



KANSAS RURAL
HEALTH WORKS

The Importance
of the
Health Care Sector
to
Osborne County

Kansas Rural Health Options Project
K-State Research and Extension
Osborne County Memorial Hospital



Health Care Trends Impacting Rural Communities

- Change in the structure of health care systems driven by health care costs
- Difficult for some to get health coverage
- Insurance premiums have increased
- Rural providers reimbursed less than urban counterparts
- Loss of local control



Research Study Objectives

- Promote a viable, sustainable health care system in our county
 - Health care and economic development
 - Identify the economic potential of health care
 - Identify trends and changes in local health care needs
 - Identify the economic impact of health care on the county economy



Health Care Spending

- 1980, avg. person spent \$2,253 on health care (2002 \$)
- 2003, avg. person spent \$5,491 on health care
- 1980, Health care was 8.8% of GDP
- 2003, Health care was 15.3% of GDP
- 2013, Health care projected at 18.4% of GDP



Health Care in the Community

- Many people don't realize the importance of health care to the local economy
- Rural communities should learn about their health care needs and take stock of their health care system
- Rural communities must act to avoid loss of health care jobs and local services



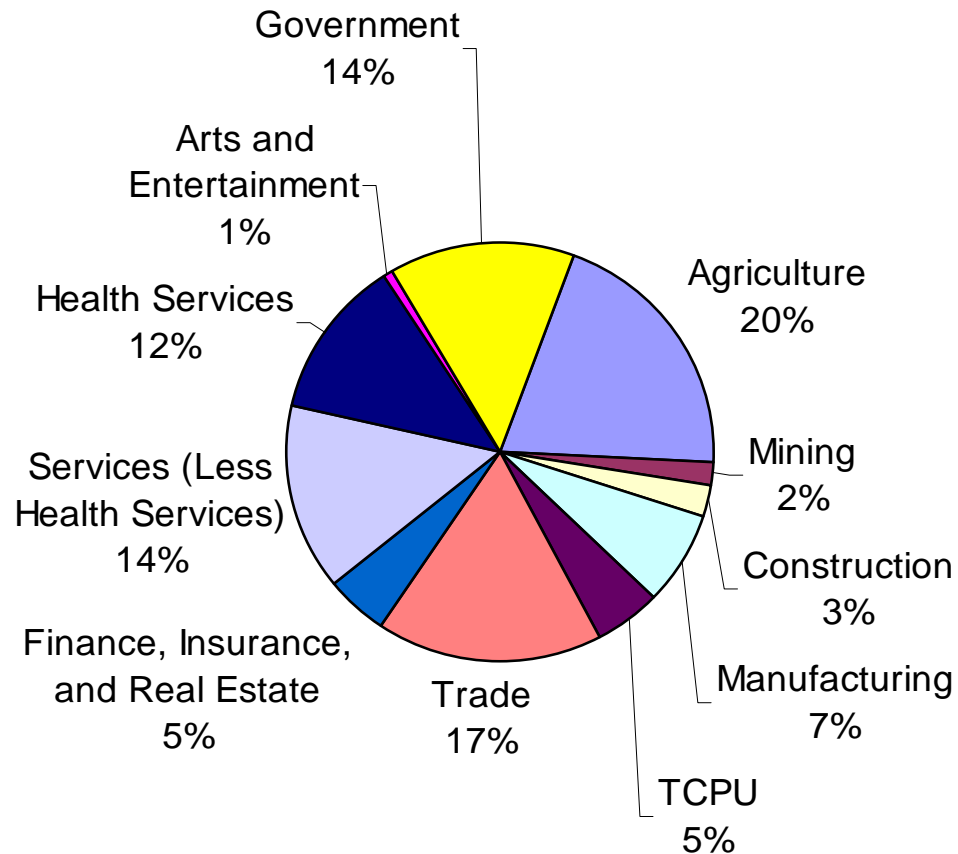
Health Care and the Rural Development Connection

Why is health care important for community economic development?

