



Vulnerable Populations

Interest Areas > Vulnerable Populations > Grant Results

Overview

What We Fund
Team Members
National Programs
Active Grants
Funding Opportunities

What We've Learned

Charts & Data
Grant Results
Publications
Research

Newsroom

Features
Grantee Profiles
News Releases
Speeches & Commentary
Broadcast Health Series
Webcasts

[Back to Interest Areas](#)

Nebraska Launches Regional Networks to Provide Health Care in Rural Communities

Grant Results

Last Updated: March 2000

National Program

[Practice Sights: State Primary Care Development Strategies](#)[Table of Contents](#)**SUMMARY**

Nebraska has used its Practice Sights grant to implement a network-development model. The state has launched five regional networks which that have improved access to care in rural areas and offered managed care products to rural consumers. Recruitment and retention efforts include technical assistance to communities, an expanded scholarship and loan repayment program that has placed 102 practitioners in five years, the use of telecommunications to improve education and reduce professional isolation, and the establishment of a [locum tenens](#) network to provide coverage for practitioners. The number of rural doctors has held steady from 1992 to 1996, stemming the losses of the previous decade. The number of [Health Professional Shortage Areas \(HPSAs\)](#) declined from 58 to 38, and the number of rural communities actively recruiting physicians declined from 60 to 30. A legislative coalition, called the Rural Health Stakeholders Group and Legislative Coalition, which includes almost one third of the state's legislators, identifies legislative priorities, prepares issue papers, and evaluates new legislation relating to rural health issues. Four economic development districts operate regional loan funds for capital development projects.

[See Grant Detail & Contact Information](#)[Back to the Table of Contents](#)**THE PROBLEM**

Outside of Lincoln and Omaha, the state of Nebraska is entirely rural; one third of its 93 counties are classified as frontier, with fewer than six people per square mile. Rural residents are disproportionately elderly and can face long journeys to reach a physician; 75% of rural communities have no physician. Between 1983 and 1992, the 66 Nebraska counties with populations under 10,000 suffered a net loss of 18 physicians. In addition, a disproportionate number of rural primary care physicians are nearing retirement, with 22% over age 60, double the urban rate. The distribution of mid-level practitioners was similarly skewed, and they faced restrictions on their scope of practice. A tradition of self-reliance, independence, and community identity has discouraged regional cooperation and blocked the formation of integrated health service systems, exacerbating professional isolation and financial vulnerability. In the face of these challenges, Nebraska had developed several initiatives to address recruitment and retention issues, including a loan forgiveness program and a physician referral network to keep track of medical students and residents who have Nebraska connections but go to medical school or attend residency programs in other states.

[Back to the Table of Contents](#)**THE PROJECT**

During the planning phase (ID# 022275), Nebraska sought to demonstrate that small rural communities can combine their resources to build integrated service-delivery networks centered on primary and preventive care. The state identified three multi-county regions where it created area-wide planning committees, assessed community needs, and developed strategies to enhance the primary care delivery system. Legislative changes during this phase included liberalizing practice rules for physician assistants and expanding the state's loan forgiveness and loan repayment programs. The state also used Blue Cross/Blue Shield and Medicaid claims data to identify service areas and health needs accurately. A survey of physicians and hospital administrators indicated high demand for a statewide [locum tenens](#) network to provide coverage for practitioners.

The implementation phase (ID# 024625) had two main strategies: continued development of the three regional networks and enhanced recruitment and retention efforts in rural areas throughout the state. The communities and clinics in each network create a larger population base to support primary care services, take advantage of centralized billing and purchasing, and negotiate formal linkages with other delivery services, such as acute and long-term care, public health, and mental health. The networks planned to develop utilization review and quality assurance standards, reduce the time individual practitioners spend on call, and move toward creating a managed care

option.

Recruitment efforts included staff visits to students and residents from Nebraska who were training in other states and updated, computerized community profiles. A series of workshops across the state informed physicians about the advantages of using mid-level practitioners. Technical assistance aimed to help communities develop retention plans and existing practices to improve their management procedures. The state also planned a statewide [locum tenens](#) network to provide coverage, and wider use of the state's telecommunications systems to provide consultation, networking, and continuing medical education.

The Nebraska Economic Development Corporation, a nonprofit development agency established by the state, is managing the state's program-related investment loan fund (ID# 028753), the Community Primary Care Loan Program. The investment has been divided equally among the corporation's four Economic Development Districts, which are responsible for raising matching funds and administering loans. The districts have extensive experience administering loan programs, including federal Small Business Administration and, loan [Community Development Block Grant](#) programs. The Nebraska Economic Development Corporation fund, however, has experienced some start-up challenges in operationalizing the due to lack of dedicated staff available to market the fund and provide technical assistance to providers. The Office of Rural Health maintains a central program review committee that determines whether a proposed project meets the recruitment and retention objectives of the loan program. Loans are made with an 6% interest rate, and borrowers must have a 10% equity position in the project. Eligible activities include:

- . Creating new or satellite clinics.
- . Purchasing equipment.
- . Enhancing financial incentive packages for providers.
- . Developing shared information systems or other components of an integrated service delivery system.
- . Establishing formal quality assurance systems and managed care plans.

