

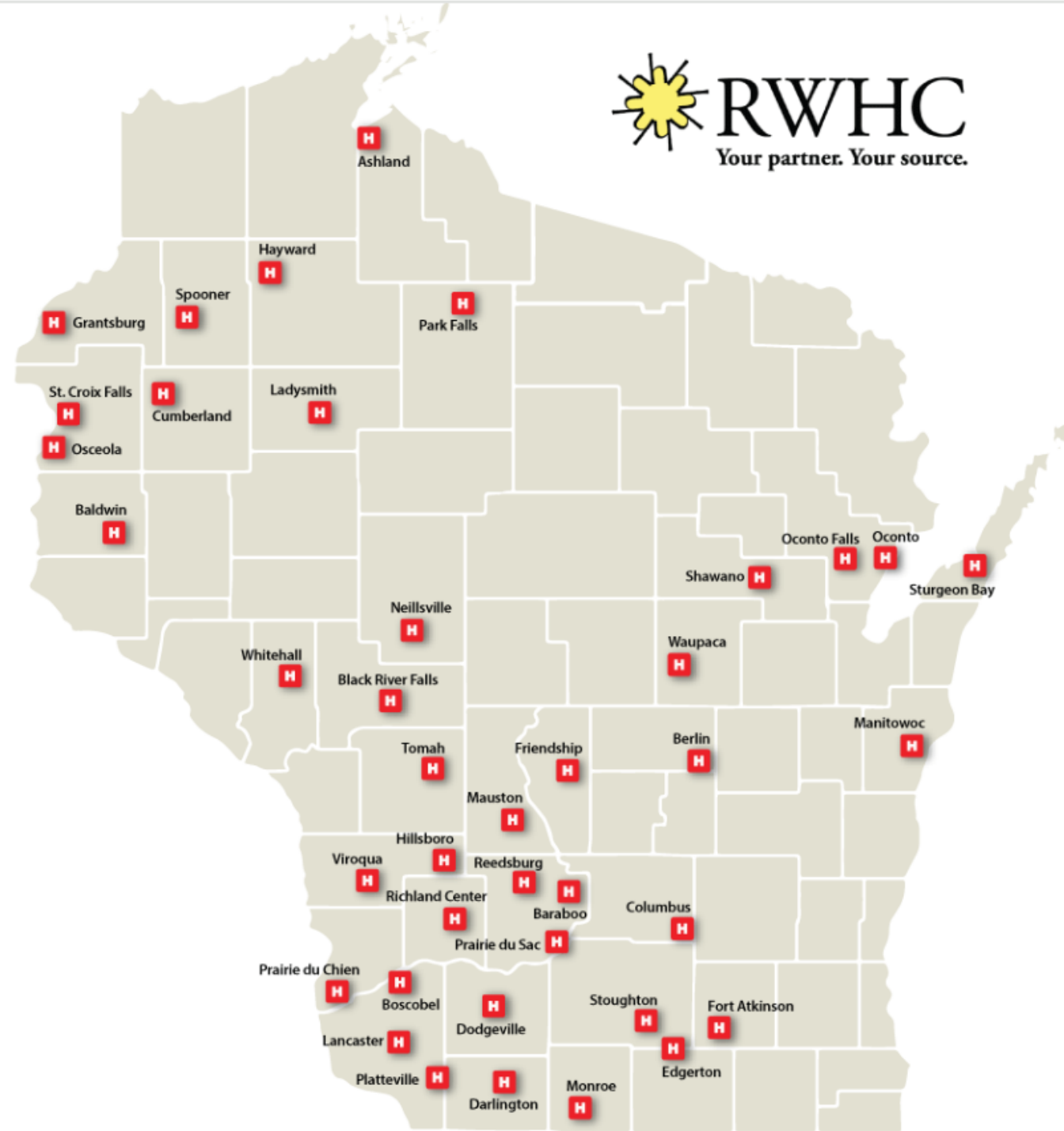
Rural Hospital Engagement in Economic Development: Why and How

