PHILANTHROPIC COLLABORATIVE FOR A

HEALTHY GEORGIA

Improving Rural Health

An Issue Paper

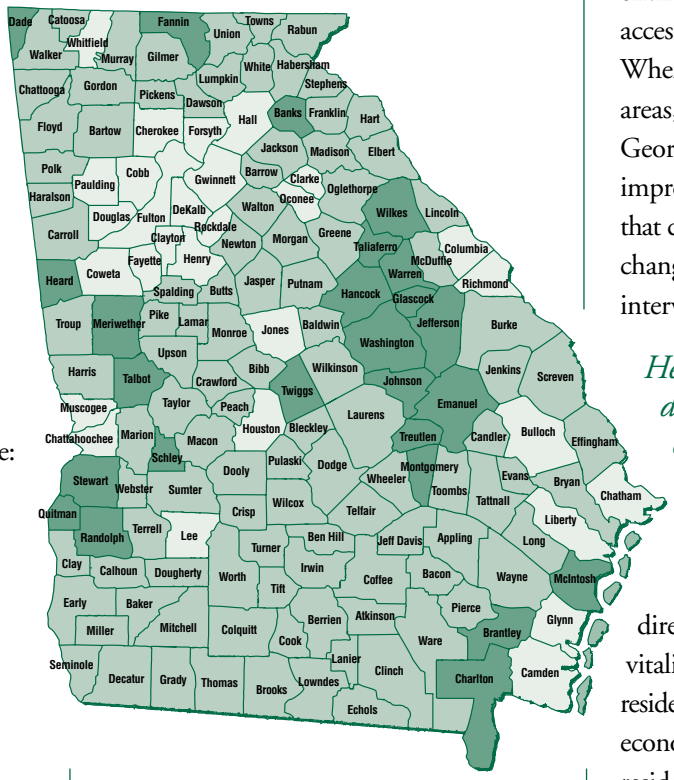
How Healthy are Rural Georgians?

Federal and State payment policies and rapidly changing healthcare technology have created tremendous challenges for rural healthcare systems. Community leaders and healthcare providers in Georgia have become increasingly concerned about the stability of these systems and their impact on the health status of residents in the state's rural areas.

Health status is measured by a combination of factors. These include: the prevalence of diseases such as cancer, diabetes, and heart disease; lifestyle behaviors; and individuals' self-perceptions of their health. Analyses of these factors reveal a dismal picture in rural Georgia (as depicted by the Georgia map).

Georgians living in rural areas are not as healthy as those living in urban areas. In fact, no county in Georgia has an "excellent" health status.

The health status of a community is complex. It is influenced by the lifestyles of its residents, the local economic environment, human biology, and access to quality health care services. When compared with citizens in urban areas, the health status of rural Georgians is significantly worse. To improve that health status, strategies that combine lifestyle and environmental changes with healthcare system interventions are essential.



GEORGIA HEALTH STATUS BY COUNTY, 1999

HEALTH STATUS

Excellent | Good | Fair | Poor

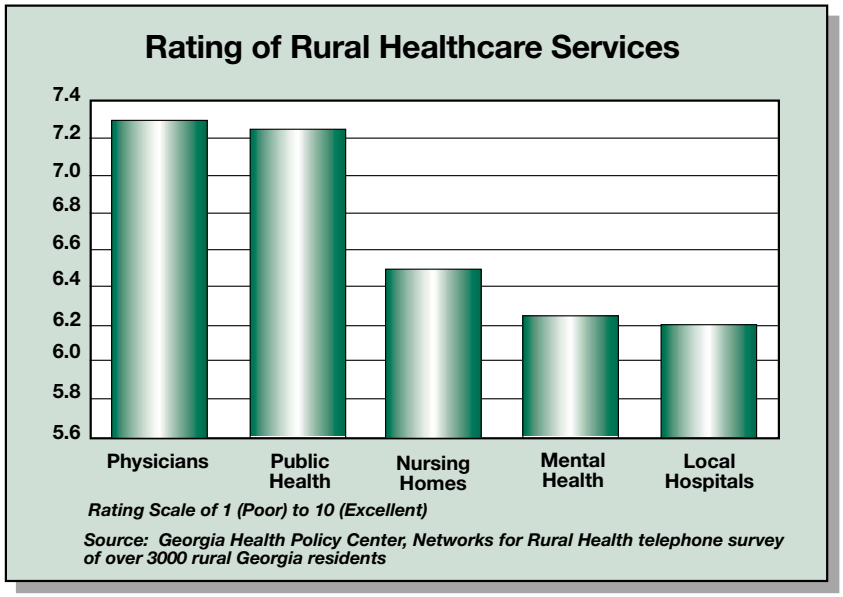
Prepared by: G.E. Alan Dever, Ph.D., M.T., M.D. (Hon.), Leah Trawick, B.S., & Lucy Kemp Department of Community Medicine-Mercer University School of Medicine

Data Source: Inforum, 2000

Health problems such as heart disease, diabetes, and cancer occur more frequently among people living in poor rural areas.

