



The Importance
of the
Health Care Sector
to
Neodesha & Wilson County

Wilson Medical Center
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

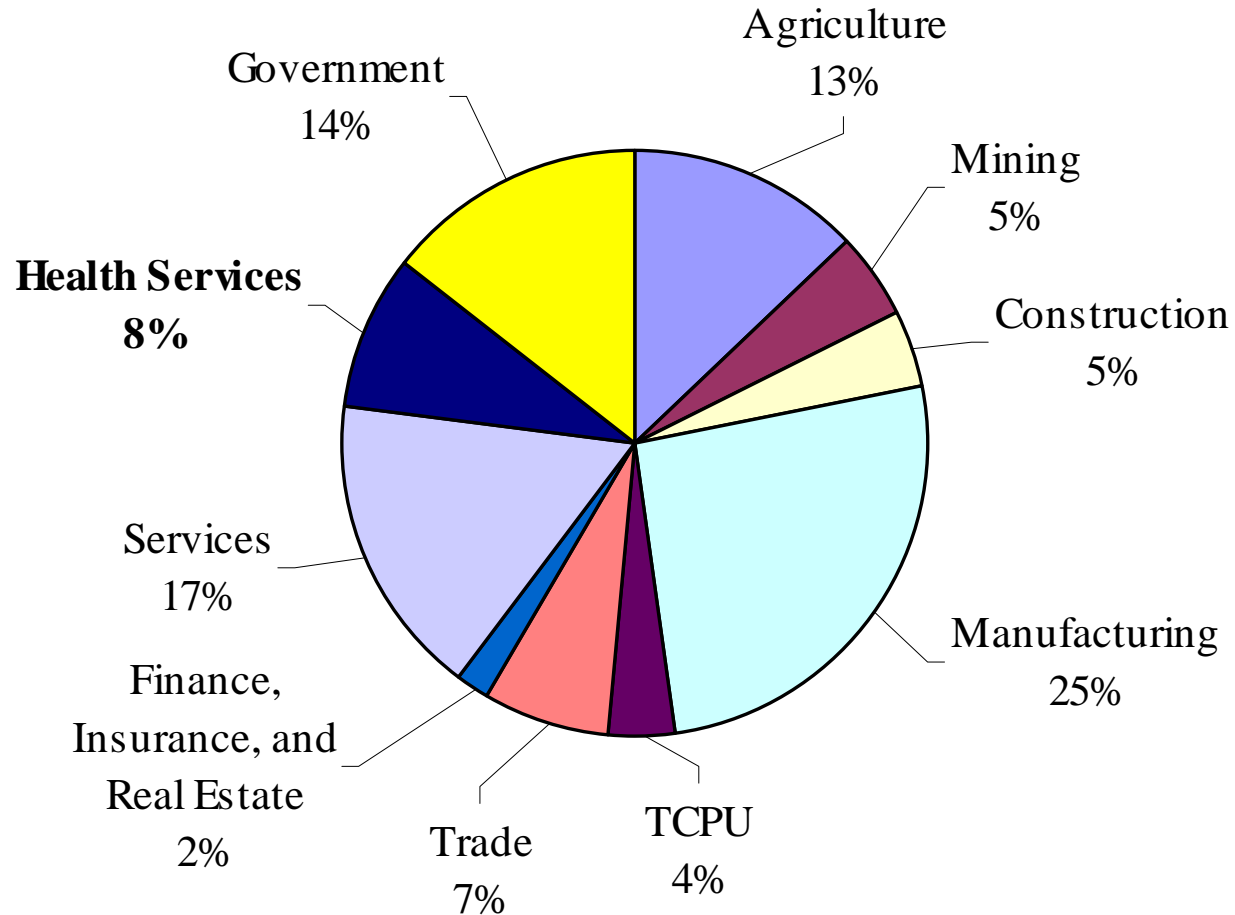
Why is health care important for community economic development?

