



The Importance  
of the  
Health Care Sector  
to  
Cloud County

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Kansas Rural Health Options Project  
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# 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



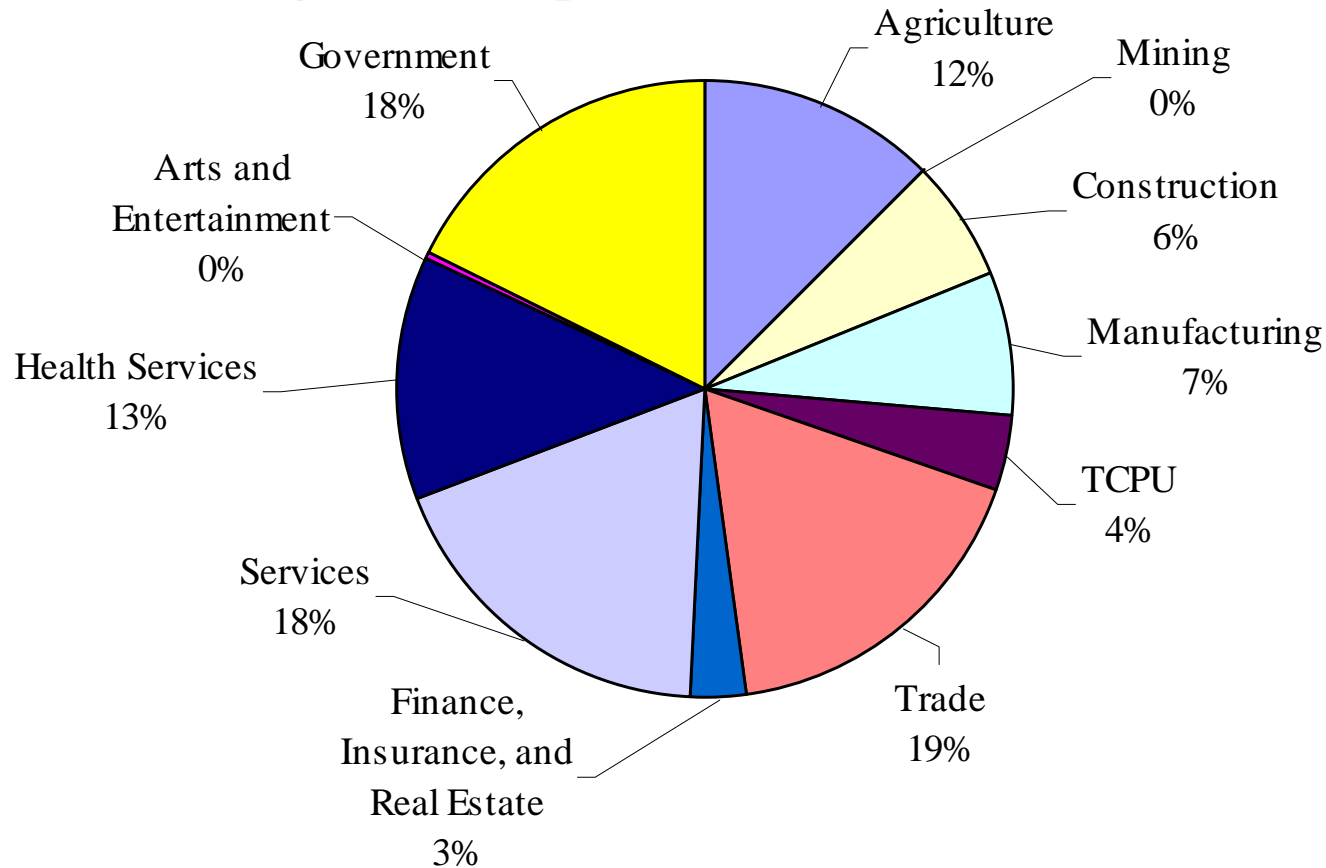
# Health Care and the Rural Development Connection

