

Rural Health Care Equals Rural Jobs

by Tim Size, RWHC Executive Director

Beyond deceit and name calling on both sides, our recent election was about jobs. For some it was about not having a job. For many more, it was about the fear of losing one.

The election was also about huge government deficits. The stage is now set for a hard tug of war between job creation and deficit reduction. As politics and policies compete after the election, we who care about rural health must speak up.

We must say more often and more powerfully: “rural health care equals rural jobs.”

And not just in health care. People know that rural health means rural jobs in health care. People know that businesses are influenced in their relocation decisions by what health care is available locally. But many people don’t consider a major third effect.

A study by experts at the University of Wisconsin on “The Economic Value of Health Care in Sauk County, Wisconsin” is relevant to rural communities across the country. The study showed that:

Every two jobs created (or lost) in rural health care

will cause the number of jobs in other local businesses to increase (or decrease) by one job.

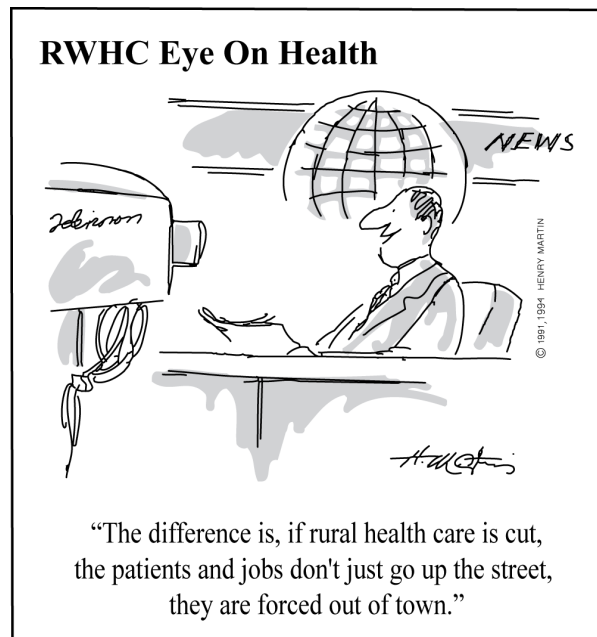
Our country needs rural hospitals, doctors and other caregivers to do more, to do better and do it for less. This is a reality driven by an aging population and the need to be competitive globally. But for rural America, where our state, federal and private sector health care dollars are spent, it also matters.

Jobs in good part depend on the export of goods and services. The point here is that, in terms of job creation, rural health care is a major export of rural communities. Rural health providers are like a manufacturer or any other exporter because the health care provided to local residents is, more often than not, paid for by dollars from outside the community.

Yes, rural health dollars may have started as insurance premiums and taxes in the community, but they only come back if there are local health care providers there to attract them. The economic impact of exports on jobs does not depend on where the goods or service are consumed. It depends on where the

money comes to pay for them.

The National Center for Rural Health Works at Oklahoma State University describes the mechanics in a study for St. James Parish in Louisiana. They use the example of closing a town’s only hospital.



“The hospital will no longer pay employees; dollars going to these households will stop. Likewise, the hospital will not purchase goods from other businesses; dollars going to these businesses will stop. This decreases income to more local households. As earnings decrease, these households decrease their purchases from local businesses. These businesses reduce their purchases of labor and other local goods and services. This is how the economic impact of losing a local hospital works its way throughout the entire local economy.”

All of us who care about rural health understand the critical connection between rural health and rural economic development. We need to make sure that message is clear in our state capitals and in Washington.

We who care about rural health must be heard—that the total impact of rural health is as much to keep and grow rural jobs, as it is to provide critically important health care locally.

The 3 Bears Story of Reform: 42%–29%–20%

From a Gallup Poll: “Four in 10 Americans Believe Healthcare Law Goes Too Far” by Jeffrey Jones, downloaded from www.gallup.com on 11/12/10:

“Americans are most likely to say the healthcare law passed earlier this year goes too far (42%), while 29% say it does not go far enough and 20% say it is about right. Those who believe the law goes too far tend to favor repealing it and passing a new bill as opposed to scaling back the existing bill or repealing the law and not passing new legislation in its place.”

