National Rural Health Association

Landscape of Rural Health

Brock Slabach, MPH, FACHE
Senior Vice President
NRHA...

Improving the health of the 62 million who call rural America home

NRHA is non-profit and non-partisan

NRHA: #ruralhealth
Brock: @bslabach
Destination NRHA
Plan now to attend these 2020 events.

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
<th>Location</th>
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<tbody>
<tr>
<td>Policy Institute</td>
<td>February 11-13</td>
<td>Washington, DC</td>
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<tr>
<td>Annual Conference</td>
<td>May 19-22</td>
<td>San Diego, CA</td>
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<td>Rural Hospital Innovation Summit</td>
<td>May 19-22</td>
<td>San Diego, CA</td>
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<tr>
<td>Rural Health Clinic Conference</td>
<td>Sept. 22-23</td>
<td>Kansas City, MO</td>
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<tr>
<td>Critical Access Hospital Conference</td>
<td>Sept. 23-25</td>
<td>Kansas City, MO</td>
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Visit RuralHealthWeb.org for details and discounts.
Hope in Rural Health Care

• Rural providers do more with less;
• Rural work ethic;
• Rural ingenuity;
• Fortitude even through the most challenging of times.

✓ Higher quality
✓ Higher patient satisfaction
✓ Cost-effective
✓ Fewer Resources

Health care is so fundamental in rural America – it is as important as any other form of infrastructure.

“Healthcare for the Hometown”
The State of Rural America

U.S. Census show that after a modest four-year decline, the population in nonmetropolitan counties remained stable from 2014 to 2019 at about 46 million. (2014-2019 rural adjacent to urban saw growth.)

Opinion

Something Special Is Happening in Rural America

There is a “brain gain” afoot that suggests a national homecoming to less bustling spaces.

By Sarah Smarsh

Ms. Smarsh is the host of the podcast “The Homecomers” and the author of the memoir “Heartland.”
Rural has an Older, Sicker and Poorer Population

- The median age of adults living in rural areas is greater than those living in urban:
  - Rural: 51 years
  - Urban: 45 Years
- 18.4% of rural residents are age 65+, whereas its 14.5% in urban
- Rural areas have higher rates of several health risk factors/conditions:
  - Obesity
  - Diabetes
  - Smoking
Rural has an Older, Sicker and Poorer Population

- Nationally, rural households had lower median household incomes:
  - Rural: $49.9K
  - Urban: $66.1K
- 14.7% of rural population is below the federal poverty line, compared with 11.3% of the urban population
Further Data on Health Disparities

• The incidence of heart disease in small town America is 56 percent higher than in metropolitan areas -- or, more starkly, by some 26,700 excess deaths;

• Chronic lower respiratory disease is 75 percent higher;

• Unintentional or accidental injuries, 37 percent higher;

• Cancer fatalities declined nationwide from 2003 to 2017, they fell at a 62% slower rate in rural America.

• And there now is "a widening gap" of almost three years in life expectancy between urban and rural dwellers
Prevalence of Medicare Patients with 6 or more Chronic Conditions

The Prevalence of Medicare Fee-for-Service Beneficiaries 65 Years or Older With 6 or More Chronic Conditions, by County, 2012

Age-adjusted prevalence
Quintile classification
- 4.1%–10.3%
- 10.4%–12.9%
- 13.0%–14.9%
- 15.0%–17.2%
- 17.3%–32.3%
- Insufficient data

National age-adjusted prevalence is 15%.
Source: Centers for Medicare & Medicaid Services.
Summary: Rural Populations are Older, Less Healthy, Less Affluent and Have Limited Access to Multiple Types of Care

Source: iVantage Chartis Health Analytics
The federal government has provided over $2.4 billion in state grants since 2017, in hopes of stemming an opioid epidemic that killed 47,660 people in that year alone.

Crawford County, Ohio: Received $327,300 from key federal grants designed to curb the opioid epidemic.

Most Federal opioid grants cannot be used to treat meth addiction.

“I don't need more opiate money. I need money that will not be used exclusively for opioids,” said a County Commissioner.
Disparities in Maternal Care Access for Rural Moms

More than 18 MILLION reproductive age women live in rural America.

#RuralMaternalHealthForum

More than HALF of rural counties have NO hospital-based maternity ward.

#RuralMaternalHealthForum

From 2004-2014, Rural counties with greater %s of black women were more than 4Xs as likely to lose obstetric services.

#RuralMaternalHealthWeek
CDC Report in May, 2019

Death can happen up to a year after delivery.