Health status of a community is directly related to the economic vitality of that community. The residents of communities with thriving economies tend to be healthier than residents of communities with struggling economies. As a result, the rate of heart disease is 45% higher in economically declining rural counties than in rapidly developing counties. Similarly, poor rural counties have a 35% higher rate of cancer and a 27% higher rate of diabetes than counties with higher socioeconomic levels.

What do Rural Georgians Want?



Because of growing concern over the disparities in health status among rural citizens, the personal concerns of rural Georgians were elicited through town hall meetings, six "listening" sessions, telephone surveys, and focus groups around the State. Several strong themes emerged.

- **Rural Georgians want to be healthier.** They are concerned about their physical and mental health status and desire more services for health education, health promotion, and mental health. They believe that only local programs to address health issues can be truly effective.
- **Rural Georgians want better access to health insurance.** They are distressed because many rural employers are not able to provide insurance benefits for their employees, and want access to prescription medications for uninsured and elderly rural residents.
- **Rural Georgians want better access to physicians and other healthcare providers.** They are worried about the ability of their communities to attract and retain qualified healthcare professionals. Specific issues include a lack of family practice doctors or specialty physicians, a high turnover rate among physicians, difficulty communicating with physicians, and a lack of thorough physical examinations.
- **Rural Georgians want stronger healthcare systems.** They fear that their local healthcare systems are crumbling as they see their local hospitals struggling financially and often closing. They are concerned that their community hospitals do not have the most current equipment or have developed reputations for providing poor quality care.
- **Rural Georgians want to strengthen the linkages that exist among their health systems, their health status, and the economic viability of their communities.** While concerned about the quality of care in their local hospitals, they do not want those hospitals to close. Almost 75% of the rural residents surveyed by telephone want their local hospital to remain open, and 58% are even willing to pay higher taxes for this purpose.

WHAT IS THE STATE OF HEALTHCARE IN RURAL GEORGIA?

How equipped is the healthcare system to meet the needs of rural Georgians and improve their health status? How "healthy" is insurance coverage, the availability of healthcare providers, and the viability of local hospitals? Analysis of these questions reveals another facet of the challenge.

- **The number of uninsured people in Georgia is increasing.** About 18% of individuals in rural areas are uninsured. In part, this situation occurs because rural communities have more small employers who are less likely to be able to offer health insurance benefits to their employees. The increasing number of uninsured individuals places a greater public financial burden on communities trying to cover indigent care costs.

- **Many rural communities lack an adequate number of primary care physicians to meet the needs of their residents.** It is often difficult to recruit and retain healthcare providers in rural areas because of poor economic situations and unstable hospital systems. As a result, economically declining rural counties have significantly fewer physicians than counties with stronger economies. Even some rapidly developing counties have relatively low numbers of primary care physicians because recruitment efforts cannot keep pace with increases in population growth.

- **Rural healthcare systems are often fragmented and ill equipped to address complex physical, behavioral, and social service needs.** Rural residents are often unable to access the full range of services they need from their community healthcare system due to gaps in care, limited availability of services, and lack of coordination among local providers. Studies reveal that rural residents are seeking care for certain basic health problems outside their communities and are thus taking needed revenue away from their local economies. As a result, many rural hospitals lack sufficient revenue to repair or replace buildings and order equipment that keeps pace with current technology.

- **Many of Georgia's rural hospitals are at risk of closure.** At least six out of every ten hospitals located in poor rural counties are at risk of closure. In a few of the poorest counties, nearly all of the hospitals are at risk. By comparison, only 18% of the hospitals in rapidly developing counties face a similar dire outcome. It is often difficult for rural hospitals to remain open because of decreases in payments from Medicare, Medicaid, and private insurance companies. The Georgia Hospital Association estimates that, over five years, the provisions of the 1997 Balanced Budget Act will lead to a loss of $651 million for Georgia's rural hospitals because of decreased payments from Medicare alone.

