

## **A Case Study of Developments in Rural Health in Difficult Economic Times: Walthall County, Mississippi**

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### **INTRODUCTION**

The U.S. health care crisis is especially strong in rural communities. The experience of Walthall County, a small county located in southwestern Mississippi, exemplifies these problems.

Walthall County face challenges common to most rural areas:

- An aging population with relatively high rates of poverty,
- A vulnerable local economy,
- Substantial health care access barriers,
- Difficult financial circumstances for the local hospital and other health providers,
- High out-of-pocket health care costs for residents, and
- Less access to health information technology and other infrastructure that is important for health care quality.

These persistent health care challenges for rural communities have been amplified by the current economic downturn.

### **PORTRAIT OF WALTHALL COUNTY**

Walthall County is home to about 15,416 people.<sup>1</sup> Tylertown is the county seat, with a population of about 1,923.<sup>2</sup>

Walthall County is referred to as “The Cream Pitcher of Mississippi.” It is the primary dairy county in the state, leading in milk production and the number of dairies.<sup>3</sup>

**As in most rural places, in Walthall County the population is older and poorer than the U.S. population overall.**

- Nearly one in seven Walthall County residents are 65 years or older (14%), compared to 12% of the nation as a whole.<sup>4</sup> In general, elderly Americans have greater and more complex health care needs.
- In 2000, 28% of all Walthall County residents and 43% of the county’s children were living in poverty. During this time period, U.S. poverty rates were 12% overall and 17% among children.<sup>5</sup> This high poverty rate is associated with health care access problems for the low-income population and financial difficulties for local health care providers.

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<sup>1</sup> 2008 U.S. Census Bureau (May 15, 2009).

<sup>2</sup> 2007 U.S. Census Bureau (June 25, 2009).

<sup>3</sup> <http://www.walthallcountychamber.org/index.html>.

<sup>4</sup> 2000 U.S. Census Bureau (May 14, 2009).

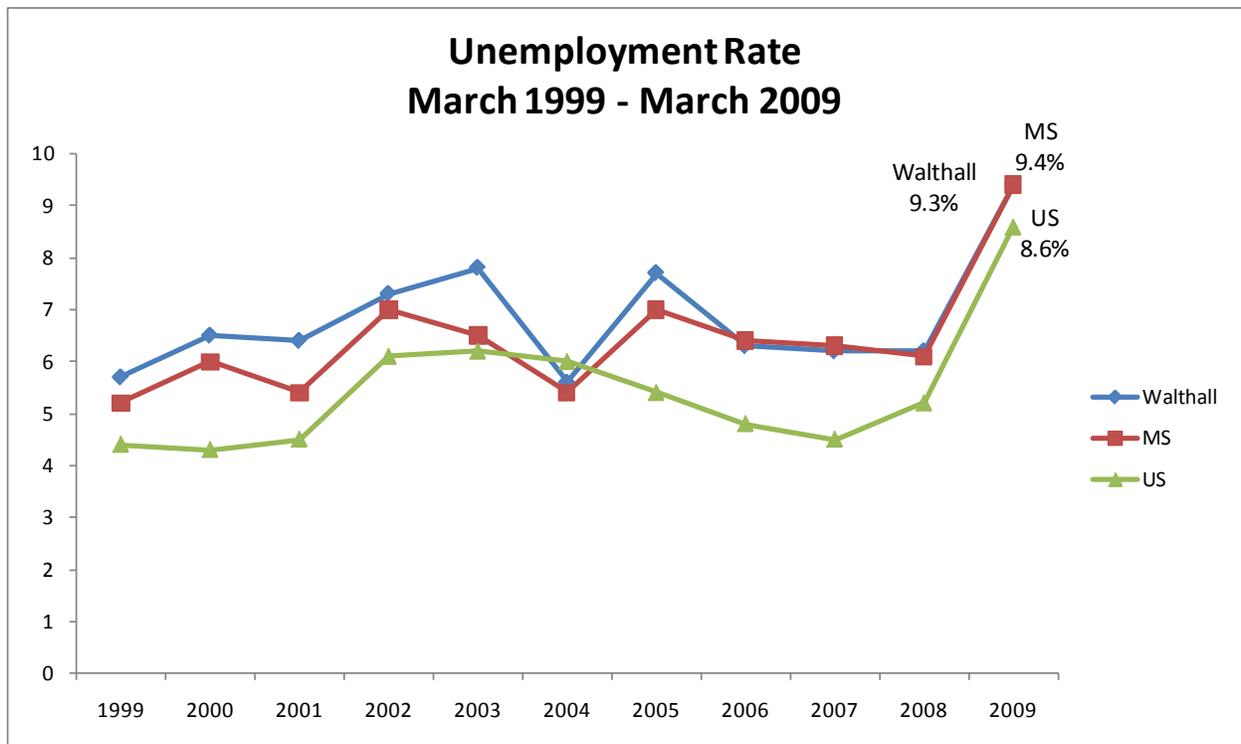
<sup>5</sup> 2000 U.S. Census Bureau (May 14, 2009).

