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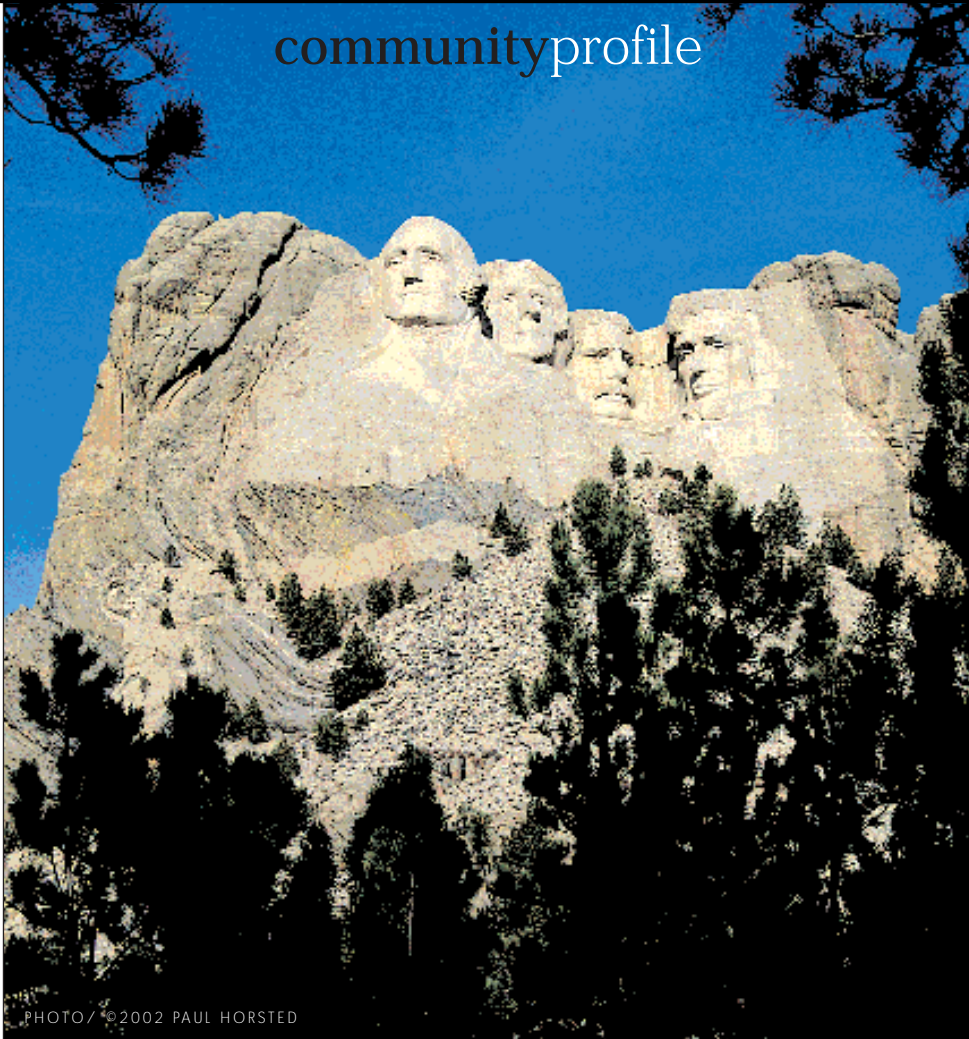


PHOTO / ©2002 PAUL HORSTED

Mount Rushmore National Memorial, 25 miles southwest of Rapid City, immortalizes four presidents: Washington, Jefferson, Theodore Roosevelt, and Lincoln in a massive granite mountain. Millions of tourists visit the landmark each summer.

Black Hills Hideaway A dramatic landscape complements unexpectedly mild weather and sophisticated medicine in the western enclave of Rapid City, South Dakota

By Julie Sturgeon

DR. JAMES ENGELBRECHT, MD FOUND himself in a pickle nearly 22 years ago. As an undergraduate in Iowa, he fell in love with Midwestern values and lifestyle. But then his graduate work in Utah opened his eyes to the sheer beauty of the West and its laid-back attitude.

Flash forward to 1998. Dr. Daniel Petereit longed to return to his childhood days of launching out of Sioux Falls to spend recreational time in the

Black Hills. Yet he also was turned on to the academic side of medicine, thanks to his association with the University of Wisconsin.

Both men found the same solution: Rapid City, South Dakota.

