



The Importance  
of the  
Health Care Sector  
to  
Trego County

XYZ Hospital  
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

- 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



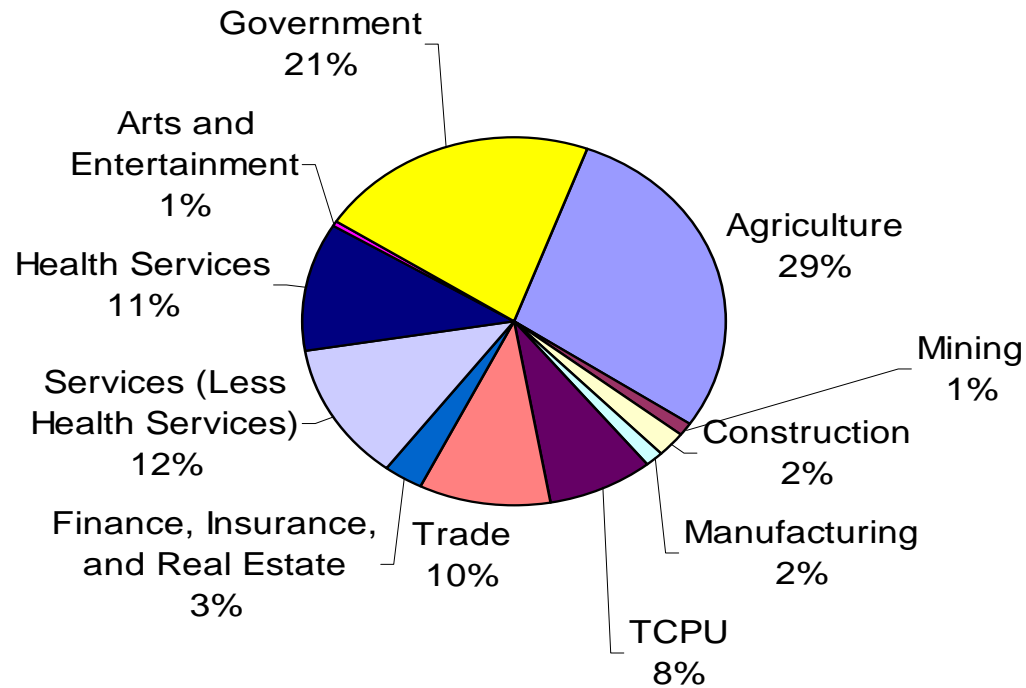
# Health Care and the Rural Development Connection

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

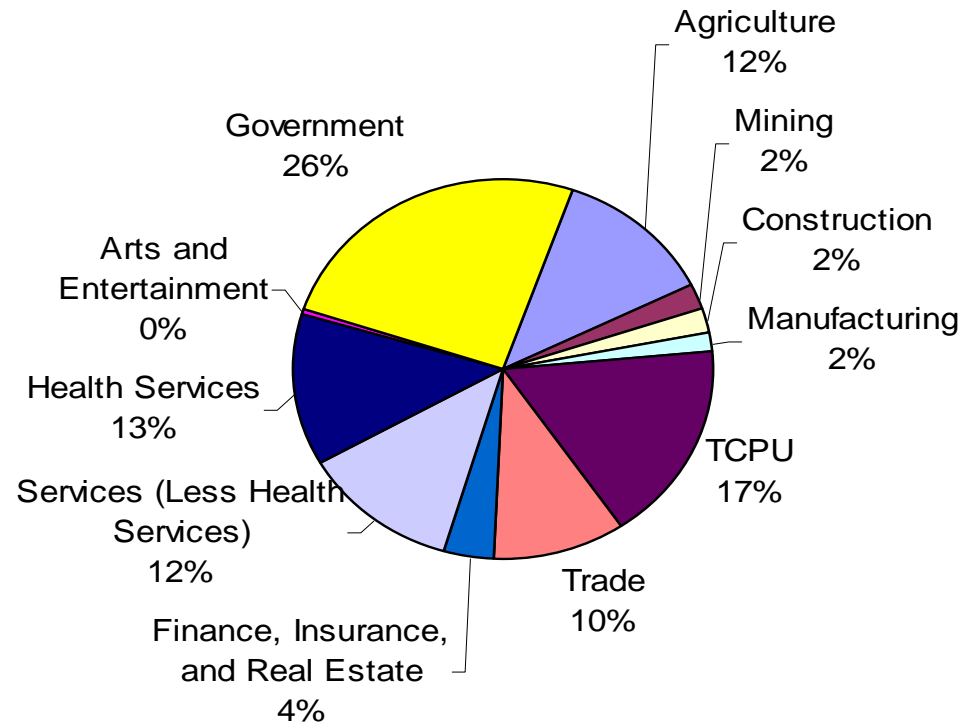
# Health Services in the Local Economy

Figure 5. Employment by Sector (2006)



