

The Importance
of the
Health Care Sector
to
Barton 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

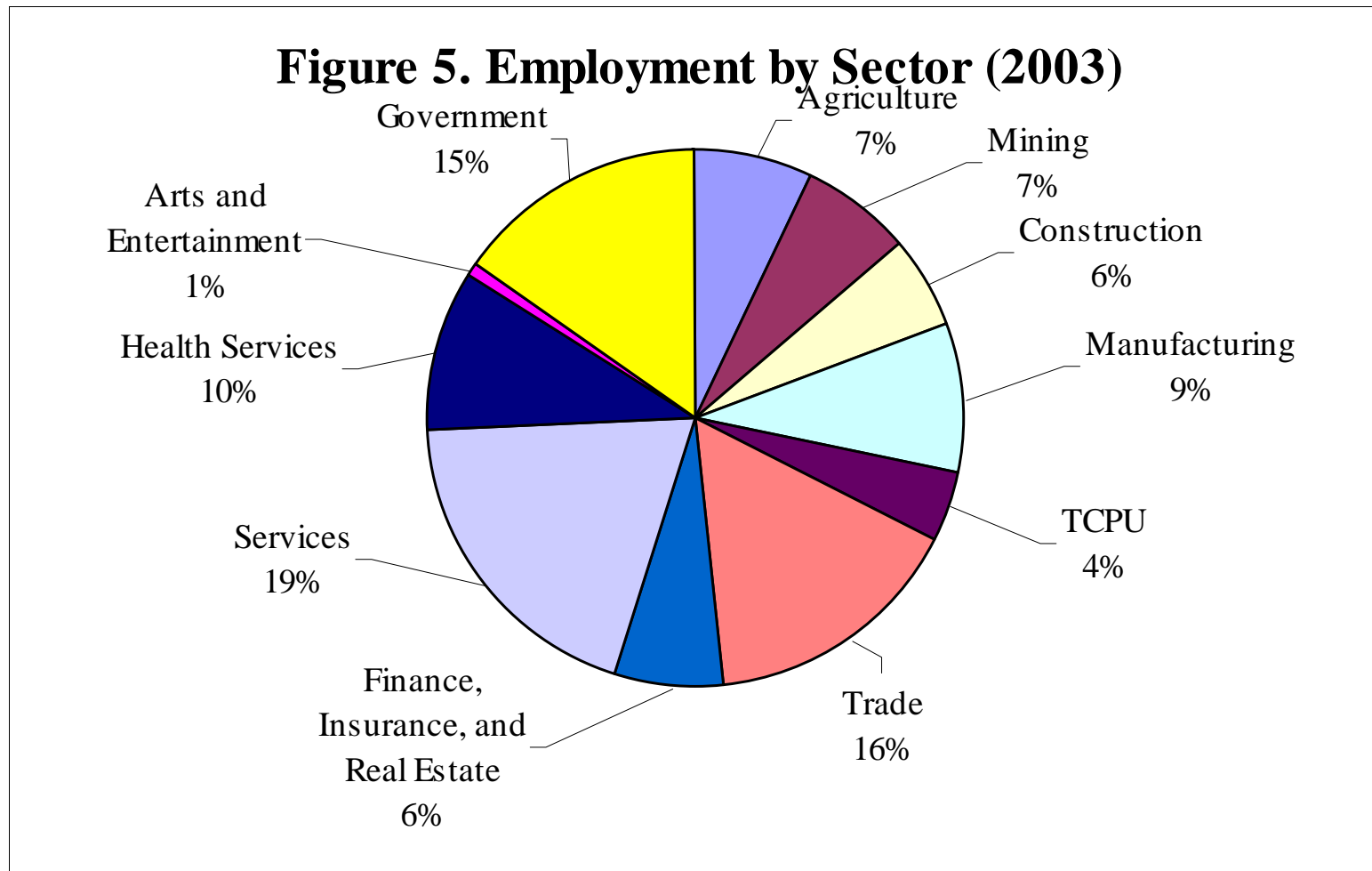
- Many people don't realize the importance of health care to the local economy
- Rural communities should learn about their health care needs and take stock of their health care system
- Rural communities must act to avoid loss of health care jobs and local services

Health Care and the Rural Development Connection

Why is health care important for community economic development?