- **The financial viability of a local hospital significantly affects the economic well-being of the community.** Hospitals are proportionately large employers in rural areas. They generally pay higher salaries than other employers in the community and purchase substantial amounts of local goods and services. According to a study by the Georgia Hospital Association, the total economic impact of hospitals in Georgia's rural communities in 1998 was over $5.5 billion. In 1998, rural hospitals provided indigent care, charity care, and non-reimbursed care valued at $172 million; and paid over $29 million in taxes.

STRENGTHENING RURAL HEALTHCARE SYSTEMS

At the community level...

What can be done to strengthen local healthcare systems so that they provide the services needed to improve rural residents' health status? True change in healthcare delivery will occur only if we can harness the power of partnerships and build viable, local healthcare systems within the community. While stable local healthcare systems are frequently difficult to establish and challenging to maintain, they are possible if they are crafted with:

- **A shared vision** among organizations and individuals regarding the health needs of the community and a commitment to the purpose of meeting those needs.
- **Broad community participation** in planning, funding, building, promoting, and using the local healthcare system.
- **Strong community and provider leadership** in governing the strategic direction of the healthcare system, managing adaptations to the changing healthcare environment, and participating in continuing education opportunities.
- **Local teamwork** among existing providers and agencies to meet the medical, behavioral, family and social needs of the community.
- **Mutually beneficial regional/rural partnerships** to provide residents with care outside the local area when it is needed without removing them from the local system.
- **Clinically relevant care** based on the needs of the residents of a local community and designed to be personal and equal in quality to care provided elsewhere.
- **Financial viability** attained through efficient operations, accumulation of local financial support, and development of quality services to keep more healthcare dollars local.
- **Appropriate physical facilities**, including modernized buildings, up-to-date equipment for outpatient diagnostic services and inpatient care, and a fully functional emergency department.
- **External assistance to support change,** including guidance in gathering and organizing information about a community's healthcare system and technical assistance in planning and implementing system improvements.

At the State level...

Supportive healthcare policies at the state level are also essential to success. Such policies should:

- foster collaboration among state agencies and organizations,
- fund initiatives that provide access to health insurance,
- enhance provider recruitment and retention,
- provide financial incentives for local teamwork and regional partnerships,
- support community financial planning initiatives,
- fund innovative community health system development efforts,
- provide access to capital for updating equipment and facilities,
- support local continuing education, and
- fund internal and external partnerships to facilitate change.

GEORGIA'S VISION

Georgia's vision for rural healthcare systems is embodied in a recent initiative spearheaded by the Office of Rural Health Services (ORHS) in the Department of Community Health. This initiative, called the **Access Georgia Rural Health Initiative**, incorporates the essential community and state ingredients (outlined on page 4) into a comprehensive effort to establish regional partnerships for community health. The Initiative's vision is simple yet daunting: to optimize the health status and eliminate the health disparities of persons in rural and underserved areas of Georgia through the development of regional systems of quality healthcare.

Guiding principles for the Access Georgia Rural Health Initiative reflect the following mandates:

- The initiative must be community driven, building upon local strengths and needs.
- Community plans must be comprehensive, strategic, and outcome-based with measurable results.
- Collaboration must exist among the community providers (including primary care, secondary care, and tertiary care centers) and, in some cases, between rural and urban areas.
- Local healthcare dollars must be retained.
- State and local entities must share accountability for improved health status and reduced healthcare expenditures.

To carry out its vision, the ORHS has partnered with the Philanthropic Collaborative for a Healthy Georgia to support the Access Georgia Rural Health Matching Grants program. Through this program, private and public grant dollars are pooled to support viable systems of care for rural communities. A kick-off symposium was held in August (see box below on Rural Health Symposium). Another partner in this effort is the Georgia Health Policy Center (GHPC), which is coordinating the grants initiative on behalf of the ORHS and the Collaborative. In addition, the ORHS and the GHPC will provide technical assistance to communities in the areas of strategic planning, leadership development, patient enrollment, care management, and evaluation. ORHS will also develop recommendations to the State of Georgia, private payers, providers, and the business community for the statewide expansion and implementation of the Access Georgia Rural Health Initiative.

RURAL HEALTH SYMPOSIUM

The Philanthropic Collaborative for a Healthy Georgia and the Georgia Department of Community Health sponsored the Rural Health Symposium on August 22, in Macon. The purpose of this symposium was to explore the issue of rural health in Georgia, launch the Access Georgia Rural Health Matching Grants Initiative, and explore opportunities for partnerships.

This grants program is the second major grants initiative sponsored by the Collaborative. The first was devoted to improving school health, with the goal of improving the physical and mental health of low income and medically underserved school-aged children throughout Georgia. The Access Georgia Rural Health Matching Grants Initiative will focus on expanding access to health-related services and improving the health of medically underserved rural residents.

