



The Importance
of the
Health Care Sector
to
Rice County

Hospital District #1 of Rice County
Kansas Rural Health Options Project
K-State Research and Extension



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

- 1990, avg. person spent \$2,074 on health care (2006 \$)
- 2006, avg. person spent \$3,267 on health care
- 1990, Health care was 12% of GDP
- 2006, Health care was 16% of GDP
- 2016, Health care projected at 19.6% 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



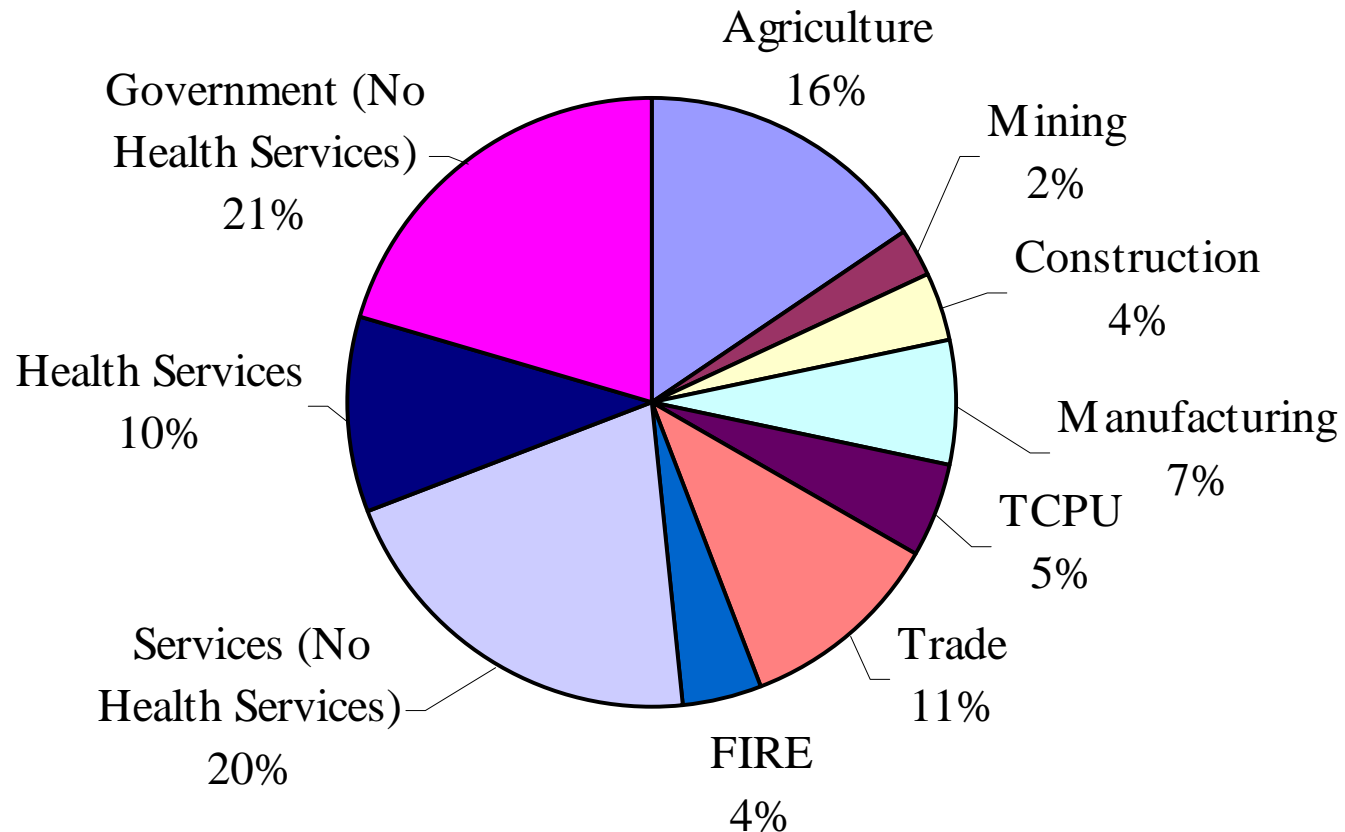
Health Care and the Rural Development Connection