- 33% 1 week to 1 year after delivery
- 31% During pregnancy
- 36% During delivery and up to 1 week afterward

- 50% more likely to die than our mothers
- Minority women are 3 times more likely to die
Rural Hospital and Clinic Closure Crisis: Convergence of Multiple Pressure Points
Current and Pending Health Policies Exert Negative Financial Pressure on Providers

- **Sequester**: 2% IP and OP Medicare Revenue Cut
- **Bad Debt**: 35% Medicare Bad Debt Reimbursement Cut
- **PayGo**: 4% Medicare Revenue Cut
- **Medicaid Block Grants**: $1T Cut Over 10 Years
One-year Impact of Current and Pending Policies (National)

- Sequester/Bad Debt: $460M
- PayGo: $700M
- Medicaid Block Grants: $1.7B

Hospital Revenue: 10,000
Potential Job Loss: 16,000, 37,000

Current: Sequestration, Bad Debt, Pending Tax Cuts and Jobs Act (PAYGO)
Proposed: Medicaid Block Grants (Graham-Cassidy)
Impact on Rural Operating Margins
48% of all Rural Providers have a Negative Operating Margin

State-level percentage of rural hospitals with negative operating margin.

Impact on Rural Hospitals

Shift in Operating Margin: States Moving Deeper into the Red

State-level percentage difference (negative) in operating margin.

## Medicaid Expansion Status and Margins

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<tr>
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<th>Expansion State</th>
<th>Non-Expansion State</th>
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<tbody>
<tr>
<td>Median Operating Margin</td>
<td>1.5%</td>
<td>-0.2%</td>
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<tr>
<td>% with Negative Margin</td>
<td>41%</td>
<td>51%</td>
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Rural Hospital Closures – 119 and counting

388 Rural Health Clinic Closures between 2012 and 2017

Source: Sheps Center, UNC
Rural Hospital Closures – 119 and counting

388 Rural Health Clinic Closures between 2012 and 2017
Rural Delivery Service Closures

- Rural hospitals dropping OB since 2011: 134
- Rural hospitals offering OB that have closed: 21
- Rural communities that have lost access to OB since 2011: 155
OB Closure Impact: Increased Distance to Delivery

Offsetting Revenue Pressure:
The Decline of Access to OB Services in Rural America

Drive time to nearest OB provider.

Added time (up to) for women in 90 rural communities.

Women in 12 rural communities must now drive an additional 60 minutes or more.

Added time (up to) for women in 53 rural communities.
Chartis Vulnerability Analysis by State

Rural Hospital Vulnerability

Percentage of State Rural Hospitals Determined to be Vulnerable
Chartis Vulnerability Analysis by State

The ‘Most Vulnerable’

Percentage of State Rural Hospitals Determined to be ‘Most Vulnerable’
Rural closings increase travel times for patients, and lead to outmigration of health care professionals post-closure, severely dismembering patient access to care and exacerbating social disparities in health outcomes.

- Researchers Kritee Gujral & Anirban Basu
How Data Points Can Advance NRHA Policy?

- Access to Care
  - HPSAs and Health Disparities reveal a distinct pattern of need

- No Mission No Margin
  - Operating Margin and % of rural providers in red indicate a downward financial trajectory

- The Safety Net is a Bargain
  - Cost per Beneficiary

- Rural Provider Performance
  - Despite the challenges, they are providing excellent care according to several factors
NOT COMPATIBLE!
National Media Attention

• 2020 Presidential Election:
  ❖ Campaign platforms; Debate coverage

• Major News Outlets:
  ❖ The Hill, NPR, CNN
  ❖ CBS: New reporting on rural EMS shortages

• National Reports & Surveys
  ❖ National Bureau of Economic Research*
  ❖ Robert Wood Johnson Foundation
  ❖ Bipartisan Policy Center, etc.

If we learned anything from the past election, it’s that we haven’t listened to rural America enough.
- Chuck Schumer, Senate Minority Leader
Updates from the House of Representatives

• Appropriations
  • House passed 10 approps. bills before Summer recess
  • House passed a Continuing Resolution (CR) on September 19th to extend federal government funding through November 21st, government shutdown?
  • Rural Development and Infrastructure: Provides more than $3.943 billion for rural development programs, including $680 billion for expansion of broadband services for education and healthcare programs.

