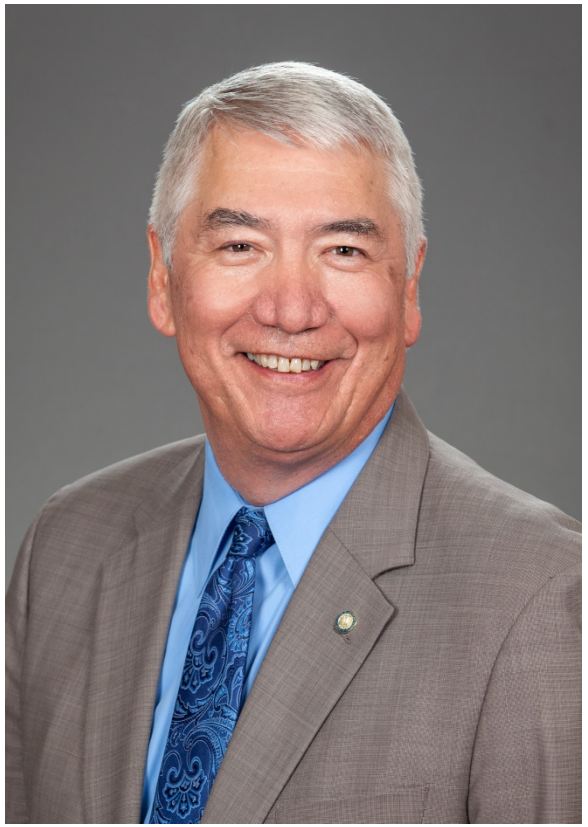
2019 Rural Challenges in Health Care

Presented by

Raymond T. Hino, MPA, FACHE

2018 – 2019 President

California State Rural Health Association (CSRHA)



Slides Provided by

Brock Slabach, MPA, FACHE

Sr. Vice President

National Rural Health Association

Join Us
2019 Annual California State Rural Health Conference
Roseville, California
September 23-24, 2019

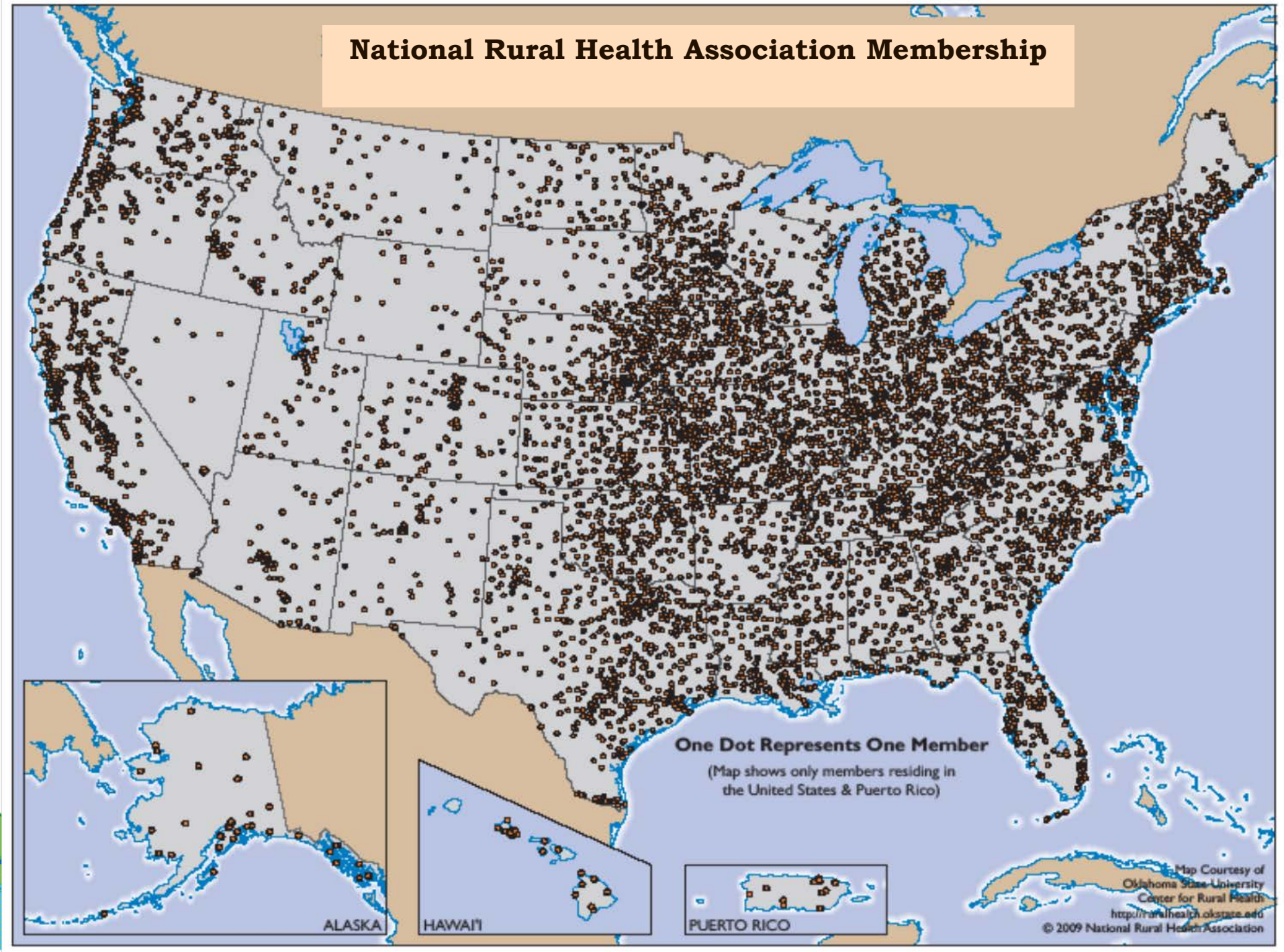
NRHA

Your voice. Louder.

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

NRHA is non-profit and non-partisan.

National Rural Health Association Membership



Destination NRHA

Plan now to attend these upcoming events.