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



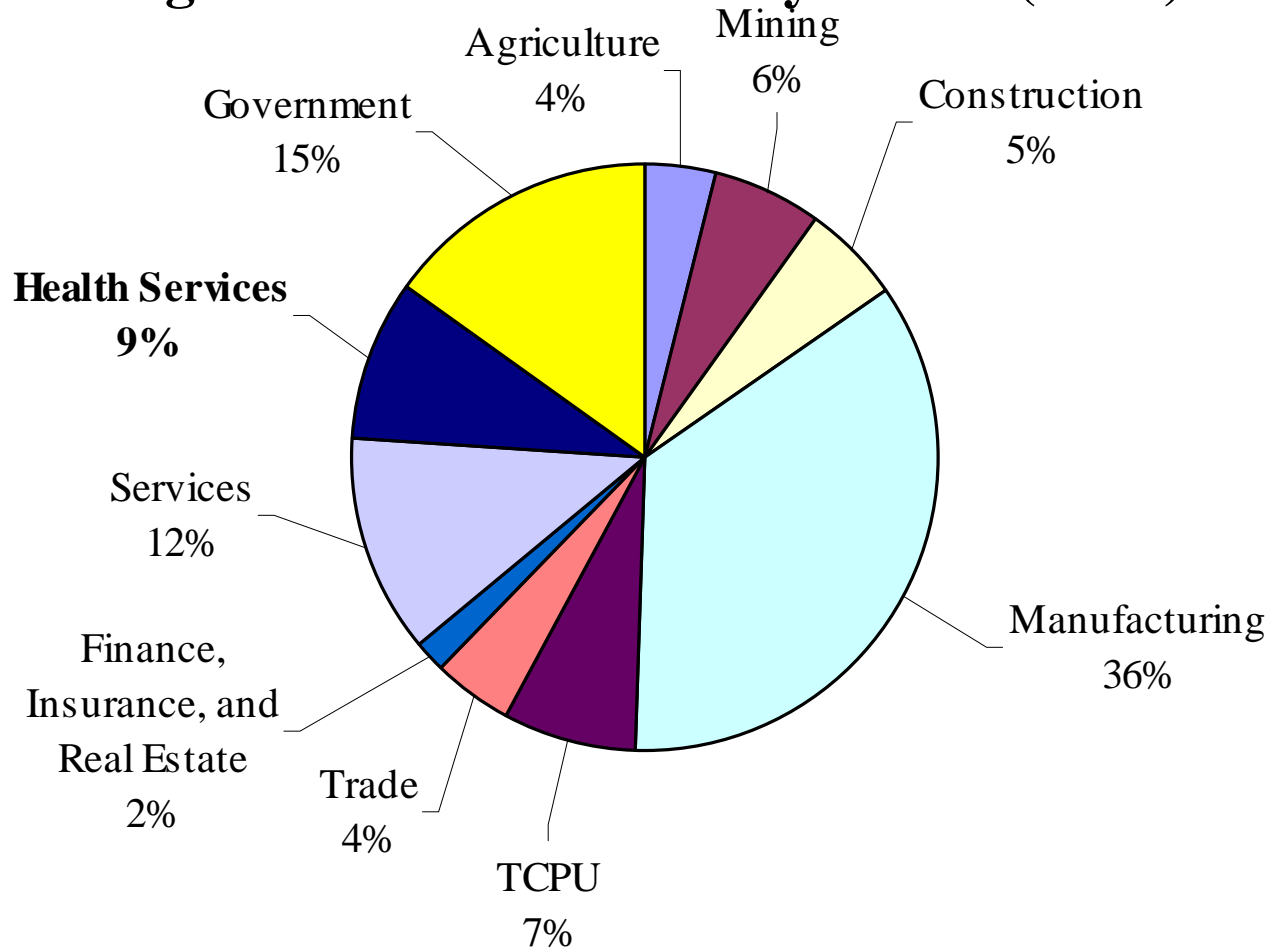
Local Health Services

Figure 5. Employment by Sector (2007)