“The healthcare law was a major achievement for this Congress but proved to be a symbol of anti-big-government sentiment that helped fuel the Tea Party movement and led to big Republican gains in Congress in the midterm elections. Republican leaders are now deciding what to do with the law

RWHC Social Networking:
The Rural Health Advocate: www.ruraladvocate.org/
Rural Health IT: www.worh.org/hit/

after they take control of the U.S. House in January. Even if the House did pass legislation to repeal the

healthcare law, the likelihood of its succeeding is slim, given a Democratic president and Democratic-controlled Senate.”

“The Nov. 4-7 *USA Today*/Gallup poll finds that most Americans are generally dissatisfied with the law—20% describe it as ‘about right.’ But less than a majority think it goes too far, and 10% favor repealing the legislation and not passing a new bill in its place.”

“A substantial minority of 29% seem inclined to want to expand on what the current law does, saying it does not go far enough. That includes 46% of Democrats, but also 27% of independents and 12% of Republicans.”

“Republicans are, not surprisingly, most likely to say the law goes too far. Half of Republicans would like to repeal the legislation and pass a new bill to replace it, while 20% of Republicans favor repeal without new legislation.”

“Implications—If the new Republican House majority attempts to repeal the healthcare law, it will be following the wishes of the party’s supporters. However, it is not clear whether the wider public would prefer that course of action. Americans in general do not seem to be overly satisfied with the

RWHC Eye On Health is the monthly newsletter of the Rural Wisconsin Health Cooperative, begun in 1979. RWHC has as its **Mission** that rural Wisconsin communities will be the healthiest in America. Our **Vision** is that... RWHC is a strong and innovative cooperative of diversified rural hospitals... it is the “rural advocate of choice” for its Members... it develops and manages a variety of products and services... it assists Members to offer high quality, cost effective healthcare... assists Members to partner with others to make their communities healthier... generates additional revenue by services to non-Members... actively uses strategic alliances in pursuit of its Vision.

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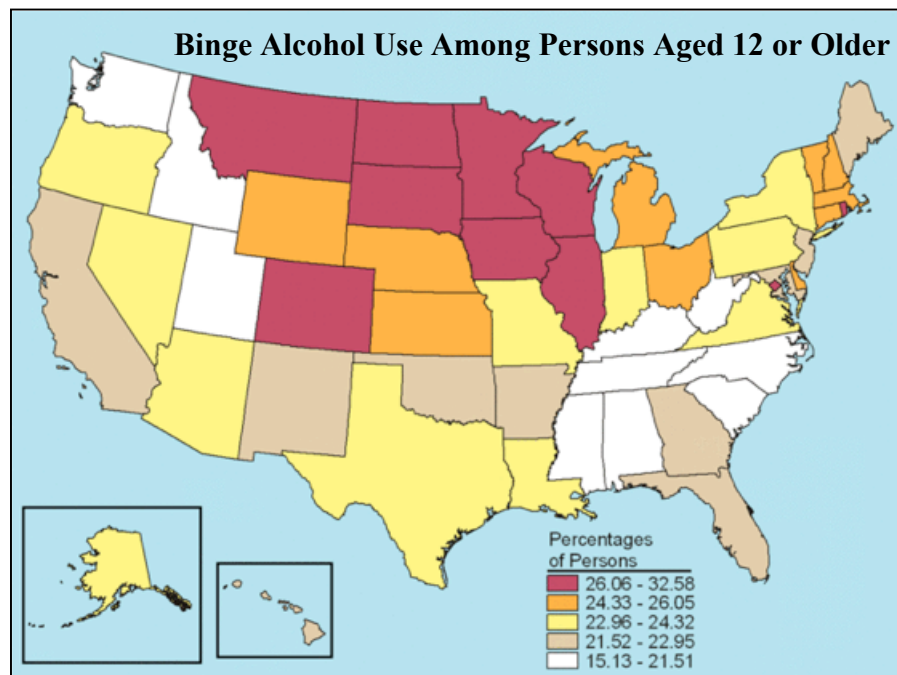
healthcare overhaul, but the appetite for repealing it may not be as big as the midterm election results might suggest, given that less than a majority of Americans believe the legislation goes too far.”

“Further, even most who think the bill goes too far still believe some new healthcare legislation should be passed in its place. Odds of a repeal effort’s succeeding in the next Congress are low, but the Republicans may decide not to fund key provisions of the bill to delay its implementation.”

