

THE IMPERATIVE

Healthy people and strong medical systems are fundamental to economic competitiveness.

Without healthy workers, rural businesses pay additional costs. Without financially stable health institutions, rural communities cannot keep the businesses they have, and will be unable to attract new ones. Healthy communities are essential for vibrant, competitive rural economies and continued private sector business investment; but **70 of the 80 rural counties in North Carolina are currently designated “medical deserts” for their lack of primary care availability.**

The health sector is an economic engine.

Diverse health care providers contribute greatly to the quality of life of rural communities. Health care is a sector that has experienced growth across rural North Carolina even during the Great Recession and many health care occupations pay above average wage levels relative to other rural jobs.

Rural hospitals are vulnerable and the economic impact is real.

The North Carolina Rural Health Research Center at the Cecil G. Sheps Center for Health Services Research at UNC—Chapel Hill, released a report in December 2017 that identified 197 rural hospitals across the nation at high risk of financial distress. This is nine percent of all rural hospitals. **In North Carolina there are eight rural hospitals at high risk of financial distress.** Typically, these hospitals serve a more vulnerable population, both in health and economic benchmarks. Should these hospitals close, the economic impact for the communities would be profound.

The bottom line:

To retain existing jobs and to recruit new ones, rural North Carolina has to have a high quality of life. A sustainable, financially sound health care system is essential to good jobs, good wages, and a competitive rural economy. In order for rural health to flourish, we need to tackle several issues, including:

- Close the health insurance coverage gap
- Recruit and retain health care providers in rural places
- Combat the opioid crisis by fighting its symptoms AND root causes
- Implement recommendations of NC DHHS’s Telehealth Report

Various policy strategies could be leveraged in support of these goals, but the imperative is clear: a strong health care delivery system matters for individuals, communities, and local economies.

THE SOLUTIONS

The State of North Carolina, through legislative and executive actions, should implement the following options:

1. Close the Health Insurance Coverage Gap

There are approximately 400,000 people in North Carolina who fall into the health insurance coverage gap. Most of them are working hard but do not make enough money to afford health insurance. Closing the gap in North Carolina would be a single policy action that would not only provide relief for working families across the state, but would also stabilize health care systems in rural North Carolina.

Over a four-year period, closing the gap would give a \$21.5 billion boost to the state’s economy, reduce uncompensated care by \$3.45 billion, and bring more than 43,000 jobs to North Carolina.

There are multiple policy proposals being considered by the General Assembly, and it is important to make sure we create a model that will work for North Carolina. But, there is no single health policy action that we could take that would make more difference to individuals, communities, and local economies than closing the coverage gap.

2. Recruit and Retain Health Care Providers to Rural North Carolina

The Rural Center applauds the NC General Assembly for forming a study committee this year to explore policy options for recruiting and retaining more health care providers in rural areas. Chaired by Representative David Lewis and Senator David Curtis, this committee recently released its draft recommendations. The Rural Center believes their suggestions form a strong blueprint for rural health care. They include:

- Enhance graduate medical education funding in rural areas
- Increase funding for loan repayment for rural health providers
- Identify rural hospitals that desire to serve as teaching hospitals
- Supplement funding for Southern Regional AHEC and Eastern AHEC (the Rural Center would also suggest greater funding for AHECS across the state)
- Implement a statutory framework for telemedicine in North Carolina

3. Combat the Opioid Crisis by Addressing Symptoms and Root Causes

The Rural Center was pleased that the NC General Assembly came together across political lines to unanimously pass the STOP Act in 2017. This legislation will help curb the number of opioid prescriptions, but questions remain about how to enforce this legislation and how to build upon it by next addressing the root causes of the crisis.

More efforts need to be paid to prevention, treatment, and recovery. Ultimately, though, one of the biggest obstacles in fighting the opioid crisis is our state's broken behavioral health system. Focused attention must be paid on transforming behavioral health in North Carolina, both to counter the effects of opioids and to ensure a high quality of life for all our rural residents.

4. Implement NC DHHS Telemedicine Report

Session Law 2017-133, Section 2, required the Department of Health and Human Services to prepare and present a report to the Joint Legislative Oversight Committee on Health and Human Service on findings and recommendations for telehealth policy. We encourage lawmakers to implement DHHS's recommendations, which include more clearly defining:

- The definition and scope of services of "telemedicine"
- Acceptable communication and data transfer speeds necessary to ensure information privacy
- Informed consent standards
- Provider licensing standards
- Reimbursement standards

The report also recommends –and the Rural Center supports– joining the national Psychology Interjurisdictional Compact (PSYPACT), to address behavioral health workforce shortages by allowing providers to practice across state lines.

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