Policy Institute—February 5-7, 2019• Washington, DC

Annual Conference—May 7-10, 2019• Atlanta, GA

Rural Hospital Innovation Summit—May 7-10, 2019• Atlanta, GA

RHC/CAH Conference—September 17-20, 2019• Kansas City, MO

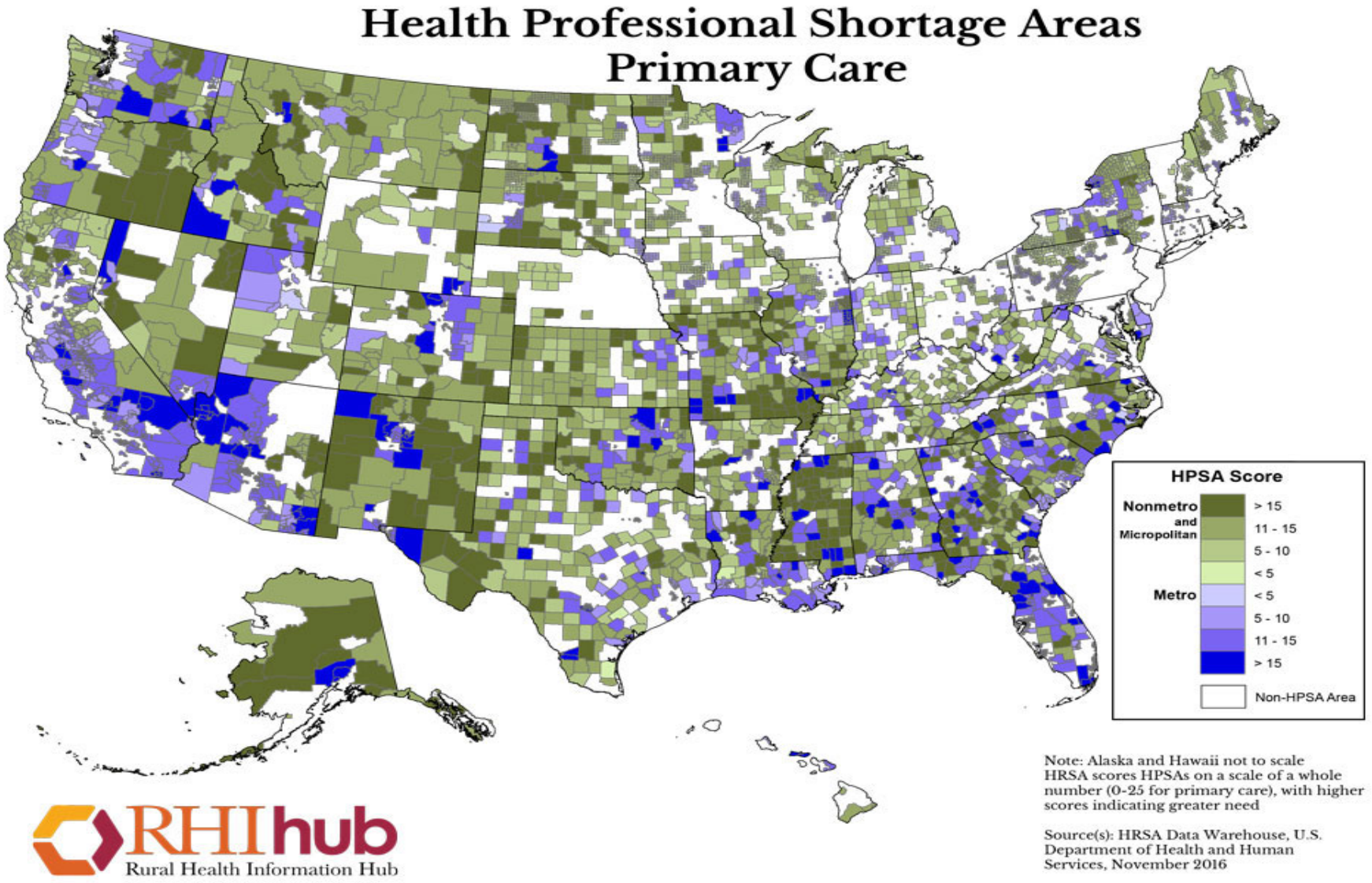
World Rural Health Conference—Oct. 12-15, 2019• Albuquerque, NM

Visit RuralHealthWeb.org

for details and discounts.

The State of Rural America

- Workforce Shortages
- Vulnerable Populations
- Chronic Poverty



- **6,000 areas in the U.S. are primary care health shortage areas;**
- **4,300 areas are dental health shortage areas; and**
- **3,500 areas are short of mental health shortage areas.**

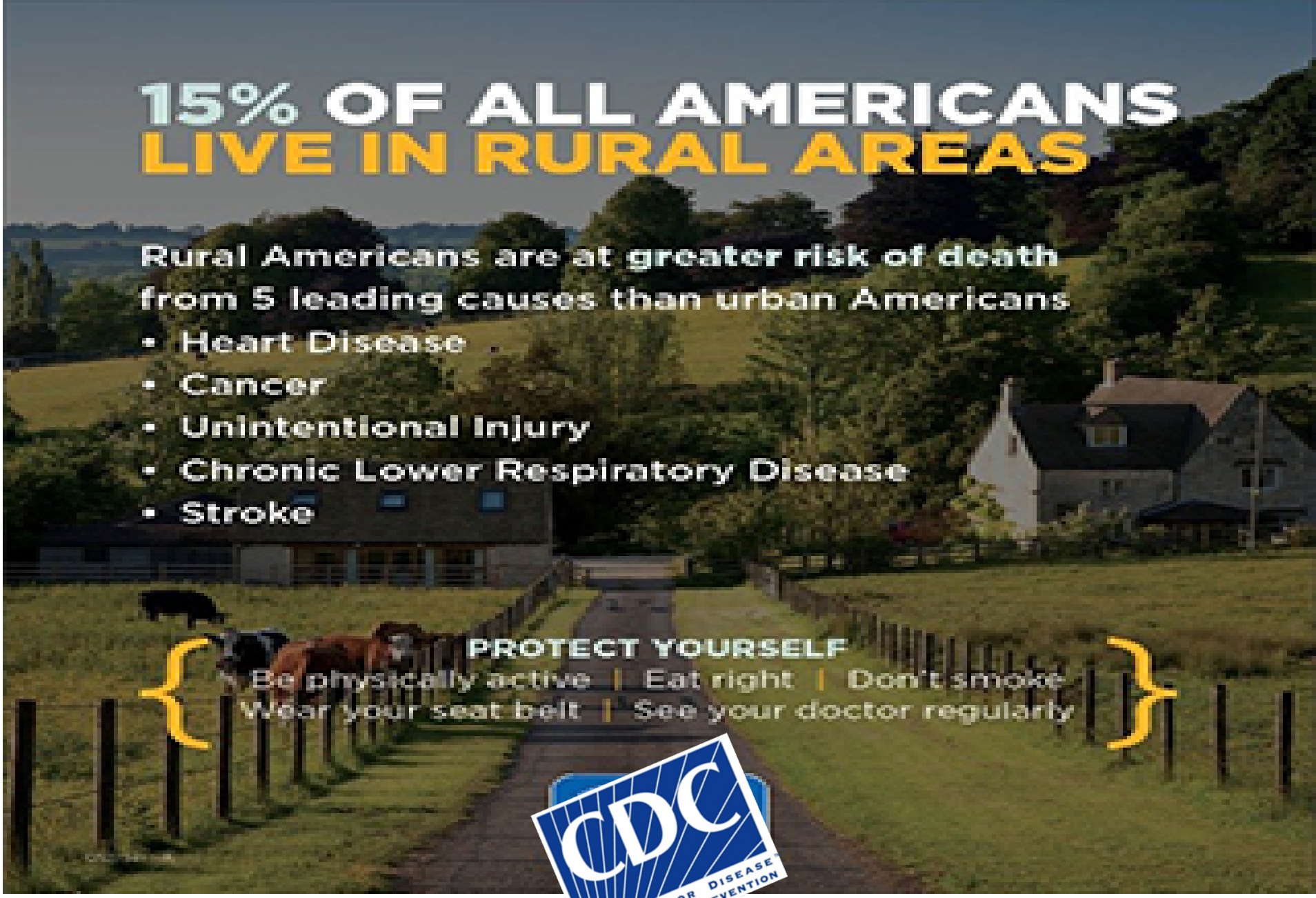
Rural Mortality Rates.