Engelbrecht recognized Rapid City's potential as a medical hub. A founding rheumatologist with Dakota Regional Rheumatology, he now takes advantage of the referral opportunities that come his way. In his personal time, he takes advantage of the wonderful downhill

and cross-country skiing, snowmobiling, fishing—and even a Denver Broncos football game several weekends each season.

After six months of mulling, Petereit also decided the area was perfect to expand his oncology practice and take advantage of the [University of South Dakota Medical School's](#) invitation to doctors to teach on staff.

"The area had a good cancer center but I wanted to bring the newer, more specialty radiation oncology services

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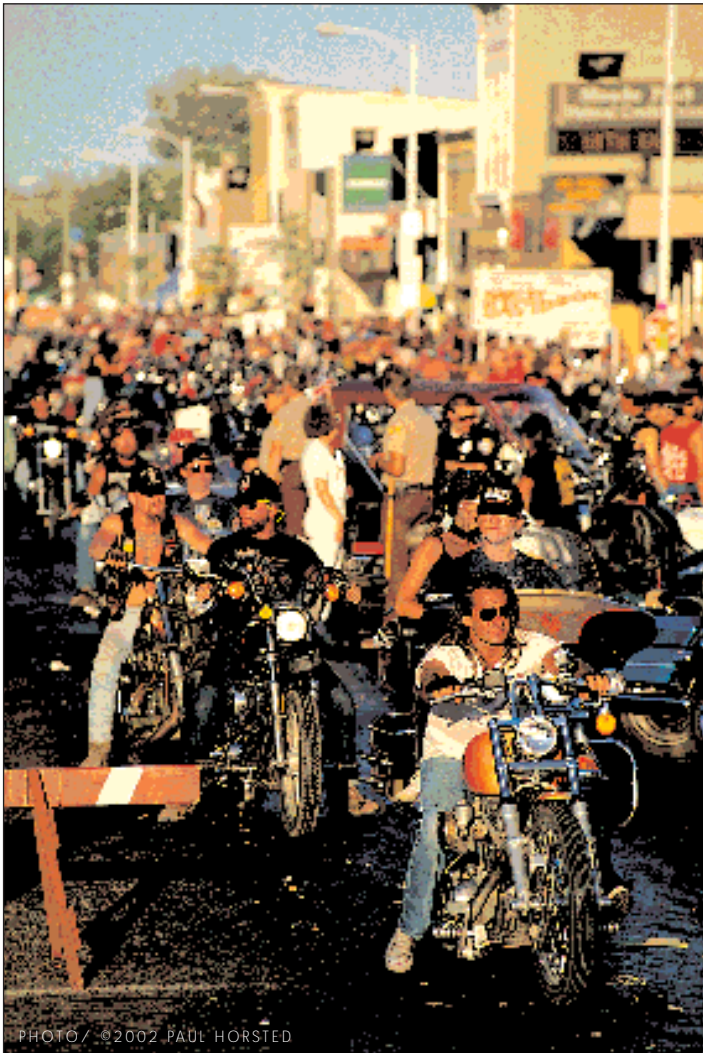


PHOTO / ©2002 PAUL HORSTED

ABOVE, Hundreds of thousands of motorcyclists convene in Sturgis for the motorcycle rally held each August. BELOW, Riders enjoy the scenery of Custer State Park on quieter mounts.



PHOTO / ©2002 PAUL HORSTED

that were previously being referred to [MD Anderson](#) and [Mayo Clinic](#)," Petereit explains. "People ask me what private practice is like and I say it's no different [than academic medicine] for me. After 2.5 years, I've been able to maintain my academic interests in an environment I probably have a little more control over."

Play Time

Recreation is Rapid City's trump card these days, according to Scott Zieske, the director of physician recruitment at [Rapid City Regional Hospital](#). "A magical place," is how he describes this southwestern destination just beyond the Black Hills National Forest (at two million acres it's the size of Delaware) and five national parks: the Badlands, Devil's Tower, Wind Cave, Jewel Cave, and Mount Rushmore. History isn't only carved in stone here. This area also features the old mining town of Deadwood (think Wild Bill Hickok and Calamity Jane), now a spot for legalized gambling fun, and a state park commemorating Custer's Last Stand. Modern historians wouldn't overlook the famous Sturgis Motorcycle Rally held each August.