- Attract and retain business and industry
- Attract and retain retirees
- Create jobs in the local economy

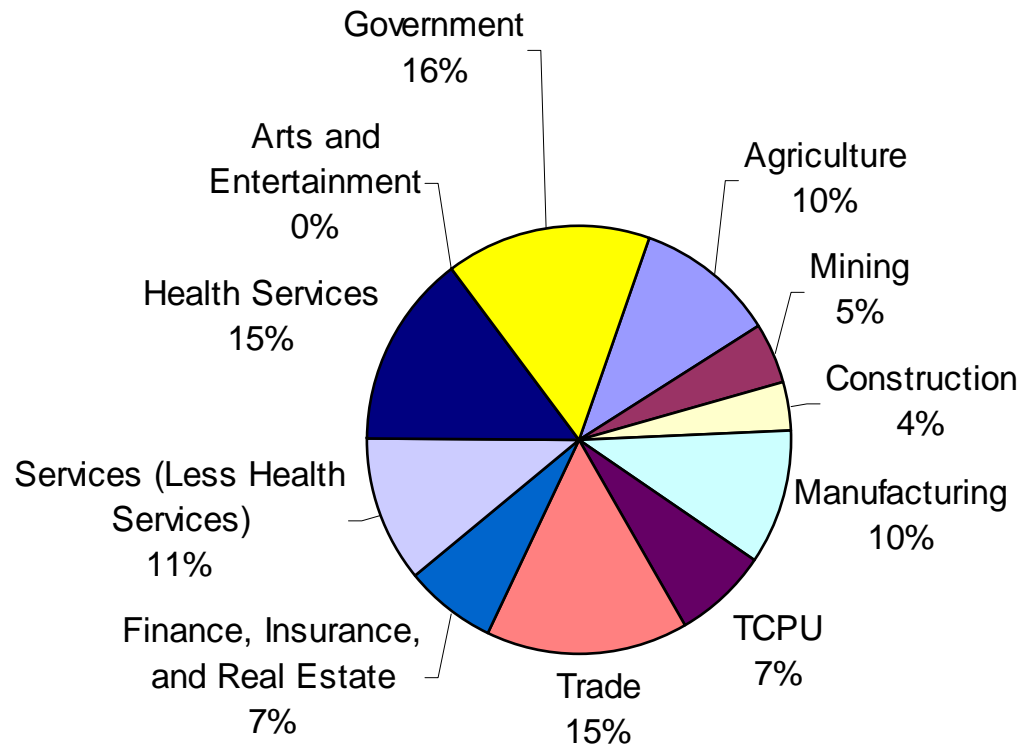
Health Services in the Local Economy

Figure 5. Employment by Sector (2006)



