



Rural Economic Development & Health Care Access

Presentation to Committee on Access to Healthcare in Rural North Carolina (LRC)
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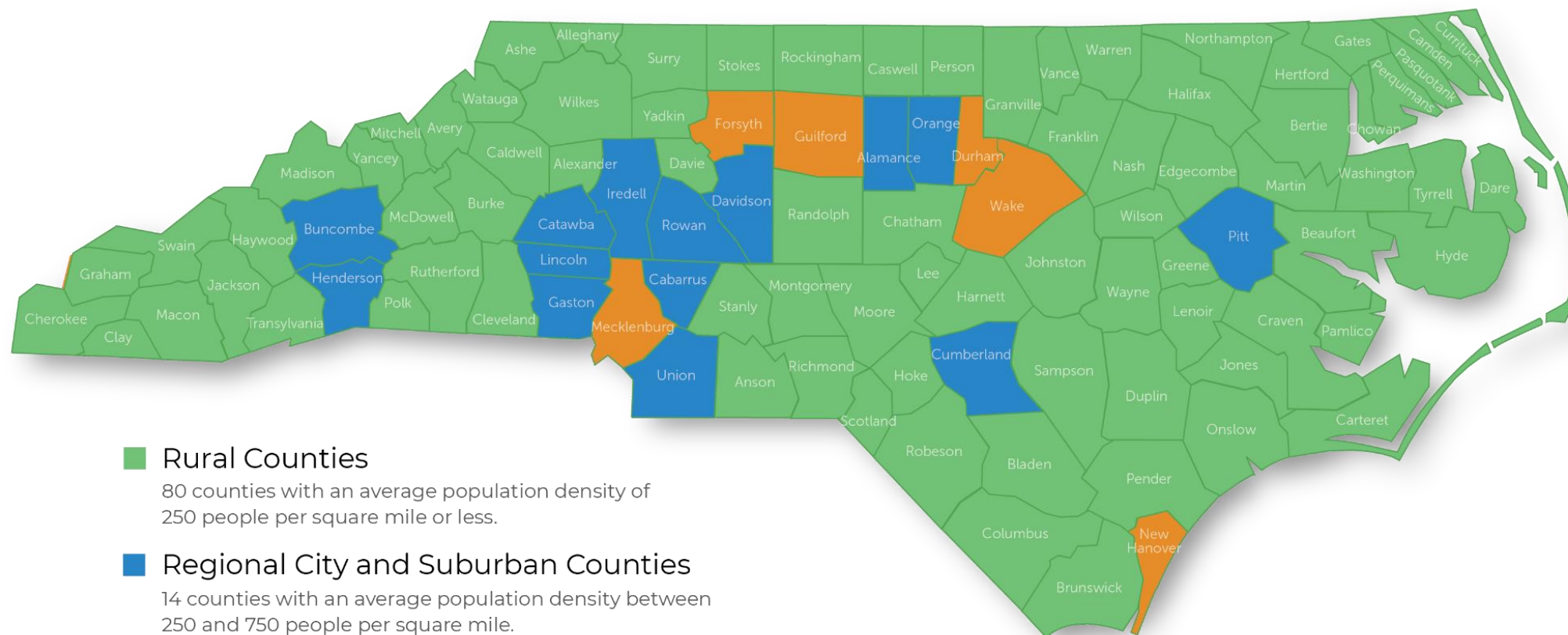





Rural Center Mission



Our mission is to develop, promote and implement sound economic strategies to improve the quality of life of rural North Carolinians.

We serve the state's 80 rural counties, with a special focus on individuals with low to moderate incomes and communities with limited resources.

