The Future of Rural Health

Presentation to the US Senate
Rural Health Caucus

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A High Performance Rural Health Care System Is

- **Affordable**: costs equitably shared
- **Accessible**: primary care readily accessible
- **Community-focused**: priority on wellness, personal responsibility, and public health
- **High-quality**: quality improvement a central focus
- **Patient-centered**: partnership between patient and health team

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Context: Poverty Rates (ACS 2006 – 2010)

County Status Type	Poverty Rate
Total U.S. Counties	13.8%
Metropolitan Counties	13.3%
Micropolitan Counties	16.2%
Noncore Counties	17.1%
All Nonmetro Counties *(micropolitan + noncore)*	16.6%

Data source: U.S. Census Bureau, American Community Survey 2006-2010; Analysis by RUPRI

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County Type	Total Counties	Counties with Poverty Rate > 27.6% (2X U.S.)	Percent of Counties
Total U.S.	3,143	147	4.7%
Metropolitan	1,100	14	1.3%
Micropolitan	686	42	6.1%
Noncore	1,357	91	6.7%
All nonmetro	2,043	133	6.5%

County Type	Total Counties	Counties with Poverty Rate > 20%	Percent of Counties
Total U.S.	3,143	634	20.2%
Metropolitan	1,100	109	9.9%
Micropolitan	686	168	24.5%
Noncore	1,357	357	26.3%
All nonmetro	2,043	525	25.7%

Data source: U.S. Census Bureau, American Community Survey 2006-2010; Analysis by RUPRI

Context for the Health System

- Time of change: health care systems, new private insurance products, new payment methods
- Creates threats and opportunities
- Public programs are part of the trends
- Aligning policy specifics with the broad goals for a better system in the future

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Change is Underway

- FFS to VBP
- PC Physicians to Other Primary Care and PCMH personnel
- Face-to-face encounters to telehealth
- Independent entities to systems
- Encounter-based medicine to person-based health
- Revenue centers to cost centers and vice versa

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First Address Immediate Threats

- Verify they are real
- Place in perspective and priority
- Intervene as necessary

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Facilitate Local and Regional Improvements

- Merging funding and policy streams: community transitions meet CMS innovations
- Support innovations that meet minimum access standards

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Important Policy Lever in Rural: Medicaid

- Medicaid is currently a crucial safety net program for **rural persons**:
- In 2010, 17.9% of rural persons were enrolled in Medicaid compared to only 15.5% of urban persons.
- 13.2% of rural persons over age 65, but only 12.1% of urban persons in this age group are on Medicaid.
- 9.8% of rural elderly received Medicaid benefits compared to 9.0% of urban elderly

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Importance of Medicaid to Rural Providers

- In part because of the higher rates of coverage of rural persons, Medicaid is a particularly important source of payment for **rural providers**:
- Almost one-third of rural physicians derive 25% or more of their patient revenues from Medicaid, as compared to 19.9% in urban areas.
- Physicians in rural areas are more likely to serve Medicaid beneficiaries than are their urban counterparts.

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- Medicaid financed 40% of the $177.6 billion spent nationally on long-term care in 2010.
- Medicaid is the primary source of funding for publicly provided mental health services, accounting for 46% of spending in 2007.

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Medicaid, ACA, and Moving Forward

- Access standards for any contracts
- FMAP and state participation: expectations and balance
- Weighing rural consequences

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Medicare Levers

- Preservation in the face of threats (20+ years of rural policy activities)
- Pay-for-performance and rural considerations
- Health systems and payment changes: ACOs

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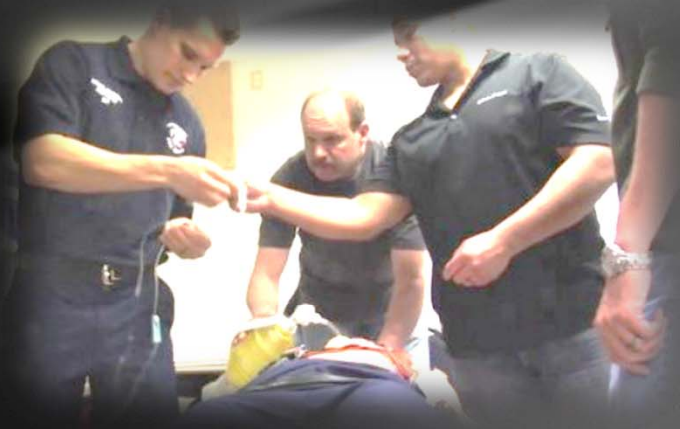
Other points of leverage

- Health professions training programs
- Loan repayment and other incentive programs
- Public health programs
- Infrastructure support



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Calls to Move Forward: Medicare Payment Advisory Commission

- Principle of equitable access to health care services
- Principle of quality of care in rural areas
- Principle of payment adequacy

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Call to Move Forward: Institute of Medicine Report on Geographic Adjustment to Payment

- Access to primary care services
- Improving access to primary and specialty services through telehealth
- National Health Care Workforce Commission
- Ongoing evaluation of programs intended to provide access

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Toward a High Performance System: Public Policy Examples

Issue	Innovative Public Policies (examples)
Population Health	The Public Health Title (IV) of the ACA
Chronic disease management	Hospital Value-Based Purchasing and Physician Value-Modifier programs
Health care coordination	Bundled Payment and Care Coordination demonstrations
Primary care	Primary care bonus payments and Comprehensive Primary Care Initiative
Patient-centered	Patient-Centered Medical Home demonstration
Care delivery innovation	Medicare Shared Savings Program (Accountable Care Organizations)

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Central points from RUPRI Health Panel regarding change

- Preserve rural health system design flexibility: local access to public health, emergency medical, and primary care services
- Expand and transform primary care: PCMH as organizing framework, use of all primary care professionals in most efficient manner possible

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Continued

- Use health information to manage and coordinate care: records, registries
- Deliver value in measurable way that can be basis for payment
- Collaborate to integrate services
- Strive for healthy communities

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For Further Information

The RUPRI Center for Rural Health Policy Analysis

http://cph.uiowa.edu/rupri

The RUPRI Health Panel

http://www.rupri.org

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