



# USDA Providing Quality Health Care in Rural Communities

*Bringing Healthcare Closer to Home for Rural Wyomingites*

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**Wyoming** is the least populated state in the nation, and second only to Alaska in its low population density. Long distances between towns and remote locations without healthcare are detrimental to the sustainability of rural communities. Considering these geographic obstacles, it is important that Wyoming is able to attract rural health practitioners and provide quality healthcare to its rural residents. Aspen Mountain Medical Center in Rock Springs is an excellent example of how U.S. Department of Agriculture (USDA) Rural Development is meeting these needs through its Business and Industry Loan Guarantee Program.

In 2014, MidFirst Bank's Healthcare Lending Division contacted Rural Development's State Office in Casper regarding financing for a physician-owned surgical hospital in Rock Springs, Wyoming. Aspen Mountain Real Estate LLC and Aspen Mountain Medical Center LLC had contacted the bank about building the 51,000 square foot facility. MidFirst Bank is located in Oklahoma City and while they have built a variety of healthcare facilities across the nation using both Rural Development's Business and Industry (B&I) Loan Guarantee Program and Rural Development's Community Facilities Program, this was MidFirst's initial project in Wyoming.

Surgical hospitals have gained in popularity in recent years and as of early 2016, there were approximately 130 such hospitals in the United States. These

facilities focus on providing surgical services and they normally have 50 beds or fewer. Surgical hospitals focus on customer satisfaction, turnover time, and efficiency.

Surgical hospitals appeal to a wide range of users as physicians benefit from improved management of the clinical staff, increased operating room access, ease of scheduling, and alignment of economic incentives. These, in turn, enhance accountability, responsibility, and result in cost benefits to their customers (Meridian Surgical Partners, 2015).

Patients experience a better healthcare environment with all inpatient, outpatient, and ancillary services available with greater scheduling flexibility in one user-friendly facility. The result is that surgical hospitals provide affordable, high-quality care in a way that achieves sustainable and measurable long-term savings.

This brand new, state-of-the-art facility includes 16 private patient rooms and four fully-equipped surgical suites. The surgical hospital is privately owned by a group of physicians located in Wyoming and Colorado, along with Nueterra Healthcare. Nueterra is a global company that specializes in owning and managing healthcare facilities.

The owning physicians have a wide range of specialties, including family medicine,

gastroenterology, internal medicine, general surgery, pediatrics, pain management, ophthalmology, anesthesiology, gynecology, spine, podiatry, interventional radiology, ear, nose and throat, and orthopedics. Physicians are expected to bring their own specialty caseload to the facility. Since Aspen Mountain Medical Center began operations in July, several local physicians not originally associated with the facility are now scheduling their surgeries at the facility.

As part of the “one-stop shopping concept” in surgical care, Aspen Mountain Medical Center has their own pharmacy, laboratory, pathology, rehabilitation, and imaging departments.

Initially projected to create 32 jobs, at their grand opening Aspen Mountain Medical Center announced that total employment had grown to 60 full-time positions. This did not include the positions for construction of the facility over the 16-month period.

While there is a similar surgical hospital located in Casper, Wyoming; that facility is over 225 miles away and is located in a much more metropolitan area than Rock Springs. Aspen Mountain Medical Center services a much larger geographic area with a much more dispersed population across the region. This surgical hospital allows the rural residents of southwestern Wyoming, Utah, and Idaho, to get needed surgical care locally without having to travel to Casper, Cheyenne, Salt Lake City, or Denver.

Because some of the physicians owning the surgical hospital are located outside of Rock Springs, the hospital allows them to travel closer to where their clients live to conduct procedures. This reduces traveling long distances to visit the physicians’ home offices.

In times of economic downturn as we are facing in Wyoming, it is extremely beneficial to be able to diversify into other segments and help sustain the local economy and community. Jobs in the health care industry are often well paying and highly sought after. As a result, the new surgical hospital is already a major employer in Rock Springs.

The initial loan for the medical center was for \$19.17 million with a 50% guarantee to MidFirst Bank through the Business and Industry Loan Guarantee Program from USDA Rural Development. This guarantee provides protection for the lender with

the underwriting from the U.S. Government, and is a way for USDA to say they believe the success of this medical center will benefit the rural community greatly, and the guarantee supports that faith.

The Business and Industry Loan Guarantee Program provides support to the private credit structure by guaranteeing loans for rural lenders, which in turn, allows these private lenders to extend more credit than they could typically provide to rural small businesses. To be eligible, projects must be located in cities or towns with a population of 50,000 or fewer. Under the program, the lender works with USDA Rural Development instead of the ultimate borrower of the funding. Essentially, the lender is the USDA customer, not the small business itself.

Eligible lenders include federal or state chartered banks, savings and loans, farm credit banks, and credit unions. For-profit businesses, nonprofits, cooperatives, federally recognized tribes, and public bodies can all be considered eligible borrowers under the guidelines of the program.

With certain restrictions, the loan receiving the guarantee can be for construction, equipment, refinancing and debt restructuring, working capital, and even outright purchasing of existing operations if it will save or create jobs. Loans of up to \$25 million can be guaranteed on a sliding scale percentage from 80% down to 60%. Interest rates are negotiated between the lender and the borrower, and with the support of the guarantee, lower rates can often be secured. Additionally, with the guarantee, the loan can be sold on the secondary market by the lender and extending their lending capabilities even more.

USDA Rural Development is pleased to have played a significant role in this outstanding accomplishment for Rock Springs, Sweetwater County, and the State of Wyoming as a whole. It is sometimes difficult for individuals outside of Wyoming to visualize the long distances one must travel to find medical care of this caliber. As a result of this project, the residents of Rock Springs and neighboring states now have easier access to a wide range of high quality, specialized health care options, and the community has gained a valuable employer and rural small business in the process. ●