Making the Case for Rural Health and Wellness

Why Policy Matters

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Senior Health Policy Advisor
Federal Office of Rural Health Policy
Remembering a rural health hero...

- Doctor and professor of family and community medicine
- Founded the UA's Rural Health Office in 1970
- Elected to the Arizona Senate in 2000 after serving eight years in the House of Representatives.
Sec. 711. [42 U.S.C. 912] (a) There shall be established in the Department of Health and Human Services (in this section referred to as the “Department”) an Office of Rural Health Policy (in this section referred to as the “Office”). The Office shall be headed by a Director, who shall advise the Secretary on the effects of current policies and proposed statutory, regulatory, administrative, and budgetary changes in the programs established under titles XVIII and XIX on the financial viability of small rural hospitals, the ability of rural areas (and rural hospitals in particular) to attract and retain physicians and other health professionals, and access to (and the quality of) health care in rural areas.
Policy and Research

- Getting the Rural Voice in to the Policy Process
- Putting Research Findings into the Hands of Rural Leaders

https://www.ruralhealthresearch.org
## Community Health Funding (CBD)

<table>
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<tr>
<th>Program</th>
<th>FY 2017</th>
<th>FY2018</th>
<th>FY 2019</th>
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<tr>
<td>Rural Health Network Development Planning</td>
<td>Guidance out.</td>
<td>Funding applications available in Winter 2017</td>
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<td>(Network Planning)</td>
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<td>Small Healthcare Provider Quality Program</td>
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<td>Funding applications available Winter 2018</td>
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<tr>
<td>Rural Health Care Services Outreach Program</td>
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<td>Funding applications available in Fall 2018</td>
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<tr>
<td>Rural Health Network Development Program</td>
<td>Applications Due Nov. 28th</td>
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<td>(Network Development)</td>
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Note: Applications Due Nov. 28th for Rural Health Network Development Program (Network Development)
Office for the Advancement of Telehealth (OAT)

- Telehealth Resource Centers, Licensure Portability, & Telehealth Networks
- Building and Advancing Tele-Emergency Services Performance Measures
- Telehealth Focused Rural Health Research Center
Policy and Research Function

- Reviews policy and regulations to assess impact on rural providers and beneficiaries on topics including hospital and physician payment, health information technology and workforce;
- Funds and disseminates findings from the Rural Health Research Center Program;
- Maintains clearing houses for rural health policy and program information including publications and maps; and
- Staffs the National Advisory Committee on Rural Health & Human Service to inform the Secretary of HHS.

In FY 2016, a total of 72 research products were released, exceeding the target of 35.
Selected Research in Progress

**Access**

- Rural Health Clinics (USM)
- Health Insurance Marketplaces, Medicaid, and Uncompensated Care: The Rural Impact (UI)
- Measuring the Quality of Swing-Bed Care in Critical Access Hospitals (UM)
- Paving the Way: Addressing Transportation as a Social Determinant of Health for Rural Older Adults (UM)

**Markets**

- Health Insurance Marketplaces, Medicaid, and Uncompensated Care: The Rural Impact (UI)
- What Does Healthcare Delivery System Reconfiguration Portend for Rural Health? (UI)
Selected Research in Progress (cont)

Workforce

Examining the Legal Landscape in Rural America: Implications for the Healthcare Workforce, Access to Care, and Population Health (Tx A&M)

Variation in Scope of Practice and Medical Services Available at Family Physician Practices within Rural Areas (UK)

Use of Telehealth Services among Rural Medicaid Enrollees: A Baseline Inventory (UI)
Evidence on Rural Hospital Finance

• Trends in profitability
• Rural hospitals continue to be at risk
• Due to a number of contributing factors...
• Research and modeling efforts continuing
Evidence on Rural Hospital Finance

FORHP-funded research by the North Carolina Rural Health Research and Policy Analysis Center,

https://www.ruralhealthresearch.org/centers/northcarolina:

“2012-14 Profitability of Urban and Rural Hospitals by Medicare Payment Classification,” 2016.
Rural Closures, Trends, and What Next?

Rural Issues – Hospital Closures

A Look at Rural Hospital Closures and Implications for Access to Care: Three Case Studies

The number of rural hospital closures has increased significantly in recent years. This trend is expected to continue, raising questions about the impact the closures will have on rural communities’ access to health care services. To investigate the factors that contribute to rural hospital closures and the impact these closures have on access to health care in rural communities, the Kaiser Commission on Medicaid and the Uninsured and the Urban Institute conducted case studies of three hospital closures that took place in 2013: Mercy Hospital in Independence, Kansas; Pathway Regional Hospital in Falcon, Kentucky; and Midtown Park Hospital in Decaturville, South Carolina. Two of these hospitals were in states that did not adopt the Medicaid expansion under the Affordable Care Act (ACA) (Kansas and South Carolina), while one of the hospitals was located in a Medicaid expansion state (Kentucky). Key findings include the following:

A number of factors contributed to the rural hospital closures, including aging, poor, and shrinking populations, high uninsured rates and a payer mix dominated by Medicare and Medicaid, economic challenges in the communities, aging facilities, outdated payment and delivery systems models, and business decisions by hospital operators.

Figure 2. Closed rural hospitals, 2010 - 2016

The map shows the locations of all rural hospitals that closed between 2010 and 2016.
Impact of Financial and Operational Interventions Funded by the Flex Program

Rebecca Garr Whitaker, MSPH; George H. Pink, PhD; G. Mark Holmes, PhD
University of North Carolina at Chapel Hill

KEY FINDINGS

- Prior to state Flex grantee finance and operations interventions (Flex interventions), participating critical access hospitals (CAHs) were generally in poorer initial financial condition compared to CAHs that did not participate. At baseline, the average current ratio, days cash on hand, and Medicare inpatient cost per day (i.e., Medicare inpatient revenue per day) of CAHs that participated in Flex interventions were significantly lower than CAHs that did not participate.

