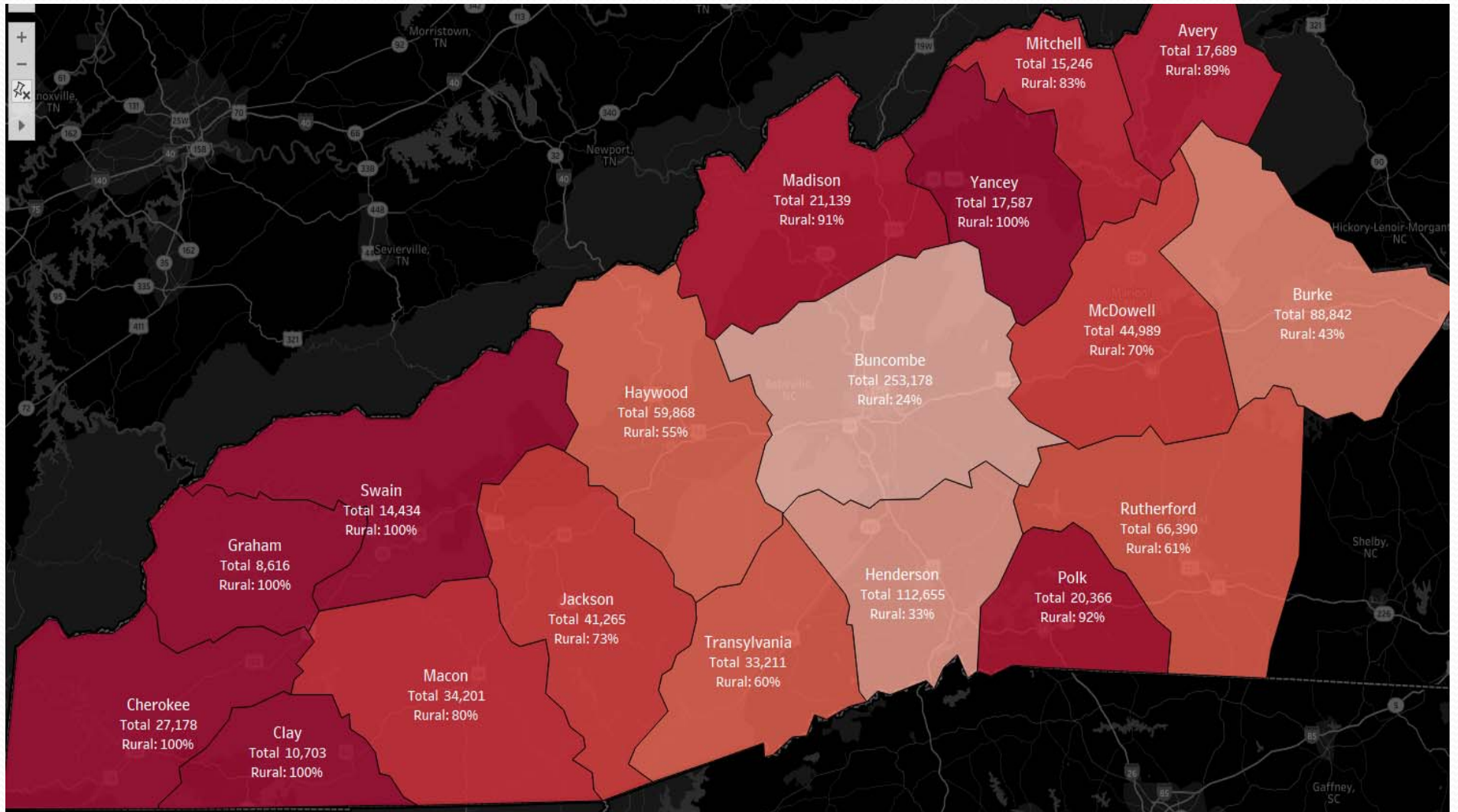


Rural Health in Western North Carolina: A dangerous game of Health Care Jenga

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Population of 887,000 – Predominantly Rural



Multi-dimensional changes since 1984

Community:

- Schools
- Business stability
- Workforce

Providers:

- Affordable medical education
- Loan Repayment
- Racial diversity, rural background, socioeconomic diversity

Hospitals:

- Community hospitals with local autonomy
- Essential services offered- adult, pediatric, surgery, OB
- Core specialty services intermittently

“Health System”:

- The Electronic Health Record
- Patient care oriented medical charts
- Low overhead for primary care
- Diversity of payers, cash for primary care
- Effective communication among providers
- Continuity of care in primary care

Government and regulatory:

- HIPPA
- Stark and Ant kickback (and “Fair Market Value”)
- EMTALA
- Federal Loan Repayment Guidelines
- Medicare Physician Fee Schedule 1995 and 1997

Rural Health Care 1984



MAHEC Health Innovation Partners

Actual Rural Health Care 1984



MAHEC Health Innovation Partners

Early changes accommodated



1980s:

- Increasing cost of medical education
- Advent of insurance for ambulatory services
- Growing gap between specialty care compensation vs primary care
- Exploding technology

Things get shaky



1990s:

- Medicare Fee Schedule 1995 and 1997 and others follow suit
- Growth of chain pharmacies
- Growth of chain everything
- Exploding technology
- Urgent care