Local Health Services

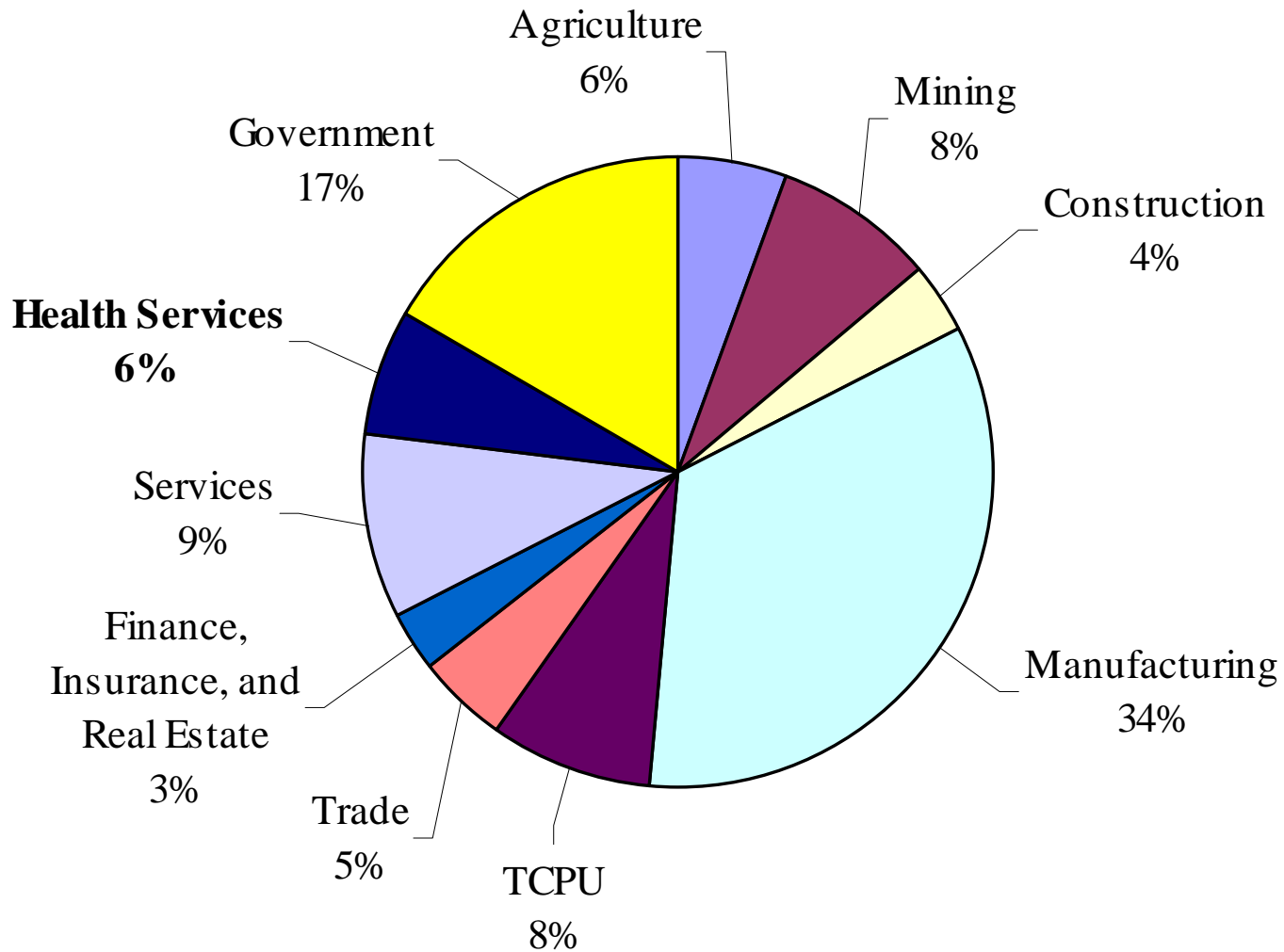
Figure 6. Labor Income by Sector (2007)