A Rural Divide in American Death

Center for Disease Control January, 2017 Study:

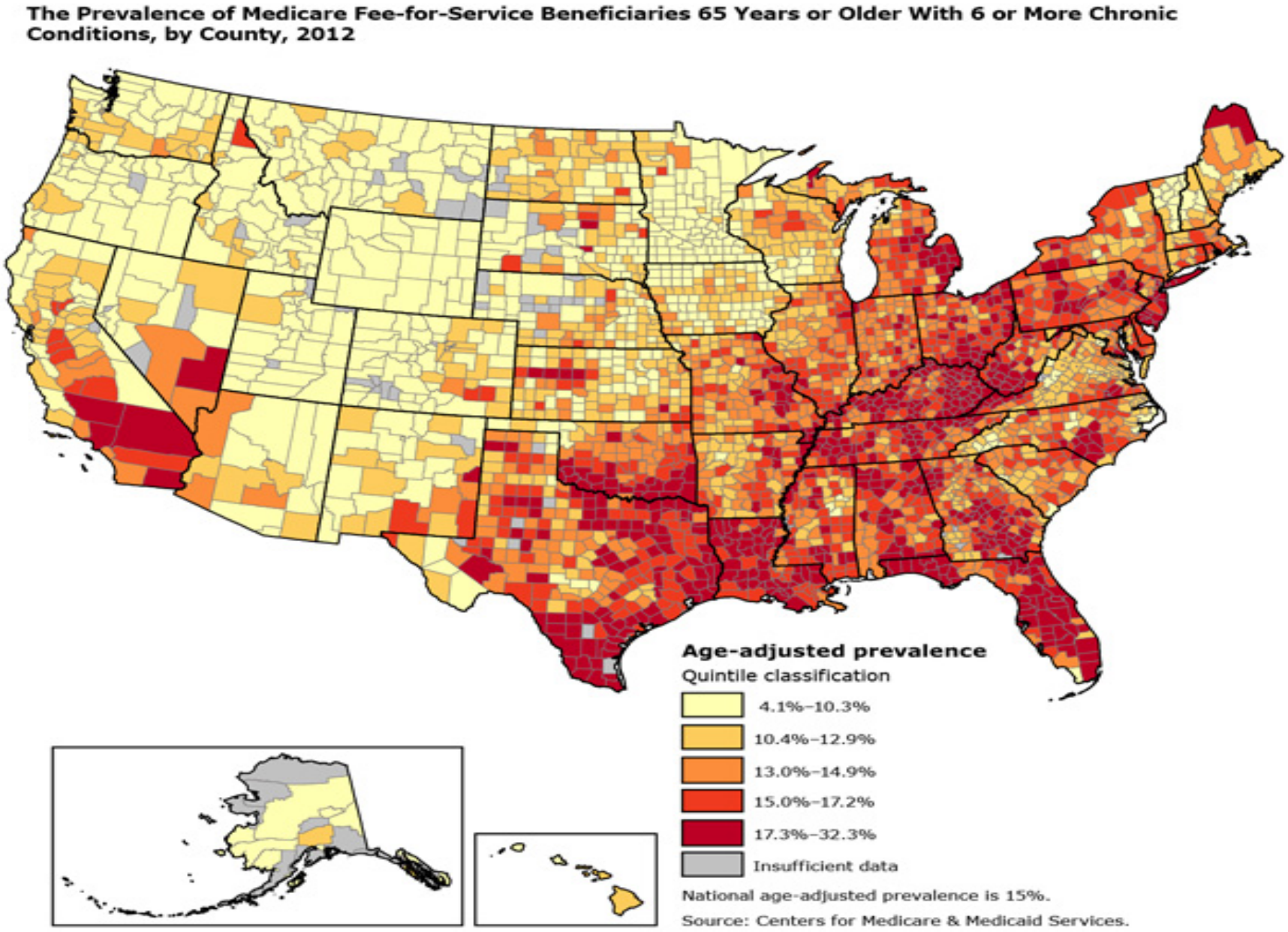
"The death rate gap between urban and rural America is getting wider"

- Rates of the five leading causes of death — heart disease, cancer, unintentional injuries, chronic respiratory disease, and stroke — are higher among rural Americans.
- Infant mortality rates are 20% higher than in large urban counties.
- Mortality is tied to income and geography.
- Minorities, especially Native Americans die consistently prematurely nation-wide, but more pronounced in rural.
- Startling increase in mortality of white, rural women. Causes:
  - Risky lifestyle (smoking, alcohol abuse, opioid abuse, obesity)
  - Environmental cancer clusters
  - Suicides