Symposium participants gained a greater understanding of the Initiative's vision and strategy, and of the experiences of several successful rural communities in Georgia (see Rural Health Models on page 7) and the Coordinated Care Network in Pittsburgh, Pennsylvania. They explored lessons learned from these experiences and discussed implications for future endeavors in improving health in rural Georgia.

A Request for Proposals was issued in August 2001, with awards to be announced in mid-December. The next issue of Update, the Philanthropic Collaborative's newsletter, will be devoted to a more detailed discussion of the matching grants initiative and the resulting grant awards.

A National Look

Not surprisingly, Georgia is not alone in its vision to improve both access to quality care and overall health status. A strong national movement is underway to transform community healthcare systems and the public's health by building on the power of partnerships and the strength of collaborative leadership. One of the premier national partnerships for the improvement of health care is the Community Health Leadership Network, a non-profit enterprise headquartered in Tampa, Florida. The Network is dedicated to the vision that: ***every community in America has a healthcare system that provides access to 100% of its residents and eliminates all disparities in health status among groups in the community.***

In pursuit of this national vision, the Network supports a 10-year effort in which 3,000 communities across America restructure their healthcare systems to provide 100% Access and 0 Disparities. This initiative, referred to as the **100%/0 Campaign**, has been underway since 1998 and is truly healthcare reform from the bottom up, community by community. These trailblazers are transforming the nation's healthcare system by restructuring assets already in place – and the State of Georgia is playing a major leadership role in that transformation. In fact, Georgia has received national recognition for its foresight in establishing the Philanthropic Collaborative, bringing together the foundation community to support successful individual community efforts to change the healthcare system.

Like the Access Georgia Rural Health Initiative, the Network's business strategy emphasizes long-term relationships with public and private community partners, development of leadership and political will in communities, solid financial planning and investments, and accelerated community adoption of innovations that improve clinical treatment and delivery system management (focused on innovations that advance self-care, preventive care, and case management).

To further the 100%/0 Campaign, several state and national organizations – including the Georgia Health Policy Center – organized the Communities in Action Conference on June 21-23, 2001, in Washington, D.C. The mission of the conference was to "improve health and increase access to the uninsured and underserved by: building leadership capital, bringing the right people to the table, getting the right message across, making deals, and generating commitments." During the conference, Georgia was spotlighted as a "best practice" for the State's role in promoting access expansion and health status improvements. Georgia had more participants at this conference than any other state (nearly 50 individuals), reflecting the State's priority on community health.

The Coordinated Care Network

has been operating in Pittsburgh PA, for 5 years and currently serves 57,000 patients. While located in an urban area, the lessons learned in building partnerships among foundations, safety-net providers, and payers are relevant to rural communities as well. Each partner brings "to the table" a unique set of expertise and experience. Providers have knowledge of patients and years of experience and entrenchments in communities they served; foundations contribute initial financial capital for building the Network, and extensive organizational and personal contacts; and payers (HMOs) provide special reimbursement, expertise, and data for the patients served by the Network. Three revenue products generated by the Network are: (1) a preventive case management model; (2) a low-cost prescription discount program; and (3) a health assurance program for the uninsured. Preliminary data indicate a 22% reduction in hospital bed days over the past 18 months, and a 24% reduction in emergency room visits over that same period. While the overall cost is estimated to exceed $4 million, the Network's model is projected to become self-sustaining through cost savings generated from coordinated interventions. This will ultimately reduce the safety net's dependence on philanthropy and enable greater service to the uninsured.

The Coordinated Care Network was founded to "transform health care delivery systems from something random and spontaneous to something that was more managed and preventive."

Jeffrey Palmer, President and CEO,
Coordinated Care Network

Rural Models in Georgia

A few Georgia communities are leading the way in testing innovative models for improving rural health status. Some of these models hold great promise. Their success seems to emanate from several critical components:

- Total community support and understanding of the initiative, including strong local government and business involvement.
- An unusual degree of collaboration and cooperation among health providers.
- A willingness of the local hospital to use some of the Indigent Care Trust Fund to offset the cost.
- An evaluation strategy that will measure the impact of the initiative and provide assurance of financial sustainability.
- A commitment by local physicians to participate and direct the care management programs.
- The willingness of other partners (payers other than the state and the local foundation community) to participate in such an initiative.

