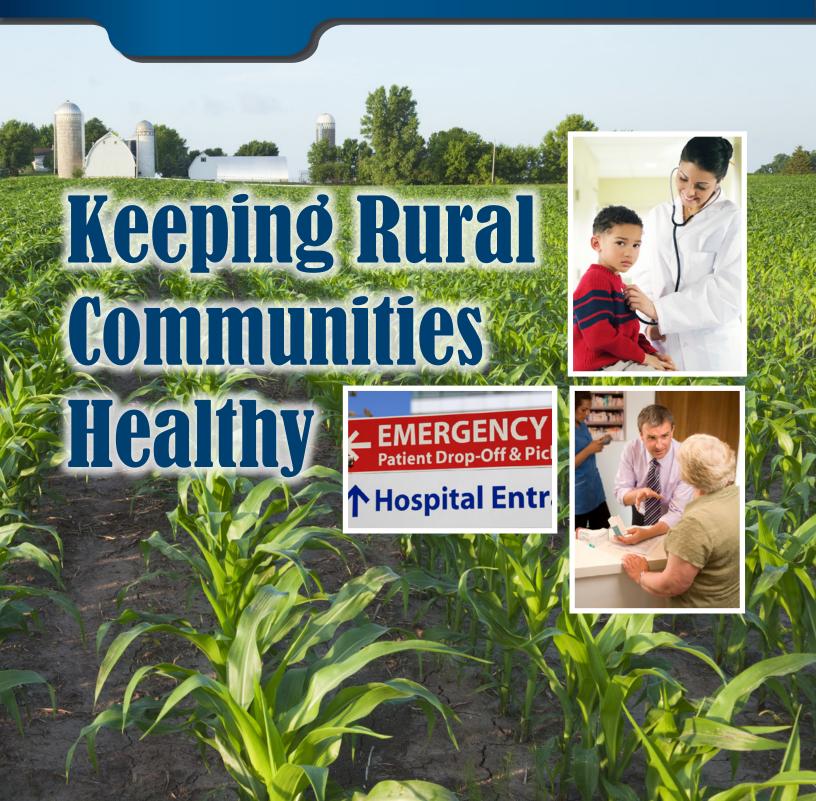
JULY 2014



KEEPING RURAL COMMUNITIES HEALTHY

Strong and healthy rural areas are vital to the U.S. economy. Agricultural income and exports are both near record high levels, and the Farm Bill enacted earlier this year lays a stable foundation for continued growth in rural America.

Despite these successes, rural communities continue to face challenges, including access to quality health care. A healthy workforce is critical to any region's economic vitality. While rural areas are home to many top hospitals and doctors, there is a shortage of health care facilities, and rural residents often have to travel long distances to access medical care.² Only ten percent of physicians practice in rural America, even though 15 percent of U.S. residents live outside metropolitan areas.³

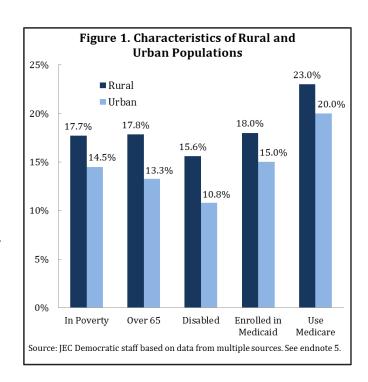
The health issues facing rural Americans are different than those of urban residents. While some health issues are less prevalent in rural areas, rural residents have higher rates of some chronic diseases than other Americans.⁴ These health challenges can reduce quality of life, harm workforce productivity and restrain economic growth.

This report examines the link between healthy communities and strong local economies. It explores the characteristics of rural populations, the health of rural residents, barriers to accessing health care in rural areas and the economic implications of inadequate access to health care. The report concludes by outlining proposals to improve the health of rural communities.

