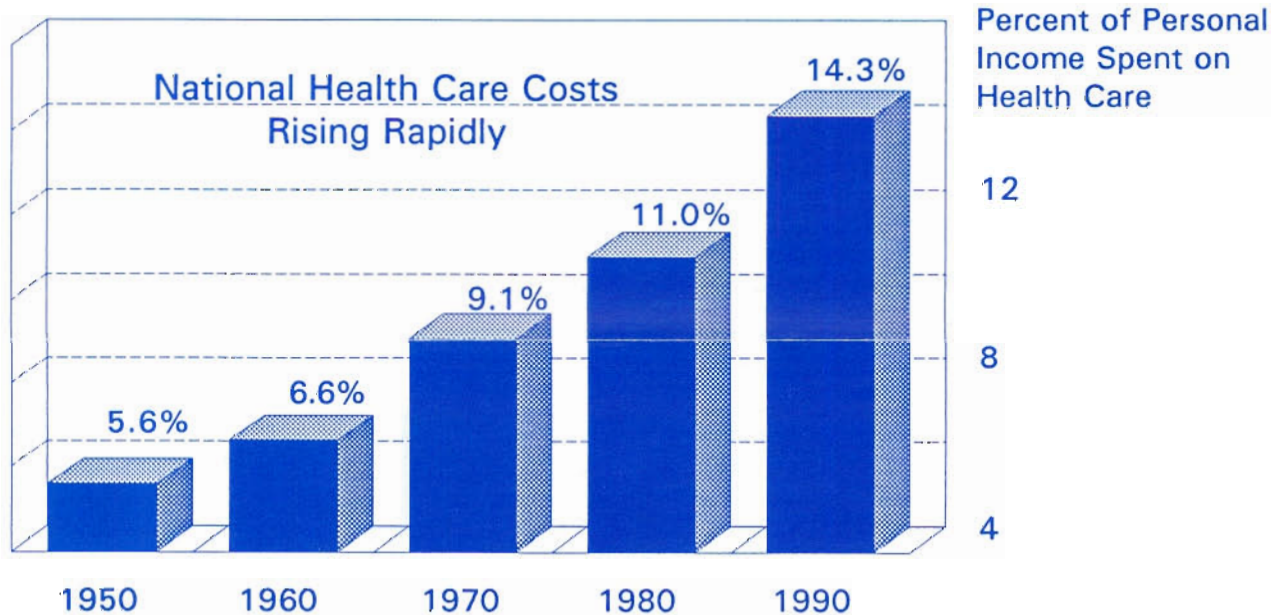




# The State of Rural Virginia

Volume 1 Number 2

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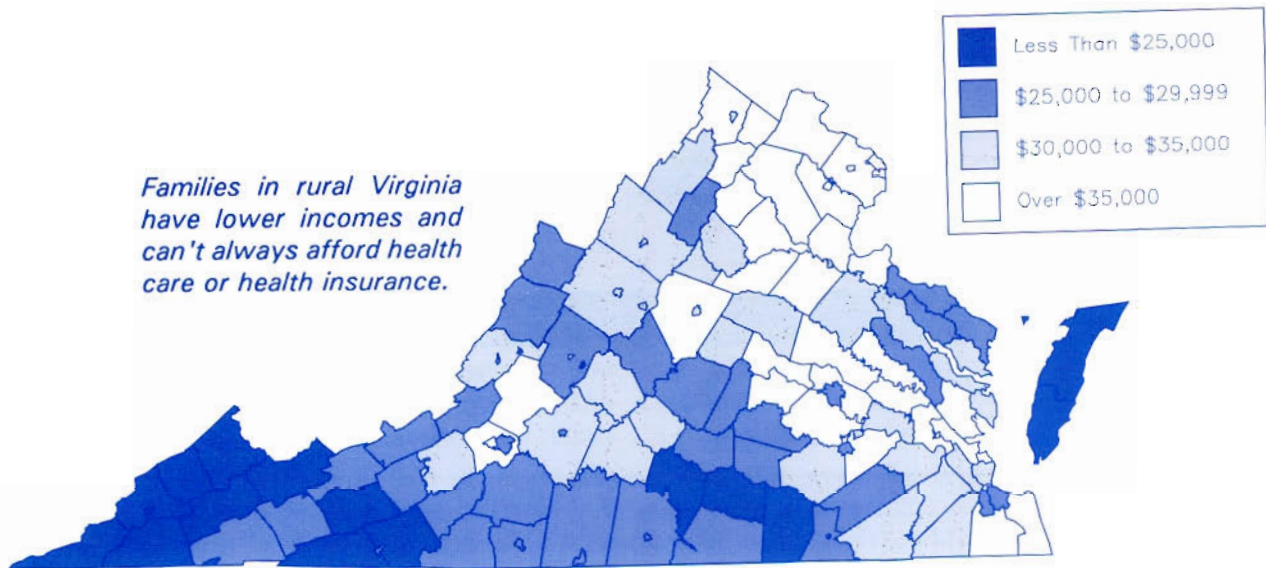