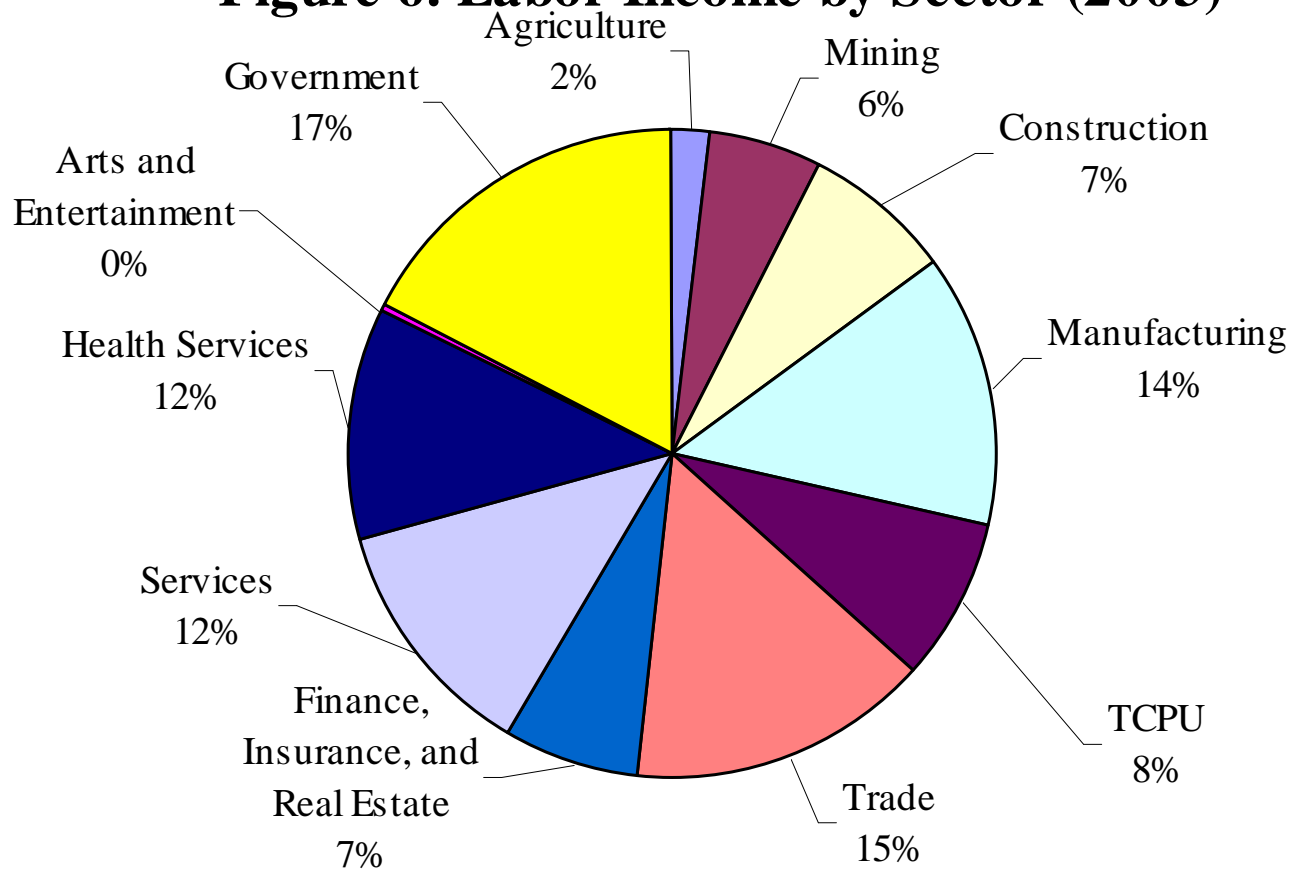
- Attract and retain business and industry
- Attract and retain retirees
- Create jobs in the local economy