**Walthall County has been hit hard by the current economic downturn.**

One of Walthall County’s substantial employers, a wire manufacturing company that employed approximately 500 employees, relocated outside of the county a few years ago. Today, a small business that employs about 40 people has taken its place. Moreover, recent reductions in housing markets have impacted the timber industry, a major source of employment and economic activity in Walthall County.<sup>6</sup>

By March 2009, the unemployment rate in Walthall County had climbed to 9.3%, increasing significantly from the previous year (6% in March 2008). This rate is comparable to the unemployment rate of Mississippi (9.4% in March 2009) and slightly higher than the United States overall (8.6% in March 2009).<sup>7</sup>

These economic challenges have amplified the health care crisis in Walthall County and rural areas throughout the country.



Source: U.S. Bureau of Labor Statistics.

<sup>6</sup> Personal Communication, Jimmy Graves, Hospital Administrator, Walthall County General Hospital (June 23, 2009).

<sup>7</sup> U.S. Bureau of Labor Statistics (May 14, 2009)

[http://www.google.com/publicdata?ds=usunemployment&met=unemployment\\_rate&idim=county:CN281470&q=walthall+county+unemployment+rates+trend](http://www.google.com/publicdata?ds=usunemployment&met=unemployment_rate&idim=county:CN281470&q=walthall+county+unemployment+rates+trend).

## **DIMINISHING ACCESS TO HEALTH CARE**

### **Historically, Walthall County has had a high uninsurance rate.**

In 2000, 23% of Walthall County residents were uninsured compared to 14% of all U.S. residents.<sup>8</sup>

### **Rural residents have less access to job-based health insurance**

The majority of employers in Walthall County are small businesses that typically employ from 25 to 40 people. Small businesses like these are less likely to offer health insurance as a benefit to employees, often because they cannot afford to do so.<sup>9</sup>

### **Many Walthall County residents rely on public health insurance.**

Of the residents of Walthall County, 14.7% are enrolled in Medicare,<sup>10</sup> 17.5% are enrolled in CHIP,<sup>11</sup> and 26.7% are enrolled in Medicaid<sup>12</sup> compared to national rates of 14.9%,<sup>13</sup> 8.9%,<sup>14</sup> and 20%,<sup>15</sup> respectively.

### **Like most rural areas, Walthall County has a low supply of health care providers.**

With only 10 physicians in the county,<sup>16</sup> the county's physician-to-population ratio is lower than the ratios for Mississippi and the United States overall—65 physicians per 100,000 population<sup>17</sup> as compared to 214 physicians per 100,000 population for the United States overall.<sup>18</sup>

Rural county leaders are particularly concerned about the lack of access to specialty care and dental services. There are about two dentists for every 10,000 residents in Walthall County,<sup>19</sup> well below the national rate (six dentists per 10,000 population).<sup>20</sup> Furthermore, there are no physicians in Walthall County with a primary specialty related to mental health.<sup>21</sup> Certain preventive care services, such as mammography procedures, are not available in Walthall County.<sup>22</sup>

The aging of the health care workforce may worsen these shortages in Walthall County in the near future. One-half of the physicians in the county are over the age of 55 years, including one physician

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<sup>8</sup> 2000 U.S. Census Bureau (May 15, 2009) <http://www.census.gov/cgi-bin/hhes/sahie/sahie.cgi>.

