



CENTER FOR
Rural Health

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Why We Work in Hospitals?

The Center for Rural Health has a variety of responsibilities. Our mission, our vision, and our primary focus have to do with students at the Oklahoma State University College of Osteopathic Medicine and Center for Health Sciences. We simply want to produce more fine doctors for Oklahoma, mostly for rural Oklahoma, and oriented toward the primary care specialties. If not primary care physicians then we want to promote medical specialty services that support the primary care physician in a community. Why then do so much of our activities seem to be directed toward hospitals?

First, the hospital in a rural community is truly the doctor's work place. While the office and clinic location are very important, the hospital is really the hub of the health care delivery system in rural Oklahoma. For the doctor to be financially viable, the hospital must at least be financially stable. This is an increasingly difficult status to achieve for many rural hospitals. Prospective payment systems, Health Insurance Portability and Accountability Act (HIPAA), pay-for-performance, system enhancements, a broken liability system, ever increasing labor costs, and a variety of other problems, add to the difficulty in maintaining a strong financial base.

Many rural doctors have a part of their practice in the local hospital. For some, this is a substantial part of their practice, especially as a new doctor begins to establish a new practice. Revenue streams for both the doctor and the hospital can be substantial. Hospital practice generally involves some oversight of the hospital's emergency department (ED). While the variety of patient issues may be challenging and stimulating, coverage of the ED is generally not the highpoint of the month for most doctors. Still, this function, the ED, is generally one of the most important services health care offers to a rural community. Farming and mining are dangerous occupations requiring close proximity to emergency medicine. Manufacturing as well demands ready access to emergency medicine services. Without it, economic development is difficult, if not impossible, for the rural community. Emergency departments are only located in hospitals.

Most health care system 'stuff' is contained within the hospital setting. While many established doctors have sophisticated laboratory and imaging equipment, many do not. Most doctors starting a practice would not have this type of set up. While the systems are generally located in a hospital setting, the hospital is also required to provide the professional staff associated with the process or procedure. In fact, most systems capital equipment and the required staffing are located at the hospital. Many times, it simply would not be cost effective for the doctor to acquire the equipment and staff and keep both current.

Hospitals generally are one of the largest employers in the community. While economic development is not the primary function of a rural physician, according to a recent study, that doctor contributes over a million dollars, on the average, to the economy of the rural community. Studies have indicated that rural communities that lose their hospital have difficulty in attracting or keeping a doctor in the community and the community generally starts a rather precipitous decline. That decline has been documented with the ultimate worst scenario being the decline and disappearance of the community. While this does not always follow, it does follow that the viability of the community suffers greatly when a hospital closes. While the practice of medicine is the major focus of the doctor, the rural community will consider both the availability of quality health care and the economic impact of the doctor on the local economy as important aspects of the local health care system. Economic development provides for growth or at least stabilization of the consumer base, that the doctor needs to be successful. A shrinking patient base is not good for the economic viability of a rural practice. Community support is critical and requires the residents to use local health care services.

Congress has understood the relationship between viability and necessary basic services. The two most important aspects in most studies regarding rural community viability, has been the availability of both quality health care and quality education for our children. It is not unusual for Congress to include health care as an important part of an economic development package. Congress has also taken notice of the plight of small rural hospitals. It responded with the Medicare Rural Hospital Flexibility Program (FLEX) and the Small Hospital Improvement Program (SHIP): (1). FLEX helps states establish a method whereby a hospital with no more than 25 beds in a rural area that is more than a certain distance from another hospital can become a Critical Access Hospital. These hospitals must maintain Emergency Services, have an average length of stay of no more than 96 hours, and have a relationship with another hospital or system to provide for transfer for those services that the hospital does not provided locally. For meeting these requirements, the CAH is paid 101% of reasonable costs for Medicare patients. Many states including Oklahoma have some enhanced reimbursement for Medicaid patients of Critical Access Hospitals. Oklahoma has 36 designated Critical Access Hospitals. (2). The SHIP program provides for a cash payment that has been about \$9,000 per year for eligible hospitals. This funding can be used for quality or performance improvement, HIPAA compliance or Information Technology improvements. While this is truly not much money, many of the eligible hospitals are making improvements they simply could not otherwise afford. To be eligible the hospital must be in a rural area and reported less than fifty beds on their most current Medicare cost report. There are currently sixty seven Oklahoma hospitals receiving the SHIP grants.

The State Office of Rural Health is designated as the state entity to administer these two important programs, and is a component of the Center for Rural Health. The State Office of Rural Health is a function of the Center for Rural Health.

Why we work in hospitals? We work in hospitals because a strong local hospital will support and strengthen a physicians practice in that community. In short, we work with hospitals because, 'that's where physicians practice'. ■