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USDA Agricultural Outlook Forum 2007

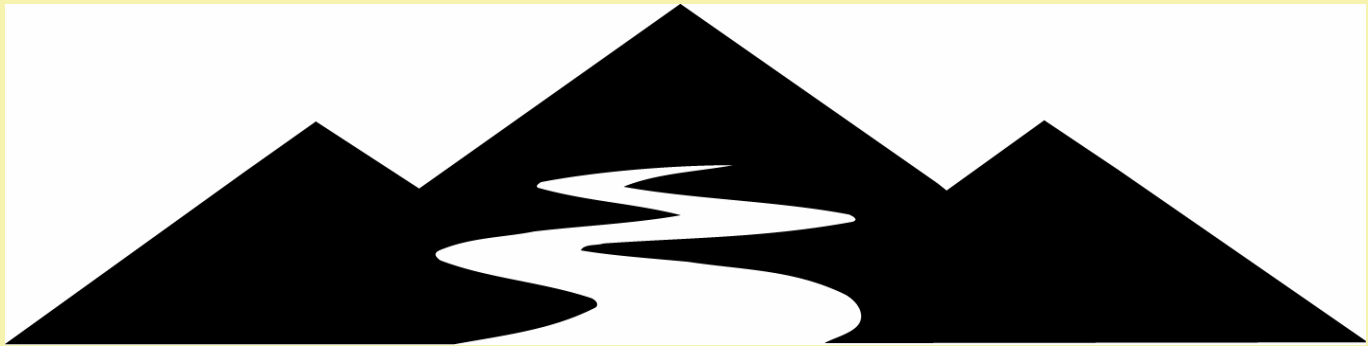
Presented: Thursday, March 1, 2007



A LOOK AT TELECOMMUNICATIONS,
HEALTHCARE & COMMUNITY
FACILITIES TO MAKE RURAL TOWNS
MORE VIABLE

Presented By:
Margo Harrison, CEO
Clark Fork Valley Hospital Plains, MT

Where is Plains, Montana ?