[Back to the Table of Contents](#)

RESULTS

- . **The state established five regional health services delivery networks, all of which offered or were developing managed care plans for their service areas.** In the Panhandle region, a joint venture of a for-profit organization and Nebraska Blue Cross/Blue Shield offers three managed care plans. The Central regional network plans a similar association with an insurer, with profits supporting the infrastructure of local clinics and the network's two hospitals. In the South Central region, a network of seven hospitals and more than 90 physicians established a preferred provider organization (PPO) that includes a strong incentive to use local health services and providers.
- . **The networks serve an educational function.** The Panhandle Network provides information on managed care to hospitals, providers, and consumers. The South Central Network operates a management training program for network members in conjunction with the University of Nebraska, organizes round-table sessions for hospital administrators, and facilitates broad-based health planning in local communities.
- . **The number of rural doctors has held steady from 1992 to 1996, stemming the losses of the previous decade.** The number of Health Professional Shortage Areas declined from 58 to 38, and the number of rural communities actively recruiting physicians declined from 60 to 30. State officials note that an aging physician population threatens future shortages if interventions do not continue.
- . **The state's expanded scholarship and loan repayment programs resulted in 102 new placements from 1993 to 1998.**
- . **A regional demonstration [locum tenens](#) network in its first year contracted for 140 days of services by practitioners providing coverage, almost double the initial target of 75 days.**
- . **The Office of Rural Health provides information and acts as facilitator for a Rural Health Stakeholders Group and Legislative Coalition.** The coalition of 14 stakeholders and 15 state senators (out of 49 legislators in the unicameral legislature) identify legislative priorities, prepare issue papers, and evaluate new legislation relating to rural health issues.

[Back to the Table of Contents](#)

COMMUNICATIONS

Nebraska published the *Nebraska Rural Family Practice Opportunities* in 1995, 1996 and 1998. The project staff also produced and distributed other reports and made presentations around the state and at the annual meeting of the National Academy for State Health Policy in 1997. See the Bibliography for details.

[Back to the Table of Contents](#)

AFTER THE GRANT

The regional networks, recruitment and retention initiatives, the loan fund, and the legislative

coalition have all continued beyond the grant period. The Office of Rural Health is working with the networks to develop their capacity to compete for managed care contracts under Medicare and Medicaid. It also continues to provide technical assistance to communities in the area of recruitment and retention.

[Back to the Table of Contents](#)

GRANT DETAILS & CONTACT INFORMATION

Project

Nebraska Practice Sights

Grantee

State of Nebraska Department of Health (Lincoln, NE)

· Planning:
Amount: \$ 99,580
Dates: May 1993 to July 1994
ID#: 022275

· Implementation:
Amount: \$ 801,055
Dates: August 1994 to April 1998
ID#: 024625

Contact

David Palm
(402) 471-2337

Grantee

Nebraska Economic Development Corporation (Lincoln, NE)

· PRI:
Amount: \$ 1,500,000
Dates: February 1997 to January 2007
ID#: 028753

Contact

David Palm
(402) 471-2337

[Back to the Table of Contents](#)

BIBLIOGRAPHY

(Current as of date of this report; as provided by grantee organization; not verified by RWJF; items not available from RWJF.)

Books and Reports

"Facts About Nurse Practitioners." Lincoln, NE: Office of Rural Health, Nebraska Department of Health.

Nebraska Rural Family Practice Opportunities, 1995. Lincoln, NE: Office of Rural Health, Nebraska Department of Health, April 1995.

Nebraska Rural Family Practice Opportunities, 1996. Lincoln, NE: Office of Rural Health, Nebraska Department of Health, June 1996.

Nebraska Rural Family Practice Opportunities, 1998. Lincoln, NE: Office of Rural Health, Nebraska Department of Health and Human Services System.

Palm D. "Merger Considerations: Rural Health Organizations and Urban-Based Health Systems." Lincoln, NE: Office of Rural Health, Nebraska Department of Health and Human Services System, August 1997.

Palm D. "Integrated Rural Health Networks in Nebraska: Current Status, Lessons Learned, and Public Policy Implications." Lincoln, NE: Office of Rural Health, Nebraska Department of Health and Human Services System, April 1998.

"Rural Health Networks in Nebraska." Lincoln, NE: Office of Rural Health, Nebraska Department of Health, October 15, 1995.

Presentations and Testimony

Tom Rauner, "How to Recruit and Retain Family Physicians," at the 1994 Nebraska Rural Health Conference, Kearney, NE, September 7, 1994.

Tom Rauner, "Credentialing Prospective, Physicians and Solving the J-1 Visa Puzzle," at the Nebraska Rural Health Conference, Kearney, NE, October 5, 1995.

Kay Pinkley and Tom Rauner, "National Health Service Corps: Connecting Health Professionals with Underserved Communities," at the Nebraska Rural Health Conference, Kearney, NE, October

5, 1995.

David Palm and Dennis Berens, "The Development of Rural Health Networks in Nebraska: Lessons Learned and Future Potential," at the Heartland Center for Leadership Development Conference, Lincoln, NE, June 22, 1996.

Kay Pinkley and Tom Rauner, "Recruitment and Retention: Utilizing State and Federal Resources," at the Nebraska Rural Health Conference, Kearney, NE, September 4, 1996.

David Palm, "State Initiatives and Their Impact on Rural Health," at the MidAmerica Health Net Meeting, Nebraska City, NE, December 5, 1996.

David Palm, "Rural Health Networks in Nebraska," at The Robert Wood Johnson Foundation Practice Sights Meeting, New Orleans, LA, February 13, 1997.

David Palm, "Crafting a Coherent State Managed Care Policy," at the Annual Meeting of the National Academy for State Health Policy, Portland, ME, August 12, 1997.

[Back to the Table of Contents](#)

Report prepared by: Robert Narus

Reviewed by: Molly McKaughan

Reviewed by: Marian Bass

Program Officer: Michael Beachler

 [EMAIL](#)

 [PRINT](#)

© RWJF 2007
P.O. Box 2316 College Road East and Route 1
Princeton, NJ 08543
(888) 631-9989
Directions

[Contact Us](#)
[Web Policies](#)
[Privacy Policy](#)
[Site Map](#)
[Help](#)