<sup>9</sup> Holve E, Brodie M, Levitt L. (2003). Small business executives and health insurance: findings from a national survey of very small firms. *Managed Care Interface*, 16(9), 19-24. Accessed June 25, 2009.

<sup>10</sup> Mississippi State Department of Health [http://www.msdh.state.ms.us/msdhsite/\\_static/19,1947,242,211.html](http://www.msdh.state.ms.us/msdhsite/_static/19,1947,242,211.html).

<sup>11</sup> Mississippi State Department of Health [http://www.msdh.state.ms.us/msdhsite/\\_static/19,1947,242,211.html](http://www.msdh.state.ms.us/msdhsite/_static/19,1947,242,211.html).

<sup>12</sup> Mississippi Division of Medicaid, July 2009.

<sup>13</sup> 2008 Centers for Medicare and Medicaid Services <http://www.cms.hhs.gov/MedicareEnRpts/Downloads/HISMI08.pdf>.

<sup>14</sup> 2008 Centers for Medicare and Medicaid Services <http://www.cms.hhs.gov/NationalCHIPPolicy/downloads/CHIPEverEnrolledYearGraph.pdf>.

<sup>15</sup> 2006 Kaiser Family Foundation <http://www.statehealthfacts.org/profileind.jsp?ind=199&cat=4&rgn=1>.

<sup>16</sup> 2006 Area Resource File.

<sup>17</sup> 2006 Area Resource File. 2005 US Census Bureau.

<sup>18</sup> New York Center for Health Workforce Studies (October 2006).

<sup>19</sup> 2006 Area Resource File.

<sup>20</sup> New York Center for Health Workforce Studies (October 2006).

<sup>21</sup> 2006 Area Resource File.

<sup>22</sup> Personal Communication, Jimmy Graves, Hospital Administrator, Walthall County General Hospital (June 23, 2009).

who is over the age of 70 years and who has current health problems. Additionally, one-half of the county's hospital employees are over the age of 50 years.<sup>23</sup>

## **FINANCIAL DIFFICULTIES OF LOCAL PROVIDERS**

### **Walthall County General Hospital faces the same financial problems as many small, rural hospitals.**

Walthall County General Hospital, a critical access hospital located in Tylertown, has served the residents of Walthall since 1970. Walthall County General Hospital currently employs 145 employees, with 134 full-time equivalents.<sup>24</sup>

Like many rural hospitals, Walthall County General is very vulnerable to changes in physician supply. With only six physicians, and one-half of them over the age of 55 years, hospital authorities are concerned about the shortage and the difficulty in recruiting young physicians to the community. Additionally, clinic scheduling is disrupted and hospital admission is affected whenever a physician goes on vacation.<sup>25</sup>

Further, a high proportion of Walthall County General's patients are insured by Medicare or Medicaid. Eighty-five percent of the patients rely on either Medicare or Medicaid; 70% use Medicare specifically. The hospital essentially earns very little profit from treating these patients as they are reimbursed for allowable costs plus 1%.<sup>26</sup>

Many other patients at Walthall County General Hospital are unable to cover the full cost of their care, either because they lack insurance coverage or because they face high out-of-pocket costs under the insurance they do have. Twenty-eight percent of Walthall County General Hospital's emergency room patients cannot afford to pay for their full cost of care.<sup>27</sup>

In many larger hospitals, Medicaid and charity care patients are subsidized by higher reimbursement for persons with private insurance. However, the percentage of patients with generous private insurance is typically low for most small rural hospitals.

## **ESCALATING HEALTH CARE COSTS**

### **Rural residents pay more of their medical costs out of their own pockets than do urban residents.**

Further, more than 10% of rural individuals with private coverage spend more than one-tenth of their family income on medical cost, compared to about 6% of their urban counterparts.<sup>28</sup>

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<sup>23</sup> Personal Communication, Jimmy Graves, Hospital Administrator, Walthall County General Hospital (June 23, 2009).

<sup>24</sup> Personal Communication, Jimmy Graves, Hospital Administrator, Walthall County General Hospital (June 23, 2009).

<sup>25</sup> Personal Communication, Jimmy Graves, Hospital Administrator, Walthall County General Hospital (June 23, 2009).