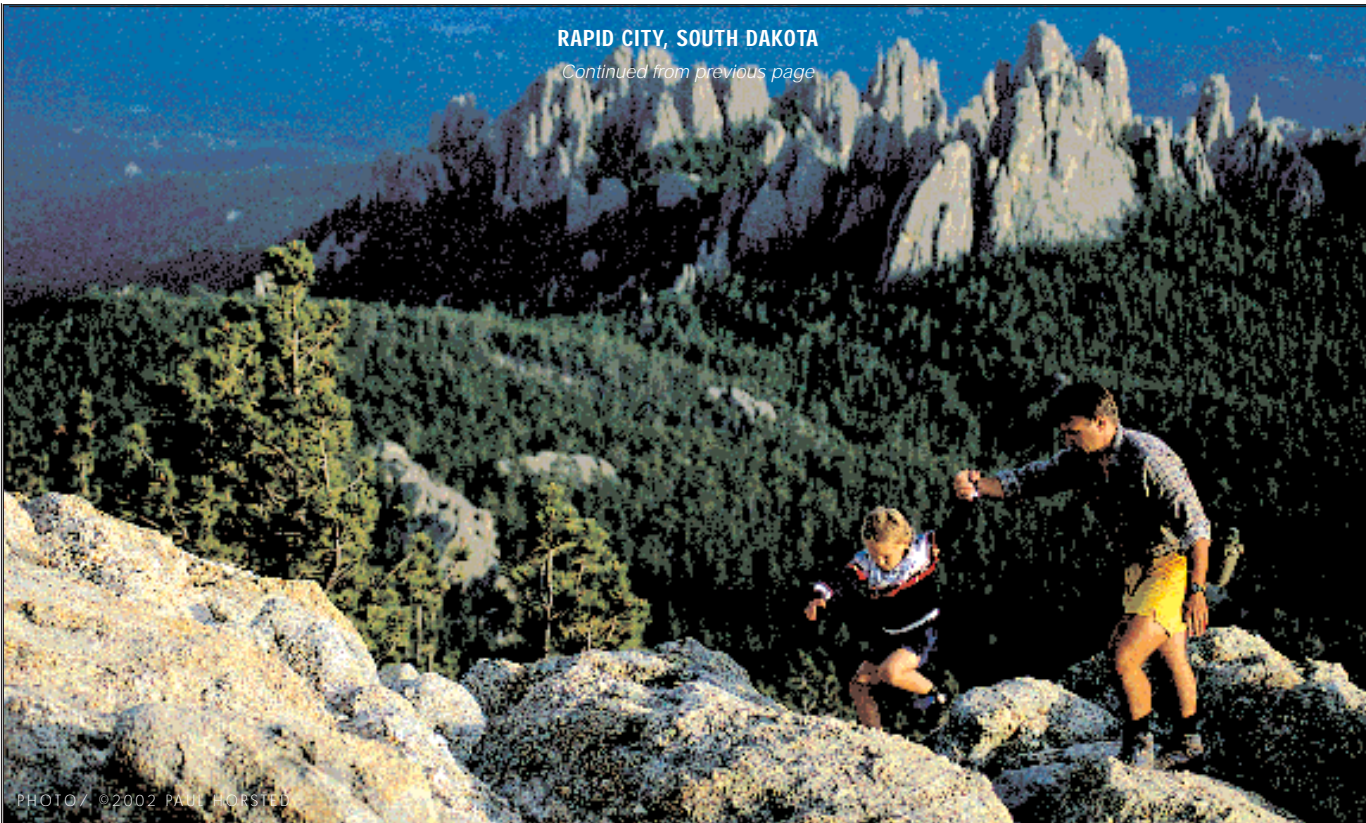
Trout and fly fishing, rock climbing, and mountain biking require no special travel plans; skiing lies 45 minutes outside the city limits. Those with only snatches of time often take advantage of the city's golf courses, eight public parks, or the bicycle path that extends from one end of town to the other. When the sun goes down, residents take in a play at the Rushmore Plaza Civic Center, enjoy the city's symphony and band at the Dahl Fine Arts Center, or cheer on the Continental Basketball Association's Rapid City Thrillers.

This February, researchers dug up a 43-foot fossilized duckbill dinosaur in nearby Belle Fourche. Archeologists predict the dinosaur's discovery will increase tourism and economic investment to the entire Black Hills region, just as T-Rex Sue's rebirth brought new life to Hill City. (Chicago's Field Museum of Natural History now owns her for the grand sum of \$8.4 million.) The Belle Fourche site would pull in traffic year round.