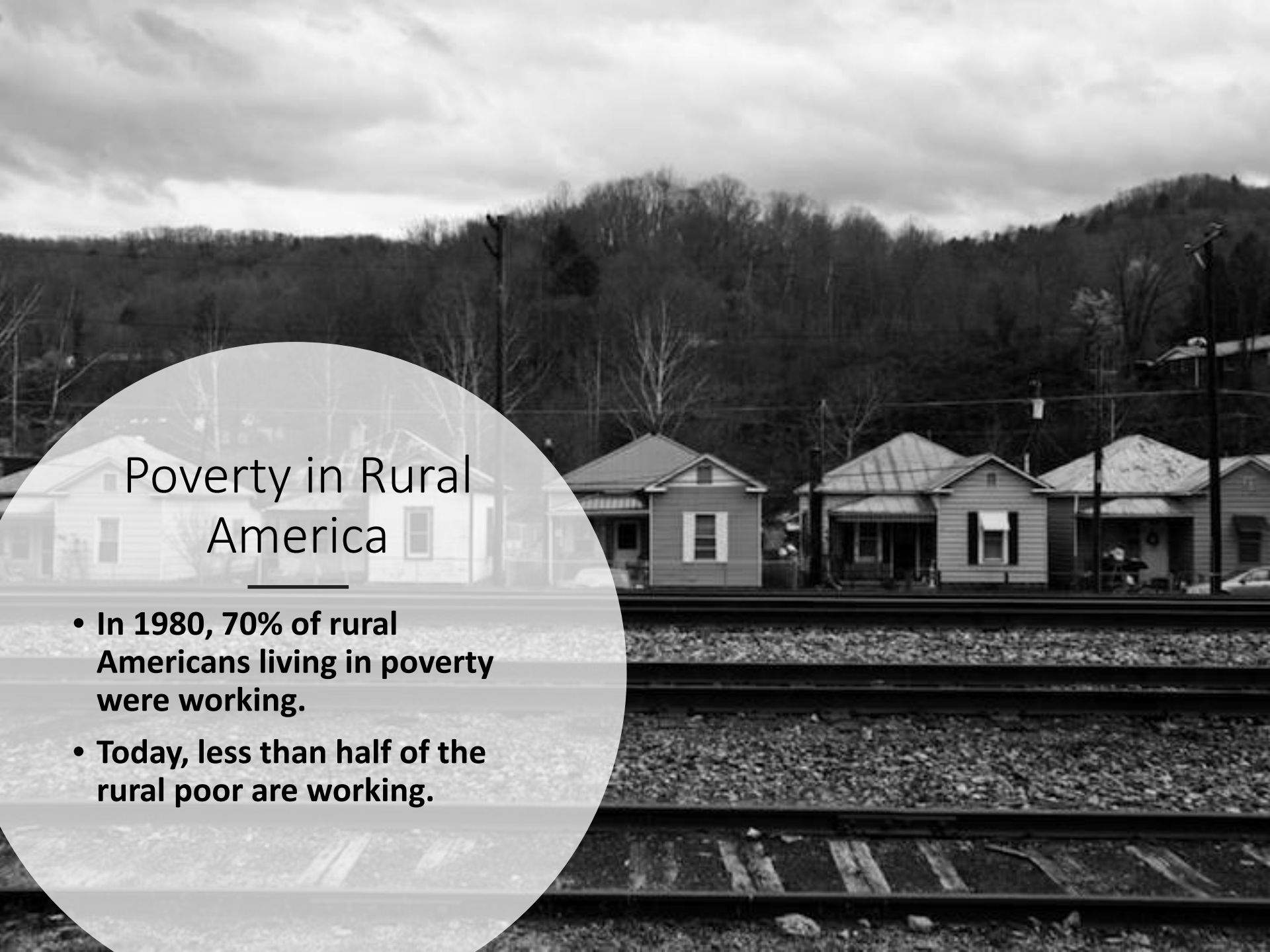

15% OF ALL AMERICANS
LIVE IN RURAL AREAS
Rural Americans are at greater risk of death from 5 leading causes than urban Americans
• Heart Disease
• Cancer
• Unintentional Injury
• Chronic Lower Respiratory Disease
• Stroke
PROTECT YOURSELF
Be physically active | Eat right | Don't smoke
Wear your seat belt | See your doctor regularly
CDC
CENTERS FOR DISEASE CONTROL AND PREVENTION


15% OF ALL AMERICANS
LIVE IN RURAL AREAS
ONLY 1 IN 4
rural adults practice at least 4 of 5
health-related behaviors
• Not smoking
• Maintaining normal body weight
• Being active
• Nondrinking or moderate drinking
• Sufficient sleep
PRACTICE HEALTH-RELATED BEHAVIORS THAT
CAN PREVENT CHRONIC DISEASE.
CDC
CS273411-A

Prevalence of Medicare Patients with 6 or more Chronic Conditions



The Rural Opioid Crisis



Poverty in Rural America

- **In 1980, 70% of rural Americans living in poverty were working.**
- **Today, less than half of the rural poor are working.**

Persistent Poverty in Rural America

- At the turn of the century, about 1 in 5 rural counties had a poverty rate higher than 20 percent. Today, about one in three rural counties — 657 counties — have similarly high rates of poverty.

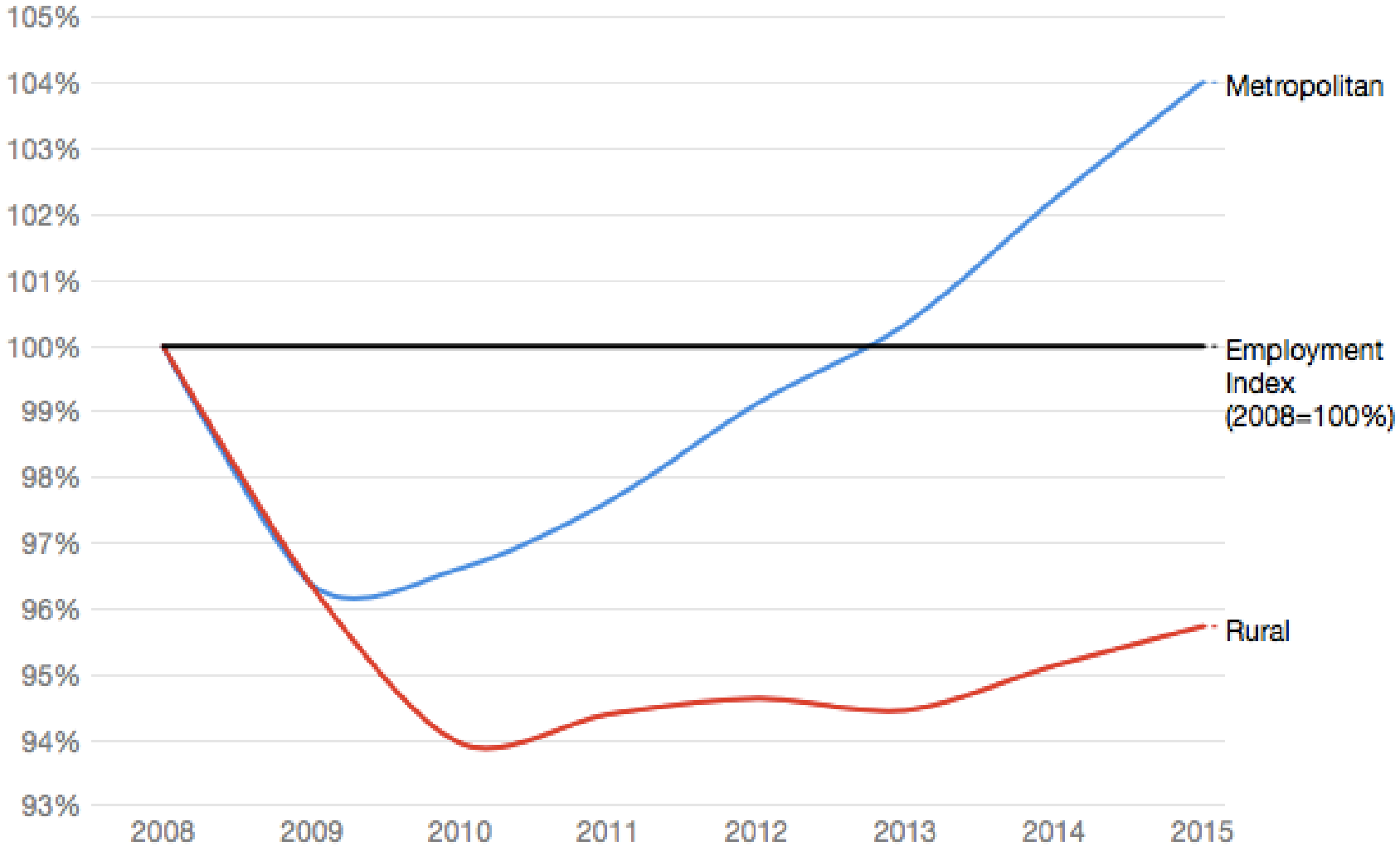
Carsey Institute of Public Policy, November 2017

"Rural poverty skyrockets as jobs move away,"