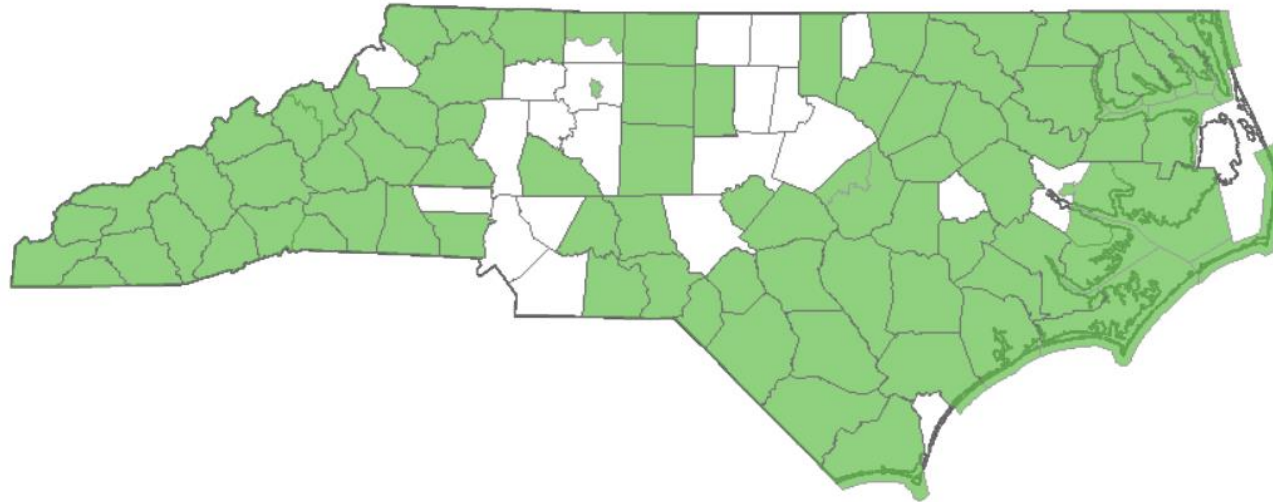


-  **Rural Counties**
80 counties with an average population density of 250 people per square mile or less.
-  **Regional City and Suburban Counties**
14 counties with an average population density between 250 and 750 people per square mile.
-  **Urban Counties**
6 counties with an average population density that exceeds 750 people per square mile.

Densities calculated by the Rural Center based on 2014 U.S. Census population estimates.

Health Care

- Rural health is fundamental to economic competitiveness.