Anything But Sober in Lake Wobegone

The following is from the *Healthy Wisconsin 2020*’s “Alcohol and Other Drug Use” Focus Area Profiles at www.dhs.wisconsin.gov/hw2020/ and the “State Estimates of Substance Use from the 2007-2008 National Surveys on Drug Use and Health” at www.oas.samhsa.gov/ downloaded 11/13/10:

“This *Healthiest Wisconsin 2020* Profile is designed to provide background information leading to collective action and results. This profile is a product of the discussions of the Focus Area Strategic Team that was convened by the Wisconsin Department of Health Services during September 2009 through November 2010.”



“Alcohol-related deaths are the fourth leading cause of death in Wisconsin behind heart disease, cancer, and stroke. Wisconsin tops the nation in wasted lives, harm, and death associated with its drinking culture. We find ourselves in a culture that in some ways is tolerant of excessive, dangerous, unhealthy, and illegal drinking, which results in a host of societal problems such as homelessness, child abuse, crime, unemployment, injury, health problems, hospitalization, suicide, fetal abnormalities and early death. We must achieve a culture free of harm from drinking. Wisconsin’s drinking culture is not intentionally harmful, and most Wisconsin residents drink responsibly, safely and legally.”

“Wisconsin ranks extraordinarily high compared to other states on the nation’s leading indicators of problem drinking. According to the Centers for Disease Control and Prevention’s Behavioral Risk Factor Surveillance System data for 2008, **Wisconsin ranked first in the rate of adult drinkers; second in the rate of adult heavy drinkers** (60 or more drinks per month) **and first in the rate of adult binge drinking** (5 or more drinks on an occasion). In its 2007 Youth Risk Behavior Survey, the Centers for Disease Control ranked Wisconsin fourth in the rate of youth who rode with a driver who had been drinking; fifth in the rate of youth who drove after drinking; first in the rate of current alcohol use among youth; and third in the rate of binge drinking among youth. Wisconsin ranks third in the nation in per-capita consumption of beer.”

“Wisconsin drinkers engage in risky behavior while drinking, resulting in significant negative health and social consequences. Wisconsin has the worst impaired driving rate in the country. More than a quarter (26.4 percent) of the state’s adult drivers drove under the influence at least once in the past year, compared to the national average of 15 percent. Wisconsin’s rate of disorderly conduct arrests (most due to being under the influence) is five times the national average; the arrest rate is rising in Wisconsin while falling in other states. Finally, Wisconsin leads the nation in alcohol consumption among

women of childbearing age. About 68 percent of women aged 18-44 consume alcohol, compared to the national average of 50 percent.”

“Alcohol is far too accessible throughout Wisconsin in terms of availability and cost. The number of alcohol outlets per capita is double the national average. In Wisconsin there is one alcohol outlet (bar, tavern, liquor store, restaurant, grocery store or gas station) for every 187 adults age 18 years and older. Wisconsin has the third-lowest beer tax in the nation and the tax has not changed since 1969.”

“In October 2008, ‘Wasted in Wisconsin’ was the reporting title of a front-page series of articles in the *Milwaukee Journal-Sentinel*. According to this newspaper, every year in Wisconsin there are \$2.7 billion in alcohol-related costs, which include law enforcement and court costs, incarceration, crash investigation and cleanup, lost productivity and academic failures. There is the incalculable toll on families that lose loved ones. The roots of Wisconsin’s unhealthy and risky drinking are sunk deep in the state’s history, its ethnic heritage, and the natural inclination of its residents to want to fit in. But this culture of drinking is not inseparable from the environments that support it. Much of this support is embodied in state laws and local codes and what is left out of them.”

Healthy Wisconsin 2020 AODA Objectives

#1—By 2020, reduce unhealthy and risky alcohol and other drug use by changing attitudes, knowledge, and policies, and by supporting services for prevention, screening, intervention, treatment and recovery.

#2—By 2020, assure access to culturally appropriate and comprehensive prevention, intervention, treatment, recovery support and ancillary services for underserved and socially disadvantaged populations who are at higher risk for unhealthy and risky alcohol and other drug use.

#3—By 2020, reduce the disparities in unhealthy and risky alcohol and other drug use among populations of differing races, ethnicities, sexual identities and orientations, gender identities, and educational or economic status.

RWHC Eye On Health



“Entrepreneurs aren’t stupid. They aren’t attracted to a drunken workforce any more than to high taxes.”