Marie Barry

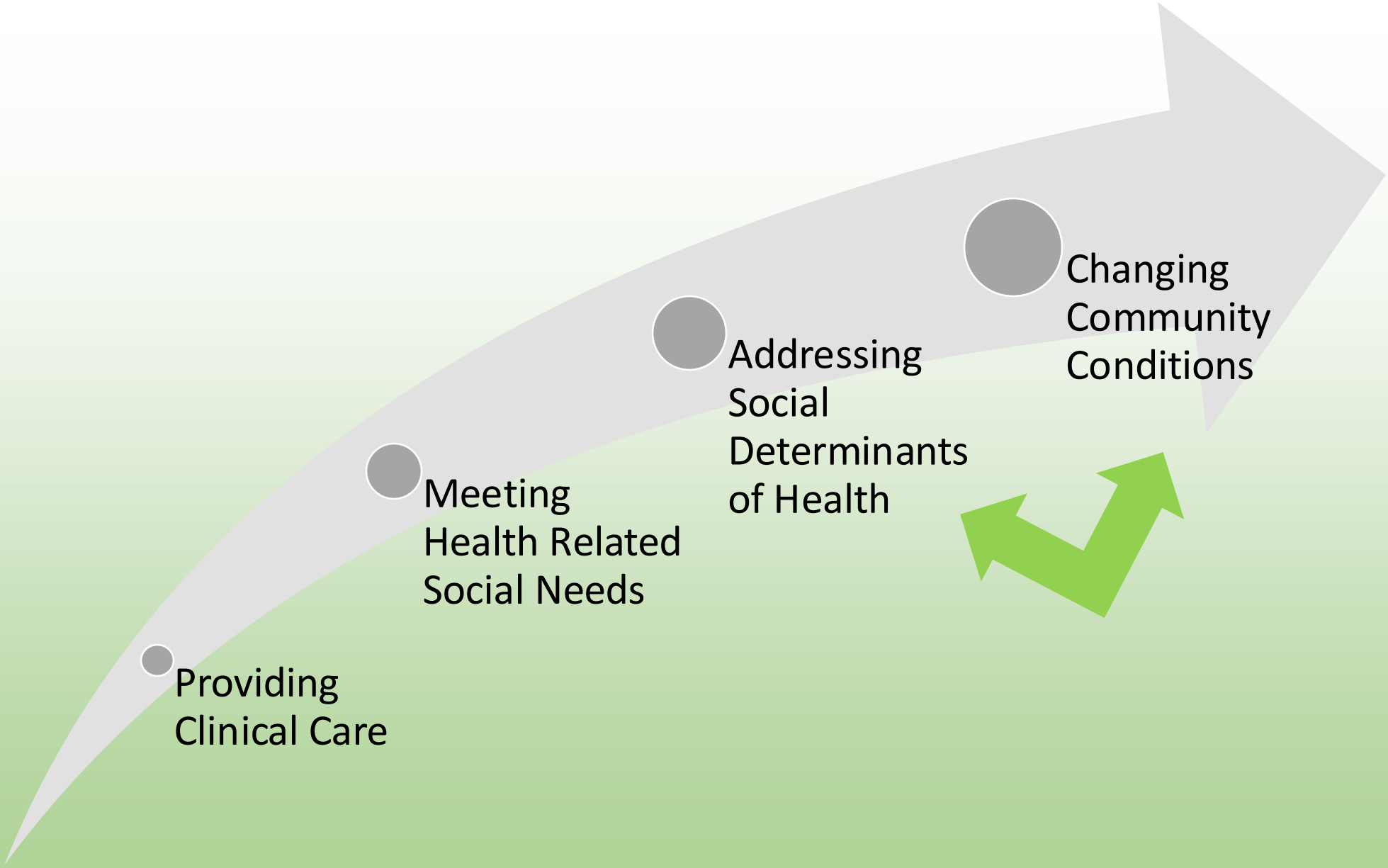
mbarry@RWHC.com

Director of Community Economic Development

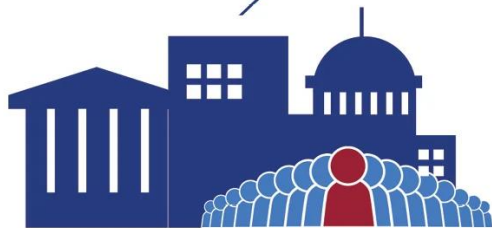
Rural Wisconsin Health Cooperative



- Founded in 1979 by 6 Rural Hospitals
- Shared Services + Advocacy



SYSTEMIC



COMMUNITY

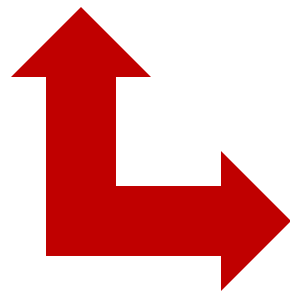


PERSON



SYSTEMIC CAUSES

The fundamental causes of the social inequities that lead to poor health.



SOCIAL DETERMINANTS OF HEALTH

Underlying social & economic conditions that influence people's ability to be healthy.

SOCIAL NEEDS

Individuals' non-medical, social or economic circumstances that hinder their ability to stay healthy and/or recover from illness.

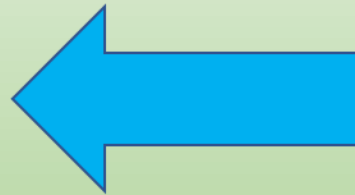
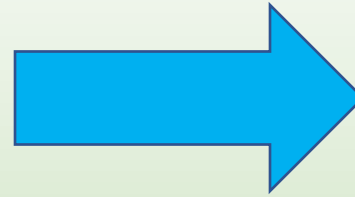


[Source](#)

