



RURAL HEALTH CARE AND HEALTH INSURANCE

Background

Health care policy and health care services are concerns in rural America. The viability of many rural communities may depend on the quality and range of health care services available.

USDA offers financial assistance for rural health care facilities and essential equipment, including first-responder equipment, through the Community Facilities program authorized by the Consolidated Farm and Rural Development Act. Community Facilities offers financing in the form of loans, both direct and guaranteed, and grants to eligible participants in rural areas. In fiscal year (FY) 2005, the USDA Community Facilities program funded \$207 million in rural health care projects serving nearly 2.1 million people in rural areas.

Projects vary in both project size and scope—from hospitals to medical clinics, assisted living facilities, mental health centers, and various types of rehabilitation centers. Currently, USDA Community Facilities has 287 hospital loans and grants in its portfolio.

As of January 2006, there were 1,249 certified Critical Access Hospitals (CAH) located throughout the United States. A CAH is a hospital that is certified to receive cost-based reimbursement from Medicare. The program, created by Congress in the Balanced Budget Act of 1997, is designed to support limited-service hospitals located in rural areas. To qualify for CAH status, a hospital must meet certain criteria, such as be located in a rural area, provide 24-hour emergency care services, and have an average patient stay of 96 hours or less. Beginning on January 1, 2004, CAHs may operate up to 25 beds for acute inpatient care, subject to the 96-hour average length of stay for acute care patients.

In addition, changes in technology have presented new opportunities for delivering medical care in rural areas. Telemedicine is one innovation currently used to strengthen the likelihood of continued health care in rural communities. Section 6203 of the 2002 farm bill extended the Rural Development Distance Learning and Telemedicine loan and grant authority through 2007. This program provides funding for “end user” equipment to expand and improve medical services and educational opportunities through distance technology, allowing isolated rural hospitals and schools to utilize expertise that is located in more urban areas of the country. In FY 2005, \$4.8 million was obligated in rural health care and distance learning projects serving 36 States.

In 2005, the National Academy of Sciences Institute of Medicine, Committee on the Future of Rural Health Care, published “Quality Through Collaboration: The Future of Rural Health.” The following are some relevant statistics from this report.

Health Insurance

Individuals living in rural areas are more likely to be uninsured than those in urban areas (24 percent versus 18 percent), although they are 50 percent more likely to have Medicaid coverage. Two-thirds of the uninsured are low-income families, and 30 percent are children. Even those lower income individuals who are working often lack health insurance due to the structure of employment in rural areas—specifically, smaller employers, lower wages, and greater prevalence of self-employment.

Access to Quality Health Care

Primary Care Providers. There are fewer health care organizations and professionals of all kinds in rural areas compared to urban areas, and less choice and competition among them. In 2000, there were 119 physicians per 100,000 population in rural areas, compared with 225 physicians per 100,000 population in urban areas. Rural primary care providers are more likely to be family physicians or generalists with a broad scope of practice.

Almost 90 percent of the mental health profession’s shortage areas are in rural counties. Rural areas also are marked by a lack of access to dental services, resulting from an inadequate supply of dentists. Eleven percent of rural residents have never seen a dentist. In metropolitan areas, there are about 43 dentists per 100,000 population, compared with 29 in rural counties.

Emergency Services and Hospital Care. First-responder emergency service rates and transport times are greater in rural areas, with sizable geographic distances between patients and trauma centers.

Long-Term Care. Rural populations tend to be older than urban populations. Long-term care in rural areas is characterized by greater reliance on institutionally based care in hospitals and nursing homes compared to urban areas. Nursing homes located in rural areas are less likely to have certified skilled nursing beds or special care units; they provide mainly custodial care and have lower staffing ratios for both nurse aides and licensed nursing staff.

General Opinions Expressed

- Commenters generally expressed the need for enhanced funding to meet the country’s rural health needs, including affordable health insurance for farmers and farm workers.
- Some commenters supported the creation of health care cooperatives to deliver the necessary health care services to rural populations, while others suggested a national health care program for farmers.
- Others suggested that investing in primary care and health delivery projects, such as telemedicine, should continue to be the priority.
- Commenters asked that the Federal Government expressly recognize and set aside funds for capital improvements for critical care hospitals.

Detailed Opinions Expressed

- The addition of a doctor to a community and better access to health care for the rural population will help stabilize rural communities. USDA should expand eligible activities to include those that help rural communities recruit and retain physicians. USDA requirements should also allow rural communities financially strapped for cash to count in-kind services or space costs (such as off-site space for storage of medical records) as their matching share in lieu of cash contributions as an option.
- The next farm bill should be modified to support the expansion of rural broadband access and capacity. High-speed connectivity is critical for expanding access to health care in rural hospitals, clinics, and private health practitioner offices. In support of the Federal Government's health information technology initiative, broadband services must be expanded throughout the Nation.
- Cost savings realized from the reduction of commodity subsidies should be put into a National Center for Agricultural Behavioral Health. Currently, eleven Agriculture Safety and Health Centers exist across the country, but none that focus on behavioral health. Good health enables a farmer to be more productive on the job producing food, fiber, and renewable energy.
- Investing in primary care and health delivery capital projects should continue to be a priority. Rural communities in Alaska lack governmental infrastructure and tax bases – investing in capital projects to build capacity in rural areas for primary telemedicine, telepsychiatry, and telepharmacy should be a critical component of Federal assistance to rural areas.