

# Designing and Implementing the Rural Health System of the Future

Presentation to the Rural Health Care Leadership Conference  
American Hospital Association, Health Forum  
Phoenix, AZ  
February 9, 2015



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# “Advancing the Transition to a High Performance Rural Health System”

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## Acknowledgements:

This report was funded by the Leona M. and Harry B. Helmsley Charitable Trust, Grant number 2012PG-RHC030. We wish to thank Bryant Conkling, MPH, and Aaron Horsfield for their research and contributions to the text in this document. We also thank Susan Nardie for her assistance in editing and formatting the document.

## RUPRI Health Panel Paper:

<http://cph.uiowa.edu/rupri/publications/policybriefs/2014/Advancing%20the%20Transition%20-%20Health%20Panel%20Paper.pdf>

## RUPRI Health Panel Brief:

<http://cph.uiowa.edu/rupri/publications/policybriefs/2014/Advancing%20the%20Transition%20-%20Health%20Panel%20Brief.pdf>

# Rural System Balance

- Need points of access to modern health care services: Hill/Burton
- Payment system change with advent of PPS: payment designations for rural institutions, culminating in Medicare Rural Hospital Flexibility Program (Critical Access Hospitals)
- Payment and delivery system reform: rural based action to evolve into high performance systems



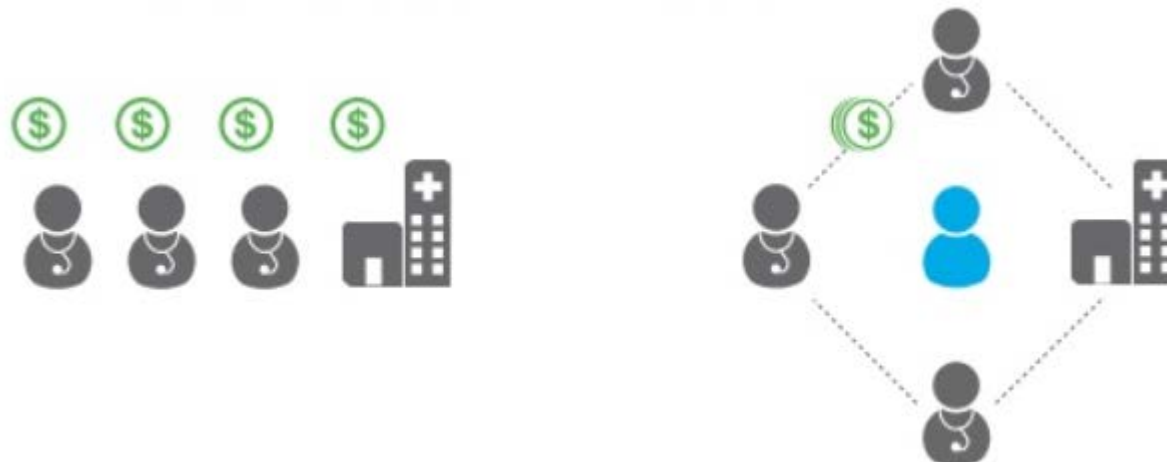
# Current rural landscape

- Population aging in pace
- Increasing prevalence of chronic disease
- Sources of patient revenue change, including doubt about ability to collect in era of increased use of high deductible plans
- Is small scale independence sustainable?



# Tectonic shifts occurring

- Insurance coverage shifts: through health insurance marketplaces; private exchanges; use of narrow networks
- Public programs shifting to private plans
- Volume to value in payment designs
- Evolution of large health care systems



# What is the next move to rural vitality?

- Goals of a high performance system
- Strategies to achieve those goals
- Sustainable rural-centric systems
- Syncing reforms: focus on health (personal and community), payment based on value, regulatory policy facilitating change, new system characteristics

# The high performance system

- **Affordable:** to patients, payers, community
- **Accessible:** local access to essential services, connected to all services across the continuum
- **High quality:** do what we do at top of ability to perform, and measure
- **Community based:** focus on needs of the community, which vary based on community characteristics
- **Patient-centered:** meeting needs, and engaging consumers in their care

# Strategies

- Begin with what is vital to the community (needs assessment, formal or informal, contributes to gauging)
- Build off the appropriate base: what is in the community connected to what is not
- Integration: merge payment streams, role of non-patient revenue, integrate services, governance structures that bring relevant delivery organizations together