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

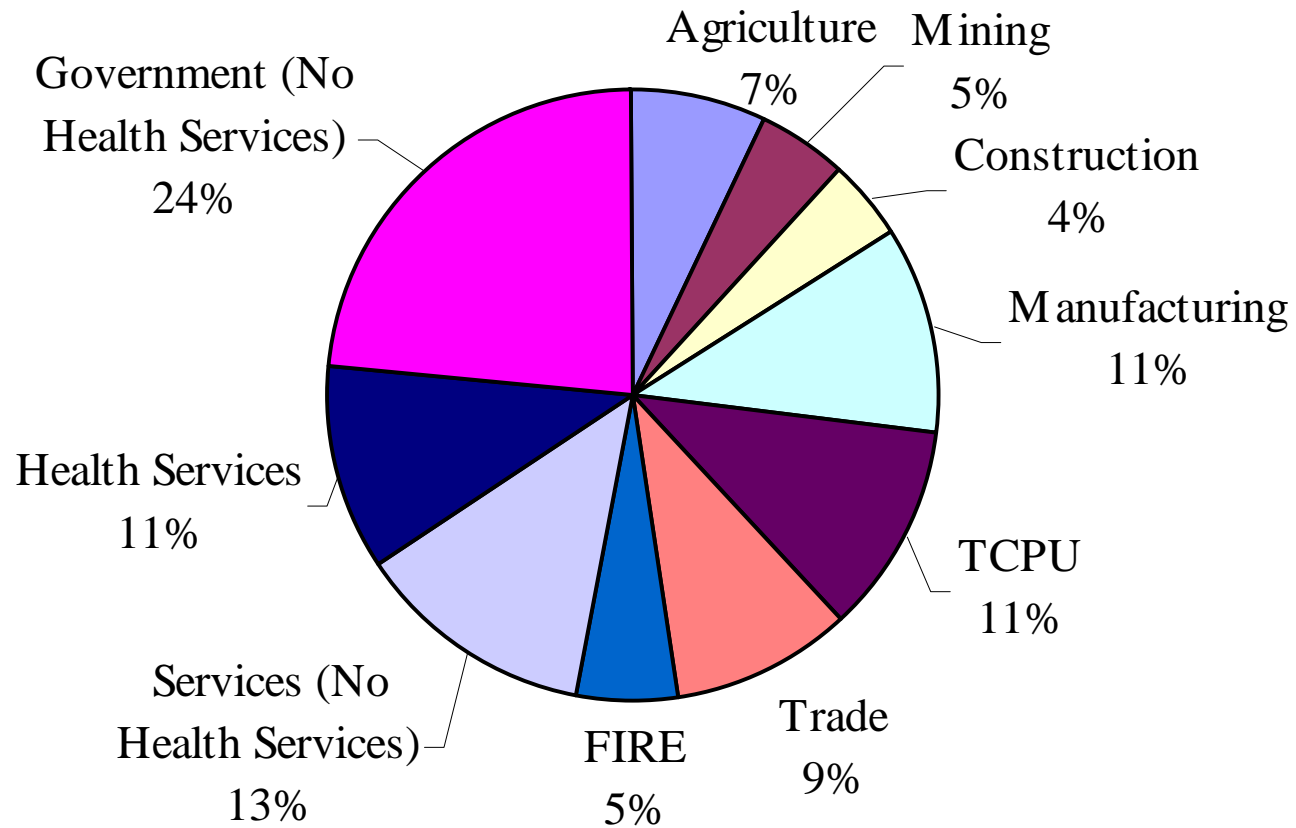
Health Services in the Local Economy

Figure 5. Employment by Sector (2007)