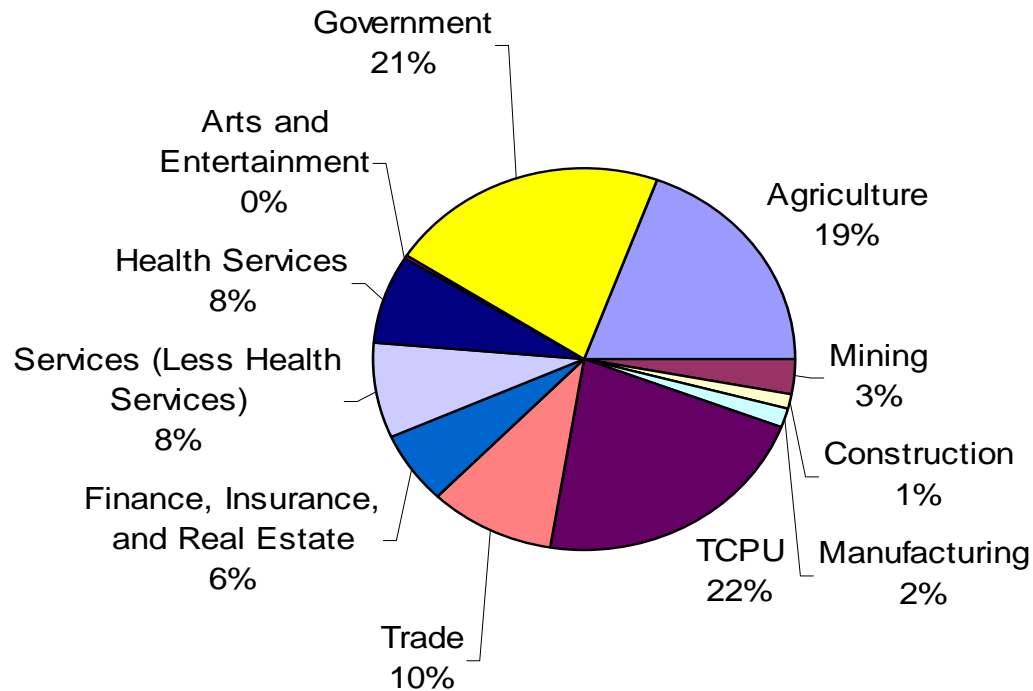
# Health Services in the Local Economy

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

<b>Health Sectors</b>	<b>Direct Employment</b>	<b>Economic Multiplier</b>	<b>Total Impact</b>
Health Care and Personal Stores	22	1.33	29
Veterinary Services	7	1.33	9
Home Health Care Services	0	0.00	0
Doctors and Dentists	13	1.30	17
Other Ambulatory Health Care	0	0.00	0
Hospitals	158	1.24	196
Nursing and Residential Care Facilities	10	1.32	13
<b>Total</b>	<b>210</b>		<b>264</b>

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



# Health Care Impact

<b>Health Sectors</b>	<b>Direct Income</b>	<b>Economic Multiplier</b>	<b>Total Impact</b>
Health Care and Personal Stores	\$1,092	1.27	\$1,383.04
Veterinary Services	\$438	1.14	\$500.72
Home Health Care Services	\$0	0.00	\$0.00
Doctors and Dentists	\$258	1.51	\$390.36
Other Ambulatory Health Care	\$0	0.00	\$0.00
Hospitals	\$5,671	1.20	\$6,813.45
Nursing/Residential Care Facilities	\$221	1.41	\$311.99
<b>Total</b>	<b>\$7,680</b>		<b>\$9,399.56</b>

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

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# Health Care Impact

<b>Health Sectors</b>	<b>Retail Sales</b>	<b>County Sales Tax Collection</b>
Health Care and Personal Stores	\$802.21	\$4.01
Veterinary Services	\$290.44	\$1.45
Home Health Care Services	\$0.00	\$0.00
Doctors and Dentists	\$226.42	\$1.13
Other Ambulatory Health Care	\$0.00	\$0.00
Hospitals	\$3,952.04	\$19.76
Nursing/Residential Care Facilities	\$180.96	\$0.90
<b>Total</b>	<b>\$5,452.07</b>	<b>\$27.26</b>

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