Why should you **care?**



Two Perspectives



First Perspective: The Effect of the Local Community on a Hospital

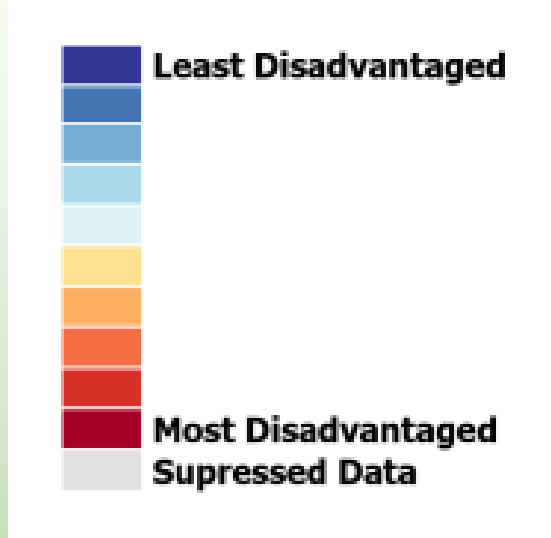
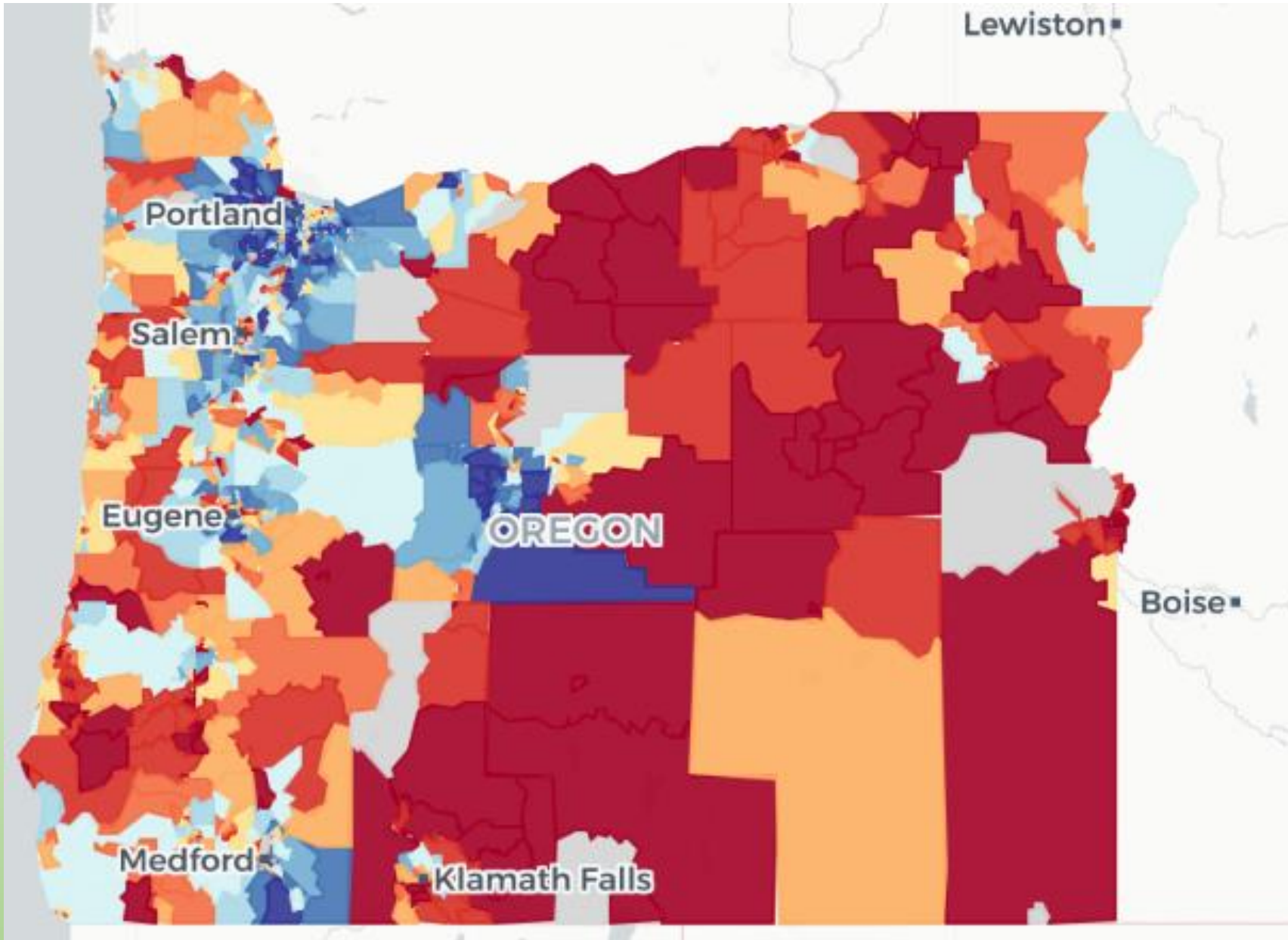
Disclaimer: Closures

Associations of U.S. Hospital Closure with Neighborhood Socioeconomic Disadvantage and Racial/Ethnic Composition

Conclusions: Socioeconomic disadvantage was markedly associated with hospital closure across all racial/ethnic and urban/rural classifications. Rural classification was associated with a larger disparity in hospital closure for both high ADI and Black majority census tracts.

Implications for Policy or Practice: Hospital closure is occurring disproportionately in geographies with higher socioeconomic disadvantage in the U.S.; effects are larger in rural than urban geographies, with especially alarming trends in Black rural geographies.

Source: Dr. Elizabeth Tung, University of Chicago



University of Wisconsin School of Medicine and Public Health. 2022 Area Deprivation Index.
 Downloaded from <https://www.neighborhoodatlas.medicine.wisc.edu/> September 2024.



Community Sociodemographics and Rural Hospital Survival Analysis

This study examines which community sociodemographic characteristics were associated with increased risk of rural hospital closure between 2010-2019.

Key Findings:

- Survival analysis results show that rural hospitals at risk of financial distress were more likely to experience closure if their communities had: higher unemployment rates and higher uninsurance rates for those younger than 65.

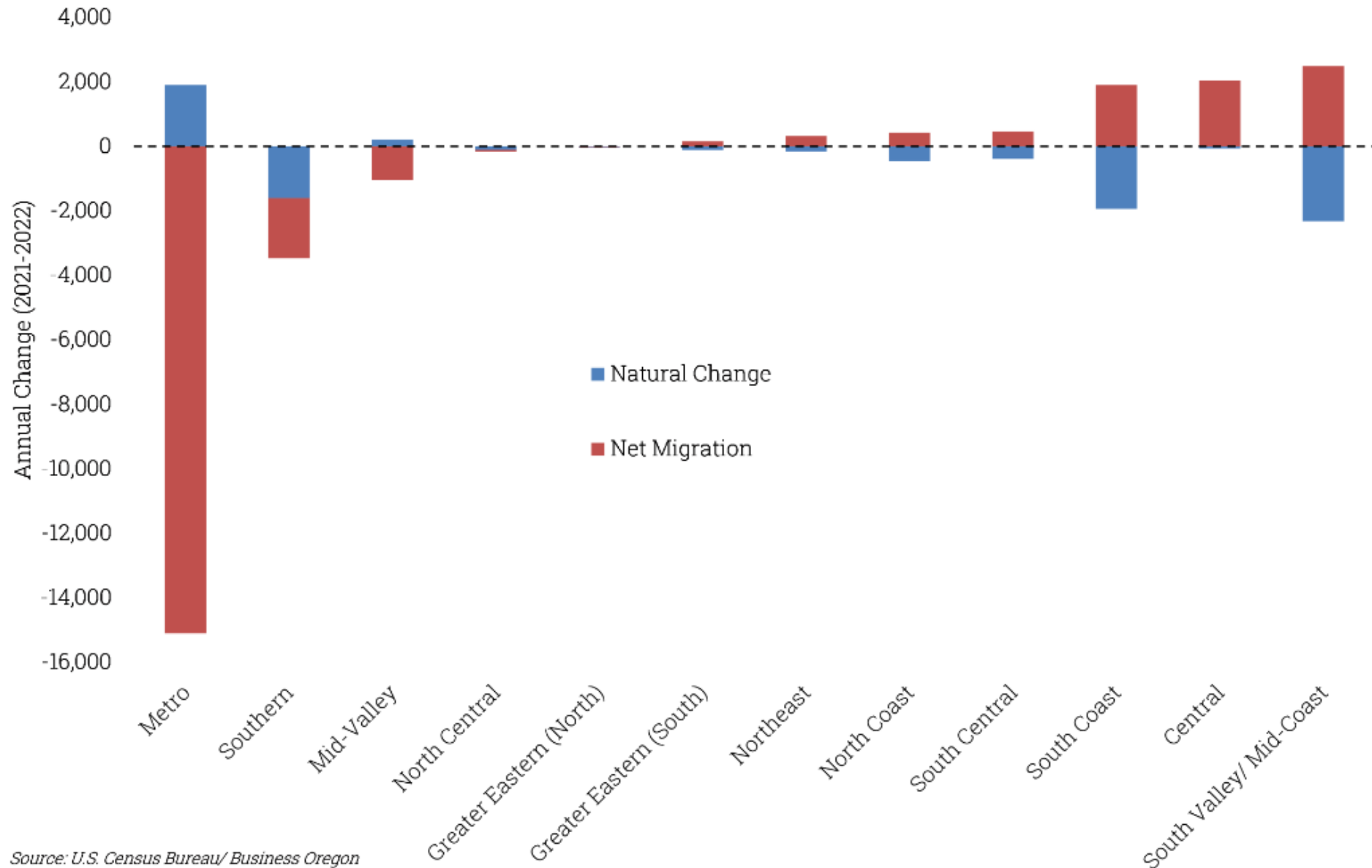
Contact Information:

Alison F. Davis, PhD

Center for Economic Analysis of Rural Health

Informed communities and hospitals can make their local and federal representatives aware of these potentially causal relationships, and make the case for broader policies that focus on lowering unemployment or uninsurance.

Net migration (both positive and negative) is the primary driver of population change across Oregon



Source: U.S. Census Bureau/ Business Oregon

Rural Demographics



Second Perspective: The Effect of a Hospital on the Local Community



Healthcare workers have consistently higher wages than the average worker in Oregon.



	All Occupations	Healthcare Practitioners and Technical Occupations	Earnings Difference
Mean Hourly Wage	\$32.07	\$58.59	+\$26.52
Median Hourly Wage	\$24.04	\$49.62	+\$25.58
Annual Mean Wage	\$66,710	\$121,860	+\$55,150

Source: US Bureau of Labor Statistics, 2023

Fastest-Growing Occupations in Oregon, 2022-2032
 (Minimum of 1,000 Jobs in 2022)

Occupation	2022 Employment	Job Growth Rate, 2022-2032	2023 Median Hourly Wage
→ Nurse Practitioners	2,244	52.6%	\$66.01
Data Scientists	1,420	38.0%	\$51.18
Information Security Analysts	1,385	37.3%	\$59.91
→ Physician Assistants	1,419	36.3%	\$66.23
→ Medical and Health Services Managers	5,078	35.5%	\$61.16
Veterinary Assistants and Laboratory Animal Caretakers	2,745	31.9%	\$18.11
Veterinarians	1,898	30.9%	\$50.33
Veterinary Technologists and Technicians	1,451	30.7%	\$19.74
Software Developers	20,630	30.2%	\$60.52
Exercise Trainers and Group Fitness Instructors	4,100	28.5%	\$24.23
Interior Designers	1,338	28.0%	\$31.64
Operations Research Analysts	1,584	27.8%	\$43.75
Substance Abuse, Behavioral Disorder, and Mental Health Counselors	7,487	27.4%	\$28.74
Speech-Language Pathologists	1,959	27.2%	\$50.02
Cooks, Restaurant	20,479	26.8%	\$18.18

Source: Oregon Employment Department



ECONOMIC IMPACT



A Critical Access Hospital...

- Increases local retail sales by 28% compared to towns without a CAH
- Increases total number of retail establishments as well as the number of small and micro businesses
- Can contribute between \$20k and \$1.3m per year to the local economy via telemedicine services, with the average CAH contributing \$522k
- Generates an average of \$1.8m in taxable local retail sales
- Creates .34 jobs in local businesses for every 1 job within the hospital
- Supports \$2.30 of local business activity with every \$1 they spend in the community
- Generates 170 jobs, \$7.1m in salaries, wages and benefits


Rural Hospital Closure

- Reduces local income by \$703/person or 4%
- Increase unemployment rate by 1.6%
- Increase in poverty levels + unemployment levels
- Median rent values decrease
- Management, business and science occupations decreased by 1.63%
- Construction, information, sales, finance + professional occupations also significantly decreased
- Reduces employment by an average of 99 full and part time positions, with a range from 26 to 188 positions
- Reduces wages, salaries and benefits by \$5.3m on average with a range from \$902k to \$9.5m