Characteristics of Rural Populations

In general, residents of rural areas of the United States differ from residents of urban areas in a number of ways that may exacerbate health care challenges. Rural residents on average have lower incomes and are more likely to live in poverty and experience long-term poverty than their urban counterparts (**Figure 1**).⁵

Nonmetro residents are more likely to be older (by an average of two years) and disabled (by five percentage points). Higher levels of poverty and an older and more disabled population mean that rural residents are more likely to depend on Medicare and Medicaid than urban residents. 7



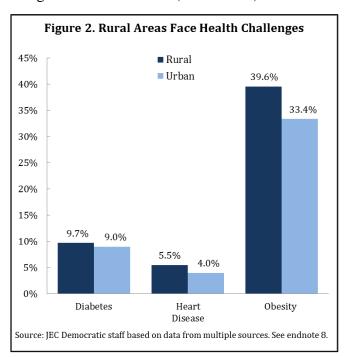
The federal government uses various definitions of "rural." For example, the U.S. Department of Agriculture's Economic Research Service discusses "nonmetro" areas, which are defined as counties that include some combination of open countryside, rural towns (places with fewer than 2,500 people) and urban areas (with populations ranging from 2,500 to 49,999) that are not part of larger metropolitan areas. The Census Bureau breaks down regions into three categories: "Urbanized Areas" of 50,000 or more people, "Urban Clusters" of 2,500 to 50,000 people, and "Rural Areas," which encompass all population, housing and territory not included within an urban area. This report uses the terminology from whichever source is being cited.

Rural Health Statistics

While some health issues are less common in rural areas than in urban areas, many serious health conditions including diabetes, heart disease, obesity and drug abuse among youth are more prevalent in rural areas than in urban areas (**Figure 2**). Rural areas also have higher rates of suicide than urban areas.

Barriers to Health Care in Rural Areas

Many rural hospitals have received recognition for providing high-quality health care. A recent survey found that almost one-quarter of the nation's top hospitals are located in rural areas. ¹⁰ Another found that rural hospitals were more likely to receive ratings of nine or ten (out of ten) than urban

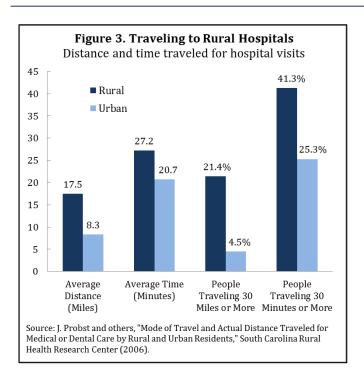


hospitals. 11 Rural hospitals may also offer cost savings: the cost per Medicare beneficiary is 3.7 percent lower for patients treated in rural areas than urban areas. 12

But expanding access to these hospitals remains a challenge: in a survey of rural health experts, 73 percent identified access to health care as a top priority. Although approximately 15 percent of the U.S. population lives in nonmetro areas, only about ten percent of physicians practice in rural America. In addition, rural areas have only 54 specialists for every 100,000 residents, compared to 134 for every 100,000 in urban areas. There are also fewer dentists in rural areas.

Rural patients must also travel greater distances to see their doctors (**Figure 3**). Over 40 percent of rural residents have to travel more than 30 minutes to a hospital, compared to around 25 percent of urban residents. Patients in rural areas with serious conditions such as heart disease and cancer must travel longer distances than patients in urban areas to see specialists. In addition to the distance, rural residents are more likely to experience travel barriers such as a lack of public transportation, extreme weather conditions and challenging roads. In addition to the distance, around the distance of public transportation, extreme weather conditions and challenging roads.

