



December 2010

## ***NEWSLETTER***

### ***TIS THE SEASON!***

**The National Center** for Rural Health Works (**the National Center**) wishes everyone a WONDERFUL HOLIDAY SEASON

This newsletter will review activities of **the National Center**, including:

- 2009-2010 Completed Activities
- 2010-2011 Ongoing Activities
- Regional Rural Health Works Workshop
- New Work Plan Ideas
- IMPLAN Software Changes
- Oklahoma EMS Grant Project

### ***2009-2010 COMPLETED ACTIVITIES***

- “Economic Costs of Physician Shortage in a Rural Community with a Local Hospital”
- “Shortage of Behavioral Health Professionals in Rural Areas-Economic Assessment of Providing Mental Health Services in Rural Health Clinics”
- “The Economic Impact of a General Surgeon on a Rural Community”
- “The Economic Impact of Hawai‘i Critical Access Hospital on a Community, County, and State”

These completed projects are available on **the National Center** website. “**Economic Costs of Physician Shortage in a Rural Community with a Local Hospital**” includes community-specific tools as well as general information tools to utilize for primary care physician recruitment and retention. “**Shortage of Behavioral Health Professionals in Rural Areas-Economic Assessment of Providing Mental Health Services in Rural Health Clinics**” was researched in response to a request to estimate the number of behavioral health visits required to cover salaries in a generic rural health clinic (RHC) for psychologist, licensed clinical social worker, and psychiatric nurse practitioner. Specifically this report 1) estimated average wages of specified rural behavioral health providers, 2) identified major sources and rates of reimbursements, and 3) estimated the number of annual visits required to fully support the salaries of the specified providers based on four different collection scenarios for each of the three identified providers. “**The Economic Impact of a General Surgeon on a Rural Community**” illustrates both the economic impact and feasibility of a rural general surgeon, including a model to estimate the number of general surgeons a rural community can support.

**“The Economic Impact of Hawai‘i Critical Access Hospitals on a Community, County, and State”** documents the economic contribution of a critical access hospital on a community economy, three critical access hospitals on a county economy, and all critical access hospitals on a state economy, resulting in three important conclusions: (1) impacts illustrate the economic contributions CAHs make to the community, county, or state; (2) economic impacts differ as the economic activity of a defined area changes; and (3) hospital leadership can utilize these reported economic contributions in advocating health care policy at the community, county, and state levels.

## ***2010-2011 ONGOING ACTIVITIES***

Ongoing projects for this year include:

- Community Assessment Template
  - Specialty Physician Clinics
  - Impact of Medicaid on State’s Economy
  - Updating General Health Economic Impact Report
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- **Community Assessment Template.** The new health care law requires that 501(c)(3) hospital facilities undertake community assessment. The Federal Office of Rural Health Policy provided funding for a National Advisory Team meeting in Kansas City, Missouri, to develop ideas for a community assessment template. The National Advisory Team met on Tuesday, November 23, 2010, and a draft community assessment template is being prepared to share with the National Advisory Team and to discuss on future conference calls. Plans are to test the template in two communities early next year and work with NOSORH and others to make it available to everyone.
  - **Specialty Clinics. The National Center** gathered data from hospitals across the nation in regard to how much revenue the various medical specialties bring to a hospital. Critical access hospitals and other rural hospitals are looking at specialty clinics as a way to increase access to health services and to increase revenues for the hospital. This research study will estimate the need for various specialists in a community (i.e., how many days a week can a specialist expect to be needed in a community) and the revenues a hospital can expect from that specialist. Completion of this project will be early next year.
  - **Impact of Medicaid on State’s Economy.** With the extreme state budget deficits, **the National Center** is receiving a lot of requests for the economic impact of the reductions of Medicaid on a state’s economy. The template is being updated and prepared to show the impact reductions in Medicaid will have on a state’s economy. This template should be completed early next year so states will be ready to utilize the information as Medicaid budgets are discussed in the state legislatures.
  - **Updating General Health Economic Impact Report.** Approximately eleven years ago when Rural Health Works began, a report that discussed the economic impact of the health sector on a local economy was generated and shared with state offices of rural health, state hospital associations, state primary care associations, etc. Many health professionals still discuss and utilize these conclusions and **the National Center** feels it is important to provide updated references and conclusions concerning health and economic impact through a new, revised, and updated template.

## ***Regional Rural Health Works Workshop***

One regional workshop is being planned in 2011 in West Virginia. This workshop will be scheduled during late summer. **The National Center** invites any interested parties to register and attend the regional 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. **The National Center** also has a website with additional information on the workshop topic areas:

**[www.ruralhealthworks.org](http://www.ruralhealthworks.org)**

Be sure to watch for the Spring newsletter with specific information on the West Virginia workshop.

## ***New Work Plan Ideas***

1. Develop a model to estimate allied health workforce needs. Gerald Doeksen, Ann Peton and Denny Berens worked for a year to look at some models and a quasi-plan to look at economic and other impacts on the community. This project was on the list previous years and since it appears to be a much larger single project than what we can do in one year, it has stayed on the list until additional multi-year funding can be dedicated.
2. Measure the impact of a Pharmacy College on local, regional, and state economies; similar to medical school impact.
3. The importance of a hospitalist in a rural community; determining the need for a hospitalist in a rural medical service area; illustrating the economic impact of a hospitalist to the local hospital and to the local community.
4. Any other projects that the RHW National Advisory Council proposes or any other party would like to propose.

