

**Impacts of Geography and Demographics on Frontier Communities:
Developing Key Issues and Policy Recommendations**

SUMMARY - Frontier and Rural Expert Panel Meeting
Albuquerque, New Mexico May 27, 2010

Attending:

Members: Martin Bernstein, Maine, Patricia Carr, Alaska; Caroline Ford, Nevada; Rebecca Slifkin, North Carolina, David Squire, Utah.

Consultants: Carol Miller, Harvey Licht, Victoria Freeman.

Facilitator: Charlie Alfero, Guest, Magdeleno Manzanares.

Presenter: Mil Duncan

Discussant: Louis LaRose.

Project Officer: Keith Midberry, ORHP.

MORNING SESSION

Carol Miller and Caroline Ford welcomed Panel members to the meeting. The participants introduced themselves. Charlie Alfero was the facilitator for the meeting.

The goal of the meeting was to provide guidance for the development of two Issue Briefs for the federal Officer of Rural Health Policy (ORHP). This is a Task/Deliverable in the current contract with ORHP as described in the following excerpt from the RFP.

Task 3: Issue Briefs

A. The Contractor shall prepare issue briefs, by consulting experts in the field, the Advisory Group, performing literature searches, and other means as necessary, including the following subjects, then prepare briefs of no more than five pages to the Project Officer.

1. How the unique geography of frontier areas affects health care delivery (distance, isolation, percentage of land that is owned or controlled by the U.S. Government through forest or parkland which reduces the amount of tax revenues available to some communities making it harder to provide services).
2. What demographic factors (Health Professional Shortage Areas, poverty, percentage of federal land, population density) most affect the ability of frontier communities to provide health care services).

Prior to this face-to-face meeting of the FREP, two conference calls had been held for the members to help better focus the topics within the very broad subject areas included in the RFP. Mil Duncan was asked to lead a one hour presentation and discussion on poverty and community development. Harvey Licht and Carol Miller also developed

presentations to serve as background information for the discussion of the issue briefs. The presentations are in the Attachments.

Presentation One
Overview: Types of Frontier – Harvey Licht

Licht recently retired from the New Mexico Department of Health where he oversaw the Office of Rural Health and other programs and is currently working with the National Center for Frontier Communities. In the late 1980's and early 1990's, Licht chaired a National Rural Health Association Frontier Health Care Task Force and helped pass the NRHA bylaws amendment, which in 1990 added a Frontier Constituency Group to the association. He is a leading expert on frontier health systems.

Licht kicked off his presentation with a discussion of the history of the contemporary frontier movement, which began in the 1980's. He presented several definitions and designation processes currently in use. Maps detailing land use and settlement patterns describing three distinct types of frontier communities were shown.

Licht makes the case for consideration of frontier status because:

“•Target populations which will likely require **public intervention** to assure a core set of health services.”

He also affirmed his belief that there is a national responsibility for supporting frontier areas:

“•Public Purposes:

–Assure the **geographic equity** of the health service system.

–Establish a **standby capacity** of key services where low volume makes market solutions unlikely.”

Licht makes the following recommendations:

•Establish criteria which **encompass the variability** of frontier as it exists in all geographic regions of the US.

•**Permit variation** from guidelines.

•**Maintain role for States**, particularly with regard to interpretation.

During the group discussion of the Licht presentation, as well as throughout the course of the day, the term “self-determination” was frequently used. A number of members of the expert panel, share a strong belief that communities must be able to participate in decisions about definitions, designations and program eligibility; a bottoms up approach.

This presentation set a foundation for a discussion of the federal responsibility for services/aid to places impacted by federal lands, installations, and roads.

See Attachment A.

Presentation Two

Poverty and Development in Rural America's Frontier - Mil Duncan

Duncan is the founding Director of the Carsey Institute at the University of New Hampshire. The Institute supports interdisciplinary policy research on children, youth and families in rural communities. Duncan presented to the FREP in 2007 and was invited back to present current data and suggest next steps for development in high poverty frontier and rural communities.

Duncan described four kinds of rural America and that there are frontier examples in each.

- **Amenity rich areas;** three out of five baby boomers say they want to live in a small town. Footloose professionals are choosing places that are amenity rich, and those are the places that are showing a population gain.
- **Declining resource dependent areas.** Many of these communities have relatively healthy strong community institutions such as schools. They have good strong social capital and civic infrastructure but they have seen changes in their economy where there is significant out migration and increasing poverty.
- **Transitioning areas with amenities.** Good places to try to build institutions, not gated communities. Reduce any separation of people who have been there and new people moving in.
- **Chronically poor communities** where the challenges are enormous. These are places with a majority people of color with the exception of Appalachia and the Ozarks. Long-term underinvestment, a legacy of poverty, low education levels, and broken civic institutions prevent positive change. “Half of rural poor live in areas of concentrated poverty. Therefore they do not see or experience inclusion, civic culture, or other ways of doing things.”

