



The Importance of Rural Hospitals in Educating OSU Medical Students

With the “Baby Boomer” generation about to retire, the national press is a buzz regarding impending shortages in the American workforce. Professions as far ranging as teachers, nurses, physical therapists, occupational therapists and doctors are all expecting a significant decline in personnel. The consequences for those who use these services are often the focal point of such reports. But take a closer look at the jobs listed above. All provide a very nice living. Has anyone asked, what is the educational and economic impact of having so many high paying jobs vanish?

First consider the possible economic impact. An oft-cited number is the expected shortage of doctors. In 15 years, experts predict that we'll have a shortage of 210,000 doctors nationwide. Assuming an average annual income of \$150,000 for each doctor equals \$31.5 billion not in the economy. Granted our nation's gross domestic product won't be significantly impacted by such a loss in one profession. In fact, with the supply of doctors diminished and an increased demand for their services some of the lost income would be replaced by higher healthcare prices. Still doctors employ a lot of people in the health care profession. Doctors also directly and indirectly employ professionals in areas such as financial services, real estate, and, unfortunately, even the legal field just to name a few. Suddenly we're no longer talking about patients having a difficult time finding a physician, and the burden of rising healthcare costs, but our national economy being significantly impacted.

Of course, this is only one possible scenario. America has a long history of responding to such needs in a timely fashion. However, what if all of these things did happen now, over night? Ridiculous? Not really. It is possible for a *rural* town to experience exactly this scenario in a relatively short period of time. Not because rural areas have a shortage of doctors, most already do. Anyone familiar with the subject knows the difficulty of recruiting doctors to rural communities and retaining them. In order to simulate something like the above scenario in a rural town the only ingredient necessary is for the local hospital to close.

When evaluating a community's economy, economists often consider the relationship between three groups: the basic industry, the service industry and households. Households provide the labor for the two industries while the two industries provide employment. The difference between the basic industry and the service industry in a particular town's economy is the basic industry primarily “exports” its products outside the community and “imports” dollars from outside the community. A good example of a basic industry would be a manufacturing plant. Economists consider basic industries to be the foundation of any town's economy. Basic industries typically employ the most people and produce the most revenue. Service industries on the other hand typically do not export their goods; rather it sells them to the community's basic industries and local households. When considering a rural town one can readily see the reason why so many rural economies are fragile, they have few or no basic industries. So who then employs the most people in a rural town? In most rural areas the answer is hospitals.

Rural hospitals are unique in light of how economists typically assess a city's economy. Clearly, they are best thought of as a service industry. While they don't necessarily export services outside of the community they certainly act as a magnet to attract business into a community and keep business that would otherwise leave. A hospital is uniquely positioned to provide a broad range of healthcare services. This broader range of services: emergency rooms, laboratories, radiology, for example make the local hospital and consequently the local healthcare delivery system (physicians in private practice, pharmacist and nursing homes) more attractive to local residents and residents from surrounding towns. Aside from being a large employer and providing quality jobs, a hospital also has considerable needs; needs that are often met by other local service industries. Janitorial services, accounting services, medical supply services, landscaping services, office supplies can be provided by the local economy *without* directly importing them from outside the community. In this context a hospital is both a basic industry and a service industry. (Doctors in rural private practices serve the same economic function as hospitals. Some argue that the same economic relationship exists between a doctor's practice and the rural community; however, the difference is one of scale. Hospitals employ more people and when closed the economic impact tends to be more drastic.) This process of attracting healthcare dollars from outside the community, keeping healthcare dollars inside, providing high paying jobs to local households and purchasing mostly non-healthcare related products from the local service industry helps make the entire local economy more viable.

So why does the Oklahoma State University Center for Health Sciences care that rural hospitals stay open? As a university we produce doctors; as such we are on the front lines of addressing any future physician shortages. In fact, for rural Oklahoma and most of rural America such shortages as outlined above are occurring now. From inception it has been our mission to educate physicians for rural Oklahoma. Without rural hospitals we have no place to train our students. The economic viability of rural hospitals and subsequently rural communities is central to both educating our students *and* addressing Oklahoma's current and future physician shortages.

Our educational process deliberately exposes students to rural communities and rural hospitals. Four months of our students' 3rd and 4th years are spent in rural areas.¹ This exposure figures prominently in our efforts to address the current shortages of doctors practicing in rural Oklahoma. Data show graduates practice within an hour's drive of their residency. Moreover, data indicate that students from rural areas tend to go back and practice in rural communities. These two factors have spurred us into recruiting more students from rural areas, petitioning the state legislature to increase our class sizes, and working more closely with rural communities to educate them on the economic importance of their local hospital.

Many of our students graduate with a strong commitment to rural Oklahoma and a desire to practice there. Much of that desire comes from time spent during their rural rotations and serving those in our rural communities. The process works but due to the economics of rural hospitals it is fragile. The doors of our rural hospitals must be kept open if our educational program is to continue placing doctors in rural Oklahoma. ■

¹ *Oklahoma State University Center for Health Sciences is constantly striving to provide our students the best education possible. To that end, we're currently working to expand our emergency medicine rotation to key rural communities around the state. When this process is finished, many of our students will have spent at least five months in rural Oklahoma.*