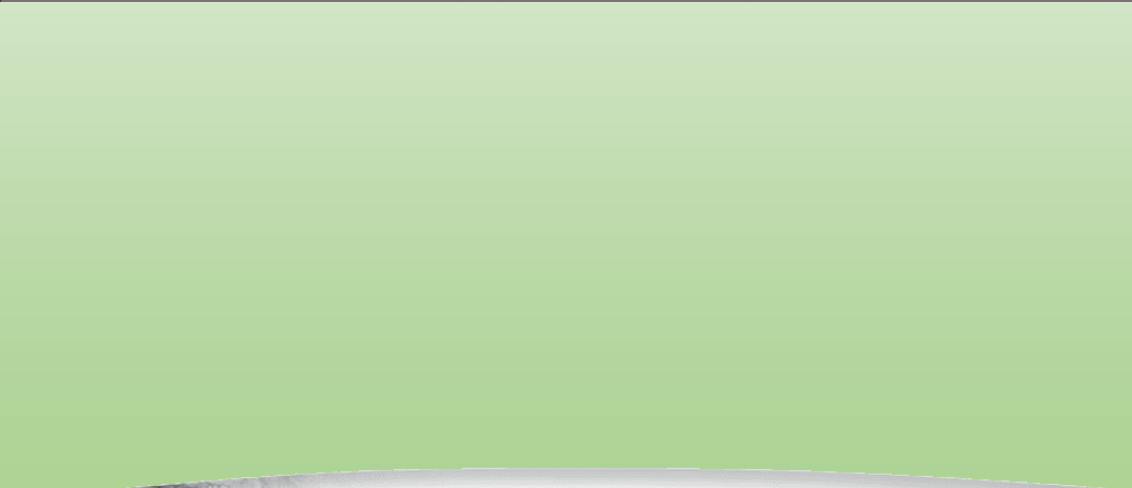
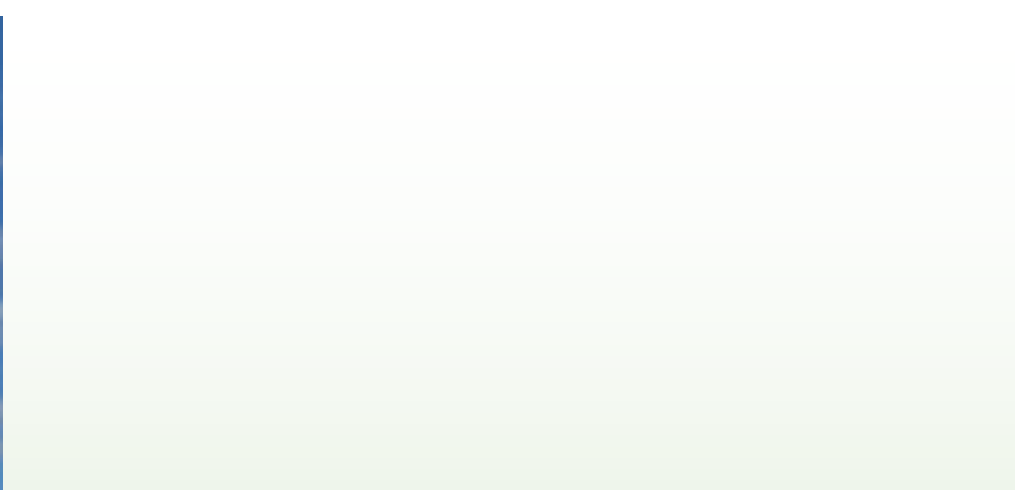
[Sources](#)

The impact of rural general hospital closures on communities—A systematic review of the literature

Carol A. Mills PhD, MS, RN¹  | Valerie A. Yeager DrPH² | Kathleen T. Unroe MD, MHA^{3,4} | Ann Holmes PhD² | Justin Blackburn PhD²

Findings: Over 90% of the included studies were published in the last 8 years, with nearly three-fourths published in the last 4 years. The most common outcomes studied were economic outcomes and employment (76%), emergent, and non-emergent transportation, which includes transport miles and travel time (42.8%), access to and supply of health care providers (38%), and quality of patient outcomes (19%). Eighty-nine percent of the studies that examined economic impacts found unfavorable results, including decreased income, population, and community economic growth, and increased poverty. Between 11 and 15.7 additional minutes were required to transport patients to the nearest emergency facility after closures. A lack of consistency in measures and definition of rurality challenges comparability across studies.

HOW?



Act as a Convener

AHA STRATEGIC POLICY PLANNING | **AHA FUTURE OF RURAL HEALTH CARE TASK FORCE**

THE HOSPITAL AS A CONVENER IN RURAL COMMUNITIES

CASE STUDY | APRIL 2021

Employ an Anchor Institution Strategy



Anchor Strategy: Hire Locally

- Building Talent Pipelines
- Partnering with Local K-12 + Technical Colleges
- “Grow Your Own” Strategies
 - MA, CNA, Paramedic, EMT, Lab Tech, Surgical Tech, etc.
- Rural GME Expansion
 - Rural Training Tracks
 - Rural Rotations
 - Rural Residencies
 - Rural Fellowships

Anchor Strategy: Purchase Locally

- Purchasing Scans
 - Bread in Stoughton
- Low Hanging Fruit:
 - Food
 - Gift Shop
 - Swag
 - Contractors



Close to Home Café

Close to Home Café features many house-made desserts, chef specials, and soups. We also partner with local businesses within the greater Dane County area to sell their products.

Close to Home Café has a strong legacy for excellence in the food we serve while maintaining a “close to home” ambiance.

FIFTH SEASON COOPERATIVE

local food, always in season

Through the formation of the Fifth Season Cooperative, we preserve many things in our region: our health and wealth, the connection between producers & consumers and the market for traditionally, sustainably raised foods.

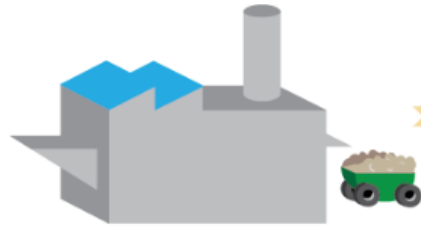


Mission

To produce, process and market healthy, local foods in our region by supporting the values of environmental, social and economic fairness for all.



GROWERS



PROCESSORS

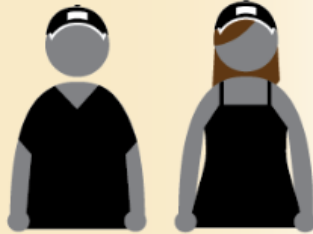


PRODUCER GROUPS

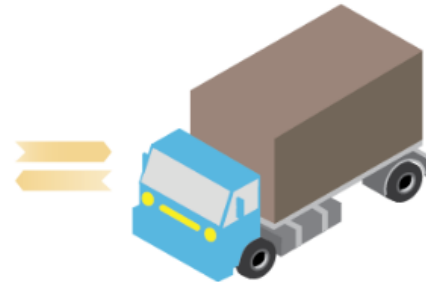
HOW IT WORKS

The core of the Fifth Season Coop is a food hub, run by its worker-members, which aggregates local agricultural products from its producer members—farmers, groups of farmers (including agricultural co-ops like locally head-quartered Organic Valley), & value added processors—and connects these products with local purchasers, some also members of the co-op, through its distribution members.

