



Positioning for the Future: Rural Hospitals and Health Reform

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The Patient Protection and Affordable Care Act (ACA) Affects All Aspects of Care

- Financing
- Organizing
- Delivery

And Beyond

- Workforce
- Public/community health

Financing: Payment Extenders

- Short term breathing space
- Outpatient hold harmless
- Lab test payment
- Rural community hospital demonstration and additional states
- Medicare Dependent Hospital
- Low-volume adjustment

Financing: Specific Changes

- Physician payment change: floor and primary care bonus
- Ambulance add-on pay
- Annual payment updates reduced by a “productivity adjustment”

Financing Specific Changes continued

- Eligibility for 340B drug purchasing program for outpatient drugs extended to CAHs, rural referral centers, and sole community hospitals in frontier states (at least 50% of counties are frontier)
- Reduce payment for excess readmissions to PPS hospitals

Financing: Value Based Purchasing

- VBP instituted by October 12, 2012 to cover five conditions for all PPS hospitals, including sole community, Medicare Dependent and small rural PPS hospitals
- VBP demonstration program for CAHs, a three-year demonstration starting within two years of enactment

Financing: Value Based Purchasing continued

- VBP for skilled nursing and home health – “implement a program” – report by October 1, 2011
- VBP modifier in physician payment schedule – implement during 2013

Financing: The Future

- MedPAC study of payments to rural providers and access by beneficiaries to items and services in rural areas – due January 1, 2011
- Rebase payment per episode in home health payment in 2014

Financing: The Future continued

- By December 31, 2011 Secretary submits a plan to reform the hospital wage index system
- Independent Payment Advisory Board created to reduce per capita rate of growth in the Medicare program

Organizing Services

- Accountable Care Organizations (ACOs) a part of the Medicare program
- Bundled payment
- Center for Medicare and Medicaid Innovation within CMS

Changes in Delivery of Care

- Independence at Home Demonstration Program
- Delivery system research from the Center for Quality Improvement of AHRQ and new independent institute

Changes in Delivery of Care continued

- Patient centered medical homes
- Patient navigators
- Grants for regionalized systems of emergency care

Workforce Enhancements

- New National Health Care Workforce Commission and grants to states for parallel agencies and activities
- National Center for Health Care Workforce Assessment to develop information for description and analysis

Workforce Enhancements, continued

- Loan programs in nursing, public health, allied health
- Increased funding authorized for the National Health Services Corps

Workforce Enhancements, continued

- Grants to train alternative dental care providers
- Grants to support community health workers who educate and provide guidance or outreach regarding health problems, strategies to promote positive health behaviors, enroll in health insurance

Workforce Enhancements, continued

- Reduction in unused residency positions not apply to hospitals in rural areas with fewer than 250 acute care beds
- Grants for increased teaching capacity for primary care residency programs, preference given if affiliated with an AHEC program

Public Health

- National Prevention, Health Promotion and Public Health Council with cabinet secretaries
- Advisory Group on Prevention, Health Promotion, and Integrative Health
- National prevention and public health fund

Public Health, continued

- Grant program for school-based health centers
- Grants to state and local agencies and community-based organizations for community preventive health activities

Public Health, continued

- Grants to state and local health departments and Indian Tribes for five-year programs targeting individuals between 55 and 64 years of age
- Grants to small businesses with fewer than 100 employees for wellness programs

Public Health, continued

- Non-profit hospitals must perform community health needs assessments in one of two taxable years immediately preceding the current one and adopt an implementation strategy to meet community needs identified by the assessment

Being sure change benefits rural people and places

- In addition to grants, Flex program authorized and extended to 2012
 - With authority to assist CAHs in participating in delivery system reforms
 - Directly mentioned: value-based purchasing, ACOs, bundled payment

Being sure change benefits rural people and places, continued

- Other grant programs in Titles IV and V
- Working with the leverage of health systems and networks
- Sharpening focus on people in places

Important to be a Leader or at least Active participant in changes in...

- Access
- Cost
- Quality
- Healthy communities

Lead the Way to a New World in Rural Health Care Delivery

- Must be systemic change
- That is created locally, perhaps with ideas from national policy
- An facilitated through regional collaboration
- Supported by national policy and resources

Access: Coverage

- It's wonderful, It's marvelous
- But it may not be real: the field of dreams question
- We need at least all 33 million to make the assumptions work
- Seek, find, enroll



Access in a New Framework

- Using communication technology
- Optimal use of all persons in the workforce (patient navigators, extension model)
- To all services including public health, healthy communities



Cost: Bending the Curve with Payment Policy



- Unsustainable trends by definition will not be sustained
- Efforts of expanded coverage: good news, bad news, good news?
- Using policy levers that can be scored: payment to providers

Cost: Bending the Curve with System Change



- Show me the way!
- Integrated care saves money?
- Care management saves money?
- If savings are from different patterns and levels of use, can the system “right size?”

Cost: Healthier Communities

- School environment
- Worksite wellness
- Individualized wellness



Continued



- Reducing disparities
- Active living and nutritious foods
- Healthy aging benefits targeting 55-64 years of age



Cost: Consequences of Success, Consequences of Failure

- Success and what it means to providers
- Success and what it means to access
- Failure and what it means to payers
- Failure and what it means to access



Quality: How We Think of This

- A value-based approach
- A results orientation
- Individual state of well-being
- Population health – plan and community

Access: Sustaining an Infrastructure

- What infrastructure?
 - Facilities
 - Workforce
 - Community-based services
- First do no harm
- **WAIT: ADJUST OUR THINKING**



Quality: Moving the Payment System

- Hospital value-based purchasing program, including a demonstration program for CAHs
- Physician quality reporting system
- VBP program for SNFs and home health agencies
- VBP modifier under physician fee schedule

Improving the System

- Quality measure development
 - Outcomes and function status
 - Management and coordination across episodes and care transitions
 - Patient-centeredness



System Change

- Drivers are toward integrated systems of care, including quality measures applied to patient transfers
- Broadening to include more emphasis on care in the home – Section 3024 establishes an Independence at Home Medical Practice category, serving at least 200 applicable beneficiaries and using electronic health information systems, remote monitoring, and mobile diagnostic technology
- Community health teams, patient centered-medical homes, health teams (Section 3502)
- Regionalized systems for emergency care

Choice: Lead or Follow

- Change is coming and with a sense of urgency
- Could be very helpful to rural health care delivery
- **If shaped locally**
- **And regionally**
- **Great opportunity for the Flex Program**

For Further Information

The RUPRI Center for Rural Health Policy
Analysis

<http://www.unmc.edu/ruprihealth>

<http://cph.uiowa.edu/rupri>



The RUPRI Health Panel

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