“Most Wisconsin residents drink moderately and do not break the law. However, far too many who do not drink responsibly, and their actions have been the cause of disabilities, death and shattered families. **When it comes to strengthening laws governing drinking and drunken driving, Wisconsin stands alone in the nation in its failure to create strong laws. Wisconsin is the only state in the nation to treat first-offense drunken driving arrests as a traffic ticket. Moreover, Wisconsin does not consider drunken driving a felony until the fifth offense.**”

New Era of Opportunity for Population Health

From the editorial “Focus, Please” by Mary Grayson, Editor, *Hospital & Health Networks*, October, 2010:

“Reform is being debated, discussed and dialogued in real time within the health care community to an unprecedented degree. Blogs, newsletters, websites, all are rich—and sometimes even fun—venues for a variety of voices. Consultants, analysts, CEOs, a few physicians, policymakers, policy watchers, researchers, true believers and doubting Thomases: Everybody wants to get in a word or two.”

“This is great. These folks—for the most part—share real-world historical, practical and analytical perspectives that are very valuable. But the I’m bothered by the occasional alarmist voice. The message goes something like: Act swiftly. Act now! Or all will be lost. Lost, I say! Or: Challenge yourself; challenge everybody! Turn the place inside out and upside down. If such a stampede mentality goes all the way to the boardroom, all will be lost, I say.”

“Then there’s: Nope, won’t work. Didn’t work then. Won’t work now. The stars are not aligned! Well, the

stars are seldom aligned in health care. We're lucky if the planets avoid smashing into each other."

"Nowhere is this view heard more often than when managing population health is mentioned. Bad memories linger of the early 1990s when hospitals spent gazillions of dollars on physician practices and other risk-bearing arrangements to capture an anticipated capitated payment."

"It was a big, costly flop. It also flopped partly because we built insurance plans and didn't manage population health."

"Yes, today all the docs will not cooperate and the payment structure is nonexistent, but it is at the center of what we need to learn and need to do for the future. Fifteen years is a long time. We've changed, and for the better. Now is not the time to lose our focus."

Managing Population Health

From the cover story, "Managing Population Health" by Howard Larkin in *Hospital & Health Networks*, October, 2010:

"Developing the capability may be the key to lower costs and better outcomes. But it won't be easy."

"As both a health care provider and operator of a large employee health plan, Bon Secours St. Francis Health System (in South Carolina) has compelling reasons to better address the issues driving health needs in its local population."

" 'As a provider, we have focused on disease care, and we want to be a provider focused on health care,' says Johnna Reed, vice president of cardiovascular services at the Greenville, S.C., system. 'As an employer, we recognize our current system is not sustainable. It is costing more and more, but it is not generating better health outcomes.' "

"Bon Secours has set out to redesign the system to focus on delivering value. Because value is ultimately

defined by consumers and payers, creating a system that delivers it requires their involvement. Bon Secours partnered with Michelin North America, also headquartered in Greenville, to develop a pilot."

"The goal is for patients, purchasers and providers to develop ways to make measurable progress toward better health and simultaneously reduce costs. In other words, everyone in the system must focus on—and pay for—services and systems capable of managing population health. 'If we want to address value in health care, the issue to address is population health,' Reed says."

"The first step toward population health management is to define the target population, says Michael Bilton, executive director of the American Hospital Association's Association for Community Health Improvement. It could be the hospital's entire service area or any subset, whether economic, geographic or demographic, or individuals with certain health conditions. **The second is to identify the specific health status and needs of that group and deploy interventions and prevention to improve the health of the group. 'The interventions target individuals, but they affect the entire population,' Bilton says."**

"Bon Secours and Michelin chose diabetes. 'Diabetes has the broadest impact. If we could do it well, we could affect all kinds of related disabilities, like blindness and vascular disease, and improve absenteeism,' Reed says. To date, the pilot has enrolled 30 Bon Secours employees and will be offered as an option for Michelin employees in the upcoming open enrollment period."

"But because it is heavily influenced by lifestyle, managing diabetes means managing behavior. The system they came up with challenges some of the basic structures of medical practice. It also reveals how the financial incentives in the system must be rethought to support population health care."

"Initial clinical results are good, with one group of patients losing a total of 45 pounds, and some patients successfully managing blood sugar through an outpatient program with fewer physician visits. Both partners also are tracking the costs. 'It will take

years for us to know the full benefit but both believe the approach will pay off,' Reed says."

Assess and Address—
"They are hardly alone.

The concept of population health management permeates many provisions of the health reform package. It is implicit in the shift to base reimbursement on system outcomes, such as reducing readmission rates. It is also implicit in the incorporation of health status and patient perception outcomes into the evaluation of bundled payment and accountable care organization demonstrations."