The Hill, December 5, 2017

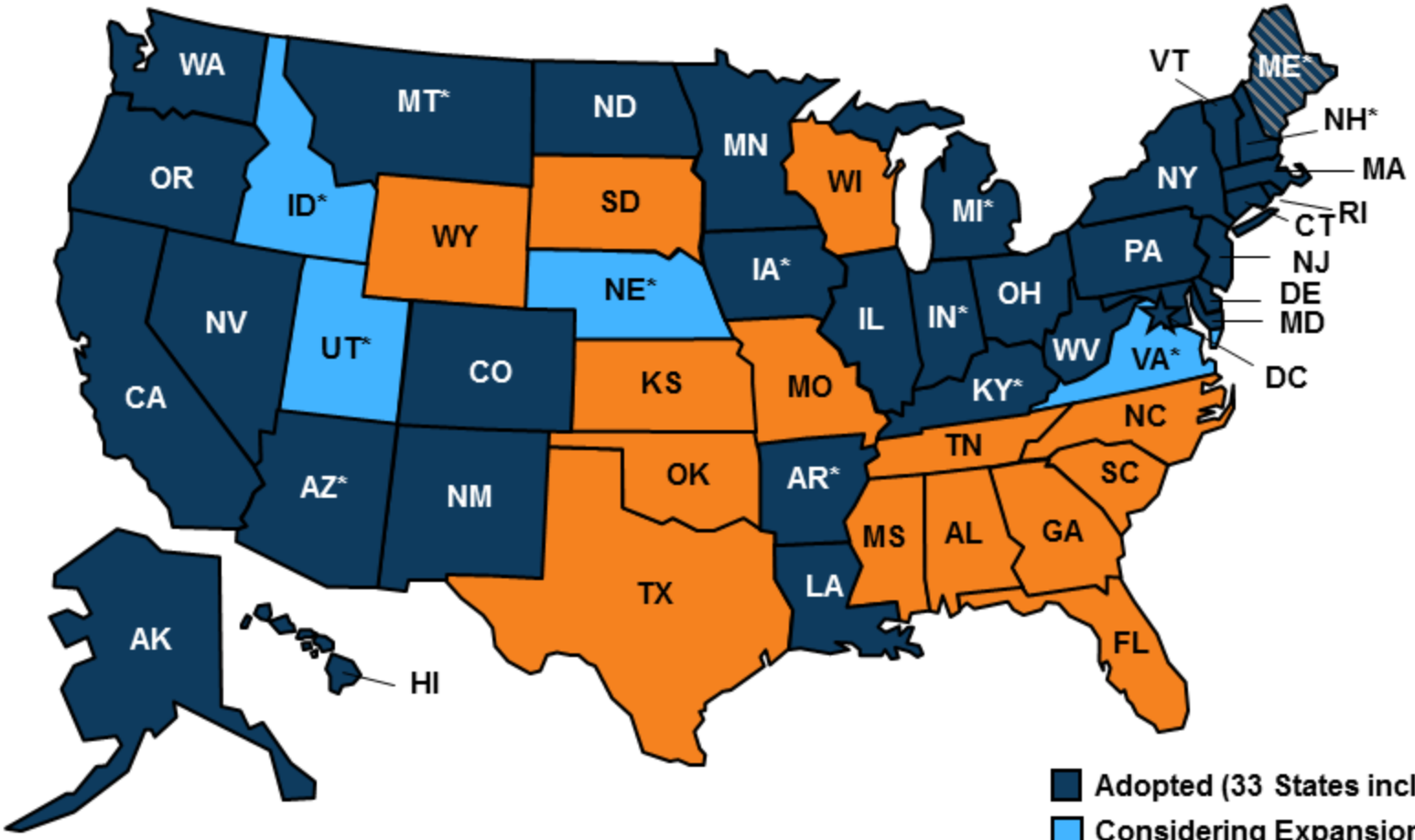
Job growth in America

Since 2008, job growth in metropolitan areas has outpaced that in rural areas.



The Conversation, CC-BY-ND

Status of State Medicaid Expansion Decisions



NOTES: Current status for each state is based on KFF tracking and analysis of state activity. *AR, AZ, IA, IN, KY, MI, MT, and NH have approved Section 1115 expansion waivers. CMS approved the Kentucky HEALTH expansion waiver on January 12, 2018; implementation of some provisions was scheduled to begin in April 2018. VA is considering adopting expansion in their FY 2019 state budget, UT passed a law directing the state to seek CMS approval to partially expand Medicaid to 100% FPL using the ACA enhanced match, and UT also has a measure on the ballot in November to fully expand to 138% FPL. Expansion proponents in ID and NE are collecting signatures to place expansion on their November ballots. ME adopted the Medicaid expansion through a ballot initiative in November 2017, but the Governor failed to meet the SPA submission deadline (April 3). (See the link below for more detailed state-specific notes.)
SOURCE: "Status of State Action on the Medicaid Expansion Decision," KFF State Health Facts, updated April 27, 2018.
https://www.kff.org/health-reform/state-indicator/state-activity-around-expanding-medicaid-under-the-affordable-care-act/

KFF
HENRY J KAISER FAMILY FOUNDATION

Now, more than ever…an investment is needed in…

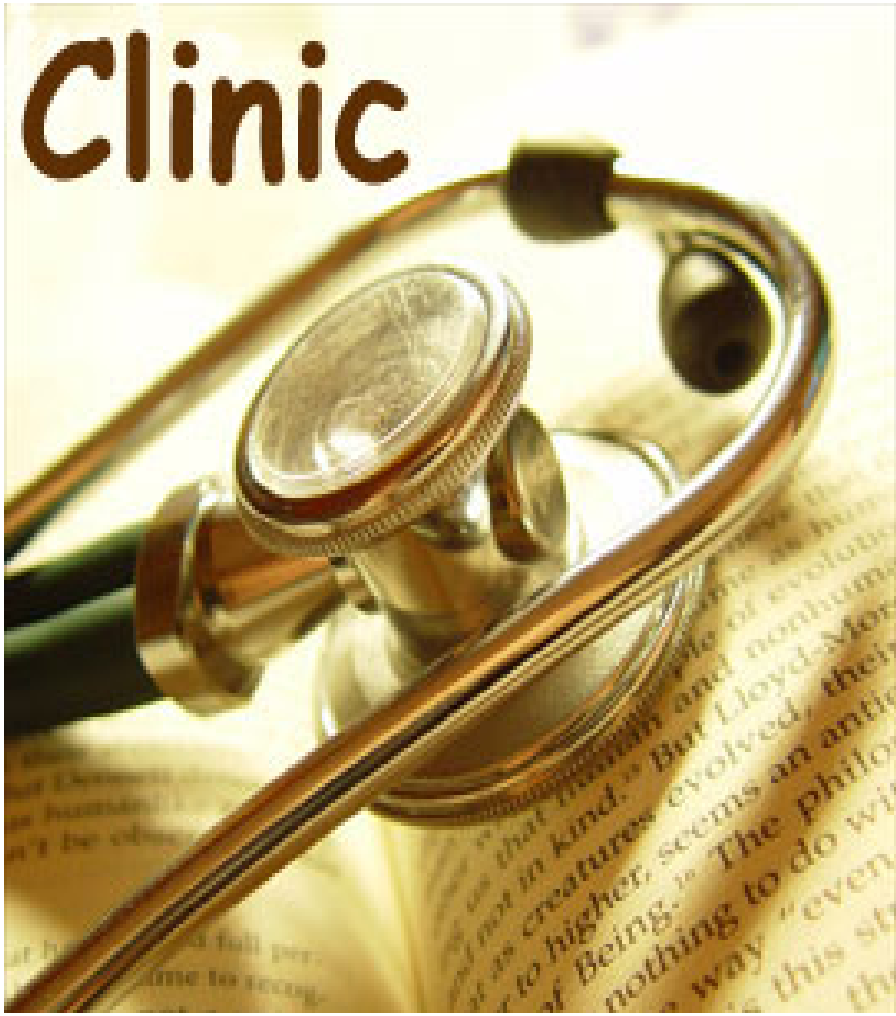
Rural Health Clinics

Critical Access Hospitals

Rural Health Clinics Advocacy

NRHA
Your voice. Louder.