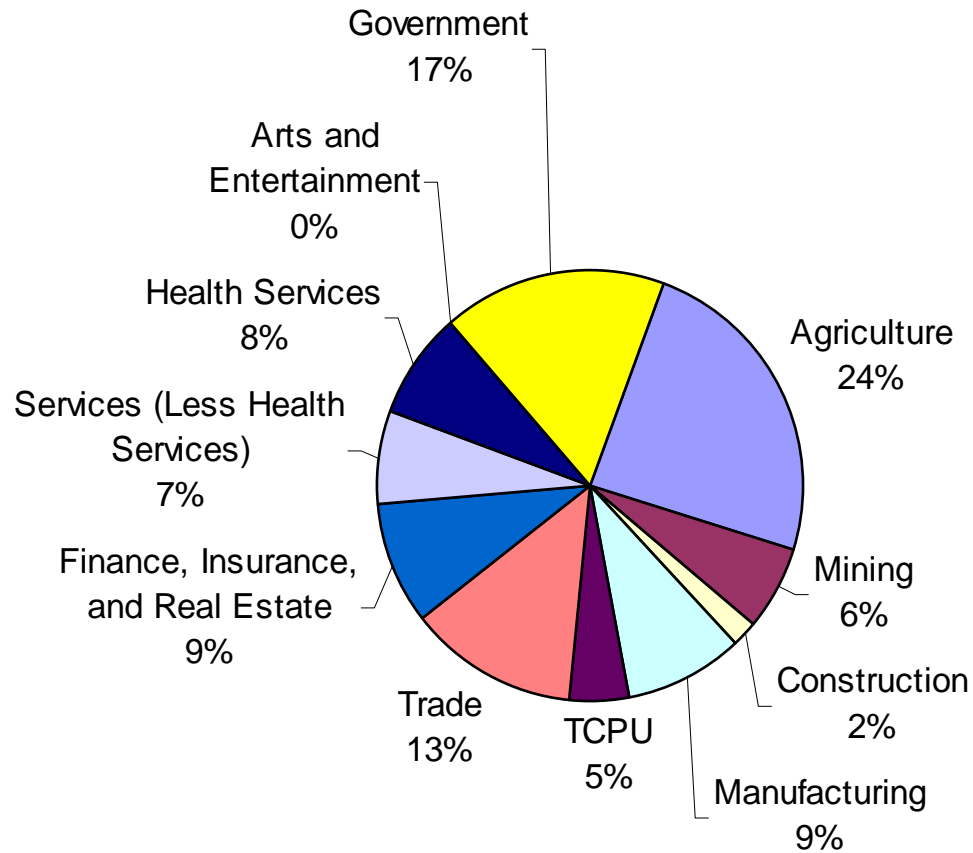
Health Services in the Local Economy

Figure 6. Labor Income by Sector (2006)



Health Services in the Local Economy

Figure 7. Total Income by Sector (2006)





Planning for Future Health Care Needs

- County demographics and projections
- Sources of local income
- Health indicators
 - Medicare, Medicaid
 - Indicators of family and financial stress
 - Indicators of maternal and children's health



Health Sector Impact

- The spending by health care businesses and the income paid to employees “ripples” throughout the county economy
- Each job created in the health sector creates additional employment in the county
- Each dollar of earned income in the health sector creates additional income in the county



Total Health Care Impact

Health Sectors	Direct Employment	Economic Multiplier	Total Impact
Health Care and Personal Stores	12	1.17	14
Veterinary Services	12	1.36	16
Home Health Care Services	37	1.13	42
Doctors and Dentists	24	1.24	30
Other Ambulatory Health Care	34	1.29	44
Hospitals	51	1.36	70
Nursing and Residential Care Facilities	162	1.17	190
Total	332		405

Note: Most data obtained from secondary sources; some data unavailable or extrapolated.

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Health Care Impact

Health Sectors	Direct Income	Economic Multiplier	Total Impact
Health Care and Personal Stores	\$270	1.20	\$322.93
Veterinary Services	\$747	1.10	\$824.65
Home Health Care Services	\$649	1.16	\$751.10
Doctors and Dentists	\$812	1.16	\$944.04
Other Ambulatory Health Care	\$748	1.34	\$1,001.82
Hospitals	\$2,321	1.17	\$2,708.42
Nursing/Residential Care Facilities	\$3,408	1.16	\$3,938.50
Total	\$8,955.00		\$10,491.46

Note: Most data obtained from secondary sources; some data unavailable or extrapolated.

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Health Care Impact

Health Sectors	Retail Sales	County Sales Tax Collection
Health Care and Personal Stores	\$116.21	\$1.74
Veterinary Services	\$296.75	\$4.45
Home Health Care Services	\$270.28	\$4.05
Doctors and Dentists	\$339.71	\$5.10
Other Ambulatory Health Care	\$360.51	\$5.41
Hospitals	\$974.63	\$14.62
Nursing/Residential Care Facilities	\$1,417.28	\$21.26
Total	\$3,775.37	\$56.63

Note: Most data obtained from secondary sources; some data unavailable or extrapolated.

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Summary and Conclusions

- Trends and indicators show health care's economic importance
- Health services among the fastest growing sectors – demographic trends suggest growth will continue
- Attracting/retaining businesses & retirees depends on adequate health care services
- Sustainable health care system essential for local health and economic opportunity



Summary and Conclusions

- Economics of health care rapidly changing
- Maintaining a sustainable local health care system is a community-wide challenge
- Strategic health care planning must be ongoing and inclusive