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

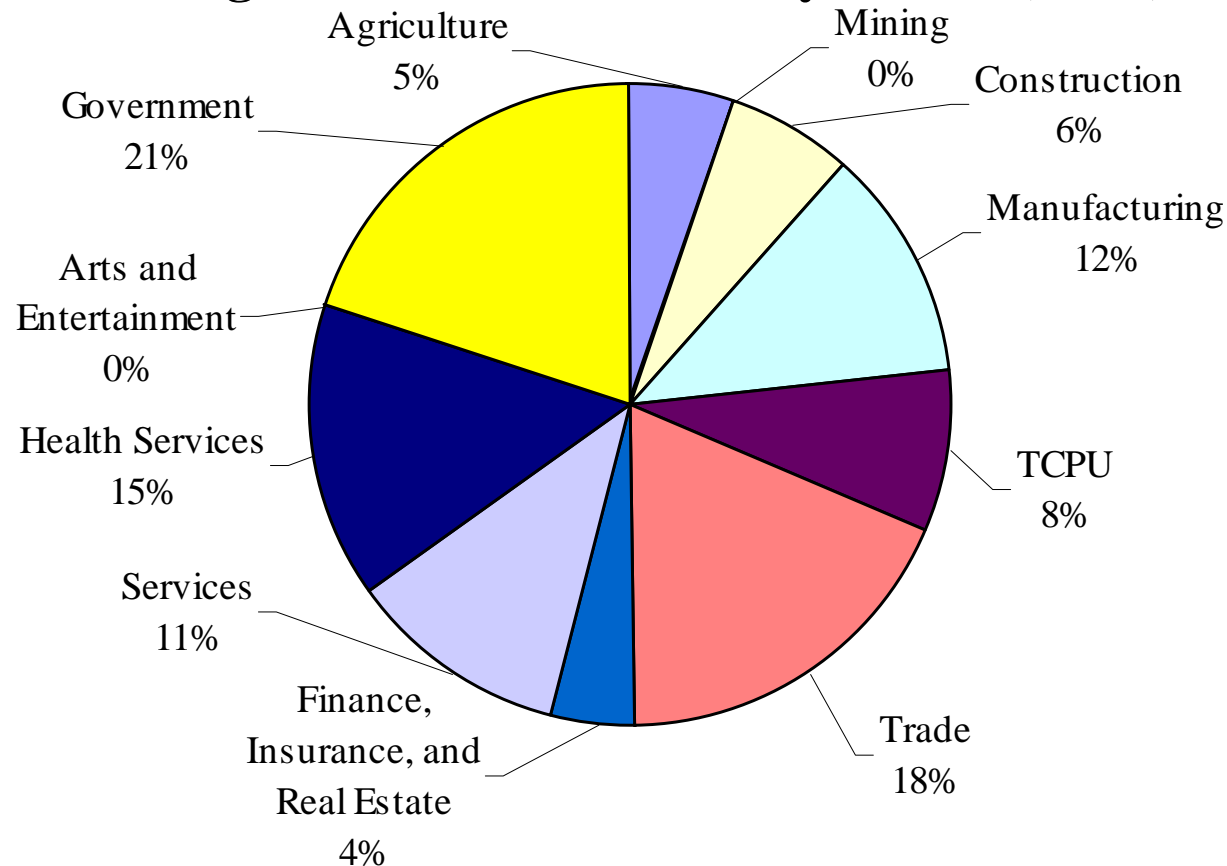
# Health Services in the Local Economy

**Figure 5. Employment by Sector (2003)**



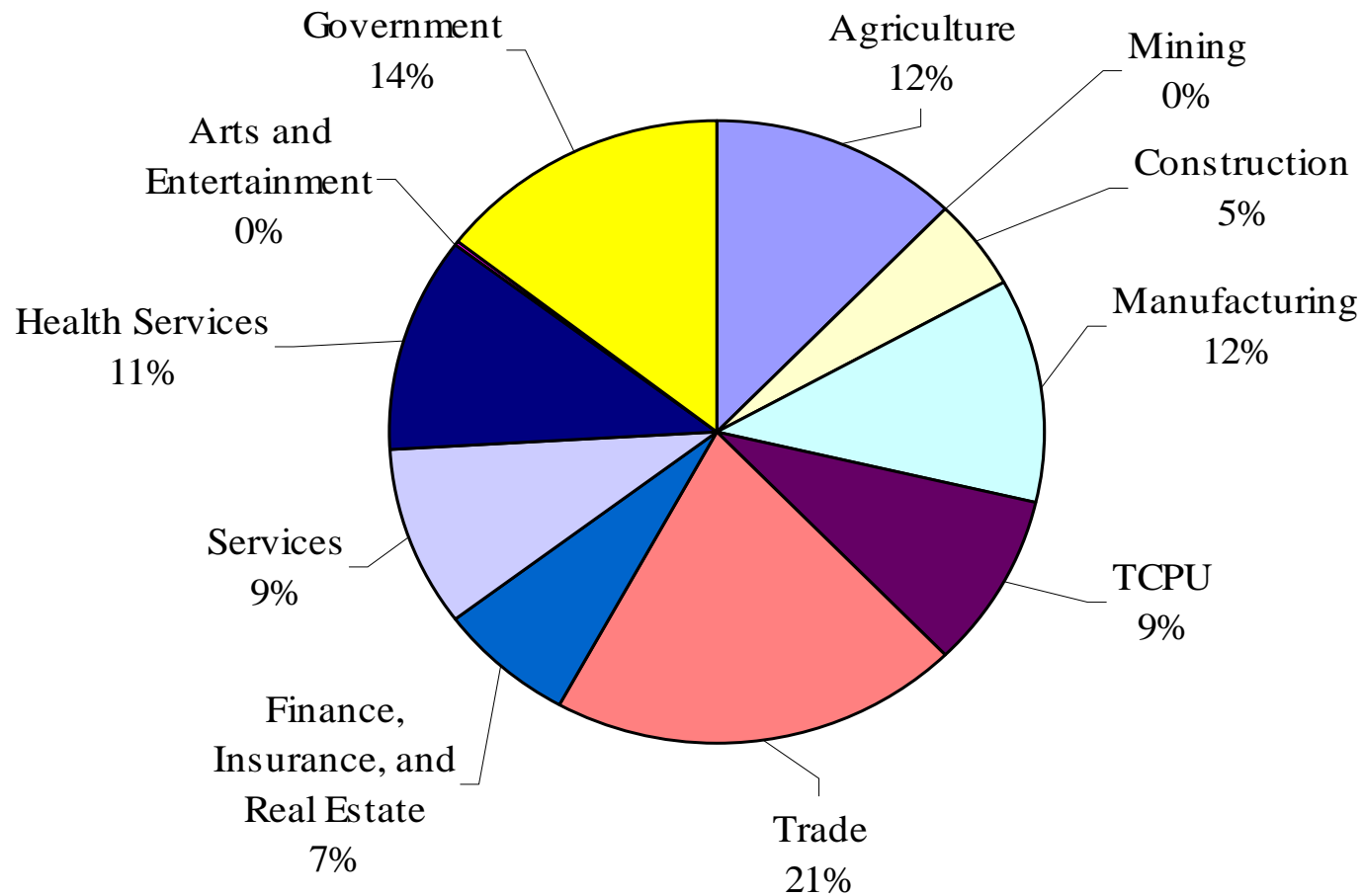
# Health Services in the Local Economy

**Figure 6. Labor Income by Sector (2003)**



# Health Services in the Local Economy

**Figure 7. Total Income by Sector (2003)**





# 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

	<b>Direct</b>	<b>Economic</b>	<b>Total</b>
<b>Health Sectors</b>	<b>Employment</b>	<b>Multiplier</b>	<b>Impact</b>
Health and Personal Care Stores	34	1.50	51
Veterinary Services	13	1.56	20
Home Health Care Services	4	1.44	6
Doctors and Dentists	56	1.50	84
Other Ambulatory Health Care	80	1.82	145
Hospitals	159	1.66	264
Nursing and Residential Care Facilities	381	1.50	570
<b>Total</b>	<b>727</b>		<b>1,141</b>

# Health Care Impact

	<b>Direct</b>	<b>Economic</b>	<b>Total</b>
<b>Health Sectors</b>	<b>Income</b>	<b>Multiplier</b>	<b>Impact</b>
Health and Personal Care Stores	\$1,137	1.33	\$1,507
Veterinary Services	\$148	2.11	\$313
Home Health Care Services	\$74	1.52	\$112
Doctors and Dentists	\$2,635	1.23	\$3,254
Other Ambulatory Health Care	\$2,636	1.57	\$4,149
Hospitals	\$4,654	1.49	\$6,956
Nursing/Residential Care Facilities	\$7,075	1.56	\$11,023
<b>Total</b>	<b>\$18,359</b>		<b>\$27,314</b>



# Health Care Impact

	<b>Total</b>	<b>Retail</b>
<b>Health Sectors</b>	<b>Impact</b>	<b>Sales</b>
Health and Personal Care Stores	\$1,507	\$658
Veterinary Services	\$313	\$136
Home Health Care Services	\$112	\$49
Doctors and Dentists	\$3,254	\$1,420
Other Ambulatory Health Care	\$4,149	\$1,811
Hospitals	\$6,956	\$3,036
Nursing/Residential Care Facilities	\$11,023	\$4,811
<b>Total</b>	<b>\$27,314</b>	<b>\$11,922</b>



# 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