• Ways & Means
  • Rural Health Task Force
    • Reps. Sewell (D-AL), Arrington (R-TX), Wenstrup (R-OH), Davis (D-IL)

• Energy & Commerce
  • H.R. 4243: Rural MOMS Act (introduced by Rep. Torres Small; bipartisan; 5 cosponsors)
  • Reauthorizing and Extending America’s Community Health (REACH) Act: Eliminates scheduled reductions to Medicaid DSH funding in FY2020 and FY2021. Fresh funding for CHCs, National Health Service Corps, and other programs.
Updates from the Senate

• Appropriations
  • Passed on Oct. 31 four-bill minibus, HR 3055 84-9 (bipartisan): Agriculture—FDA, Commerce-Justice-Science, Interior-Environment and Transportation-HUD
  • The short-term funding agreement in Senate funds key health program extenders through November, 21, 2019:
    • Community Health Centers, National Service Corps, Teaching Health Center Graduate Medical Education Program, TANF,
    • Increase Medicaid Improvement Fund to $2.387 billion
  • Chairman Shelby has floated the idea of a CR lasting till deep into the first quarter of 2020
  • Government shutdown?
Key Rural Legislation

- RHC Modernization Act, HR 2990
- Rural ACO Improvement Act, S2648
- Expanding CAH Eligibility, HR 2990
- Conrad State 30 Program, S948/HR2895
- Resident Physician Shortage Reduction Act, S348/HR1763
- CAH 96-hour Rule Fix HR1041/S586
- Physician Supervision to General, S895
- Rural Maternal and Obstetric Modernization Services Act (RMOMS), S2373
- Expanding Capacity for Health Outcomes
- Rural Health Innovation Act, S2411
- Telemedicine Across State Lines Act, S2408
- Rural America Health Corp, S2406
- Rural Hospital Sustainability Act of 2019 (Global Budgets) S2157
- Lower Health Care Costs Act of 2019 (‘Surprise Billing’ - *will it pass?*), S1895
‘Other’ Rural Health Updates

• Converting from a Rural PPS Hospital to CAH
  • NRHA has been working with both Senate and House offices on this potential legislation; Sen. Kinzinger and Sen. Durbin leading the charge; Met with Secretary Azar’s team and recently Deputy Secretary Hargan; Our team is working to include this provision within the SRHA as well (& cost-based reimbursement for ambulatory services)

• Rural Funding Initiatives
  • Primary Care Training and Enhancement: Residency Training in Primary Care (PCTE-RTPC) Program
  • HHS has awarded nearly $400 million through HRSA to combat the Opioid Crisis – funding to HRSA funded CHCs, rural orgs and academic institutions
  • In a major victory for rural moms and NRHA members, HHS recently awarded nearly $9 million to launch the Rural MOMS program in three states. Funds will be used to pilot, test, and develop models to improve access to and continuity of rural OB care
Senate Finance Rural Health Package

- D.C. Health-based Non-profits Letter*
  - American Academy of Family Physicians, National Association of Rural Health Clinics, Society of Teachers of Family Medicine, Association of Family Medicine Residency Directors, Association of Departments of Family Medicine, American College of Obstetricians and Gynecologists, North American Primary Care Research Group, & NRHA

- State Rural Health Associations Letter

- NRHA-Rebuild Rural Coalition Letter
  - National Association of Counties, National Farmers Union, National Grange, Farm Credit Council. American Academy of Family Physicians, National Association of Community Health Centers, NCTA – the Rural Broadband Association, American Farm Bureau Federation, & NRHA
### Senate Finance ‘Target Members’

<table>
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<tr>
<th>Majority</th>
<th>Minority</th>
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<tr>
<td>• Chuck Grassley, Iowa, <em>Chairman</em></td>
<td>• Ron Wyden, Oregon, <em>Ranking Member</em></td>
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<td>• Mike Crapo, Idaho</td>
<td>• Debbie Stabenow, Michigan</td>
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<td>• Pat Roberts, Kansas</td>
<td>• Maria Cantwell, Washington</td>
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<td>• Mike Enzi, Wyoming</td>
<td>• Bob Menendez, New Jersey</td>
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<td>• John Cornyn, Texas</td>
<td>• Tom Carper, Delaware</td>
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<td>• John Thune, South Dakota</td>
<td>• Ben Cardin, Maryland</td>
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<td>• Richard Burr, North Carolina</td>
<td>• Sherrod Brown, Ohio</td>
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<td>• Johnny Isakson, Georgia</td>
<td>• Michael Bennet, Colorado</td>
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<td>• Rob Portman, Ohio</td>
<td>• Bob Casey, Pennsylvania</td>
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<td>• Pat Toomey, Pennsylvania</td>
<td>• Mark Warner, Virginia</td>
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<td>• Tim Scott, South Carolina</td>
<td>• Sheldon Whitehouse, Rhode Island</td>
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<td>• Bill Cassidy, Louisiana</td>
<td>• Maggie Hassan, New Hampshire</td>
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<tr>
<td>• James Lankford, Oklahoma</td>
<td>• Catherine Cortez Masto, Nevada</td>
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<td>• Steve Daines, Montana</td>
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<td>• Todd Young, Indiana</td>
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We need **YOUR** help convincing Senate Finance Committee members to pass a rural health package **before the end of the year**.
The Time is Now...