Local Health Services

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



Wilson County Health Care Impact

Table 7. Health Sector Impact on Wilson County Employment, 2007

Health Sectors	Direct Employment	Economic Multiplier	Total Impact
Health and Personal Care Stores	25	1.33	33
Veterinary Services	11	1.38	15
Home Health Care Services	64	1.31	84
Doctors and Dentists	108	1.34	145
Other Ambulatory Health Care	0	0.00	0
Hospitals	224	1.41	316
Nursing and Residential Care Facilities	169	1.33	225
Total	601		818

Neodesha Health Care Impact

Table 8. Health Sector Impact on Neodesha Employment, 2007

Health Sectors	Direct Employment	Economic Multiplier	Total Impact
Health and Personal Care Stores	11	1.33	15
Veterinary Services	0	0.00	0
Home Health Care Services	46	1.31	61
Doctors and Dentists	48	1.34	64
Other Ambulatory Health Care	0	0.00	0
Hospitals	102	1.41	144
Nursing and Residential Care Facilities	111	1.33	148
Total	318		432



Wilson County Health Care Impact

Table 9. Health Sector Impact on Wilson County Income and Retail Sales, 2007 (\$thousands)

Health Sectors	Direct Income	Economic Multiplier	Total Impact
Health and Personal Care Stores	\$665	1.46	\$971
Veterinary Services	\$326	1.29	\$420
Home Health Care Services	\$1,980	1.23	\$2,442
Doctors and Dentists	\$5,006	1.21	\$6,080
Other Ambulatory Health Care	\$0	0.00	\$0
Hospitals	\$13,493	1.23	\$16,532
Nursing/Residential Care Facilities	\$3,506	1.37	\$4,792
Total	\$24,976		\$31,236

Neodesha Health Care Impact

Table 10. Health Sector Impact on Neodesha Income & Retail Sales, 2007 (\$thousands)

Health Sectors	Direct Income	Economic Multiplier	Total Impact
Health and Personal Care Stores	\$293	1.46	\$427
Veterinary Services	\$0	0.00	\$0
Home Health Care Services	\$1,423	1.23	\$1,755
Doctors and Dentists	\$2,225	1.21	\$2,702
Other Ambulatory Health Care	\$0	0.00	\$0
Hospitals	\$6,144	1.23	\$7,528
Nursing/Residential Care Facilities	\$2,303	1.37	\$3,147
Total	\$12,388		\$15,559

Wilson County Health Care Impact

Table 9. Health Sector Impact on Wilson County Income and Retail Sales, 2007 (\$thousands)

Health Sectors	Total Impact	Retail Sales	County Sales Tax Collection
Health and Personal Care Stores	\$971	\$298	\$2.98
Veterinary Services	\$420	\$129	\$1.29
Home Health Care Services	\$2,442	\$750	\$7.50
Doctors and Dentists	\$6,080	\$1,867	\$18.67
Other Ambulatory Health Care	\$0	\$0	\$0.00
Hospitals	\$16,532	\$5,078	\$50.78
Nursing/Residential Care Facilities	\$4,792	\$1,472	\$14.72
Total	\$31,236	\$9,595	\$95.95

Wilson County Health Care Impact

Table 10. Health Sector Impact on Neodesha Income & Retail Sales, 2007 (\$thousands)

Health Sectors	Total Impact	Retail Sales	County Sales Tax Collection
Health and Personal Care Stores	\$427	131.21	\$1.31
Veterinary Services	\$0	0.00	\$0.00
Home Health Care Services	\$1,755	539.07	\$5.39
Doctors and Dentists	\$2,702	829.98	\$8.30
Other Ambulatory Health Care	\$0	0.00	\$0.00
Hospitals	\$7,528	2312.28	\$23.12
Nursing/Residential Care Facilities	\$3,147	966.78	\$9.67
Total	\$15,559	\$4,779	\$47.79



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