Contrary to popular belief, the weather in this neck of the woods remains mild no matter the calendar month. That's because the Black Hills shelter Rapid City from the harsh winters and scorched summers for which eastern South Dakota and North Dakota are famous, Zieske assures.

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POPULATION:

Rapid City: 64,000

CLIMATE:

Annual rainfall: 17 inches

Annual snowfall: 38 inches

Average High/Low
Temperatures:*

January: 34°/11°

July: 86°/58°

Elevation: 3,200 feet

TRANSPORTATION:

AIRPORTS: Rapid City
Regional Airport, total
passenger traffic was 410,000
in 2000

BUS: RapidRide operating
between 6:35 a.m. and 6:05
p.m. work days.

INTERSTATES: I-90 (east/west)

COST OF LIVING:

Indexed at 101.4 (100 is avg.)

AVERAGE HOME PRICE:
\$118,714 for 2,200 square
feet, making it the most
affordable Midwest market
according to Coldwell
Banker's Home Price
Comparison Index.

**MEDIAN HOUSEHOLD
INCOME:** \$29,949

SALES TAX: 4 percent state, 2
percent Rapid City. No
personal property tax.



PHOTO/ ©2002 PAUL HORSTED

ABOVE, Hikers near the summit of Harney Peak, the highest point in the Black Hills. This part of the Black Hills National Forest is a favorite hiking area. The rock formations in the background are the "Cathedral Spires." LEFT, Looking east over the Rapid City skyline. The plains are visible in the distance.

"Nope, the weather isn't an issue," Peterreit agrees. "Of course no one believes that until they study a weather map for themselves."

Another misperception involves the city's physical and social isolation. Although Rapid City is 313 miles from Billings, Montana, the next metropolitan area, it does maintain ties to other communities. The Missouri River that bisects the state creates a natural dividing line, encouraging Rapid City residents to tune culturally with Denver rather than Minneapolis, which has more influence on the state's eastern popu-

lation. And neighboring cities are as close as the airport in Rapid City, which supports up to 19 flights a day to Minneapolis, Salt Lake City, and Denver on national carriers. For motorists, Interstate 90 ribbons right through the city.

And Rapid City has its own cultural amenities and character.

"I'd like to clear up the myth that we're a one-horse town," says Bob DeMersseman, the president of the [Rapid City Economic Development Partnership](#). "I'm sure we've got more than one horse around here!"

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“Yes, the Black Hills are just a little island in the middle of the Great Plains. And that isolation has caused us to develop things that we probably wouldn’t have in terms of arts, education, and commerce,” he says on a more serious note. Rapid City’s service area stretches out to a radius of 250 miles, so the town of 64,000 is challenged to serve such a large geographic sweep.

“Do we have the opera? No. Do we have Sax Fifth Avenue? No, we don’t,” Zieske says. “But we have the other high quality lifestyle components you won’t find in the big city. We’re in the Wild West out here.” Indeed, you merely pick up the Yellow Pages to book a weekend at a nearby dude ranch, or call Ticketmaster to sit ring-side at the rodeo. When those pale, there’s always a pow-wow or Native American celebration to partake.

Boom Time

The diversity of industry reflects the area’s physical isolation, as well as the special character of western South Dakota. Major employers include agriculture, tourism, state government, and the Ellsworth Air Force Base. But health care claims the prize as the largest private employer in the city according to DeMersseman. That doesn’t necessarily translate to good marks from economic development experts, however.

[The Corporation for Enterprise Development](#) gave the state’s business performance a “B,” but graded its business vitality and development capacity a “D” in its 2001 report card, indicating a lack of university, federal, and private research and development funding. On the positive side, South Dakota offers no shortage of jobs and

analysts noted that hardships stemming from mass layoffs are the lowest in the nation. What’s more, this state displays a strong citizen participation rate at the voting polls, a low crime rate (third lowest in the country), and a dedication to renewing existing resources. It also boasts the fewest business closings in the nation and jumped from 49th to 22nd in the number of technology firms in just one year.

However, analysts didn’t find laudable investments in future manufacturing concerns, and deemed the state’s structural diversity “minimal,” which means it has too few distinct industries to offset downturns in any one area. They also found South Dakota distressed in what they call innovation assets, which means they have critically low rankings in university, federal, and private research and development efforts, royalties and licenses, and patents issued.

