



December 2007

Rural Health Works - NEWSLETTER

ANOTHER YEAR HAS COME AND GONE!

The Holiday Season is here again and that means the 2008 New Year is upon us!! Hope everyone is having wonderful holidays. This also means we have completed another year of work. This newsletter is to update you on RHW activities for the last year and upcoming activities for the 2008 New Year. You may wish to add some of the new RHW products to your State RHW program tool chest or to initiate a RHW program in your state. We welcome and encourage your ideas and suggestions about new tools or other activities that may enhance RHW in your state. Be sure to read the section on the proposed projects for 2008 and send your input!

REGIONAL TRAINING SESSIONS

The National Center for Rural Health Works (RHW) is planning two regional training sessions in 2008. The first training session is planned for Tuesday, April 22, 2008, in Philadelphia, Pennsylvania. Lisa Davis, Director of the Pennsylvania State Office of Rural Health, is hosting the workshop! The workshop flyer and registration form will be sent in January.

RHW invites any interested parties to register and attend the Philadelphia workshop. The workshop teaches professionals how to conduct economic impact studies, as well as learn about the community health engagement process and health feasibility (budget) studies. RHW also has a website with additional information on the workshop topic areas:

www.ruralhealthworks.org

A second regional training session is being planned in 2008. There are ONLY two planned RHW regional training sessions each year, based on demand and location. Any state interested in hosting the second training session should contact Dr. Gerald Doeksen. The host state provides a meeting room and has the training session available locally to their participants; no out-of-pocket costs are incurred by hosting a training session. Each participant will pay a small registration fee. Please feel free to share this information with anyone you think might be interested in hosting or attending a RHW training session. Training sessions can also be requested to be presented on-site in a particular state; however, the state will incur some costs. Anyone interested in more information on the training sessions or attending or hosting a training sessions is requested to either call or send an email to Dr. Doeksen or Ms. St. Clair.

Two regional training sessions were provided during this last year; the first was hosted by the Oregon Health and Sciences University (OHSU), Office of Rural Health in Portland, Oregon in March 2007. The second was hosted by the Kentucky State Office of Rural Health and the University of Kentucky Cooperative Extension Service in Lexington, Kentucky, in August 2007.

2007 NEW PRODUCTS COMPLETED - NOW AVAILABLE

The National Center for Rural Health Works completed three new economic impact applications during 2007:

- The economic impact of a state medical school on a state's economy;
- The economic impact of a rural pharmacy on a rural community's economy; and
- The economic impact of telemedicine on a rural community's economy.

The economic impact of a state medical school on a state's economy

Medical Colleges are many things to many people. Aside from training physicians, they are large consumers, providing opportunities for entertainment and cultural experiences and contributing to the fund of knowledge through research. Economically, medical colleges are important to local, state and regional economies. Colleges impact the economy when they hire staff, enhance lifetime incomes of their graduates, and spin off and attract research and industrial enterprises. A large portion of the revenues generated by a college will be returned to the local community. Local expenditures support jobs, create additional wages and salaries and provide tax revenues that are vital to the local economy. As these dollars continue to be spent in the community, the multiplier effect generated by a college becomes clear.

A study has been completed to measure the impacts from Lincoln Memorial University-DeBusk College of Osteopathic Medicine (LMU-DCOM) and its graduates on the State of Tennessee and the primary impact region. The primary impact region was identified as 14 counties in Tennessee, 10 counties in Kentucky and 3 counties in Virginia. The impact of the LMU-DCOM comes from four activities; 1) operations, 2) construction, 3) student spending and 4) visitor spending. The impact of its graduates comes from the operations of their clinics and the inpatient and outpatient services they generate at the hospital. A computer program (IMPLAN) measured the secondary jobs and income (wages, salaries and benefits) from these activities.

LMU-DCOM started its first class of 150 students in August 2007. In four years (2011) LMU-DCOM will be fully operational. The study estimated the total impacts for both the first year of operation (FY 2008) and for the first graduating class (FY 2011). The graduates of LMU-DCOM will contribute to the health of residents in Tennessee. It is estimated that 70 percent of a typical graduating class will practice in Tennessee and 30 percent will practice in rural Tennessee. Therefore, a class of licensed Doctors of Osteopathic Medicine (D.O.s) will also contribute to the economies of the State and many local communities. The first class of students will graduate in 2011 and complete residency programs in 2014.

In summary, everyone understands the tremendous educational contributions that LMU-DCOM provides to the State of Tennessee and to its primary impact region. This study clearly documents that LMU-DCOM also has a significant economic impact on both the State of Tennessee and the school's primary impact region. Furthermore, the number of Tennessee counties currently identified as medical shortage areas clearly indicates the need for physicians. In addition to the LMU-DCOM graduates providing much needed medical services, they will also contribute significantly to the economic strength of rural Tennessee and to the entire state. The final study results will be released next month.

[The economic impact of a typical rural community pharmacy on a rural community's economy](#)

The National Center for Rural Health Works is presenting the economic impact of a typical rural community pharmacy. A survey was sent to 105 rural community pharmacy owners in Oklahoma. A total of 23 surveys were returned. The results of the survey will be presented in a one-page summary and a more detailed complete study.