"More explicitly, the law requires tax-exempt hospitals to conduct community health needs assessments every three years. These assessments must include information on how the hospital plans to meet identified needs—and why it will not meet some of those needs."

"Big business is also on board. 'More and more employers are actively pursuing preventive health and productivity enhancement. It is growing across the board,' says Helen Darling, president of the National Business Group on Health. Half of employers surveyed by Towers Watson early this year with the NBGH already have or plan within the next year to revamp their health plans. Encouraging population health management plays a big part."

"To respond, hospitals and other entities need to develop infrastructure to coordinate services across a continuum of care and track information on patient intervention. Fundamentally, they will have to look beyond their walls to better understand the needs of communities and populations and develop partnerships with providers, payers and the public to meet those needs."

" 'The great change in the health care business model is to reward promoting health,' says Jeff Etchason, M.D., chair, department of community health, health studies and education, Lehigh Valley Health Network, Allentown, PA. 'Reimbursement policy will gradually shift away from fee-for-service to a capitated system or bundled payments. It is a real sea change.' "

\$2,000 for Best Rural Health Essay at UW

Earn a \$2,000 Prize by writing the Best Rural Health Paper by a University of Wisconsin student. Write on a rural health topic for a regular class and submit a copy by April 15th. Info re submission is available at www.rwhc.com

Disruptive Change—
'Innovation will be required,' says Keith Figioli, senior vice president of informatics for the Premier health care alliance. **Reform presents**

hospitals with specific, short-term requirements and a broader long-term objective. Systems must be put in place to manage incentives tied to things like preventable infections and readmission rates. 'This is happening in real time,' he says. 'You have to set up structures to make sure you get the reimbursement.' "

"Longer term, hospitals should prepare for bundled payments, Figioli says. This will require integrated information systems, the ability to administer reimbursement among diverse providers, and the ability to coordinate care across provider lines. While this presents a big challenge for most systems financially, it may be easier than trying to manage ever-proliferating outcome-based incentives under a fee-for-service system. 'Where is the tipping point?' he asks. 'You can get carrot-and-sticked to death; where do you go over to bundled payment?' "

"Figioli sees population health management as a necessary step toward a global health system strategy driven by cost, quality and outcomes. He points out that every population is different, and the specific issues of a population must be addressed. 'What aspects of the population have the most impact on your reimbursement? Is it the sociodemographics or the education of the population? If you have an uneducated non-English speaking patient, what can you do to manage that for diabetics or congestive heart failure? You need to look at the population and what will move the needle the most.' "

"Similarly, the steps hospitals must take vary. Through its accountable care organization collaborative, which currently involves 19 health systems with 70 hospitals, and with another 45 systems set to join, Premier has identified six key components for success. They include developing patient-centered medical homes, structures that reward care coordination, integration of specialists and ancillary providers, payer partnerships that

Tax Exemption Threat to Population Health

A property tax exemption case not much in the public eye in Wisconsin threatens the very definition of what is a modern hospital set of services, let alone what it should be beyond its four walls to improve community or population health.

Consequently, RWHC filed an Amicus brief to the Covenant Property Tax Appeal before the Wisconsin Supreme Court. It was our intent to emphasize the importance of this property tax case to all hospitals as well as the particular impact on rural hospitals. The RWHC request for permission to file a non-party brief is summarized below:

“When resolved, this appeal will provide much needed guidance to all hospitals, including rural hospitals, and municipal taxing authorities statewide on an issue of significant importance—when must a non-profit hospital pay property taxes on property it owns and uses for hospital purposes. In particular, this Court’s decision will bring clarity to inconsistent



appellate interpretations of the ‘doctor’s office’ exclusion to hospital tax exemption.”

“Due to the nature of its membership and the challenges rural hospitals face, the RWHC offers a unique perspective on this question of law. Specifically, its voting members include only rural general medical-surgical hospitals. Those hospitals face significant challenges to their provision of quality health care to Wisconsin’s rural areas. Compared to urban hospitals, rural hospitals have more limited revenue yet more expansive geographic areas for which to provide care.”

“Flexibility with regard to a rural hospital’s delivery of services is not only essential to a rural hospital’s success, but it also benefits the community by permitting rural hospitals to deliver better healthcare services closer to the patients who need them. The court of appeals’ inconsistent interpretations of the ‘doctor’s office’ exclusion threatens this flexibility. This Court has the opportunity to set forth clear guidance to all hospitals statewide as they plan to respond to the needs of their communities.”

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