- 4,400 RHCs nationwide furnish primary care and preventive health services in rural and underserved areas.
- Rural Health Clinics across rural America face long-standing challenges:
  - inadequate reimbursement rates;
  - workforce shortages; and
  - technology challenges.



Raising RHC Caps

- Prospects of Raising the RHC Cap ($110 per visit proposal by the Senate Rural Health Caucus)
- Medicare Spending on Rural Health Clinics remains woefully low (1% of all Medicare spending)

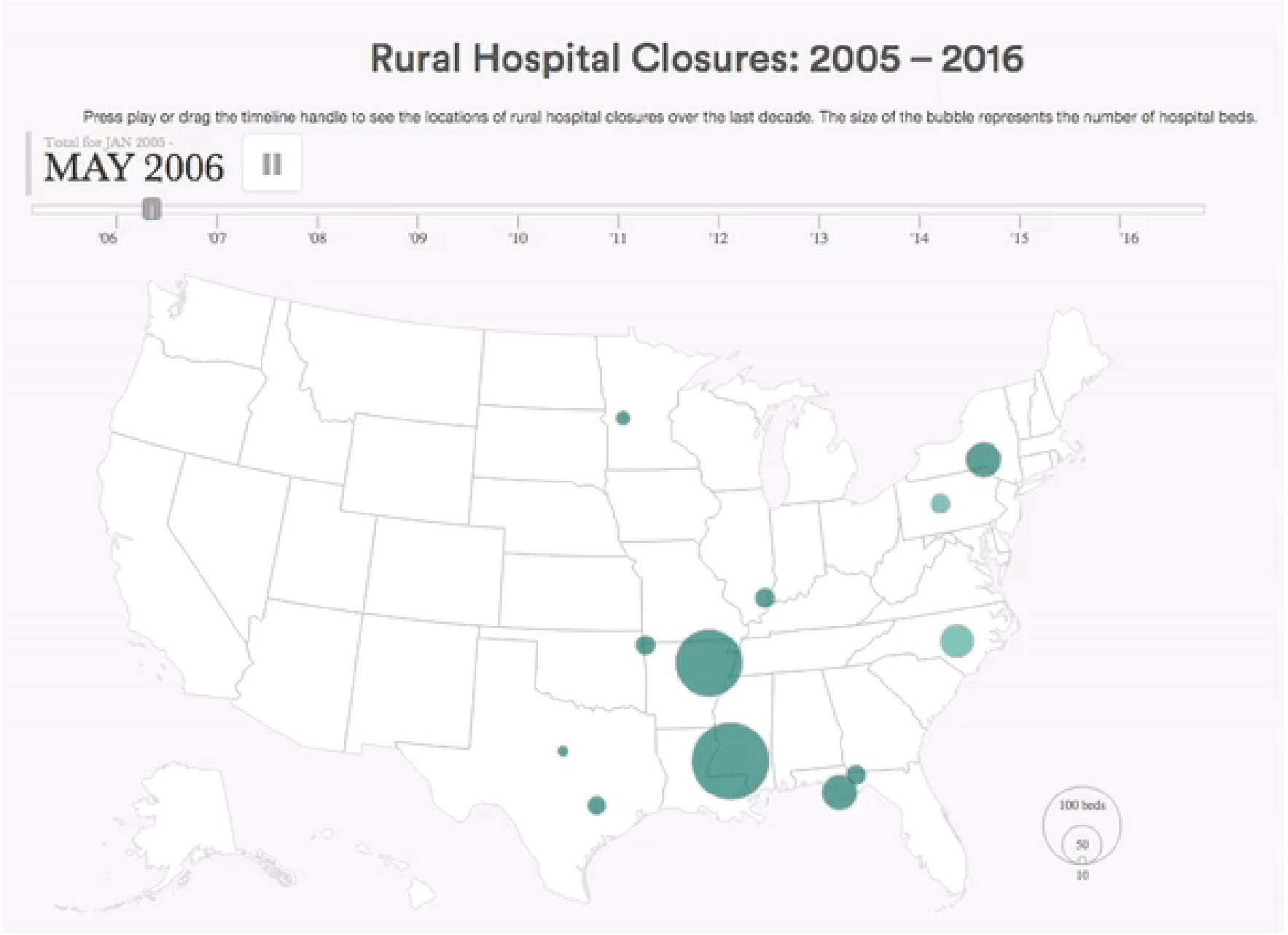
RHC Modernization Act

- Provides overdue and common-sense regulatory reform
- Payment Reform

NARHC

NATIONAL ASSOCIATION OF
RURAL HEALTH CLINICS

Hospital Closure Crisis

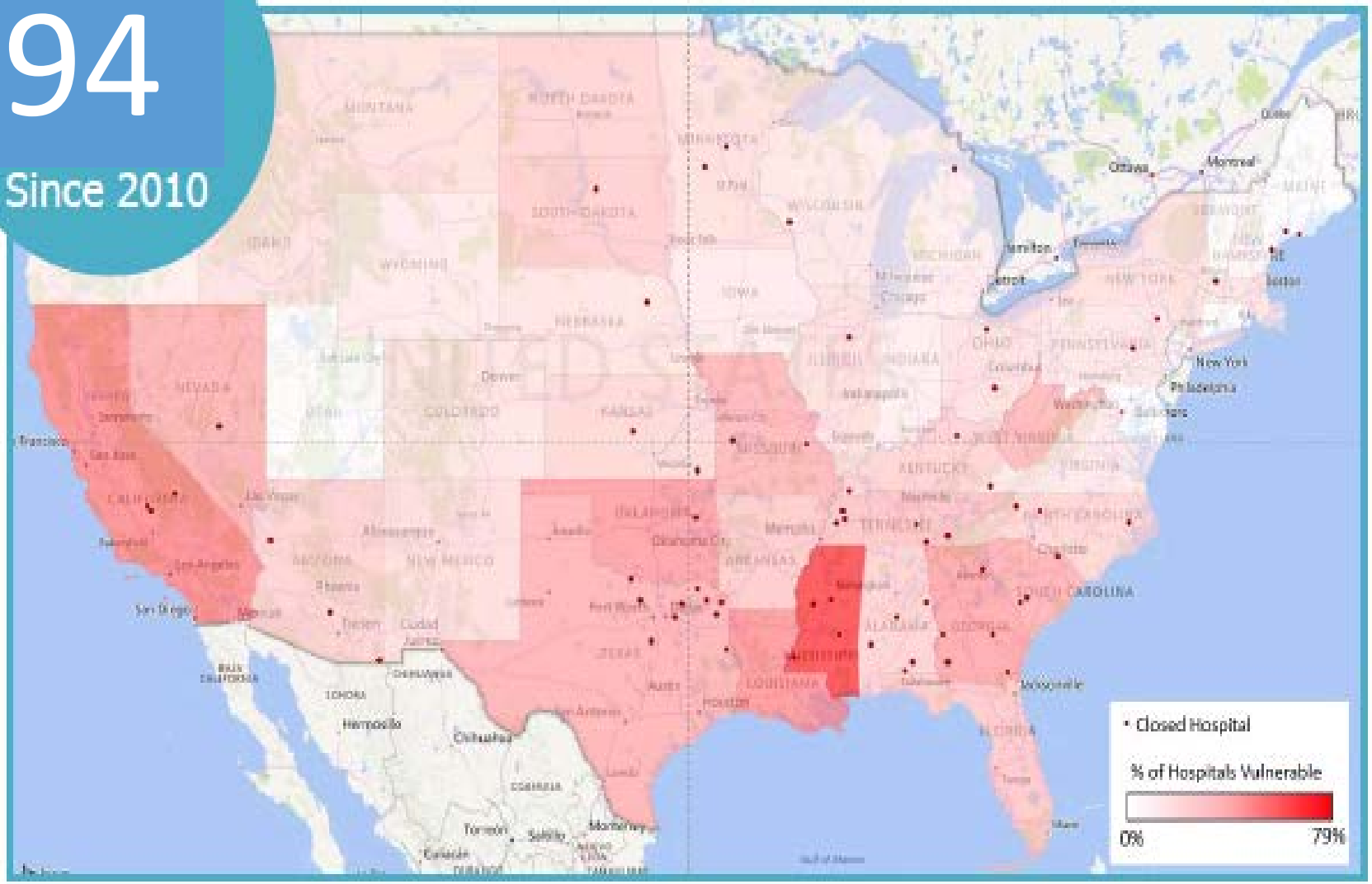


Rural Hospital Closures and Risk of Closures

Closures Escalating

94

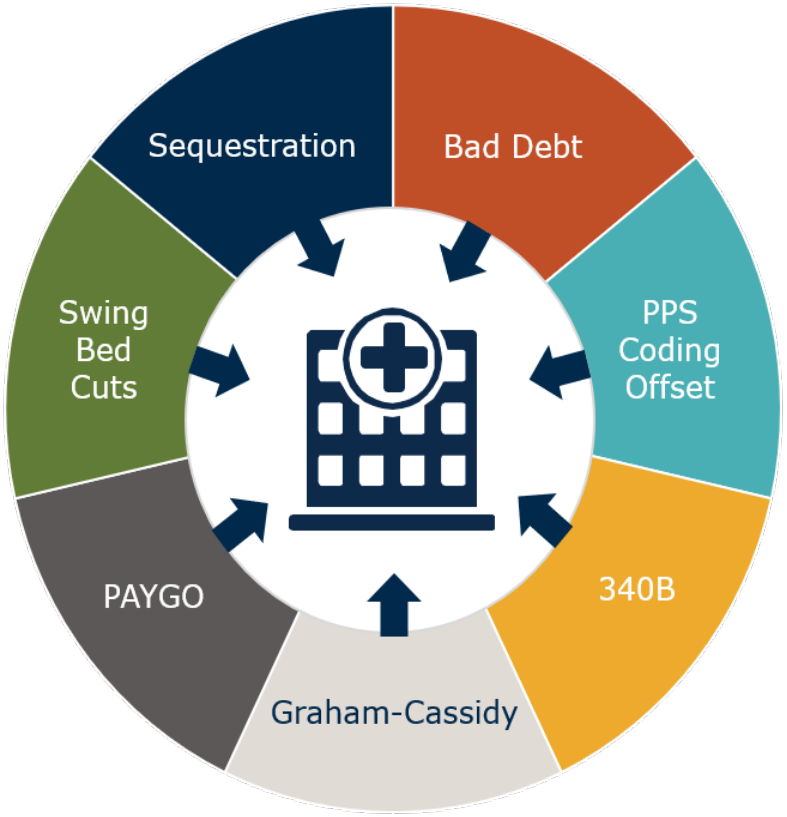
Since 2010



Rural Hospital Closures Continue…

Rural Health Safety Net is Under Fire Pressure

Current and Pending Health Policies Negatively Impact Rural Providers



Total Rural Hospitals Operating in the Red Jumped Four Percentage Points Since Last Year

40% >>> 44%

2017 2018

THE CHARTIS GROUP

CHARTIS CENTER FOR RURAL HEALTH

Why are hospitals losing money?

RURAL PROVIDERS ARE SUBSIDIZING CARE.

Impact of Bad Debt

- Medicare and Medicaid bad debt has increased by nearly 50% since the ACA was signed into law.
- Private bad debt?
- Bad debt cuts cause $3.8 billion over 10 years to be lost.

Impact of Sequestration

THE CHARTIS GROUP
CHARTIS CENTER FOR RURAL HEALTH

- Projected impact of the Sequester to rural hospitals and communities within one year.[1]

Revenue Lost within 1 year[2]

$320M

Jobs Lost within 1 year[3]

7,100

GDP Lost within 1 year[4]

$800M

- Median rural hospital loses $71,000 from sequestration;