A typical rural community pharmacy is independently-owned by a local pharmacist. The data illustrate the results of the survey in terms of proprietor income, employees' wages, salaries, and benefits for the different job categories, and employment numbers in full-time equivalents (FTE's) and in full- and part-time (FT and PT) employment. The study further shows the multiplier effect, utilizing a computer program (IMPLAN) to measure the secondary jobs and income (wages, salaries and benefits) from the activities of employment and income

Significantly, research has illustrated that the importance of a community pharmacy is much more than the impact from employment and income. The presence of a community pharmacy is vitally important to the survival of other health care providers in the community. Research indicates that the loss of a community pharmacy can start a downward spiral for other health care providers and over a period of a few years, a community will lose the majority of its local health care providers. This study illustrates the importance of maintaining the local community pharmacy, not only for the community pharmacy's economic impact from income and employment, but also for the vital interconnectivity of the community pharmacy with the other health care providers. The one-page summary and detailed study will be available in January 2008, upon request.

[Additional Questions Concerning Community Pharmacies](#)

The pharmacy survey also asked about the effects of the Medicare Drug Program on the pharmacy's prescription volume, net margin, payroll, pharmacist workload, and third-party intervention time in terms of a percent change in the pharmacy's business. A question was included to ask if the Medicare Drug Program was impacting other areas in the community pharmacy or if there were any other concerns with the Medicare Drug Program. Another area of concern was mail order prescriptions and how these were affecting the pharmacy's prescription volume, net margin, payroll, etc. Community pharmacies were requested to indicate how many hours per week were spent counseling patients on mail order prescriptions and to indicate any other concerns with mail order prescriptions. The final question asked the independently-owned

pharmacies to share the most serious problems they are facing. The results of these additional questions will be available in a summary study in January 2008, upon request.

The economic impact of telemedicine on a rural community's economy

The contributions of teleradiology and telepsychiatry services in a rural hospital are seldom recognized as providing community-level benefits to the local economy. This study develops a methodology for estimating the economic impact of teleradiology and telepsychiatry services in rural areas. Site visits to five rural hospital of varying size provided data on the number and type of monthly telemedicine encounters. Four categories of direct and indirect costs were then calculated using primary and secondary data sources to estimate the total economic impact.

Depending on a number of variables such as distance to the closest substitute site and number of monthly encounters, teleradiology and telepsychiatry services contributed between \$145,000 and \$1,800,000 to the economies of the rural communities participating in the study. These findings suggest that when available, teleradiology and telepsychiatry capabilities can make significant economic contributions to the local economy. Copies of the study will be available later in January 2008, upon request.

2008 NEW PRODUCTS TO BE DECIDED

The 2008 work plan will be determined from recommendations from the RHW Managing Committee and the RHW National Consulting Council. A listing of the initial proposed products includes:

1. Measuring the impact of a rural residency program on a rural community.
2. Estimating the costs and revenues for rural physician practice.
3. Measuring the impact of rural hospital converting to FQHC or Rural Health Clinic.
4. Measuring the impact of J-1 physician on a rural community.
5. Measuring the impact of specialty clinic on a rural community.
6. Measuring the impact of Medicare on a state's economy.
7. Develop a model to estimate allied health workforce needs.
8. Measuring the impact of a pharmacy school on a local, regional, or state economy.
9. Any other projects that the RHW Managing Committee or the RHW National Advisory Council proposes or others would like to add.

The objective of the new studies is to develop the methodology such that others employing RHW tools in their states can duplicate these studies. Again, please feel free to share any new ideas

relative to any of the above suggested proposals for the 2008 work plan with the National Center. The team is very open to future work plan suggestions. Please be sure to contact Dr. Doeksen with additional suggestions on new RHW tools and products.

The three new products will be determined through conference calls with the RHW Managing Committee, the RHW National Advisory Council, and the federal Project Officer. After the products are completed during 2008, they will be available to our RHW partners as completed. If you have a particular interest in any particular product listed above or would like to add another product, be sure to contact Dr. Doeksen or Ms. St. Clair. The 2008 new work plan will be shared later through another newsletter.

Update on RHW Website

RHW is developing a new website. During the past few weeks, construction began on a newly designed website. For now, only the old website is available, but the new one will be available when completed. The location "www.ruralhealthworks.org" will be the same. The changes are being made to give the website a fresh look that is much more appealing. It was also time to update information so that it better reflects recent changes in the direction of the National Center. We want to make the website "the place" to visit for relevant RWH information including current news, upcoming training sessions, and state activities. The new website will include updated contact information for managing committee members, national advisory council members, and partners and provide web-links to other important state programs and information sites. Our goal is a more professional website with improved navigation that maintains a "user-friendly" approach to retrieving information and downloading copies of completed studies, presentation materials and brochures.

However, we need your help to make this new design effort a success. Please provide any suggestions that you have regarding improvements or additions as well as links to your state websites to Mr. Eilrich. Web management is dynamic and the website will continue to be updated as new information becomes available.

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