- To reach out to Sen. Warner and let him know how important a rural package is to Virginia’s rural communities

- Emphasize key points, including the need for a new model. Join Sen. Roberts (KS) in co-sponsoring REMC in the rural health package
Updates from the Administration & HRSA

- Rumors suggest that a series of Executive Orders aimed at improving rural health care may be coming & HHS may release new rules aimed at reducing regulatory burdens for rural providers.

- NRHA Auto-HPSA Concerns
  - Shortage Designation Modernization Project; Notices sent August 30th
  - Significant changes in HPSA scores possible, which may impact a provider’s competitive status for NHSC and Nurse Corps.
  - Note: Auto-HPSAs update does not affect CMS HPSA Bonus Payments or rural health clinics’ enrollment/certification.
  - Currently, no state-by-state data; however, we know of the approximately 4000 auto-HPSA’s scores - 985 scores went slightly up; 834 went down (including 421 FQHCs & 254 RHCs)
  - Current NHSC participants and those awarded this year are not affected by the national update.

- Process was not as transparent as it could have been.
- Questions to whether RHCs received adequate noticed.
- Appeals process is short. Deadline to guarantee that rescore requests are processed before 2020 NHSC cycle is 11-1-19.
Updates from the Administration & FCC

• **Promoting Telehealth in Rural America**, final rule released on October 11 and is set to do the following:
  - Reforms payments in the Rural Health Care (RHC) Program to “promote efficiency and reduce waste, fraud and abuse
  - Streamline the process of discounted rates providers pay telecommunications companies and the level of support received from the RHC program are calculated
  - Transparency of rates through a database providers could use to determine support levels
  - Sets a procedure for reaching funding caps and targeting high-need providers if that should occur
  - Simplify the application process with greater clarity regarding process
  - Directs management to increase transparency overall and ensure timely information to assist providers in decision making regarding eligible services and purchases
CMS’s “Re-thinking Rural” Efforts Outlines at NRHA Annual Conference

- “Placing unprecedented priority” on rural health.
- Cited quality payment program and new telehealth payments as two examples.
- Goal is to reduce unnecessary burden.
- “Wage Index proposal” in IPPS Final Reg as an example that CMS recognizes that rural hospitals are struggling.
- Physician supervision guidelines and “we will hear more on this.”
- Announced CMS is developing “new, innovative model that will come out later this year.”
- “Communities will be able to custom design,” and “funding may be added for a hub and spoke telehealth approach,” or a “plan to realign hospitals.”
Value-Based Payment and Vulnerable Populations

- Vulnerable Populations
  - People living in poverty
  - People living with disabilities
  - Aging populations
  - High rates of un-insured and under-insured
- Rural populations are generally vulnerable populations
- *NEJM*, March 15, 2018 noted the negative impact of Alternative Payment Models (APSM) on vulnerable populations.
CMS Center for Innovation

• Based on learning from Pennsylvania Rural Health Model (Global Budgets) and rural ACOs.
• New Rural Payment Model Announcement on National Rural Health Day? November 21, 2019
• In May, NRHA met with CMMI to detail suggestions for CMMI new rural payment models, focus on technical assistance
• Expect small demo; limited funding and statewide/regional effort
Medicare for All:
Bernie Sanders and Elizabeth Warren

Medicare Buy-in (public option) -- Medicare X:
Reintroduced by Senators Tim Kaine and Michael Bennet (D-CO) – reimburses rural providers up to 125%, Supporters of this approach include Biden (build on ACA).
Rural Health Care Poll

• 92% of Democrats and 93% of Republicans consider access to health care an important issue.

• 3 in 5 voters are more likely to endorse a candidate who makes access to rural health care a priority.

• >½ of rural voters polled said access to specialists is a problem.
  • Bipartisan Policy Committee and American Heart Association poll conducted by Morning Consult
NRHA Needs You! Contact your Senators and Congressman to Protect Rural Health!
National Rural Health Association

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