- Rural Health Clinics net payment decrease from Medicare is 1.62% of capitated rate.

Maternity Care is Disappearing in Rural America

- In 1985, 24% of rural counties lacked OB services. Today, 54% of rural counties are without hospital based obstetrics.
- More than 200 rural maternity wards closed between 2004 and 2014.

Rural Obstetric Factors

- Rural areas have higher rates of chronic conditions that make pregnancy more challenging, higher rates of childbirth-related hemorrhages and higher rates of maternal and infant deaths.
- Half of rural women in rural communities live more than the recommended 30 minutes from a hospital offering maternity services.
- Workforce shortages and medical liability costs.

Rural Victories: Appropriations

- First time in more than a decade, a L-HHS Bill has been approved by Congress.
- Unprecedented Funding for:
  - Rural Health Safety Net;
  - Opioid prevention funding;
  - National Institute of Health.
- Remember also operating off of 2-7ear budget bill that passed in February, which included significant rural funding.

The Details

- **Medicare Rural Hospital Flexibility Grants** - $53. 6 million -- $3.2 million over NRHA request.
  - Of **Rural Hospital Flexibility Grants funds**, $19.9 million is specifically provided for the **Small Rural Hospital Improvement Grant.**
- **State Offices of Rural Health (SORH)**
  $10 million to help the SORH improve rural health care across our country.
- **Telehealth Programs:** The bill focuses resources toward efforts and programs to help rural communities, including $25.5 million, $2 million above FY2018, for Telehealth.
- **Workforce:** The committee appropriated $40.25 million, $2 million above FY2018 for Area Health Education Centers (AHECs). An additional $15,000,000 will be available through September 30, 2021 to support the Rural Residency Development Program.