FOOD HUB



WORKERS



DISTRIBUTORS

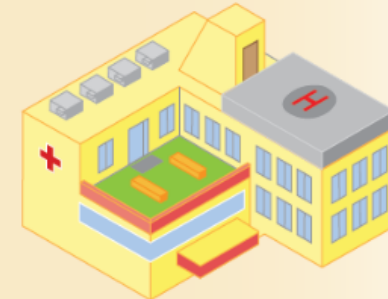
FOOD SYSTEM ANCHORS

Large purchasing commitments from local “anchor institutions” help keep the food system more stable. By becoming members of the co-op on the buyer side, anchors like Gundersen Lutheran Hospital, the University of Wisconsin-La Crosse, and local school districts are able to meet their important local purchasing goals.

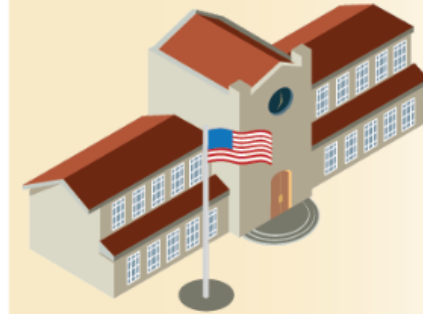
BUYERS



**FOOD CO-OPS,
RESTAURANTS,
AND GROCERIES**



HOSPITALS



SCHOOL DISTRICTS

Anchor Strategy: Invest Locally

- Think not only of financial returns, but also of social returns
- Providing matching funds to leverage external investment
- Seed Funding
 - [Workforce Housing Funds](#)
 - Revolving Loan Funds



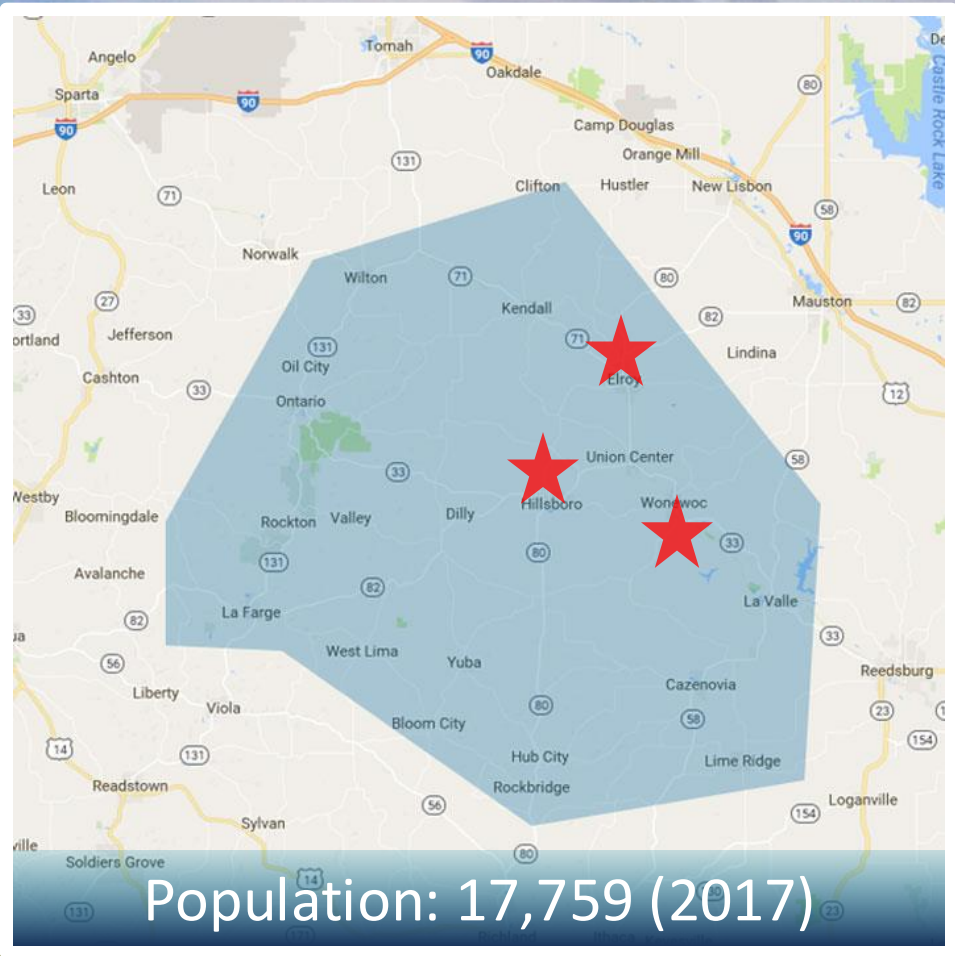
Fort HealthCare Makes Historic Investment to Address Housing Shortage in Jefferson County

Community

Friday, July 19, 2024

FORT ATKINSON – Fort HealthCare has approved a \$3 million investment in the Live Local Development Fund (LLDF), a strategic initiative aimed at addressing the critical need for additional housing in Jefferson County. This investment brings the fund's total to \$8.5 million, significantly enhancing its capacity to support housing initiatives.