Access Emanuel focuses on healthcare services to the uninsured at reduced fees, prescription assistance, and case management/care coordination. The program relies on a network of participating providers that includes: 16 primary care providers, 6 specialty physicians, a community health center, a non-profit local hospital, a county health department, physical therapy and behavioral health services, and 2 rural health clinics. Case management supports chronically ill patients through intensive monitoring and care coordination, health education, support groups, and provision of free diabetic supplies. Multi-disciplinary Family Health Teams meet monthly to coordinate care of patients with multiple needs through a "biopsychosocial" approach. In slightly more than one year (March 2000 to June 2001), Access Emanuel has enrolled 45% of the targeted uninsured population, providing them with access to primary care and a "healthcare home." Other positive outcomes are a nearly 3-fold increase in PeachCare enrollment (Georgia's children's health insurance program) and a reduction in hospital indigent care costs from $590,000 to $150,000.

"It's my role as hospital CEO to retool things and liberate dollars so that we can fund the mission of the hospital, which is to serve the community regardless of ability to pay. Much of our success in gaining compliance comes from the personal relationship and bonding between health care provider and patient. Having someone who cares about them as a real partner makes all the difference."

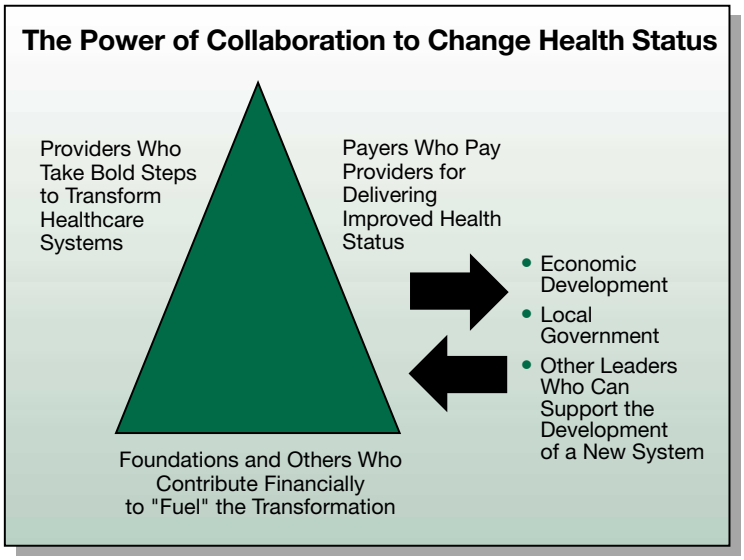
Dick Dwozan, Hospital Administator, Habersham County

Jefferson County Access Program provides diabetic case management through rural health clinics. Diabetes is one of the most prevalent diseases in the county, and patients are accepted without regard to race, creed, color, or ability to pay. In fact, 25% of enrollees are indigent and treated free of charge. Services include active case identification, intensive diabetic education, medical management, prescriptions, and coordinated referral for specialty care and preventive eye and foot care. Since its inception in May 2000, the program has grown tremendously and now serves over 274 patients. More than $1 million in free prescription drugs have been provided to medically indigent patients.

Health Care Central Georgia provides primary care and limited prescription drugs to uninsured adults between the ages of 18 and 64, with incomes below 235% of the federal poverty level. This urban/rural regional program encompasses seven central Georgia counties: Bibb, Crawford, Houston, Jones, Monroe, Peach, and Twiggs. Emphasis is on serving uninsured individuals with a diagnosis of at least one of four chronic conditions: hypertension, heart disease, diabetes, and depression. These health conditions were selected because: they affect a high proportion of residents; they are preventable, treatable or controllable; early intervention promotes positive outcomes and reduces illness and death; and proper management decreases emergency room use and/or hospitalizations.

The Power of Partnerships

The State of Georgia is committed to expanding models such as these to improve the health of all rural citizens. The challenge ahead is to unleash the power of collaboration to transform community health care and improve health status. To do so, we need strong leadership among: **providers** willing to take bold steps to change health care systems; **payers** willing to financially support providers for delivering improved health status; and **foundations and others** willing to contribute to "fuel" the transformation (see accompanying figure). In addition, the business and political sectors can both contribute to and benefit from development of new systems. Consideration should be given to such creative approaches as: building on the environments and traditions of collaboration that have been created by Family Connection and the economic development councils in nearly every community; involving county commissions in the process right from the start; and engaging local foundations to provide leadership and support.



The Georgia Health Policy Center is coordinating the work of the Philanthropic Collaborative for a Healthy Georgia.
For more information, please contact:
Mary Ann Phillips
404-651-3104
www.philanthropiccollaborative.org

Georgia State University
ANDREW YOUNG SCHOOL OF POLICY STUDIES