Clark Fork Valley Hospital & Family Medicine Network Locations

***Bull River
Clinic***

***Thompson
Falls
Clinic***

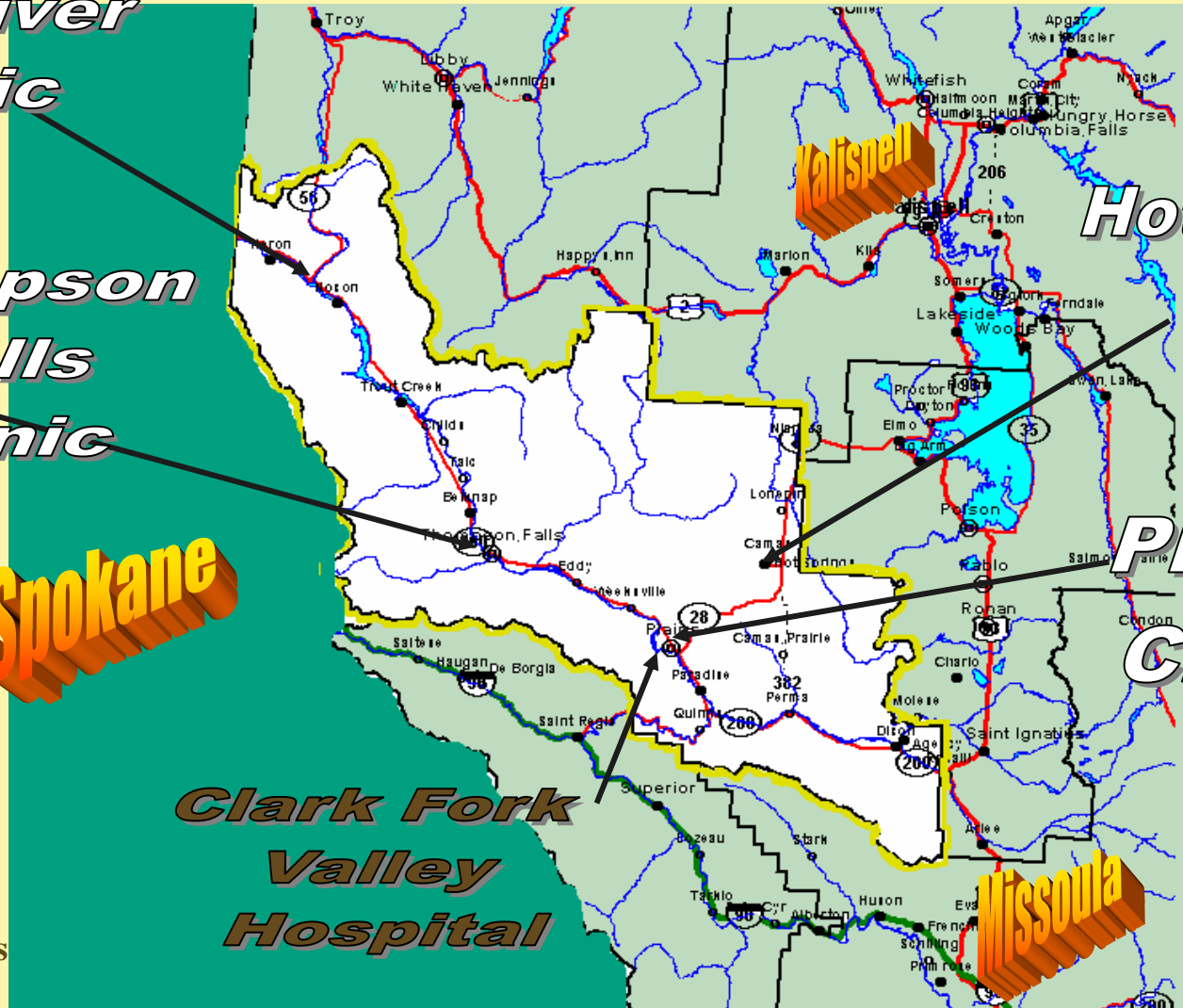
Spokane

***Hot Springs
Clinic***

***Plains
Clinic***

***Clark Fork
Valley
Hospital***

Missoula



- From Plains to:
- Kalispell - 79 miles
- Missoula - 74 miles
- Spokane - 150 miles

Clark Fork Valley Hospital (CFVH) is a Critical Access Hospital (CAH)

- ❖ Located in Sanders County, Montana.
- ❖ The county had 10,896 residents in 2004.
- ❖ It is a depressed, resource-based economy.
- ❖ It is currently experiencing an influx of retirees.
- ❖ CFVH is the only Hospital in the County with the closest alternate healthcare facility greater than sixty (60) miles away.

CFVH recently replaced its aging facility through a 10 million dollar new building and renovation project funded by the USDA.

CLARK FORK VALLEY HOSPITAL



PLEASE
DO NOT
BLOCK
EXIT

EMERGENCY





WHY ?



- Our area is attracting retirees with relatively high incomes who value health care quality & availability
- As other hospitals around us invested in upgrading their facilities, our market share was shrinking
- Although we provide a high quality of care, patrons are apt to judge the quality of care by the appearance of the surroundings
- The state of our physical plant was impacting staff morale and our ability to recruit much needed staff

Our existing facility was not designed to deliver care in the 21st century

CFVH is now the
largest employer in
the county.

Sanders County Income Demographics

Sanders County Households by Income:								
	1990 Census		2001 Estimate		2006 Projection		Percent Change	
							1990 to 2001	2001 to 2006
\$0 - \$15,000	1,292	38.0%	1,468	34.0%	1,482	32.5%	13.6%	1.0%
\$15,000 - \$24,999	1,019	30.0%	1,018	23.6%	1,100	24.1%	-0.1%	8.1%
\$25,000 - \$34,999	591	17.4%	848	19.6%	911	20.0%	43.5%	7.4%
\$35,000 - \$49,999	325	9.6%	562	13.0%	614	13.5%	72.9%	9.3%
\$50,000 - \$74,999	130	3.8%	281	6.5%	296	6.5%	116.2%	5.3%
\$75,000 - \$99,999	26	0.8%	73	1.7%	81	1.8%	180.8%	11.0%
\$100,000 - \$149,999	15	0.4%	29	0.7%	30	0.7%	69.0%	3.4%
\$150,000 +	27	0.8%	42	1.0%	49	1.1%	55.6%	16.7%
Average Hhld Income	\$24,106		\$28,921		\$30,052		20.0%	3.9%
Median Hhld Income	\$18,616		\$21,802		\$22,267		17.1%	2.1%
Per Capita Income	\$9,446		\$12,269		\$12,903		29.9%	5.2%