Build Strategically



Building communities

GUNDERSEN
ST. JOSEPH'S
HOSPITAL AND CLINICS

The Hillsboro Community

- City Population: 1,432
- ZIP Population: 4,258
- Smallest community in WI to have a hospital
- Major Industries: Manufacturing, Education, Agriculture
- 25.8% households in poverty
- Struggling Downtown

GUNDERSEN
ST. JOSEPH'S
HOSPITAL AND CLINICS

The Hillsboro Community

- Had a greenfield space purchased but would have moved hospital 1.5 miles out of town
- Project would have been much easier on greenfield space
- Chose to keep Vision Center on Main Street rather than incorporate
- Staff walk to downtown businesses
- 200 staff members working in the community
- \$33.1 million investment in the community to keep healthcare and jobs local

The Elroy Community

- City Population: 1,442
- ZIP Population: 2,837
- Major Industries:
Manufacturing,
Education, Agriculture
- 20% households in
poverty
- 25% below ALICE
- Struggling Downtown



We're Going Downtown

- Current clinic location is on the edge of town. 2 miles from Main Street.
- Replacement on current site would have been much easier and faster.
- Strong support from City Council to choose downtown location.
- Strong support from downtown businesses to choose downtown location.
- Chose to be an “economic spark” for the downtown.
- After decision was made, project awarded grant from State of Wisconsin for economic development. \$4.2 million award.

We're Going Downtown



We're building right here!

- Redevelop an area of downtown.
- Provide a spark of economic development to renew interest in downtown.

GUNDERSEN
ST. JOSEPH'S
HOSPITAL AND CLINICS

love + medicine
in the **HEART**
of **DOWNTOWN**



GUNDERSEN
ST. JOSEPH'S
HOSPITAL AND CLINICS



Main street inspired design



3 Family practice providers



**First Gundersen
Telepharmacy**



Downtown green space



Community room



**100% site-generated
green energy**



GUNDERSEN
ST. JOSEPH'S
HOSPITAL AND CLINICS

Economic Development is Population Health Development

Downtown districts are the economic heart of a community.

*Vibrant, flourishing communities
grow vibrant, flourishing community members.*

Advocate + Educate on Economic Issues

- Utilize existing messaging / marketing reach
- Utilize advocacy skills you already have!
- Leverage social capital to influence local decision making

Door County working to address housing shortage with new developments

by Katrina Nickell, FOX 11 News | Wednesday, June 30th 2021



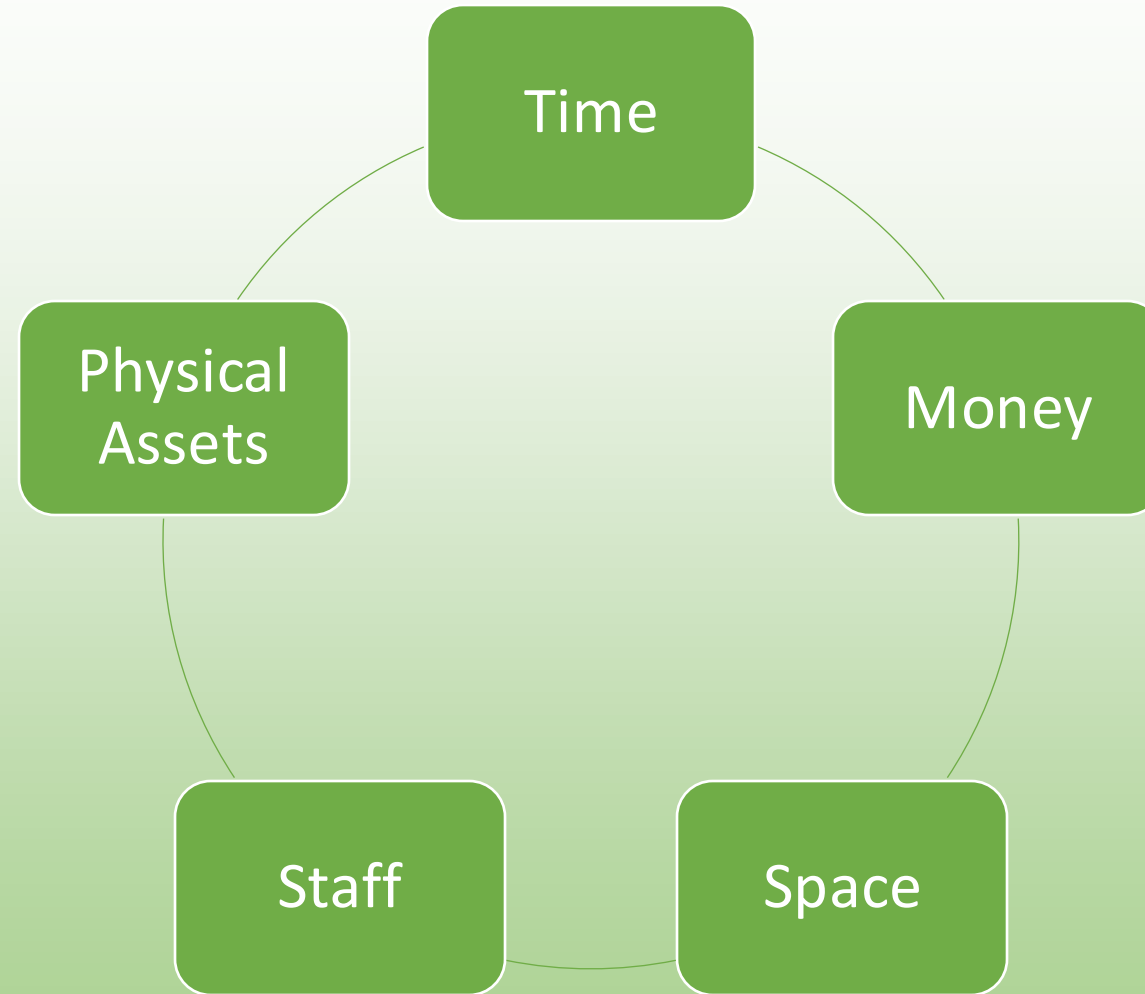
"In recent conversations we had an x-ray tech living in storage shed, said CEO of Door County Medical Center, Brian Stephens. "An in-patient nurse living in back of yoga studio because it has a kitchen and a shower."

Blog

Nationwide Trends and Door County's Housing Shortage are Leading to Staffing Shortages at DCMC

Nevertheless, Stephens says that the issues with hiring and recruitment Door County's housing shortage is creating is not sustainable long-term. With this in mind, DCMC is taking proactive steps to help alleviate the situation. "We are working with the DCEDC and the City of Sturgeon Bay to do what we can to support workforce housing," he says, adding, "We have voiced support for local housing projects at Sturgeon Bay Common Council meetings and have also met with developers to help connect them with local businesses that might be interested in investing in their projects. Additionally," Stephens continues, "we are considering investment in a housing project, but do not have the details of that worked out at this time."