## The Rural Health Care Crisis

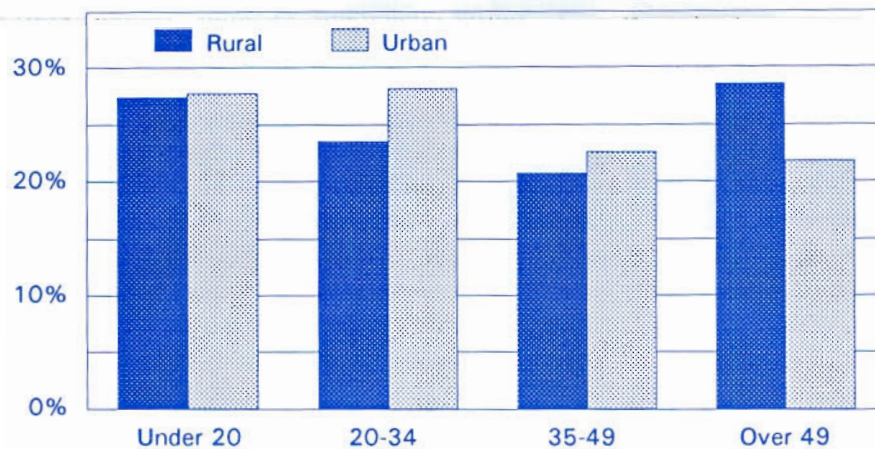
Rising costs have placed health care beyond the reach of many families. Rural people face additional health care problems. These problems can be summarized as:

- *a lower ability of rural residents to pay for health care services.*
- *a federal Medicare reimbursement policy that discriminates against rural health care providers.*
- *a declining, yet aging rural population.*
- *too few health care professionals in many rural communities.*
- *some rural residents must travel a long distance to see a doctor.*

## Median Family Income in Virginia, 1989



## Percent of Urban and Rural Population in Virginia by Age Group, 1990

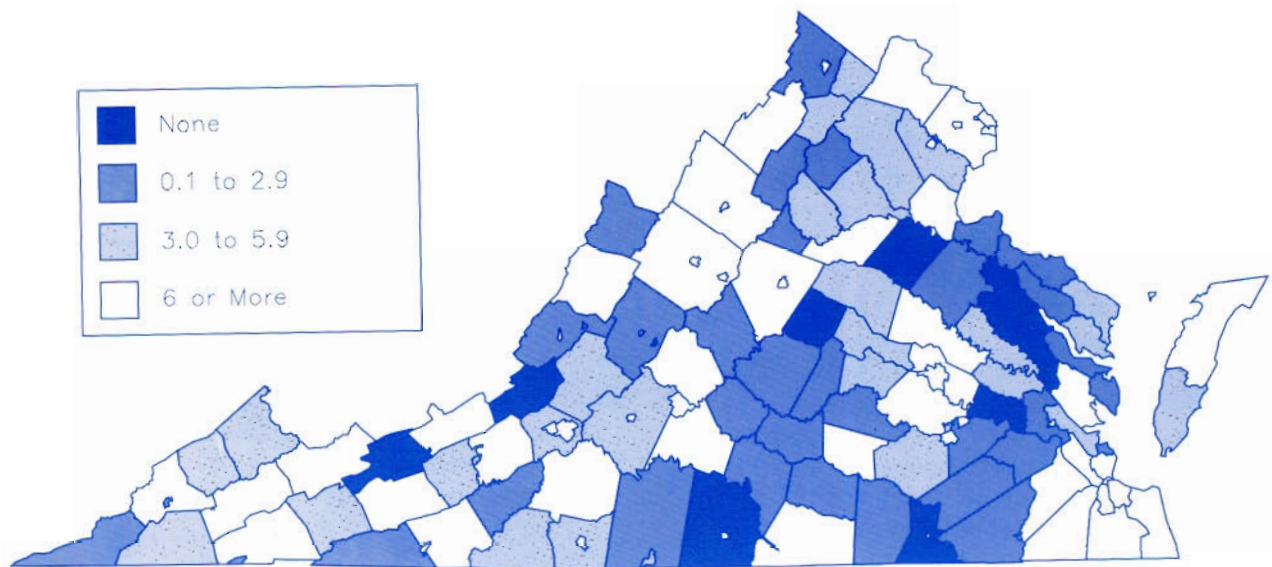


*Older population in rural areas means higher demand for health care.*

## Medicare policy change in 1984 hurts rural hospitals...

- *Federal medicare reimbursements to rural hospitals average 12% less than to urban hospitals in the U.S.*
- *Profit rate in the U.S. on medicare patients in 1986: urban hospitals ,10.8% ; rural , **negative** 0.69%.*
- *Of hospitals with negative profits on medicare patients, 83% are rural hospitals (1984-86).*
- *Of all small rural hospitals, one-fourth lost over 18% on medicare patients (1984-86).*