Source: CompData

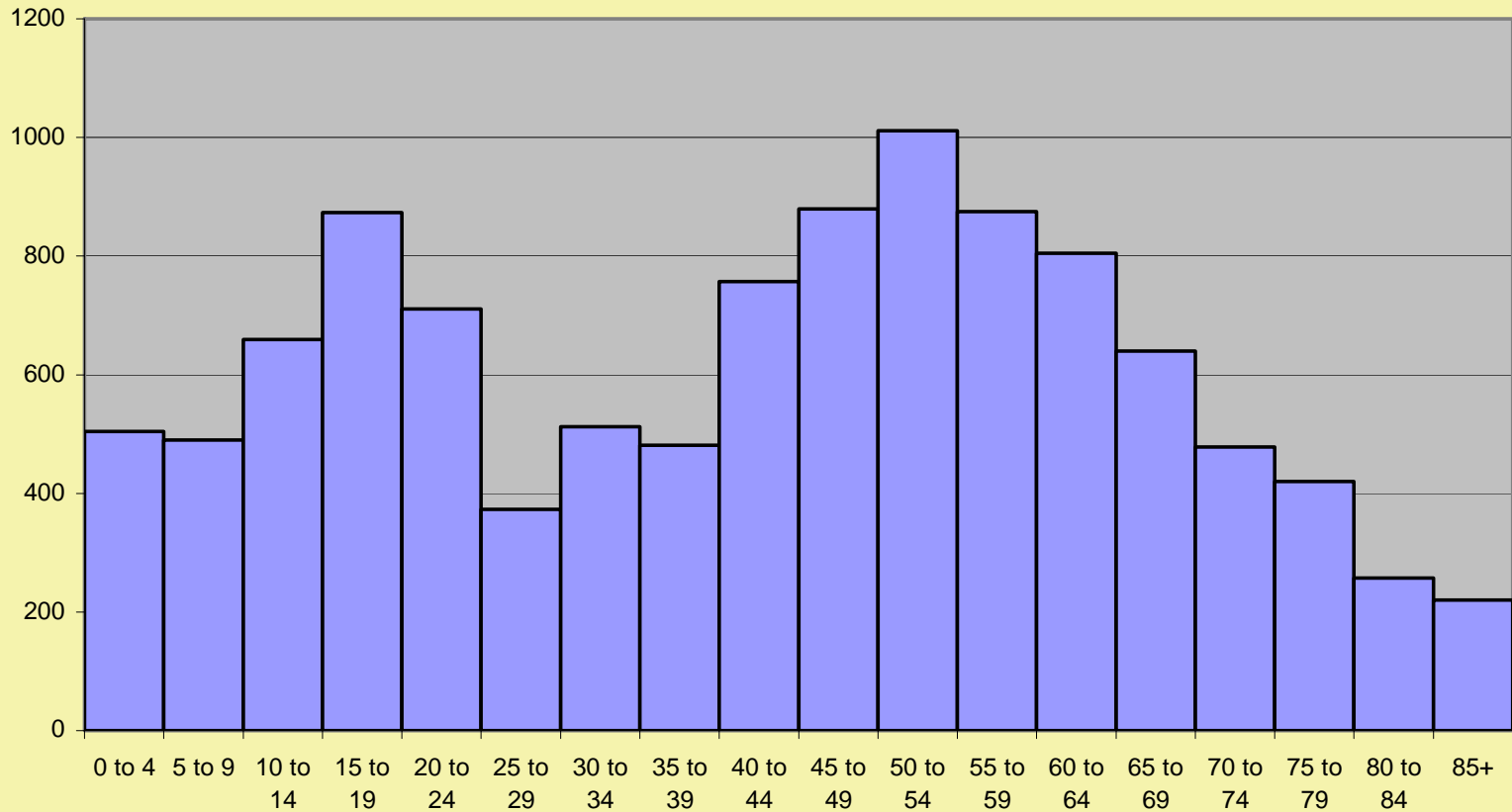


Age Demographics

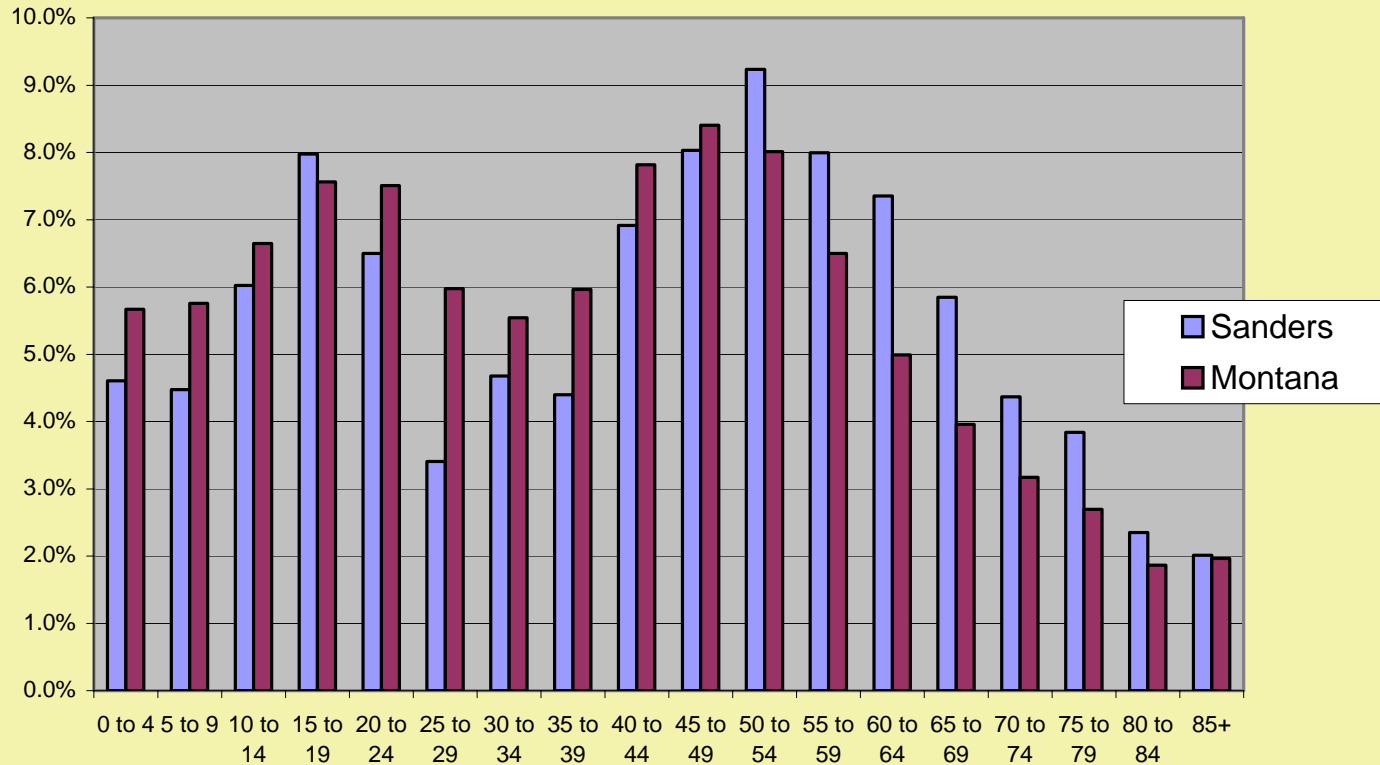
The Census Bureau estimated that there were 10,896 residents of Sanders County on July 1, 2004. Sanders County's age profile is similar to that of many rural Montana counties. In 2004, baby boomers were between the ages of 40 and 54. Following the baby boom came the "baby bust," which is evidenced by the lack of 25 to 39 year olds in the county. In many rural Montana counties, the baby bust is exacerbated by out-migration of young adults.