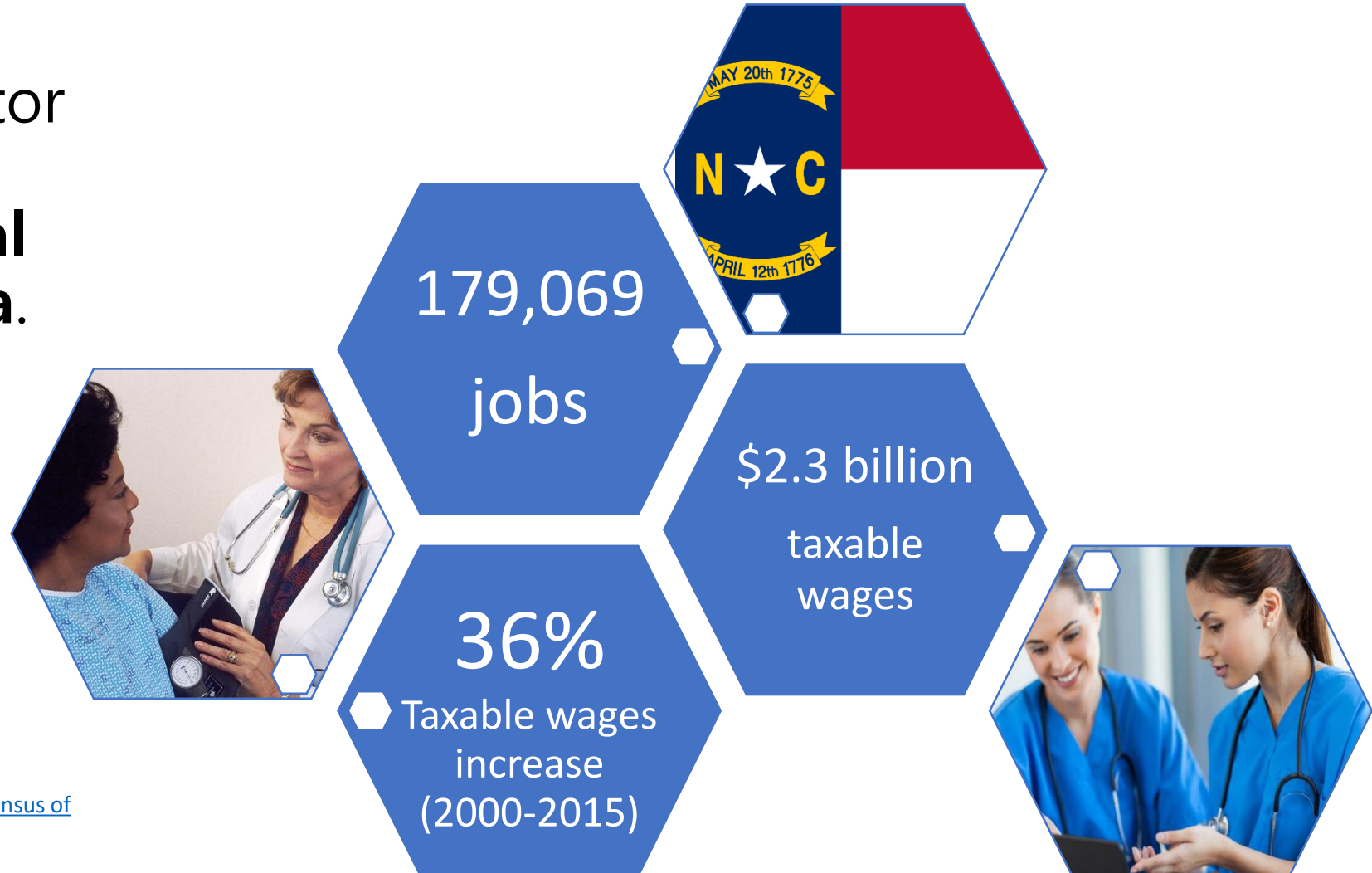


Source: US Department of Health and Human Services, Health Resources and Services Administration.

70 of the 80 rural counties in North Carolina are currently designated "medical deserts" for their lack of primary care availability.

Health Industry Impact

The health sector
is an economic
engine for **rural**
North Carolina.



Physician Impact

Each physician contributes:

14 jobs

\$1.1 million in wages & benefits

\$90,449 in local and state tax revenues



Total economic output per physician: **\$2.2 million**

Total economic output by NC physicians: **\$29.4 billion**

Source: "The Economic Impact of Physicians: A Fact Sheet Examining the Economic Contribution Physicians Make to Their Communities and to Their Affiliated Hospitals," Merritt Hawkins, 2014.

Health System Impact

For every 1 physician employed by a hospital:

11.2 nurses

4.3 aides and assistants

1.4 therapists

4.2 technologists, technicians, and EMTs

5.3 office & admin staff

1.3 management staff

1.1 building & grounds staff



44 Rural Counties – Health System (hospital, clinic, etc.) in Top 5 Employers

Health Systems generated **\$37.8 billion** in state GDP in 2013



Top Issues



- Expand Access to Telemedicine
- Close the Insurance Coverage Gap
- Bolster Professional Recruitment
- Strengthen Existing Delivery Systems