Examples of Rural Focus in Appropriations Bill

- **New Grant dollars for Obstetric Shortages**: Senators Lisa Murkowski (R-AK) and Heidi Heitkamp (D-BD) $1 million grants for the purchase and implementation of telehealth services or other necessary technology and equipment to improve care coordination and delivery for pregnant women in rural (Sens. Heitkamp (D-ND) and Murkowski (R-AK)).

- **Coal Workers Surveillance Program Improvements**. (Sens. Manchin (D-WV), Shelley Moore Capito (R-WV), Sherrod Brown (D-OH), and Bob Casey (D-PA).

Save Rural Hospitals Act

Rural hospital stabilization (Stop the bleeding)

- Elimination of Medicare Sequestration for rural hospitals;
- Reversal of all "bad debt" reimbursement cuts (*Middle Class Tax Relief and Job Creation Act of 2012*);
- Permanent extension of current Low-Volume and Medicare Dependent Hospital payment levels;
- Reinstatement of Sole Community Hospital "Hold Harmless" payments;
- Extension of Medicaid primary care payments;
- Elimination of Medicare and Medicaid DSH payment reductions; and
- Establishment of Meaningful Use support payments for rural facilities struggling.
- Permanent extension of the rural ambulance and super-rural ambulance payment.

Rural Medicare beneficiary equity. Eliminate higher out-of pocket charges for rural patients (total charges vs. allowed Medicare charges.)

Regulatory Relief

- Elimination of the CAH 96-Hour Condition of Payment (See *Critical Access Hospital Relief Act of 2014*);
- Rebase of supervision requirements for outpatient therapy services at CAHs and rural PPS See *PARTS Act*);
- Modification to 2-Midnight Rule and RAC audit and appeals process.

Future of rural health care (Bridge to the Future)

Innovation model for rural hospitals who continue to struggle.

Future Model: Community Outpatient Model

- 24/7 emergency Services
- Flexibility to Meet the Needs of Your Community through Outpatient Care:
  - Meet Needs of Your Community through a Community Needs Assessment:
  - Rural Health Clinic
  - FFQHC look-a-like
  - Swing beds
  - No preclusions to home health, skilled nursing, infusions services observation care.
- TELEHEALTH SERVICES AS REASONABLE COSTS.—For purposes of this subsection, with respect to qualified outpatient services, costs reasonably associated with having a backup physician available via a telecommunications system shall be considered reasonable costs.”.
- ***“The amount of payment for qualified outpatient services is equal to 105 percent of the reasonable costs of providing such services.”***
- ***$50 million in wrap-around population health grants.***

Miscellaneous Bills/Issues

- Save Rural Hospitals Act (SRHA) introduced by Graves/Loebsack reverses sequestration/bad debt, regulatory reform and introduces new model: Community Outpatient Hospital (COH) (HR 2957)
- Rural Emergency Medical Center (REMC) introduced by Lynn Jenkins, et. al. in Congress July, 2018. New model introduction (HR 5678)
- Rural Emergency Acute Care Hospital (REACH) Act introduced by Grassley/Gardner/Klobuchar allows 50 bed or less CAH/Hospital to convert to Rural Emergency Hospitals and receive 110% of reasonable cost
- MedPAC report on freestanding emergency departments, rural and urban released June, 2018.
- Critical Access Hospital Relief Act which removes the 96 hour physician certification for payment requirement upon admission. (HR 5507)
- Association Health Plans regulations released yesterday, removes Essential Health Benefits (EHB) provisions from offered plans.
- Star Ratings July, 2018 release delayed.
- NQF Core set of Rural Relevant measures released September, 2018.

340B Concerns Continue…

- The purpose of the 340B program is to enable covered entities "to stretch scarce federal resources as far as possible, reaching more eligible patients and providing more comprehensive services."
- House E&C Health Subcommittee considered over twelve bill and concept papers in a July 12, 2018 hearing
- Some proposals out of these bills/documents:
  - Rescind OPPS reductions of 28% that CMS imposed last year (HR 4392)
  - Limit orphan drug exclusions under the 340B program (HR 2889)
  - Moratorium on new 340B sites (HR 4170)
  - Require DSH to submit reporting of low-income utilization of services (HR 5598)
  - Raise DSH percentage to qualify for 340B participation
  - Re-define "patient" for purposes of the program
  - Require implementation of GAO recommendations regarding Contract Pharmacy
  - Establish minimum 1% threshold for charity care to participate in 340B savings\
- Unclear how much, if any, of the discussed changes would impact CAH participation in 340B
- Major advocacy priority for NRHA

Regulatory Victories with Administration

New “rural lens” at CMS

“For the first time, CMS is organizing and focusing our efforts to apply a rural lens to the vision and work of the agency.”

CMS Administrator Seema Verma

Five objectives to achieve the agency’s vision for rural health:

- Apply a rural lens to CMS programs and policies
- Improve access to care
- Advance telehealth and telemedicine
- Empower patients in rural communities
- Leverage partnerships

Administrative Victories: New Federal Assistance for Rural Hospitals

- HHS Vulnerable Rural Hospital Assistance Program
  - Targeted, in-depth assistance program to vulnerable rural hospitals with communities struggling to maintain access to care.
  - Funding with be utilized to help rural hospitals stay financially stable, keep care local, and best meet needs of the community.
  - Currently being rolled out - - likely available in October.
- USDA Rural Hospital Assistance Program
  - Help struggling hospitals who have received a USDA loan.
  - Offers hand-on technical and financial assistance
  - Goal to keep rural hospital doors open.

Summary: Grassroots Push

- To Congress: Work together to solve problems
- Closure crisis worsens
- Congress and Administration continue to address SUD with resources: Evaluate for your rural community
- Health equity worsens (new push for obstetric shortages and oral health integration.)
- Critical Access Hospitals and Rural Health Clinics not only provide access to care, but are economic engines for their community's economic health, an important social determinant of health
- Keep up the great work and Go Rural!

crsha.org


CALIFORNIA STATE
RURAL HEALTH
ASSOCIATION
Member Login
Search our site...
Home
About
Join CSRHA
News & Resources
Member Center
Join CSRHA Today
The California State Rural Health Association was founded in 1995 in Arcata, California.
2019 California Rural Health Conference
The California State Rural Health Association is pleased to announce that our 2019 California Rural Health Conference will be held at the gorgeous Falls Event Center, in the heart of Roseville, CA. Located next to the Hyatt hotel
Help Protect the Most Vulnerable in our Communities - Get Vaccinated Against the Flu
Influenza (flu) is a contagious respiratory illness caused by influenza viruses that infect the nose, throat, and lungs. It can cause mild to severe illness, and can lead to hospitalization and death.
Quick Links
Subscribe to Newsletter
Become a Sponsor
Upcoming Events
Mon Sep 23, 2019
2019 California Rural Health Conference
Category: Events