

LIFT PERSPECTIVE

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The Future of Rural Healthcare

For urbanites, a four-hour ambulance ride is unheard of, but for thousands of rural Texans, it is a way of life - or sometimes a way of death.¹ How patients can achieve fast access to medical care is a common dilemma of rural healthcare. Only 30 percent of acute care hospitals are located in rural counties. There are 26 Texas counties with no primary care physicians (PCPs), representing a population of 80,785. In addition, 52,113 Texans have access to only one PCP in their county, while 126,777 Texans have two PCPs.

Of the 254 counties in Texas, 196 are rural. This large portion of Texas is plagued with a variety of healthcare issues foreign to urban counties. Rural counties have a higher average infant death rate and motor vehicle death rate than their urban counterparts. Critical issues in rural healthcare include the retention of medical staff, hospital finance systems, barriers to the use of telemedicine, an aging population, managed care, and access to care. Legislation at the federal level has

served to both encourage and discourage rural hospitals. In 1946 the Hill Burton Act provided funding to build rural hospitals, while the Balanced Budget Act (BBA) of 1997 has devastated several rural hospitals because it significantly lowered Medicare reimbursements. A lower reimbursement rate has a greater impact on rural areas due to the reduction of already limited revenue and fewer options to reallocate resources. The BBA Refinement Act, passed in November 1999, will provide limited relief for rural providers by providing temporarily increased payments to select classes of providers, and by slowing the transition to new payment methodologies.²

Key Issues:

- Of primary issue in rural healthcare is the recruitment and retention of medical personnel.
- Managed care has not penetrated rural Texas due to the limited number of patients and providers.
- Telemedicine is a promising solution to many rural healthcare problems.
- All but 2 of 43 border counties are designated as medically underserved areas.

Recruitment and Retention of Medical Personnel

Rural counties have significantly lower provider-to-population ratios than urban counties. Therefore, a primary issue in rural healthcare is the recruitment and retention of medical personnel. Several programs have been developed to address the problem. The Center for Rural Health Initiatives (the Center), established by the Omnibus Healthcare Rescue Act of 1989, has

programs such as HealthFind which recruit rural physician assistants and nurses. In addition, scholarships are being offered to medical students who are willing to practice in rural communities. The costs of these programs are covered jointly by the Center, federal funding, and the community. Other programs include:

- Loan reimbursement programs that offer a maximum annual award of \$5,000 for each year of service by a medical practitioner up to four years;
- A \$15,000 yearly stipend to primary care residents who agree to provide services in medically underserved areas; and
- Access to start-up funding up to \$25,000 per year contributed by the community and matched, dollar for dollar, by the state to purchase property and equipment for primary care physicians.

Managed Care

Many rural citizens would welcome the low co-payments of managed care. However, managed care has not penetrated rural Texas due to the limited number of patients and providers. Many patients see the low co-payments of managed care as a partial solution to high uninsured rates. On the other hand, providers (as in most urban areas), see managed care as a threat. Many feel that by focusing on cost containment, a managed care system could reduce an already limited reimbursement to rural providers who are already struggling financially.

However, a managed care system may never be a viable option in rural communities. Rural counties have a finite number of people to insure which is not sufficient to support a managed

care system. Additionally, a skewed population would also contribute to the demise of rural managed care. The financial success of managed care relies on a healthy population. However, rural areas have a larger percentage of elderly people than urban areas. Statistics indicate that only 18 percent of Texans currently reside in rural areas, while 30 percent of Texans over age 65 live in rural areas. The elderly typically experience increased acute and chronic health problems. Therefore, the likelihood is that a managed care system could not survive in rural Texas.

Telemedicine

One solution on the horizon to the cost and accessibility of health care in rural areas is the use of telemedicine as an alternative for the delivery of services. Telemedicine is defined as the practice of medicine from a distance. It typically involves the use of telecommunication and information technology to transmit medical information and to provide clinical care.

The two basic types of telemedicine are "real-time" and "store-and-forward". Real time telemedicine entails interaction through video equipment usually for a primary diagnosis. Video equipment can be used to connect patients to specialists in urban areas. For example, a patient would not have to travel a long distance to take advantage of the expertise of physicians across the country in making or verifying a diagnosis. The other type of telemedicine, store-and-forward, is commonly used for second opinions and requires transferring data such as text or images after the patient is seen. The primary physician can electronically forward medical information to the

second physician to review at his convenience. The benefits of store-and-forward include rapid access to urban specialists as well as reduced fees. Through this method, specialists can charge a peer review fee rather than a face-to-face appointment that would usually cost more.