Health Services in the Local Economy



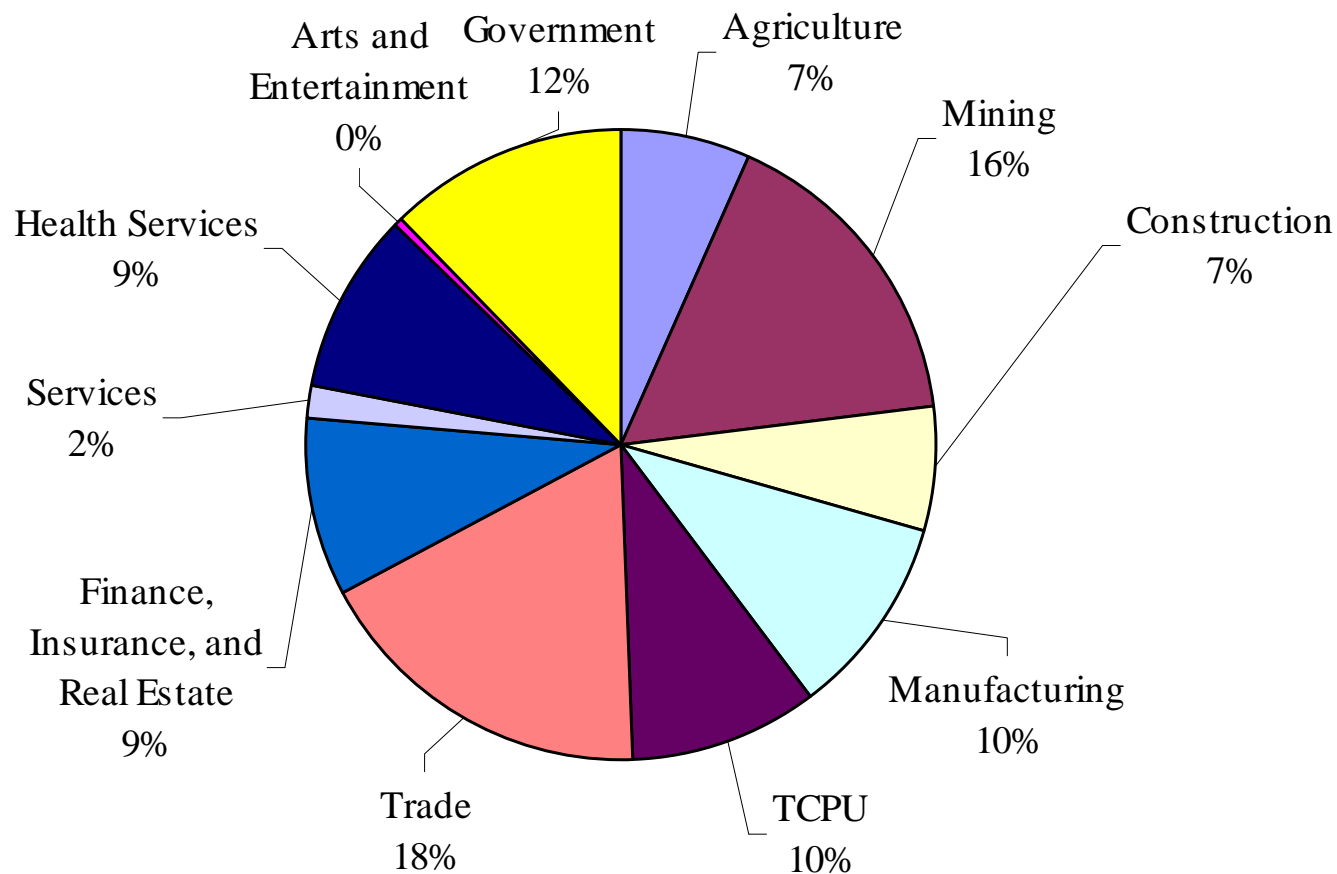
Health Services in the Local Economy

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

	Direct	Economic	Total
Health Sectors	Employment	Multiplier	Impact
Health Care and Personal Stores	71	1.58	112
Veterinary Services	45	1.68	75
Home Health Care Services	0	0.00	0
Doctors and Dentists	341	1.65	561
Other Ambulatory Health Care	33	2.07	68
Hospitals	732	1.83	1,343
Nursing and Residential Care Facilities	450	1.61	724
Total	1,672		2,884

Health Care Impact

	Direct	Economic	Total
Health Sectors	Income	Multiplier	Impact
Health Care and Personal Stores	\$2,670	1.62	\$4,316
Veterinary Services	\$753	2.11	\$1,589
Home Health Care Services	\$0	0.00	\$0
Doctors and Dentists	\$21,710	1.31	\$28,362
Other Ambulator Health Care	\$2,054	1.51	\$3,099
Hospitals	\$23,579	1.66	\$39,250
Nursing/Residential Care Facilities	\$10,437	1.73	\$18,019
Total	\$61,203		\$94,636

Health Care Impact

	Total	Retail
Health Sectors	Impact	Sales
Health Care and Personal Stores	\$4,316	\$1,854
Veterinary Services	\$1,589	\$683
Home Health Care Services	\$0	\$0
Doctors and Dentists	\$28,362	\$12,179
Other Ambulator Health Care	\$3,099	\$1,331
Hospitals	\$39,250	\$16,855
Nursing/Residential Care Facilities	\$18,019	\$7,738
Total	\$94,636	\$40,638

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