Leverage Existing Assets



Existing Assets: Physical Assets



*Maximum Household Gross Annual Income to Qualify at 60% and 80% Area Median Income					
Number of Household Members					
One	Two	Three	Four	Five	Six
60%: \$35,700	60%: \$40,800	60%: \$45,900	60%: \$51,000	60%: \$55,080	60%: \$59,160
80%: \$47,600	80%: \$54,400	80%: \$61,200	80%: \$68,000	80%: \$73,450	80%: \$78,900

Unit amenities will include:

- In-unit washer and dryer
- Ceiling fan
- Storage
- Black or stainless-steel appliances
- USB outlets
- Pet friendly

Building amenities will include:

- On-site management office
- Fitness center
- Pet wash
- Community room
- Outdoor patio
- Parking
- Classroom for on-site classes and workforce training in conjunction with Northwood Technical College (NTC).

There will also be a designated outdoor parking space for an NTC mobile training unit, where additional workforce training courses can be conducted on-site.



Existing Assets: Staff

- Dr. Chris Plaisance (CIO) on Jackson County Broadband Committee
- \$2,177,500 in Broadband Expansion Funds secured (so far!)



“The local hospital representative has been an active participant in the Jackson County Broadband Committee. Not only does he bring the perspective of broadband in healthcare delivery, but the hospital is also one of the largest employers in the County. The hospital’s participation serves as an example to other businesses.”

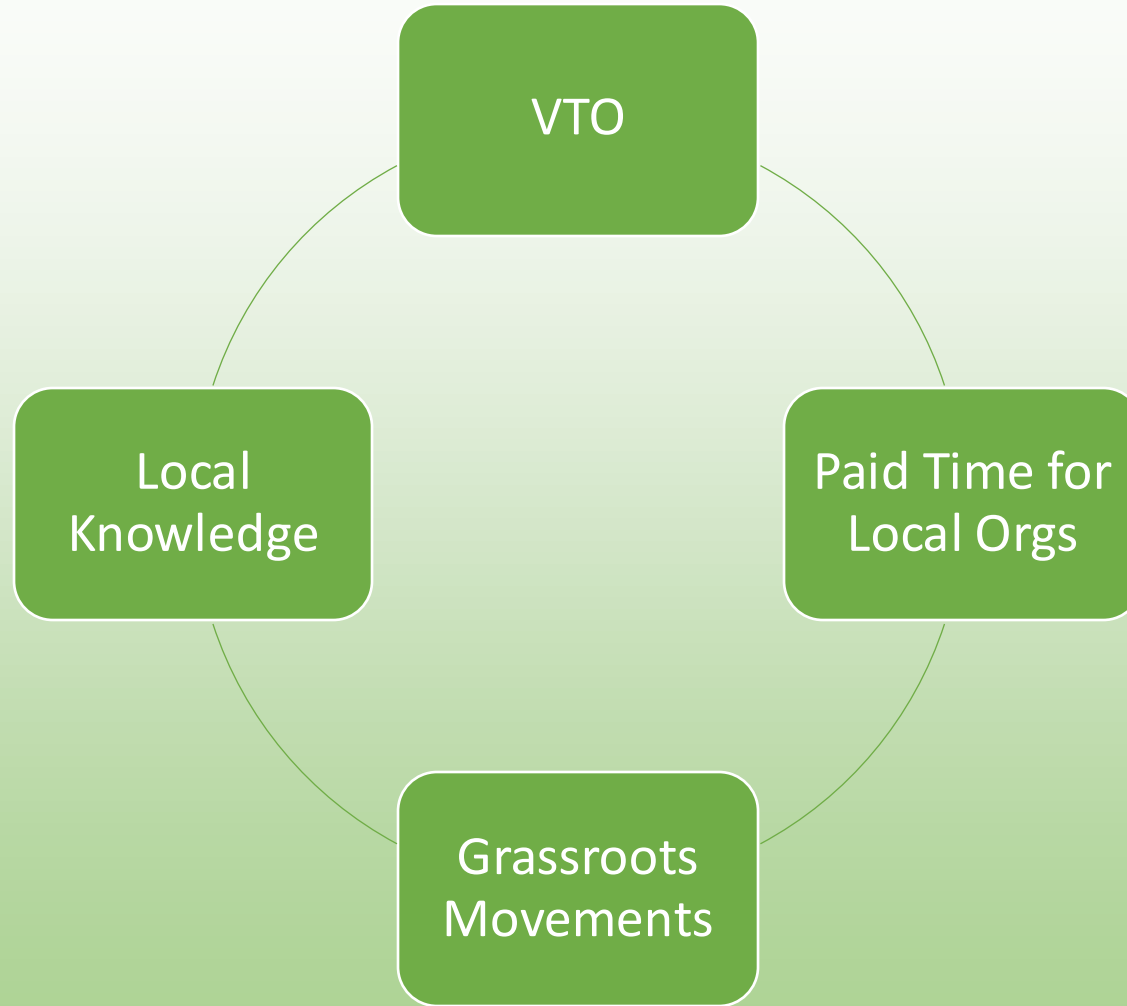
- Jackson County Broadband Consultant

Existing Assets: Staff



GUNDERSEN
ST. JOSEPH'S
HOSPITAL AND CLINICS

Empower Your Staff



Strategies to Consider Taking Home

- Act as a Convener
- Employ an Anchor Institution Strategy (Hire, Purchase, Invest)
- Build Strategically
- Advocate + Educate on Economic Issues
- Leverage Existing Assets (Staff, Physical Assets, etc.)
- Empower Your Staff

Marie Barry

[Rural Wisconsin Health Cooperative](#)

Director of Community Economic Development

mbarry@RWHC.com