DeMersseman is aware of the state’s economic development status and is working diligently to change it. Rapid City currently targets its marketing efforts in San Jose, California and Minneapolis in an effort to develop spin-off high tech industries around the city’s [South Dakota School of Mines and Technology](#). From an economic development perspective, the partnership refuses to extend incentives to any company that doesn’t provide above-average wages and offer health-care benefits, and it strives to include physicians among its board of directors. “The other sectors of the economy are very supportive, because we realize what an important role health care and medicine play in the overall economy and quality of life,” he says.

Rapid City also offers a leg up over other cities when it comes to business start-ups since it lacks state income taxes on both the personal and corporate levels. “Entrepreneurs don’t have a lot of flexibility and ways to shelter their income,” he says. Engelbrecht agrees, saying it’s much easier for young physicians to make their bottom lines without this particular tax burden. “As for hiring a staff, people here are industrious. They take pride in hard work,” he says.

The area’s high-tech potential is poised to continue rising throughout the decade as well. Already South Dakota ranks number one in the nation in the Digital State Survey of schools. In 1999, only 1,800 K-12 educators had e-mail; today 9,900 educators belong to the state’s e-mail system, sending 4.5 million messages in the first three months of the 2001-2002 school term. Approximately 1,119 high school students take courses like Spanish, anatomy, calculus, chemistry, and college algebra via the [Dakota Digital Network](#). At press time, 622 public school buildings, all private schools that asked to be included, every public and private university, and every public library is wired. The state paid for all the networking—the only state to entirely fund this work. And South Dakota is the only state to require classroom educators devote at least 200 hours to learning how to use technology.

“They [educators] are living proof that every time you give someone advanced skills in South Dakota, they’re not going to run away someplace else and work, even though they can make more money virtually any place they go,” said Governor William J. Janklow in his State-of-the-State Address in

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January, 2002. Physicians also cite education as a Rapid City strength, thanks to content standards and reading enhancement initiatives at the K-12 levels. To lure and retain doctors, the state doesn't take any chances—they will make college loan payments every year for physicians who choose to practice in specified rural areas.

Sick Time

The 417-bed private, not-for-profit [Rapid City Regional Hospital](#) (RCRH) shares its 320,000 population base only with a private surgery center and the 32-bed Indian Health Services Hospital, which sticks to inpatient and outpatient adult, pediatric, and prenatal care. In fact, IHS ships major surgery and obstetrics, as well as psychiatric care and testing to RCRH, the only tertiary care provider in the region. Rapid City Regional emerged 27 years ago as a consolidation between two small community hospitals that shared the city's 60 physicians. Today nearly 240 doctors practice in Rapid City out of RCRH. Recently, hospital administrators acquired two smaller hospitals—one in Sturgis, the other in Spearfish, South Dakota—and three long-term care facilities (Gillette, Wyoming, and Belle Fourche and Sturgis in South Dakota). So now the organization owns, manages, or leases a total of 15 health-care facilities and eight hospitals in western South Dakota and eastern Wyoming.

Such lack of competition keeps managed care inroads minor—Zieske claims it's around five percent penetration. In fact, one of the largest players is the [South Dakota State Medical Association's](#) own HMO known as [Dakota Care](#)—a program formed in 1986 to allow physicians the opportu-

nity to influence not only the goals of providing cost effective quality care but to assure patients their choice of physicians. Barbara Smith, the association's vice president, says, "We call it 'managed care light' because there are more opportunities here for doctors to influence their own practice environment."

"We are the last batch in fee-for-service medicine," as Zieske puts it, which he credits for keeping physician turnover at RCRH below two percent. Fewer than three doctors a year leave of their own volition.

As for payers, Medicare beneficiaries lead the list of patient payment types overall—124,000 typically file under this program in the area. However, Petereit tracks a significant portion of patients who pay for his services with private insurance, leaving between 30 and 35 percent from Medicare. "I think the larger Medicare population stems from the fact a lot of people retire out here," he says.

On the other hand, physicians tend to be relatively younger in age, which means they are more adept at new communication styles says Engelbrecht. The result is good patient compliance.

"I think the relationship is about as good as you'll find," Zieske says. "Families use the same doctor or specialist their entire lives, so the physician is able to develop a very intimate relationship with the family's history. It's much more personalized medicine than you'll find in the big city or with an HMO." At press time, RCRH had 30 physician openings due to increased patient services or demand, with top priorities for cardiology, psychiatry, endocrinology, and urology.