Access to quality emergency care for rural populations is also a concern for these communities. Emergency medical service (EMS) response times are typically longer in rural areas and teams are often staffed by volunteers who have received only basic training. In emergency rooms, budget and staff shortages may mean that doctors are not



present at the nearest emergency room when a patient arrives for treatment.²¹

Rural hospitals have been slower to adopt electronic health records: 19 percent of rural hospitals have a basic electronic health record system compared to 29 percent of urban hospitals.²² Electronic health records can help improve patient care, making their slow adoption in rural areas worrisome.²³

Rural hospitals are also more likely to be under financial stress than urban hospitals.²⁴ Medicaid and Medicare account for about 60 percent of rural hospital revenues,²⁵ but hospitals can lose money on those patients because payments often fall short of costs.²⁶ Congress helped address the financial strain on rural hospitals by creating the Critical Access Hospital program, which improves the finances of rural hospitals.²⁷

Economic Implications

Economic growth in rural areas is important for the overall economic well-being of the country. The barriers to health care facing rural communities can have negative economic implications for several reasons.

Economies in rural areas rely on small businesses and the self-employed more than urban economies. A business that is reliant on the health of a few workers may be more affected if one employee becomes sick than a large business, which can more easily distribute the workload in an employee's absence.

Healthier workers are generally more productive employees. Some employers may take access to health services into consideration when deciding where to locate.²⁹

Employment opportunities in rural areas are more likely to be "blue collar" jobs, which are more reliant on physical capabilities and health than "white collar" work.³⁰ Due to the physical demands of many rural jobs, having a health condition may limit job opportunities for rural workers to a greater extent than for urban workers.

Policy Actions

Ensuring access to health care in rural areas can help improve workforce productivity, quality of life and economic growth. Policies that could help rural Americans access quality health care include:

Protecting the Critical Access Hospital program

The Critical Access Hospital program helps ensure that geographically isolated communities have access to health care and that hospitals can provide health care without incurring a financial loss. Specifically, it allows hospitals that are located in geographically remote and inaccessible areas to be reimbursed for Medicare services at 101 percent of reasonable costs. Protecting this program would help rural residents maintain access to health care and emergency health services.

Funding programs that attract doctors to rural areas

It is important to ensure that there are enough doctors in rural areas to treat those who need health care. The National Health Service Corps (NHSC) awards scholarships and loan repayments to

primary care providers who agree to serve for two years in an underserved area. The NHSC currently has almost 9,000 members serving more than 9.3 million people. Sustaining and expanding support and funding for the NHSC would improve access to care for rural residents and those in underserved areas. In addition, the Border Security, Economic Opportunity, and Immigration Modernization Act (S. 744) would permit states to recommend visa waivers for foreign physicians who agree to practice in underserved areas.

Enhancing training for rural health care practitioners in preventive services

Preventive health care services are particularly important for people with chronic illnesses. Since rural residents are more likely to have chronic medical problems, policymakers should ensure that rural health care practitioners have the necessary training in preventive health care. The Rural Preventive Health Care Training Act (S. 726) would create a grant program for preventive health care training of rural health care practitioners.

Expanding Telehealth Resource Centers and the Telehealth Network Grant Program

Telehealth Resource Centers and the Telehealth Network Grant Program help communities develop sustainable telehealth programs. Telehealth allows long-distance clinical for care through videoconferencing, the internet technology, 33 which can help rural residents without a convenient medical provider. The PROSTATE Act (S. 516) calls for four-year telehealth pilot projects to analyze the clinical outcomes and costeffectiveness of telehealth services. The Fostering Independence Through Technology Act (S. 596) would implement pilot projects to provide incentives for home health agencies to use remote patient monitoring.

Improving transportation infrastructure

Well-maintained roads and bridges are needed to help rural residents reach their health care providers. However, infrastructure surveys show that the United States is falling behind in transportation infrastructure investment and maintenance. Passing a long-term surface transportation reauthorization bill and dedicating resources to maintaining existing infrastructure would reduce travel burdens facing rural residents seeking medical care.

Conclusion

Strong rural areas are critical to the success of the U.S. economy overall, and a healthy workforce is essential to rural economic competitiveness. Although many rural hospitals receive high ratings for their level of care, not all rural residents are able to easily access their doctors. In addition, rural residents often face significant health challenges. Improving rural Americans' access to affordable health care would improve their quality of life and bolster economic opportunity in rural areas.

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