## Number of Full-Time Equivalent Family Practice General Physicians

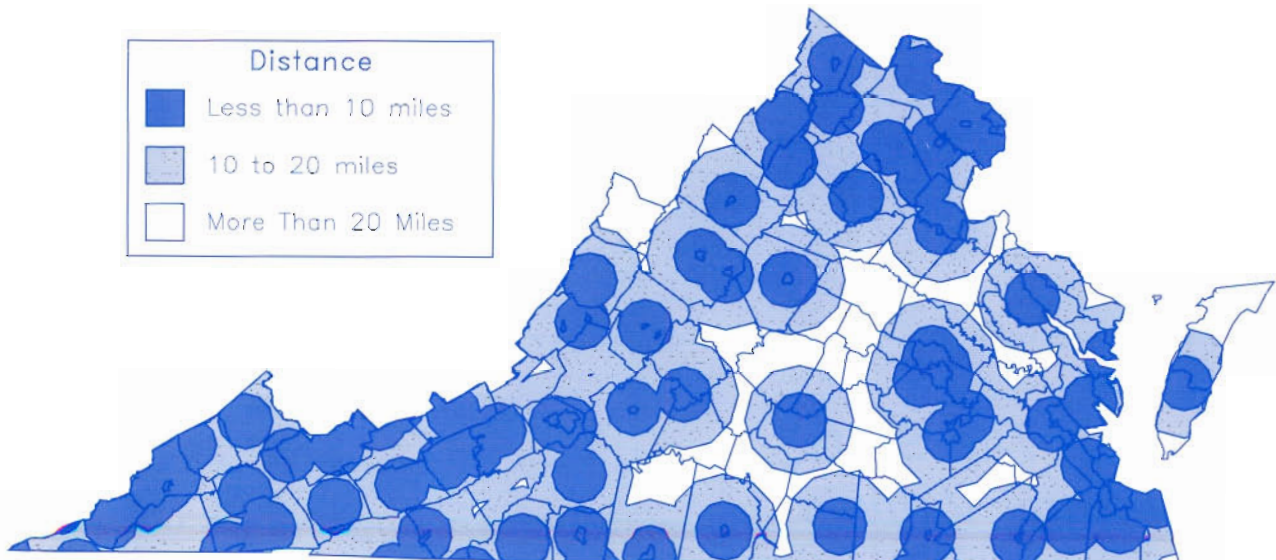


Source: Medical College of Virginia, Department of Family Practice, Annual Survey of Primary Care Physicians in Virginia, 1990.

### Why the Differences?

- *Rural areas less populated.*
- *Rural doctors overworked.*
- *Fewer amenities to attract physicians.*
- *Earnings higher in "specialty" practices at urban hospitals.*
- *Difficult to establish a practice in less populated areas.*
- *Better equipment, facilities, support staff in urban areas.*
- *Federal scholarships for future rural doctors reduced 84% from 1985 to 1990.*

## Distance to an Emergency Care Hospital



The purpose of the Rural Economic Analysis Program (REAP) at Virginia Tech is to provide research, analysis, and economic intelligence to the policy making process and to long-run strategic planning being conducted in Virginia's agricultural and rural sectors.

*The State of Rural Virginia* contributes to this overall objective by providing basic, primarily visual information on rural issues useful to the decision making process of public institutions, those considering business investments in the State, and the citizens of Virginia.

The Department of Agricultural Economics at Virginia Tech provides in-depth analyses and research on the types of issues discussed in *The State of Rural Virginia*. For information about available publications please contact the Department at (703) 231-9443.

## Information

*The State of Rural Virginia* is a publication of REAP and the Department of Agricultural Economics at Virginia Tech. It is published at least four times per year and is available to the public free of charge. Orders may be placed by written request to: Extension Distribution Center, c/o Joe Gray, 112 Landsdowne St., Blacksburg, VA 24061-0512.

The charts, graphs, and maps displayed in this publication are available in 8.5 by 11 inch transparencies and 35mm slides for a nominal fee to cover processing. Contact the Department of Agricultural Economics at (703) 231-9443 for further information.

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