# Tools to use

- Team based care
- Use of data as information to manage patient care, integrate efforts focused on patient, community
- Payment reform that shares premium dollar



# Approaches to use

- Community-appropriate health system development and workforce design
- Governance and integration approaches
- Flexibility in facility or program designation to care for patients in new ways
- Financing models that promote investment in delivery system reform

# Community-appropriate health system development and workforce design

- Local determination based on local need, priorities
- Create use of workforce to meet local needs within the parameters of local resources
- Use grant programs

# Governance and integration approaches

- Bring programs together that address community needs through patient-centered health care and other services
- Create mechanism for collective decision making using resources from multiple sources



# Flexibility in facility or program designation to care for patients in new ways

- How to sustain emergency care services
- Primary care through medical home, team-based care models
- Evolution to global budgeting



# Financing models that promote investment in delivery system reform

- Shared savings arrangements
- Bundled payment
- Evolution to global budgeting
- New uses of investment capital



# Special importance: shared governance

- Regional megaboards
- Aggregate and merge programs and funding streams
- Inter-connectedness of programs that address personal and community health: the culture of health framework
- Strategic planning with implementation of specifics
- Develop and sustain *appropriate* delivery modalities

# Policy Considerations:

## System development and workforce

- Medicare Shared Savings Program improvements to engage rural providers, including CAHs, RHCs, FQHCs
- Continue developments in payment to support redesigned rural primary care systems, such as payment for care management
- Facilitate adoption of telehealth where appropriate
- Reviews of potential antitrust violations consider benefits to rural communities from integrated systems



# Policy Considerations: System development and workforce

- Federal support for training a new health care workforce
- Federal research and planning related to workforce incorporate all participants in the workforce
- Grants programs support system development: Federal Office of Rural Health Policy Network and Outreach Grants, State Innovation Models (CMMI), Community Transformation Grants (CDC)

# Policy Considerations: Governance and Integration

- Capital available through federal programs be targeted to rural providers and places engaged in service integration and redesign
- Grant funding directed to collaboration among local provider and service organizations
- Federal task force review governing requirements for all types of health care and human service entities to identify inconsistencies in required composition

# Policy Considerations: Governance and Integration

- White House Rural Council discuss new approaches to designing programs across agencies such that funding streams are easily merged
- Additional means of aggregating capital for local investment be explored



# Policy Considerations: Flexibility in Facility or Program Designation

- Learn from demonstrations of Frontier Extended Stay Clinic and Frontier-CHIP Program to establish new designations and associated payment policies
- Reconfigure some rural hospitals to medical hubs to provide essential local services that do not include inpatient hospitalization, requires changes in regulatory and payment policies
- Implement Sections 2703 and 3502 of the ACA to encourage rural innovation in medical homes

# Policy Considerations: Financing models promoting investment in delivery system reform

- In value based purchasing approaches use achievement and improvement in tandem to assess value
- New payment models should be designed, demonstrated, and implemented to facilitate transition to high performance systems
- Incentives for investment should be in information systems, personnel and physical infrastructure associated with meeting needs of populations outside of the “four walls” of hospitals and fixed-place clinics

# Getting to the new system: demonstrations

- “Local Primary Care Redesign” projects that combine primary care and other health care providers (including the local hospital) in organizational configurations that expand and sustain access to comprehensive primary care focused on individual and community health improvement
- “Integrated Governance” projects align various organizations in a community or region in a new model of governance, using affiliation agreements and memoranda of understanding, requiring new governing entities such as community foundations, or establishing new designs that merge financing and funding streams and direct new programs

# Getting to the new system: demonstrations

- “Frontier Health Systems” – innovative models to secure sustainable essential health care services integrated with services across the horizontal and vertical care continua
- “Finance tools to repurpose existing local health care delivery assets;” support projects that leverage existing assets to develop sustainable rural systems meeting needs of local populations

# Rapid Cycle Learning and Change

- Momentum is toward something very different, more than changing how to pay for specific services
- Need to be strategic, in lock step with or ahead of change in the market
- Change in dependencies from fee-for-service to sharing in total dollars spent on health





# Retaining rural values

- Accessible
- Affordable
- High quality
- Community-based
- Patient-centered



# 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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