- Participation in Flex interventions was associated with reduced CAH reliance on Medicare. Medicare outpatient payer mix (the percentage of total outpatient charges that is for Medicare beneficiaries) was lower after Flex interventions, possibly because of improved billing and coding for privately insured or Medicaid patients.

- Participation in Flex interventions was associated with improved revenue cycle performance. On average, days revenue in accounts receivable was two days lower after participation in Flex interventions.

- Significant data quality and availability problems, lack of control for market and state factors, and unobserved institution-specific factors limited the analysis. Collection of fewer but more precisely defined data may increase data reporting by state Flex coordinators as well as improve the accuracy and reliability of data reporting.
Other recent evidence on quality

• On non-hospital settings
• On private payers
• The NQF report

Selected research:


FORHP Support for Rural Hospitals

- Collaborating with State Offices of Rural Health and State Flex Programs
  - Improving Quality
  - Improving Finances
  - Strengthening Health Systems
  - Enhancing Emergency Medical Services
State Offices of Rural Health

- Source for information on rural health issues and resources from state and federal level
- Provide *technical assistance* to rural communities.
- Encourage *recruitment and retention* of health professionals in rural areas.
- Coordinate activities within the state to avoid duplication of effort and activities.

https://nosorh.org/nosorh-members/nosorh-members-browse-by-statee/
Insurance Coverage in Rural Areas

- Coverage trends – increases in rural areas
- Medicaid trends – expansion v. non-expansion states
- Impacts on providers
Selected analyses of insurance in rural areas

Available at www.ruralhealthresearch.org:


“Rural-Urban Differences in Insurer Participation for Marketplace-Based Coverage, University of Minnesota Rural Health Research Center,” 2016.


Rural Life Expectancy

Informing the Issues ...

• CDC Efforts ... MMWR Series on Rural Health

15% OF ALL AMERICANS LIVE IN RURAL AREAS

Rural Americans are at greater risk of death from 5 leading causes than urban Americans:
• Heart Disease
• Cancer
• Unintentional Injury
• Chronic Lower Respiratory Disease
• Stroke

PROTECT YOURSELF
• Be physically active
• Eat right
• Don't smoke
• Wear your seat belt
• See your doctor regularly

https://www.cdc.gov/mmwr/index.html
Opioid Crisis

- Multi-Agency Effort focusing on opioid injection and its consequences
- Focus on Coal-Mining Areas
- Research Effort Focused on Reducing Hepatitis and HIV Risk
- Application Open; Due Date December 10th
- Six-Eight Awards funded at $400,000 each; phased project period
We’re watching CMS/CMMI initiatives

- Potential Resources for Rural Health
  - Transforming Clinical Practice Initiative
  - Healthcare Learning Action Network
  - MACRA Technical Assistance
And CMS/CMMI payment models

• Rural-Relevant Models
  • ACO Investment Model
  • Comprehensive Primary Care Plus (but ...)
  • Accountable Health Communities (AHC) Model
  • Regional multi-payer concepts, e.g., global budgeting
  • Bundling
  • Quality Payment Program
Authorization and purpose

10 participating CAHs, located in Montana, Nevada, and North Dakota

Testing payment waivers covering 1) Skilled Nursing Facility (SNF) / Nursing Facility (NF) beds within the CAH, 2) telehealth, and 3) ambulance.

Partnership between CMS and FORHP

Ongoing, and will inform two Reports to Congress
Another Voice for Rural Policy

- National Advisory Committee on Rural Health and Human Services
- Issues Policy Briefs and Makes Recommendations to the HHS Secretary
- Focus on Both Rural Health and Rural Human Service Issues

https://www.hrsa.gov/advisorycommittees/rural/publications/
Additional Resources...

We build knowledge through research and collaboration to effect change toward a high performance rural health system.

Learn More >
The Rural Community Health Gateway

- Toolkits
- Sustainability Tools
- Economic Impact Tool

“Grants In Motion” highlights Innovation
- Identifying Successful Efforts and Telling Their Story
Rural Recruitment and Retention

• The National Rural Recruitment and Retention Network
  • State-Level Resources
  • New Training Module Series

• Tools for Enhancing Retention

https://www.3rnet.org/
Weekly Announcements

Focus on …

• Rural-focused Funding opportunities
• Policy and Regulatory Developments Affecting Rural Providers and Communities
• Rural Research findings
• Policy updates from a Rural Perspective

To sign up: Email Michelle Daniels at: mdaniels@hrsa.gov
Medicare Rural Provider/Payment Types

• **Cost-Based Reimbursement**
  - Critical Access Hospital (CAH)
  - Rural Health Clinic (RHC)

• **Prospective Payment System/(Historical) Cost-Based Reimbursement**
  - Medicare Dependent Hospital (MDH)
  - Sole Community Hospital (SCH)

• **Prospective Payment System/Alternative Payments**
  - Low Volume Hospital Adjustment
  - Rural Referral Center (RRC)

• **Other rural provider/payment provisions**
  - Swing Beds
  - Physician payment adjustments and bonuses
The challenge....

How will rural providers with special payment types designed to maintain access to services in rural and underserved communities fully participate in new payment models?

The concern....

That the very payment policy provided to maintain access in rural and underserved communities may now undermine participation in innovative care delivery and payment models going forward...
....and ultimately undermine access to services in those rural and underserved communities.
Contact Information

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