Young adults have always left rural America. A chart beginning 1950, and showing each decade since, illustrated that “20 somethings” have always left. The most remote rural communities have the biggest challenges - losing population, persistently poor, an unskilled labor force and a high number of high school dropouts. In the global economy, this is an extreme disadvantage. Schools that are broken unfairly condemn children to a lifetime of limited opportunities.

Places that experience chronic underinvestment with high poverty, low education and broken government and weak or non-existent community institutions have an inherent lack of capacity . And it turns out that these communities suffer from high levels of corruption and patronage that are especially hard on low income residents.

Poverty is the lack of adequate resources to participate in society. “Participate” is key. Poor people are not apathetic; they do not have the resources to participate. In communities where nobody participates, patronage is rampant. Few people have the resources to hold institutions accountable and the institutions become a source of patronage for some, rather than a source of opportunity for all.

Early childhood education works. A commitment to early childhood education in remote rural communities can make a huge difference. Young people are isolated in their idea of what they can become. Community and National Service Programs can make a big difference in expanding horizons and opportunities. Radically addressing the problem of workforce training and work support is needed.

New initiatives facilitating the stewardship of natural resources and restoration of local agriculture are beginning to bring economic benefits to rural communities of all sizes.

Duncan has developed the concept of “civic culture,” which has three elements:

- To what extent do people trust each other?
- To what extent do people from all walks of life participate in community affairs and decisions?
- To what extent do people invest in the community – spend time and even money building things that benefit others outside their own family?

Poor communities tend to have just two classes, the haves and the have-nots. When there are middle income people they tend to ally themselves with the elite and the people doing well, leaving those who are doing poorly dismissed and set aside.

Amenity rich communities have the opportunities to combine stewardship with investment in collective institutions that benefit the whole community. Gated communities threaten to create two rural Americas living side by side in one community. Newcomers need to be engaged with their community.

Development economist, Albert Hirschman, writes that when people are stuck in a place that is stagnant, undeveloped or full of problems they have three choices: loyalty, exit or voice.

Loyalty is kind of an odd word but it means loyalty to what one has. Loyalty means going on with the status quo, the safe thing to do. For many it is hard to make change and it is oftentimes dangerous to speak out and point out things that are not fair.

Exit means those who can get up and go got up and went.

Voice is about the kind of work that those present at this meeting are trying to do. It is about participation and about being politically active. It is about standing up not alone but together and saying, “We can make a difference here.” That kind of voice participation and investment at the community level needs also to be facilitated at the Federal level.

Challenges

- Isolation and remoteness makes it hard to implement programs.
- Small social worlds mean family stigma can have real consequences.
- Broken social fabric and community institutions.
- Corrupt local government, patronage system.

- Old patterns and systems based on former economies no longer work.
- Changing local politics is challenging and the families who run things go unchallenged.

Policies that work

- Support working families.
- Invest in young children and connect youth to the mainstream.
- Encourage work and make it pay.
- Supporting seniors to age in place with dignity.

See Attachment B.

Discussion

Louis LaRose was the invited discussant on the topics covered this morning, frontier communities, poverty and development. LaRose is a two-term former Chairman of the Winnebago Nation in Nebraska and is a retired professional mediator.

LaRose shared the way Winnebago identified a major health issue - diabetic amputations – and the devastation these caused the individuals and their families. Then he described the steps the tribe took to end amputations, improve diabetes management and implement prevention programs.

The ultimate goal was to reduce diabetes in the community. Having a clear goal is the most important first step. The tribal leadership took it step-by-step; first, creating a wellness program with a gym. Next they encouraged a return to a more traditional diet supporting bison restoration and distribution of other game. They also improved health services for the tribe and building a state of the art regional hospital. They learned that health services alone wouldn't have brought them success in meeting their goal; it required a long term, holistic communitywide approach. Amputations are very rare now on the Winnebago lands.

AFTERNOON SESSION

Presentation Three

Geographic Democracy: Extending to the End of the Lines – Carol Miller

This presentation focused on some of the items in the RFP, specifically the extent and types of uses of federal lands, an introduction to the PILT (Payments in Lieu of Taxes) programs and methodology, and a May 2010 USDA report on the best practices for targeting aid to the neediest communities. There was an extensive discussion about the structural barriers faced by the smallest communities when attempting to access federal resources.

Information about the European Union rural policy and its implementation in Less Favored Areas (LFA's) was presented and is in the following box. LFA's share many characteristics with the areas referred to as frontier in the United States. In Europe these most fragile communities receive special consideration and extra funding.