Age Demographic

Age Distribution of Sanders County Residents



Age Demographic



This graph shows how Sanders County's population distribution compares to Montana's. Sanders County has a median age of 44.2, making it the fourth oldest county in the state. Since older populations have higher rates of healthcare utilization, these demographics are important when planning for healthcare delivery now and in the future.

Sanders Co. Age Demographics

Sanders County *Population by Age:*

Age Group							Percent Change	
	1990 Census		2001 Estimate		2006 Projection		1990 to 2001	2001 to 2006
0 to 5	742	8.6%	729	7.0%	765	7.1%	-1.8%	4.9%
6 to 13	1,173	13.5%	1,282	12.4%	1,158	10.7%	9.3%	-9.7%
14 to 17	569	6.6%	596	5.7%	505	4.7%	4.7%	-15.3%
18 to 24	488	5.6%	1,016	9.8%	948	8.7%	108.2%	-6.7%
25 to 34	1,074	12.4%	1,004	9.7%	1,262	11.6%	-6.5%	25.7%
35 to 44	1,381	15.9%	1,463	14.1%	1,143	10.5%	5.9%	-21.9%
45 to 54	971	11.2%	1,585	15.3%	1,595	14.7%	63.2%	0.6%
55 to 64	873	10.1%	1,093	10.5%	1,615	14.9%	25.2%	47.8%
65 to 74	792	9.1%	854	8.2%	1,055	9.7%	7.8%	23.5%
75 to 84	475	5.5%	548	5.3%	547	5.0%	15.4%	-0.2%
85+	131	1.5%	210	2.0%	243	2.2%	60.3%	15.7%

Source: *CompData*



Technology and Telecommunications

- Recent advances in technology and telecommunications allow small community Hospitals like CFVH to provide up-to-date services locally.
- (HIS) electronic Health Information System
- (EMR) electronic medical record
- (PACS) Picture Archiving & Communications System/Telemedicine/Teleradiology
- *Networking* with Urban providers



Economic Impacts

Businesses have an economic impact on their local communities that exceeds the direct amount of people they employ or wages they pay.

- Individuals employed at Clark Fork Valley Hospital spend a portion of their salary on goods and services produced in Sanders County, thus supporting jobs and income in those local businesses.
- The hospital itself may purchase goods and services from local suppliers. These businesses and employees then spend a portion of their income on local goods and services, which in turn supports other local jobs and companies.
- The effect of one dollar of wages is multiplied as it circulates through the community.



Economic Impacts

The relatively high wages earned by hospital employees also tend to boost hospitals' multipliers.

Multipliers are calculated using a methodology called *input-output analysis*.



Economic Impact of Healthcare in Sanders Co.

According to the input-output analysis, the hospital industry sector in Sanders County has the following multipliers:

Hospital Employment Multiplier = 1.56

Hospital Employee Compensation Multiplier = 1.21

Hospital Output Multiplier = 1.43



What do these numbers mean?

- The employment multiplier of 1.56 can be interpreted to mean that for every job at Clark Fork Valley Hospital, another 0.56 jobs are supported in Sanders County.
- The employee compensation multiplier of 1.21 simply states that for every dollar in wages and benefits paid to the hospital's employees, another 21 cents of wages and benefits are created in other local jobs in Sanders County.
- The output multiplier of 1.43 indicates that for every dollar of goods and services produced by Clark Fork Valley Hospital, output in the county increases by another 43 cents.



Other Economic Impacts

There are other potential economic impacts of hospitals beyond those identified by the input-output analysis.

Novak (2003) observes that “...***a good healthcare system is an important indication of an areas quality of life. Healthcare, like education, is important to people and businesses when deciding where to locate***”.*

* Novak, Nancy L. (2003) Bridging the Gap in Rural Healthcare The Main Street Reserve Bank of Kansas City. September 2003



Other Economic Impacts

The presence of a quality healthcare system gives communities advantages:

- When competing for new businesses.
- Attracting retirees to the community.
- Providing opportunities for young people to stay in the communities where they were raised and still earn a high wage.



Rural healthcare providers improve the quality of life and viability of their communities through the:

- direct provision of jobs,
- indirect support of local services and community initiatives
- hospital and employee spending on goods and services locally,
- greater access to Healthcare
- increased real estate values



Big Horn Sheep



Clark Fork River, Plains MT