Be sure to call for assistance to initiate a program in your state or to learn about RHW tools in detail. Any ideas or suggestions about new tools or activities that may enhance rural health in your state are welcome for consideration in future work plans.

## ***IMPLAN Software Changes***

Minnesota Implan Group, Inc. (IMPLAN) updated their software to Version 3 (IMPLAN v3) a couple of years ago. IMPLAN v3 is the software that runs the input-output analysis model to generate multipliers to show economic impacts. Through the 2008 IMPLAN data, a user could run multipliers on either the Version 2 software or the IMPLAN v3. With the 2009 or later IMPLAN data, the data can only be run on IMPLAN v3. The multipliers will be Type II Social Accounting Matrix (SAM) multipliers. The IMPLAN v3 will no longer support the Type III

multipliers that the National Center had been utilizing. From the 2009 IMPLAN data and forward, only a Type II SAM can be calculated.

IMPLAN v3 allows the user to:

- Develop a complete Social Accounting Matrix (SAM) for a regional economy.
- Develop Multiplier Models for predicting economic impacts.
- Modify components of the SAM including:
  - Industry specific information such as employment and income values,
  - Production functions,
  - Byproducts,
  - And Trade flows.
- Create custom impact analyses based on the nature of an event.
- Generate a wide variety of reports describing the Social Accounts, the Multiplier Model, and the Direct, Indirect, and Induced effects of your impact.
- Examine the how the effects of economic impact in a single region ripple into surrounding regions.
- View tax impacts of economic changes.

For additional information on the new IMPLAN v3 software or the changes in the multipliers, be sure to contact Minnesota Implan Group, Inc. at 651-439-4421 or email: [Info@implan.com](mailto:Info@implan.com).

Or contact **the National Center** at the contact information below.

## ***Oklahoma EMS Grant Project***

Oklahoma Cooperative Extension Service, the home of **the National Center**, just received a grant from the Trauma and Emergency Medical Services (EMS) Division of the Oklahoma State Department of Health. Through the budget studies developed through the National Center for Rural Health Works, EMS budgets have been provided to numerous cities, counties, and other entities in the state of Oklahoma. Oklahoma Cooperative Extension Service and the Oklahoma State Department of Health, Trauma and EMS Division, have worked together for over forty years providing support to the local EMS systems. In more recent years, the Oklahoma State Office of Rural Health has been involved.

The grant will be utilized to update the EMS Board Handbook. This Handbook is designed for the Board of Directors appointed by the County Commissioners for the 522 funding mechanism available to EMS. This funding allows up to 3 mills of ad valorem tax resulting from a majority vote of the residents to be utilized for EMS operations or capital equipment purchases. The Handbook is designed for the 522 Board that is appointed to oversee these funds. The Board is entrusted to utilize the 522 funds in an appropriate manner for the benefit of EMS.

The grant will also be utilized to update the EMS Systems Development Guidebook. This guidebook provides a general overview of EMS and provides the basis for developing budgets for EMS. This Guidebook will be utilized in the preparation of budgets for five proposed regional EMS systems. Detailed budgets will be developed to cover all aspects of the regional system with several budget alternatives for the local leaders to make decisions.

## ***Staff for the National Center***

Gerald A. Doeksen, Director  
Email: gad@okstate.edu

Cheryl F. St. Clair, Associate Director  
Email: cheryl@okstate.edu

### **National Center for Rural Health Works**

Oklahoma State University  
Oklahoma Cooperative Extension Service  
513 Ag Hall  
Stillwater, OK 74078  
Main Phone: 405-744-6083  
Fax: 405-744-9835  
Website: [www.ruralhealthworks.org](http://www.ruralhealthworks.org)

## ***Funding Support***

Bridget Ware, Project Officer  
Office of Rural Health Policy  
HRSA, USDHHS  
Phone: 301-443-3822  
Email: BWare@hrsa.gov

## ***RHW National Advisory Council***

Gerald A. Doeksen, Oklahoma Cooperative  
Extension Service, Oklahoma State  
University

Val Schott, Oklahoma Center for Rural  
Health and Office of Rural Health,  
College of Osteopathic Medicine,  
Oklahoma State University

Larry Allen, Kentucky Office of Rural  
Health, University of Kentucky Center  
for Rural Health

Woody Dunn, University of Kentucky  
Center for Rural Health

Alison Davis, University of Kentucky  
Center for Rural Health

Tom Harris, Department of Applied  
Economics, University of Nevada

John Packham, Nevada Office of Rural  
Health

Caroline Ford, Nevada Office of Rural  
Health

Lisa Davis, Pennsylvania Office of Rural  
Health

Heather Reed, Ohio Office of Rural Health

Susan W. Isaac, The Institute for Local  
Government Administration and Rural  
Development at Ohio University

Jonathan C. Sprague, Rocky Coast  
Consulting, Maine

Gabriela Boscan, Program Services,  
National Rural Health Association

Ann K. Peton, Director, Center for Rural  
Health Policy, Education and Research,  
Edward Via College of Osteopathic  
Medicine

Rebekka Dudensing, Texas Agrilife  
Extension Service

**Website: [www.ruralhealthworks.org](http://www.ruralhealthworks.org)**