LEADER+

EU Rural Policy Program Goals

- + provide for acquisition of skills to prepare rural communities to conceive and implement local development.
- + implement integrated rural development strategies prepared by local action groups (LAGs).

Asset Based Development: Finland Model

•Small projects with **projected employment of five or fewer** are encouraged **and financed**. Examples are varied and projects reflect local investment in local needs, values and opportunities.

•Project examples range from home nursing for the elderly to local road maintenance - and other functions contributing to increased quality of life for people in very small communities.

As the title of the presentation suggests, the goal is what Miller calls “geographic democracy,” the idea the federal government needs to guarantee a fundamental right to basic services for all. Many of the geographic and demographic challenges are readily addressed with intentionality and adequate resources.

Unfunded PILT payments due between 1995 and 2008 comprise a PILT deficit of more than \$1.5 billion. This is a contributing factor to a shortage of resources in federal lands areas. Additionally, the per acre PILT amount needs adjustment from 1976 and 2001 levels to actual equivalencies for 2011. The ceiling on payments for communities of 1000 or fewer is a structural barrier ripe for elimination. Payments should be based on what it actually takes to provide services in low population, geographically large areas.

See Attachment C.

Discussion

As soon as the discussion period began everyone participated and a very lively discussion took place. Fortunately this discussion was recorded because it facilitated the following distillation of the discussion into possible topic areas for the Issue Briefs.

All ideas are presented as put forth by members of the expert panel.

ISSUE BRIEF PROPOSED TOPICS

Overall focus should be how do any of the proposed topics relate to creating and sustaining a healthy population.

Briefs might contain recommendations for further study, departmental meeting, or other activity by HRSA.

Four broad topic areas came up in the conversation throughout the day. The first is the topic of PILT/Federal Lands, Attractions, Roads. The second is the issue of Structural Barriers, third is Community Assets and the fourth addresses Essential Services: How to Define the Minimum Service Set Based on the Size of a Community.

Historic Reference

***Frontier Areas: Problems for Delivery of Health Care Services*, by Gar Elison**
Rural Health Care, September/October 1986, v8, Number 4, NRHCA.

Several times during the meeting, a seminal document of the frontier movement was referenced, especially a table describing Minimum Recommended Health Services. Subsequent to the meeting, this article was located in the Archives of the National Center for Frontier Communities and digitized.

See Attachment D.

1. PILT/Federal Lands, Attractions, Roads

ISSUE: What is the federal responsibility? This question was raised and discussed throughout the meeting. How to assess appropriate, relative investment.

PILT:

Present key points about PILT, the deficit and its effects. Have the recommendation be a more detailed study of the PILT possibly by GAO; repayment or alternate compensation such as a trust fund, offset in lieu of match), other.

EU Comparison; Finland model.

Interstate Highways:

- Standby capacity. Describe what are essential services. Is it only EMS at a minimum, or are there other services to include? There is a responsibility for people passing through, or brought to an area by federal installation.

Nevada Model

- Uncompensated care: Nevada has a state program covering uncompensated care for EMS. Is one possible focused issue to recommend a policy that supports uncompensated care in low volume areas with federal land and/or federal roads. A discrete focus on this, gets to the underlying issue of fed responsibility. Transfer of responsibility to state and local entities can have ill effect.

- Catron County, NM example; apply county tax rate for private development and estimate actual PILT to develop the differential.

NOTE: Subsequent to the meeting, a USDA report, *An Analysis of PILT-Related Payments and Likely Property Tax Liability of Federal Resource Management Lands*, was located on the internet. Although this report is from 1999, its findings are still relevant. One finding was that to actually compensate federal land to make up for lost taxable income, the PILT would need to be increased by 350%

- Case studies of 3 counties: What is the burden of federal lands and what are the costs. Possible communities/areas are Alaska, Moab, UT.

Yellowstone Three State Impact: What is the burden of federal lands and what are the costs. For example, to the 3 states bordering Yellowstone National Park with 3.3 million visitors in 2009.

Impacts of Large Scale Military Installations might need to be included in federal lands analysis. These lands do not provide PILT to local governments, except in very limited situations.

Alaska Key Point:

Federal Lands and Programs Create a Two-way Street for Impacted States

A very important point was brought up using an Alaska example. Communities and the state have been told that if they do not provide sufficient infrastructure, schools, healthcare and the like, the feds threaten to and do leave (ie Coast Guard). Once a federal activity or institution leaves, the community goes down. What is the federal responsibility to providing or participating in services delivery. What is federal and what is a local responsibility? Most frontier/local funds area determined by fed appropriators.

2. Structural Barriers

Identify key structural barriers and steps to their elimination. Below are the four key structural barriers presented by NCFC at the meeting and discussed by the group.

1.) Inappropriate Floor

Programs which require a minimum number of participants or a minimum number of people affected often set numbers too high for the smallest communities. As a result many communities are unable to even apply for numerous federal programs.