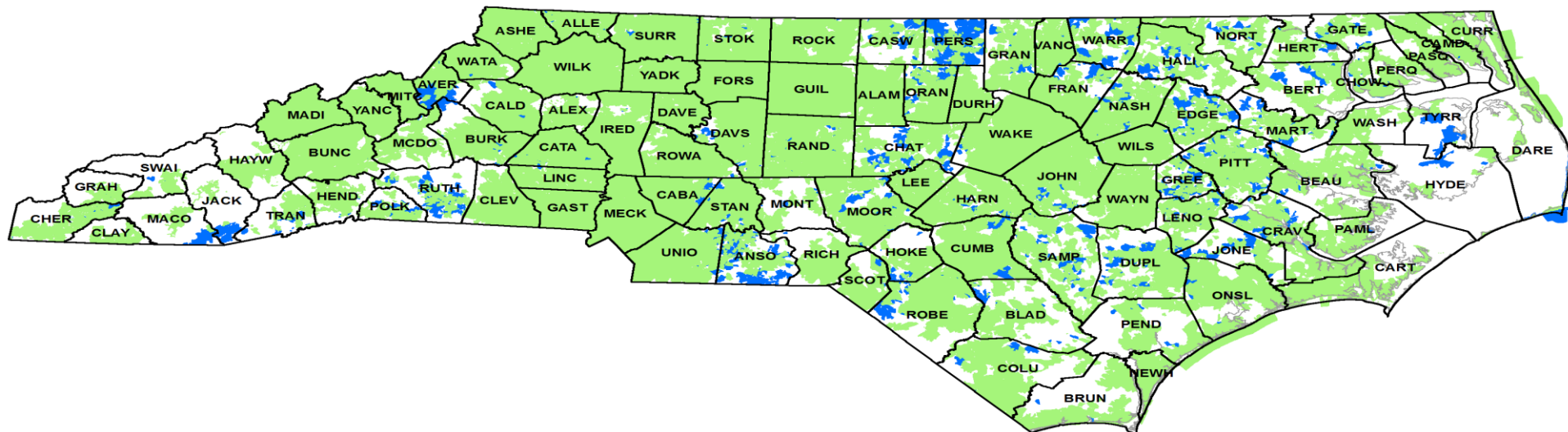
Telemedicine

- Telemedicine is the future of rural health care delivery
- Effective delivery depends on broadband infrastructure
- NC Broadband Infrastructure Office's State Broadband Plan includes details for expanding access, affordability, and adoption
- NC Department of Health & Human Services submitted a study with recommendations on telemedicine to the Joint Legislative Oversight Committee on Health and Human Services in October.



Broadband Availability

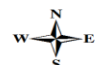
FIXED BROADBAND COVERAGE 25mb/s OR GREATER



- JUN. 2016 DATA RELEASE CENSUS BLOCKS*
- DEC. 2016 DATA RELEASE CENSUS BLOCKS*

*A provider that reports deployment of a particular technology and bandwidth in a particular census block may not necessarily offer that particular service everywhere in the census block. Census block data derived from 2010 Census.

Source: NC Broadband Infrastructure Office



What Other States Are Doing

- Incentivizing private investments in rural broadband infrastructure through state grant programs
(Ohio, Minnesota, New York)
- Participating in Interstate Medical Licensure Compact (IMLC)
(Tennessee, Alabama, Mississippi, Pennsylvania)
- Supporting establishment of Psychology Interjurisdictional Compact (PSYPACT)
(Arizona, Utah, Nevada)