Telemedicine is a promising solution to many rural healthcare problems, however, several barriers hinder implementation of extensive telemedicine programs. Specifically, the issues that must be addressed include the availability of sophisticated telecommunications systems, funding for the equipment and reconciliation of differences in state-to-state licensing. Current telecommunications systems in many rural areas do not have the infrastructure necessary for the timely transmission of data, especially image files such as EKGs and MRIs. State-to-state licensing differences create confusion as to which doctors should be licensed – the doctor transmitting information or the doctor receiving it? This confusion is most typically an issue for real-time telemedicine.

The Department of Health and Human Services created the Office for Advancement of Telehealth (OAT) in response to the unique needs in the area of rural healthcare. OAT is “working toward extending expert healthcare to rural America through remote technologies like video conferencing, the internet, store-and-forward imaging, streaming media, satellite and wireless communications”.³ In addition, at the federal level, universal service funds will help subsidize the costs of telephone line transmissions for both telemedicine and other internet utilization. At the state

level, the Telecommunications Infrastructure Fund (TIF) Board is issuing connectivity and telemedicine grants to rural health providers⁴ in an effort to enhance the access to healthcare services.

Border Health

In addition to the issues shared by all rural counties, those counties located along the border harbor significant and unique healthcare problems. Of rural Texas counties, border counties have the poorest health conditions. All but 2 of 43 border counties are designated as medically underserved areas.⁵ At the same time they are dealing with a lack of personnel and facilities, cases of gastrointestinal viruses due to contaminated food and water, and hepatitis A are four times higher in border counties than other Texas counties. In addition, diabetes related deaths are 25 percent higher in border counties.⁶

Border regions struggle with specific health issues such as diseases spreading across the border, and diseases developed from poor living conditions and lifestyles. Transportation of people and goods provides a convenient germ and disease carrier, while lifestyles and living conditions also effect health conditions. Poor eating habits and genetics contribute to diabetes, cervical and breast cancer, and birth defects. In addition, poor sanitation provides a breeding ground for disease.⁷

Along the border, few employers offer health insurance and many citizens are unemployed and cannot afford private health insurance. Only 40 percent of Border citizens in Texas have private insurance compared to 60 percent of

non-border citizens.⁸ Chronic patients in border counties typically do not receive adequate treatment due to both the unavailability of services and the patient's inability to pay. Therefore, their health may further decline and their ability to work may diminish. These patients can become a burden on struggling families, further complicating the system and increasing the cost to the tax payers who cover indigent care.

Conservative Note

As demographics in the state continue to change and the population in rural areas declines, the concerns over access to and cost of health care services in those areas will intensify. It behooves the state and communities to work together to create programs to recruit and retain qualified personnel, while at the same time, providing an infrastructure and licensing environment to make the most effective use of telemedicine. Additionally, the border regions of the state will continually need to be treated as the unique area that they are. Solutions that may be inappropriate statewide could potentially benefit the populations in those areas.

¹ Robert Longley. "Telehealth: Advanced Medicine for Rural America," 20 June 1999, 22 Feb. 2000, <<http://usgovinfo.about.com/culture/usgovinfo/library/weekly/aa062099.htm>>

² "BBA impacts on Texas rural health continue," *Rural Health Reporter*, The Texas State Office of Rural Health, Dec. 1999: 1.

³ Robert Longley. "Telehealth: Advanced Medicine for Rural America," 20 June 1999, 22 Feb. 2000, <<http://usgovinfo.about.com/culture/usgovinfo/library/weekly/aa062099.htm>>

⁴ Texas, Center for Rural Health Initiatives, *Rural Health in Texas, 1999: A Report to the*

Governor and the 76th Texas Legislature, 1999 (Austin, 1999) 53.

⁵ Texas, Comptroller of Public Accounts, *Bordering the Future: Challenging the Opportunity in the Texas Border Region, July 1998*, 105.

⁶ Texas, Center for Rural Health Initiatives, *Rural Health in Texas, 1999: A Report to the Governor and the 76th Texas Legislature, 1999* (Austin, 1999) 107.

⁷ Comptroller of Public Accounts, 106.

⁸ Comptroller of Public Accounts, 105.