2.) Inability to Provide Match and Partial Funding

Many programs require a match or provide only partial funding. The smallest communities and their local governments often do not have the capacity to raise additional funds and turn down partial funding. Program funds then go to larger programs and governments that are able to generate or access additional resources.

3.) Eligibility Methodologies

To avoid unintentional discriminatory eligibility criteria for many programs establish regulations and program expectations that allow for outliers, waiver requests or reconsideration. Conduct Frontier Community Impact Statements to assure that program eligibility will be national.

4.) Capitation

Programs and services paid on a capitation basis frequently fail to generate sufficient revenues in the smallest communities. There are just not enough people receiving services to cover the costs of providing even essential, life saving services. Programs using capitation methodologies should either provide reasonable cost based reimbursement to frontier and small programs or assure that an adjusted capitated rate is sufficient to cover the costs of the program.

The FREP was encouraged to be creative, if you could do anything to eliminate structural barriers, what would that be?

3. Community Assets

Seven Rural Capitals, Tim Collins

One of the best and most concise statements of community assets was presented in an open letter to Tom Vilsak, Secretary, USDA from Tim Collins, Director, Illinois Institute for Rural Affairs. The article, *Speak Your Piece: Seven Rural Capitals*, appeared in the *Daily Yonder* on April 7, 2010.

Collins helps communities identifies what he calls the Seven Rural Capitals through answering the following questions:

Natural Capital – What does the land give us.

Cultural Capital – How do we think and act in our communities and regions.

Social Capital – What can we do together.

Political Capital – What about our political activities.

Financial Capital – How do we pay for development now and in the future.

Built Capital – What is built on the land.

Human Capital – What can I do.

Lack of Capacity Creates Barriers to Accessing Federal Resources:

In the smallest communities the capacity to even apply for funding might not exist. They often lack the leadership, facilities (built capital), and ability to recruit the necessary professional and support staff.

There is a critical need for planning grants and technical assistance. Also a simplified and expedited process can help maximize available human capital.

Support a simplified application process or two-phase Letter of Intent system for communities below a certain size.

Fragile communities need annual funding opportunities. Consortium or other organizations such as CHC New Start organizations might be held together for one year if re-application is necessary. Can't hold together for three years without funds. This time lag between funding cycles was identified as an ORHP-created Structural Barrier.

More flexibility within the guidance. Projects self-elimination when they read the guidance; ie have building for start up w/in 120 days (built capital), have staff recruited w/in 90 days, matching funds.

Small projects from under-resourced communities should be eligible to apply for a waiver of match.

Some of these also are structural barriers and their elimination will require a large policy shift. Barriers such as inappropriate floor and unrealistic match must be removed. If there is insufficient local expertise, technical assistance needs to be provided.

Poverty and race remain the underlying factors in frontier community under-investment.

4. Essential Services, Define the Minimum Service Set for Size of Community
EMS, Public Health, some level of primary care. Medical transportation, emergency and other.

Marty Bernstein reminded the group to stress that frontier is unique. We have to distinguish ourselves. Key element is scale; absence of any critical mass or economies of scale.

Frontier communities need flexibility to address different types needs of communities, industries, other local conditions. The differences result in different requirements for workforce; ie, if high elderly probably don't need a pediatrician.

CHC's have worked in NM and spread statewide, but that is not case in UT and other states.

Policy always comes down to states standing up for their own. That is why state participation is critical, avoids adversarial positions.

Index cards

Members of the FREP wrote down their priorities, ideas and comments on index cards, the content of which follows:

Card One

Identify barriers to rural/frontier areas accessing federal programs.

Community assets – education, health, economy. What are essential community assets, minimum set of services.

What is the federal responsibility for providing minimum services in high federally-owned lands areas.

Card Two

Assessing elements of stand-by capacity.

PILT: restructuring of 1.) formula, 2.) elimination of structural barriers, 3.) new ways to use the program such as making PILT funds available for match.

Frontier development approaches.

Federal program language targeting frontier to discern favorable characteristics.

Card Three

Unique elements of frontier rural:

Scale, critical mass, economy, transportation to get to health providers, recruitment and retention.

Card Four

Health care reform and structural barriers.

Federal economic policy; frontier: PILT, grants v loans.

Card Five

Should papers focus exclusively on health care or frontier generic – poverty, education, etc.

Card Six

Pay the PILT deficit.

Funding must be sufficient for program needs, not formulaic.

Next Steps

Outlines of two issue briefs will be sent to the FREP for comments and ideas. The two issue briefs will be written. Drafts will be sent to the FREP for edits using White Board or similar software. When a final draft is prepared, there will be a teleconference of the FREP to approve sending the final issue briefs forward to ORHP.

The meeting then adjourned.