly funded mental health and mental retardation care.
2. *Technical Assistance.* Support was expressed for the development of public and private consortiums that would identify solutions to local problems. For VRHA at the present, technical assistance will be provided in the form of networking and advocacy by VRHA for rural health issues. As VRHA adds staff, topic specific assistance will become available.
3. *Coordination.* Cooperation and collaboration among agencies, organizations, and initiatives designed to improve rural health care or those currently providing services is necessary in order to avoid duplication of those services and maximize the role of each as it pertains to servicing rural health. VHRA, participants believed, should serve as a rural health clearinghouse and a forum where coordination of services and other resources for improving rural health delivery in Virginia can occur.

VHRA may provide the necessary leverage for breaking up the catch-22 cycle.

The VRHA held its first annual conference in October 1995 in Roanoke. The second annual conference is scheduled to by held November 8, 1996 in Harrisonburg. Individuals wanting more information about the Virginia Rural Health Association and the conference should contact Christopher Nye, at (540) 885-8642.

BIBLIOGRAPHY

Cordes, Sam M. "Come On In, The Water's Just Fine," *Academic Medicine*. 65, Supplement 3(1990):S1-9.

Johnson, Thomas G, James K. Scott, and Jian Ma. "Potential Impacts of Medicare Cuts on Rural Hospitals." Unpublished. Virginia Tech, April 1996.

Kambhampaty, S. Murthy, Paul Siegel, and Thomas G. Johnson. "The Economic and Fiscal Impacts of Pulaski Community Hospital." Dept. of Ag. and Applied Econ. SP-90-20, Virginia Tech, 1990.

Obidiegwu, Joseph, and Jeffrey Alwang."Access to Rural Health Care," *Horizons*. Rural Economic Analysis Program, Virginia Tech, 5, no 3(May/June 1993).

CORRECTION

"The Search for Credit in Rural Virginia," *Horizons*, March/April 1996 discussed The Rural Credit and Development Act of 1994 as it related to changes in the Farm Credit System. This act was proposed by the House in March 1994 but never passed. Related, as part of the 1995 Farm Bill, significant changes *were made* to Farmers' Home Administration. These changes, including a name change—now known as Farm Services Agency (FSA), separated the farm lending from non-farm lending and tightened restrictions on long-term borrowers so that these individuals will find it more difficult to obtain financing from FSA. The changes also merged the ASCS with FSA.

NOTICES

**Two new REAP Reports are at the printer. *Recycling Programs: Attitudes, Costs, and Design* looks at who recycles, what different programs cost, and how to design programs that would increase the level of recycling. *Measuring Retail Trade: An Example from Wytheville* uses three measures which used together can help determine which retail sectors might be expanded to increase retail sales in the locality. Contact the REAP office for a copy.

Soon to be available, "Changes in Agriculture in Virginia by Congressional Districts," *The State of Rural Virginia*. If you do not receive it in the mail by August and would like a copy, contact the REAP office.

**REAP Special Report: *The Economic Position of Virginia Agriculture: Mid-1990s* by Wayne Purcell is available. Contact the REAP office for a copy.

**Visit the REAP display at Animal Industry Day, July 12 at the Beef Barn from 9:00 to 3:00. For details contact Dr. Dan Eversole at (540) 231-4738.

** HOW TO REACH US: REAP, Department of Agricultural and Applied Economics, 0401, Virginia Tech, Blacksburg, VA 24061; telephone (540) 231-9443; fax (540) 231-7471; email *reap01@vt.edu*; or on the WWW *http://www.reap.vt.edu/reap/reap.htm*.

Virginia Polytechnic Institute and State University
Department of Agricultural and Applied Economics
Blacksburg, Virginia 24061-0401

Non-Profit Org.
U.S. Postage
PAID
Blacksburg, VA 24060
Permit No. 28

Printed on recycled paper

VT/001/0696/3.5M/963978