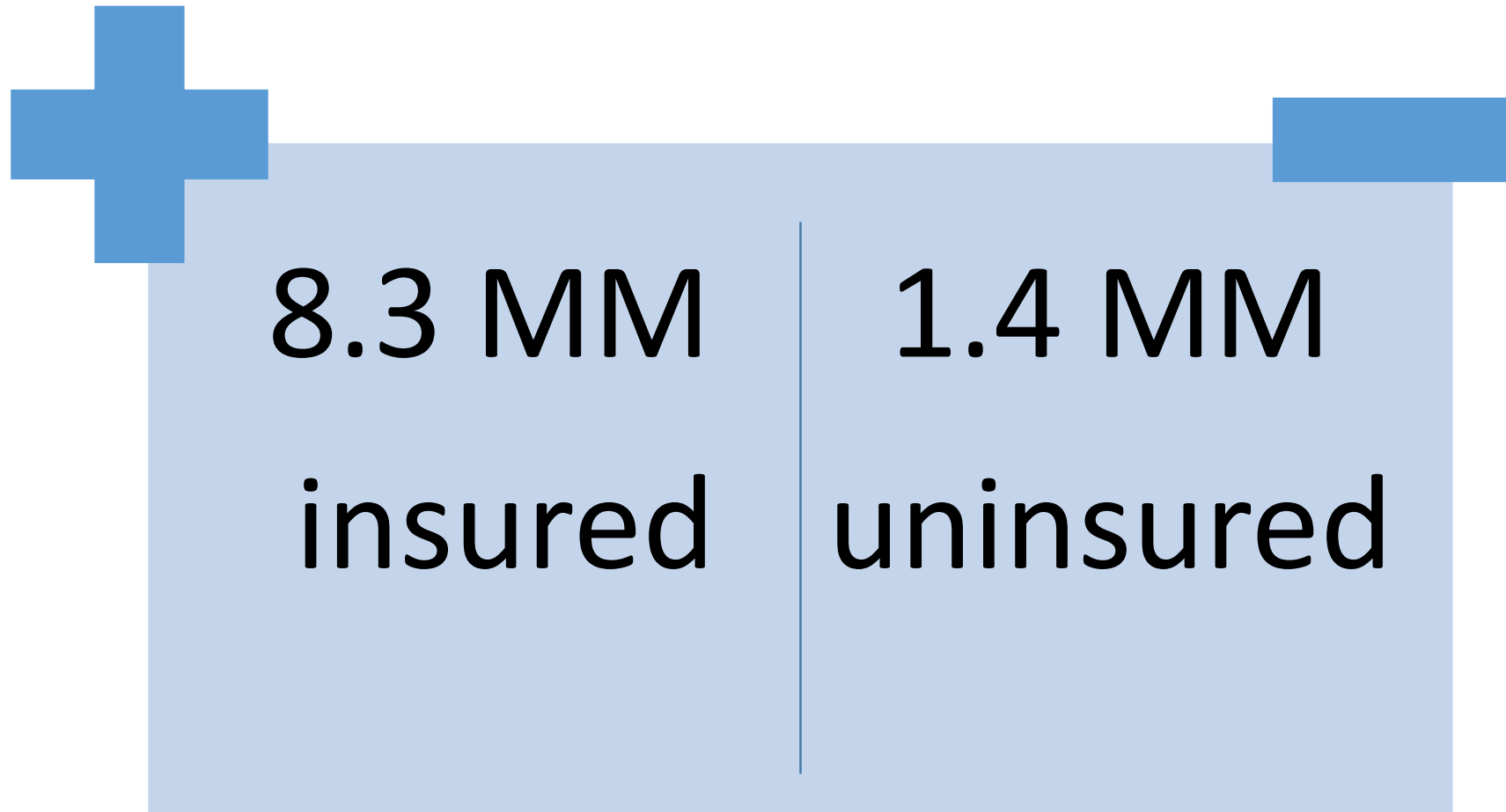


The Coverage Gap

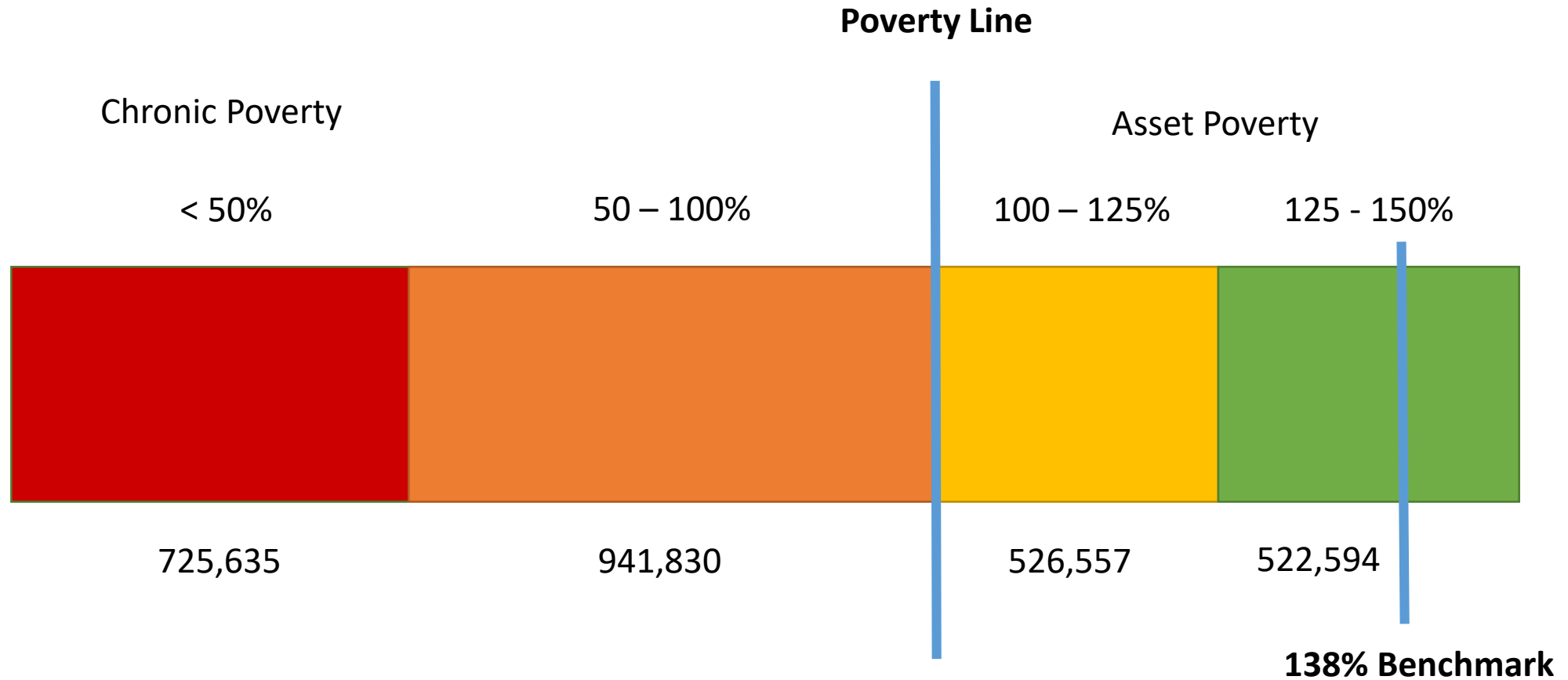


- Affordable Care Act
 - Gave states option to expand Medicaid to individuals making up to 138% of the poverty level
 - Creates exchanges for individuals not covered by employer-provided insurances
 - Gives subsidies on exchanges for individuals making up to 400% of poverty level
- Coverage Gap
 - Individuals who do not qualify for Medicaid + do not earn enough to afford health insurance on the exchange
 - 400,000 North Carolinians

The Statewide Picture



Chronic vs. Asset Poverty



Source: [American Community Survey, US Census Bureau](#).