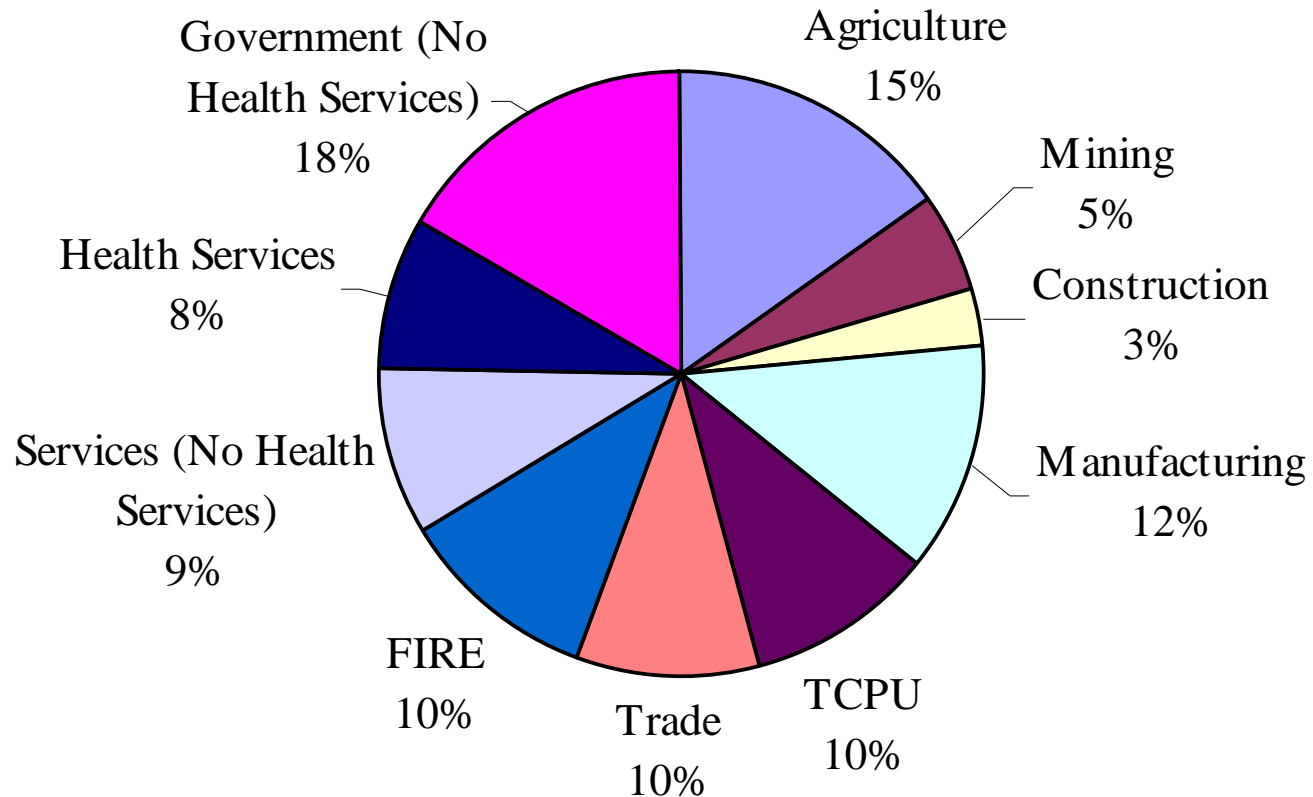
Health Services in the Local Economy

Figure 6. Labor Income by Sector (2007)



Health Services in the Local Economy

Figure 7. Total Income by Sector (2007)





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
Pharmacies	11	1.39	15
Veterinary Services	14	1.40	20
Home Health Care Services	0	0.00	0
Offices of Health Practitioners	73	1.39	101
Other Ambulatory Health Care Services	0	0.00	0
Hospitals	119	1.40	167
Nursing and Residential Care Facilities	226	1.33	301
Fitness and Recreational Sports Centers	16	1.35	22
Local Government Healthcare	41	1.30	53
Total	500		679



Health Care Impact

Health Sectors	Direct Income	Economic Multiplier	Total Impact
Pharmacies	\$441	1.46	\$643
Veterinary Services	\$153	2.74	\$419
Home Health Care Services	\$0	0.00	\$0
Offices of Health Practitioners	\$4,165	1.32	\$5,515
Other Ambulatory Health Care Services	\$0	0.00	\$0
Hospitals	\$6,226	1.37	\$8,515
Nursing and Residential Care Facilities	\$6,294	1.58	\$9,921
Fitness and Recreational Sports Centers	\$175	2.53	\$442
Local Government Healthcare	\$828	1.46	\$1,206
Total	\$18,282		\$26,660



Health Care Impact

Health Sectors	Total Impact	Retail Sales
Pharmacies	\$643	\$205
Veterinary Services	\$419	\$133
Home Health Care Services	\$0	\$0
Offices of Health Practitioners	\$5,515	\$1,757
Other Ambulatory Health Care Services	\$0	\$0
Hospitals	\$8,515	\$2,712
Nursing and Residential Care Facilities	\$9,921	\$3,160
Fitness and Recreational Sports Centers	\$442	\$141
Local Government Healthcare	\$1,206	\$384
Total	\$26,660	\$8,491



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