At the Indian Health Services Hospital, most opportunities are to

practice in family and internal medicine niches. "I haven't encountered any oversaturated specialties but I have experienced physician specialties that are not a good fit for the service unit because of our high volume and demand for expanded skills they are incapable of offering," says Loretta Bad Heart Bull, the clinical services administrator.

Physicians typically arrive from Minnesota, Nebraska, Colorado, and Utah—people acquainted with the Rocky Mountain and upper Midwest terrain—although both hospitals say they recruit from all over. Distance to extended family can become an issue for those outside this region, however. "In my experience, health-care providers that thrive in this environment are altruistic in nature, open, risk-takers, adventurous, experienced, patient, flexible, and willing to accept the challenge," says Bull.

In exchange, the medical community provides an opportunity to work with state-of-the-art technology and equipment. RCRH is in the process of converting its cath labs to digital, and it offers the Stealth Aero Navigation system for neurosurgeons and orthopaedic surgeons. A new cardiac institute is on the drawing board to go with the fixed wing and helicopter transportation service already available. The hospital also boasts a very developed telemedicine and teleradiology program. "We're not practicing outback medicine," Zieske says.

Indeed, Petereit has introduced the cutting-edge brachitherapy procedure to the [Rapid City Regional Cancer Center](#) for all gynecological cancers. He also relies on a Varian dual energy linear accelerator among his advanced equipment. Such tools and his

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former connections with the University of Wisconsin have now earned the cancer center status as a center for tomotherapy—an accurate form of external beam radiation with promise to revolutionize oncology. The center becomes the one non-university site in the research chain.

“That fits into my vision of offering technology where patients would have to travel hundreds of miles to get it otherwise,” he says. “And we couldn’t have set up this kind of practice in another Midwestern city that has a university within an hour or two—it wouldn’t make any sense.”

Time to ban together

Physicians working together to lead innovation fits perfectly with the [South Dakota Foundation for Medical Care’s](#) (SDFMC’s) mission as it serves as the state’s peer review organization and quality improvement organization for the state’s Medicare program.

“Physicians have been very supportive of my requests for them to act as peers in evaluating the care provided by other physicians,” said Gerald E. Tracy, MD, SDFMC’s medical director in the foundation’s 2001 annual report.

Dedication and cooperation among the physicians made South Dakota one of only 16 states to show a decrease in the Medicare payment error rate in response to initiatives from [Centers for Medicare and Medicaid Services](#) (CMS) in 2000 and 2001.

Quality of care issues are also the focus of the SDFMC’s energy, and South Dakota doctors have made headway in the treatment of acute myocardial infarction, increasing the number of women between 50 and 67 receiving annual mammograms, and increasing the percentage of Medicare seniors re-

ceiving flu shots.

However, the state’s estimated prevalence of overweight adults tips the scales at 58.8 percent, the 17th highest rate in the nation. The National Center for Chronic Disease Prevention says 78.6 percent of adults here do not engage in regular, sustained exercise, and 52.3 percent refuse to eat fewer calories and/or fat.

Members of the South Dakota Medical Association address challenges in their medical community with passion. When a state Supreme Court decision this year endangered the traditional guideline stating a patient needs to prove a 50 percent chance a medical action resulted in injury before filing a lawsuit, the group successfully beat down the state bar association’s lobbying efforts and made it a binding law rather than a nebulous yardstick. “Considering medical malpractice insurance rates are in a crisis across the country, that was a very important victory,” says Smith.

The SDMA also lobbied successfully to pass a public health measure banning smoking in all public places, with the restaurants that serve alcoholic beverages the only exemption. Governor Janklow supported a statewide chickenpox vaccination program, resulting in 31,000 voluntary student vaccinations. The Centers for Disease Control reports South Dakota was the first state to sponsor a statewide diabetes checking program when it tested 31,500 citizens’ blood sugar levels and found nearly 3,000 with elevated results. The same program caught 8,000—more than one third of the participants—with high blood pressure readings as well.

It all adds up to a pleasant, supportive place for these physicians who make Rapid City their home. “Some people here think we shouldn’t be too vocal

about how nice it is here because they’re concerned the population will double,” Petereit says. “For me, I find a sophisticated medical community drawn here by the geography, low crime rates, excellent school systems and congeniality.” ■

Julie Sturgeon is a regular contributor to UO. She lives in Greenwood, Indiana.