<sup>26</sup> Personal Communication, Jimmy Graves, Hospital Administrator, Walthall County General Hospital (June 23, 2009).

<sup>27</sup> Personal Communication, Jimmy Graves, Hospital Administrator, Walthall County General Hospital (June 23, 2009).

<sup>28</sup> Ziller EC, Coburn AF, Anderson NJ, Loux SL. Uninsured rural families. (2008). *Journal of Rural Health*, 24(1), 1-11. Accessed May 18, 2009.

**In Walthall County, the number of patients who are unable to pay for their health care has increased.**

In the past few years, the amount of charity care provided at Walthall County has steadily increased; however, hospital authorities have noticed a sharp 8% increase in the past year. Currently, the hospital performs \$1.4 million in charity care annually.<sup>29</sup>

These cost issues are fueled by increases in both uninsurance and under-insurance. As local businesses look to curb health care costs, Walthall health providers have noticed a large jump in the number of patients with very high deductible health plans. Many of these patients cannot afford to meet their deductibles, forcing them to either forgo care or rely on charity care from local providers.

**Many residents cannot afford their prescribed medications.**

Rural privately insured individuals are less likely to have prescription drug coverage than those in urban areas.<sup>30</sup> Recently, it has been noted that a significant number of Walthall County residents have been postponing prescription fills or only filling their prescriptions partially.<sup>31</sup> Unfortunately, there is no prescription drug assistance program in the county.

**PERSISTENT GAPS IN QUALITY**

Many of the quality problems in the U.S. health care system are present in both rural and urban areas. But rural health care providers face some special challenges in their efforts to provide high quality care.

**Rural providers have less access to information technology.**

- Adoption of electronic health records by hospitals in rural areas has been slower than in metropolitan areas.
- In Walthall, no medical practices have electronic medical records.<sup>32</sup>
- Walthall County General Hospital would like to invest in health information technology. Unfortunately, there is simply no funding available.<sup>33</sup>

**Reasons for hospitalization and mortality in rural can be related to lack of primary care and disease management, and to characteristics of the rural environment**

- In Walthall County, chronic conditions, including diabetes, heart disease, chronic obstructive pulmonary disease, and pneumonia, are the top reasons for hospitalization.<sup>34</sup> Walthall County has higher rates of mortality due to major cardiovascular and heart diseases than Mississippi as a whole.<sup>35</sup>

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<sup>29</sup> Personal Communication, Jimmy Graves, Hospital Administrator, Walthall County General Hospital (June 23, 2009).

<sup>30</sup> Ziller EC, Coburn AF, and Yousefian AE. (2006). Out-of-pocket health spending and the rural underinsured. *Health Affairs*, 25(6), 1688-1699. Accessed May 26, 2009.

<sup>31</sup> Personal Communication, Jimmy Graves, Hospital Administrator, Walthall County General Hospital (June 23, 2009).

<sup>32</sup> Personal Communication, Jimmy Graves, Hospital Administrator, Walthall County General Hospital (June 23, 2009).

<sup>33</sup> Personal Communication, Jimmy Graves, Hospital Administrator, Walthall County General Hospital (June 23, 2009).

<sup>34</sup> Personal Communication, Jimmy Graves, Hospital Administrator, Walthall County General Hospital (June 23, 2009).

<sup>35</sup> Mississippi State Department of Health [http://www.msdh.state.ms.us/msdhsite/\\_static/resources/3010.pdf](http://www.msdh.state.ms.us/msdhsite/_static/resources/3010.pdf).

- Walthall County also has higher rates of mortality due to unintentional motor vehicle injuries (32.6 deaths per 100,000 population) than Mississippi (30.6 deaths per 100,000 population).<sup>36</sup>

## **CONCLUSION**

This report illustrates that the cost of maintaining the health care system status quo remains a significant burden to local providers in rural areas like Walthall County, Mississippi. Significant changes in health care finance, delivery, and organization are needed to ensure continuous access to essential services.

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<sup>36</sup> Mississippi State Department of Health [http://www.msdh.state.ms.us/msdhsite/\\_static/resources/3010.pdf](http://www.msdh.state.ms.us/msdhsite/_static/resources/3010.pdf).