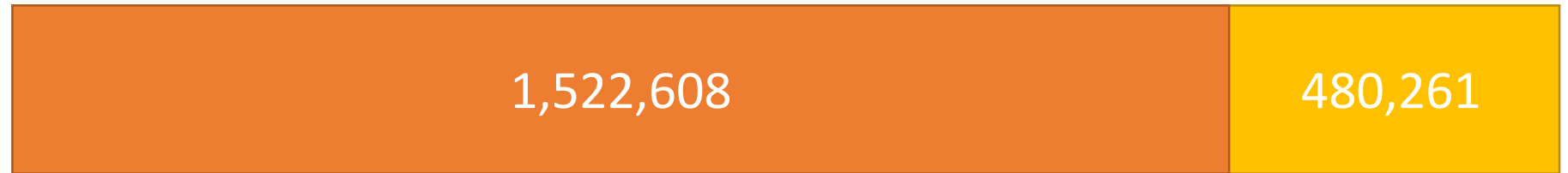
The Working Poor



Below Poverty Level

100-125%
Poverty Level

Citizen Population



Full-Time Workers



Part-Time Workers



Economic Impact

Closing the insurance gap would over a four-year period generate:

- **43,314** new jobs
- **\$21.5 billion** in business activity
- **\$860 million** in state revenue
- **\$3.45 billion** uncompensated care savings

The Local Picture

- Rural Center Health Coverage Gap Database
bit.ly/NCHealthGap

CLOSING THE HEALTH INSURANCE GAP IN NORTH CAROLINA

INTRODUCTION	A SNAPSHOT OF NORTH CAROLINA'S POPULATION ELIGIBLE FOR MEDICAID EXPANSION	THE BIG PICTURE	A DEEPER DIVE	COUNTY ECONOMIC IMPACT
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INTRODUCTION

Data to support a critical public conversation – why is it important?

This tool is the North Carolina Rural Center's contribution to the public conversation about one of the most important public policy issues facing our state:
How do we effectively and efficiently make health insurance available and affordable for citizens with limited financial means?

Advancing rural health is one of **the Center's strategic priorities** for improving the lives of rural North Carolinians. We know that a healthy workforce and strong, financially secure health institutions are fundamental to creating competitive rural economies. We cannot retain the rural businesses we have or attract or grow new ones if our health provider network is financially vulnerable.

Potential Solutions

- A sustainable, financially sound health care system is essential to good jobs, good wages, and a **competitive rural economy**
- The Rural Center could support various policy solutions
- **Carolina Cares (HB662)**, creating a new insurance product for people in the gap is a strong model for consideration
- **The imperative is clear:** closing the insurance gap and making sure rural people have access to quality, affordable health insurance matters for individuals, communities, and local economies.

Professional Recruitment

- Physicians = small businesses
 - Strong education system
 - Diverse local economy with jobs for family members
 - Modern infrastructure (physical & digital)
 - Workforce housing





Professional Recruitment



What Other States Are Doing

- Loan Repayment Programs
(Colorado, Louisiana, Minnesota, Montana, Ohio)
- Rural Primary Care Residencies
(Nevada, New York)
- Certification for Community Health Workers
(Texas, Oregon, Minnesota, South Carolina)
- Rural Practitioner Tax Credit
(Oregon)



Strengthen Existing Assets



Building upon successful programs is key for future success:

- Office of Rural Health
- Area Health Education Centers (AHEC)
- Community Health Centers

Rural Health Impacts

State investments in the Office of Rural Health are paying off:

Program	Created Economic Impact	ROI
Provider Placement	\$3,858,296	81%
Rural Health Centers	\$1,332,691	57%
Community Health	\$3,664,655	84%
Farmworker Health	\$4,074,741	76%
Rural Hospital	\$834,030	59%
Medication Assistance	\$4,217,520	70%
Telepsychiatry	\$3,787,402	60%
Integrated Health Systems	\$4,643,191	89%



Bottom Line



Healthy people and stable health care systems are vital for thriving rural communities.

Issues are complex and integrated, but that means that strategic policies can have widespread effects:

- Expanding access to telemedicine
- Closing the insurance coverage gap

Good news: the work you do here doesn't just matter for the health of individuals. It is a key to closing the rural/urban divide and setting our rural communities & economies on a path toward prosperity.

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