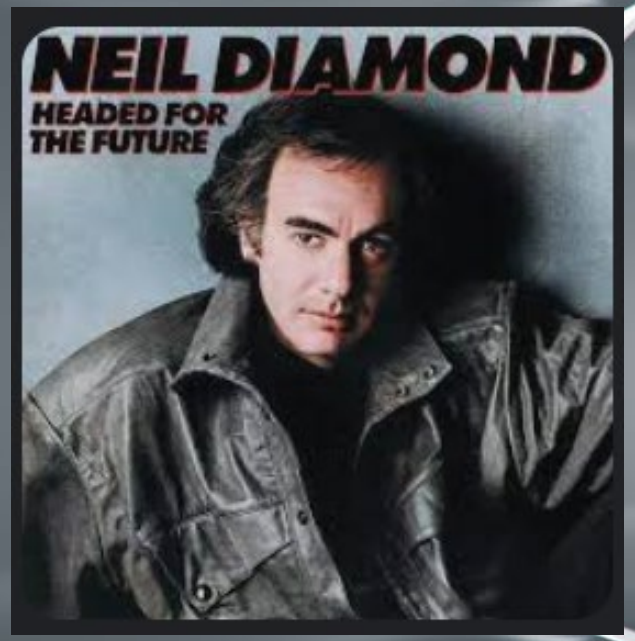
Rural Health Policy for the Next Decade: Changes are Upon Us

Presented at the 2023 IRHA Conference
October 18, 2023
Marshalltown, IA

Keith J. Mueller, PhD
Gerhard Hartman Professor of
Health Management and Policy
Director, Rural Policy Research Institute

rupri™
RURAL POLICY RESEARCH INSTITUTE

IOWA
College of Public Health



Headed for the Future

- Give Us Some Room
- We’re Gonna Build a New World
- Give Us Some Time
- We’re Gonna Make it Work Right

rupri
RURAL POLICY RESEARCH INSTITUTE

IOWA
College of Public Health

RUPRI Visions of Future

- Rural places attract and retain residents: The Comprehensive Rural Wealth Framework
- Sustainable, high quality rural health system: The High Performing Rural Health System

rupri™
RURAL POLICY RESEARCH INSTITUTE

IOWA
College of Public Health

Comprehensive Community Wealth Approach

Capital	Brief Description
Financial	Money, Other Liquid Assets, Public Finance, etc.
Intellectual	Human Knowledge, Skills, Educational Attainment
Human	Productive Capabilities of a Population Based on Health (Physical, Mental, Emotional)
Social	Trust, Relationships, Networks
Cultural	Practices, Values, and Identities Based in Society (art, beliefs)
Political	Influence, Power, and Goodwill that is Held, Spent, or Shared
Physical	Built Environment, Infrastructure
Natural	Resources Provided by Nature

rupri™
RURAL POLICY RESEARCH INSTITUTE

Comprehensive Community Wealth Approach

Foundations:

1) Quality of life *IS* economic development

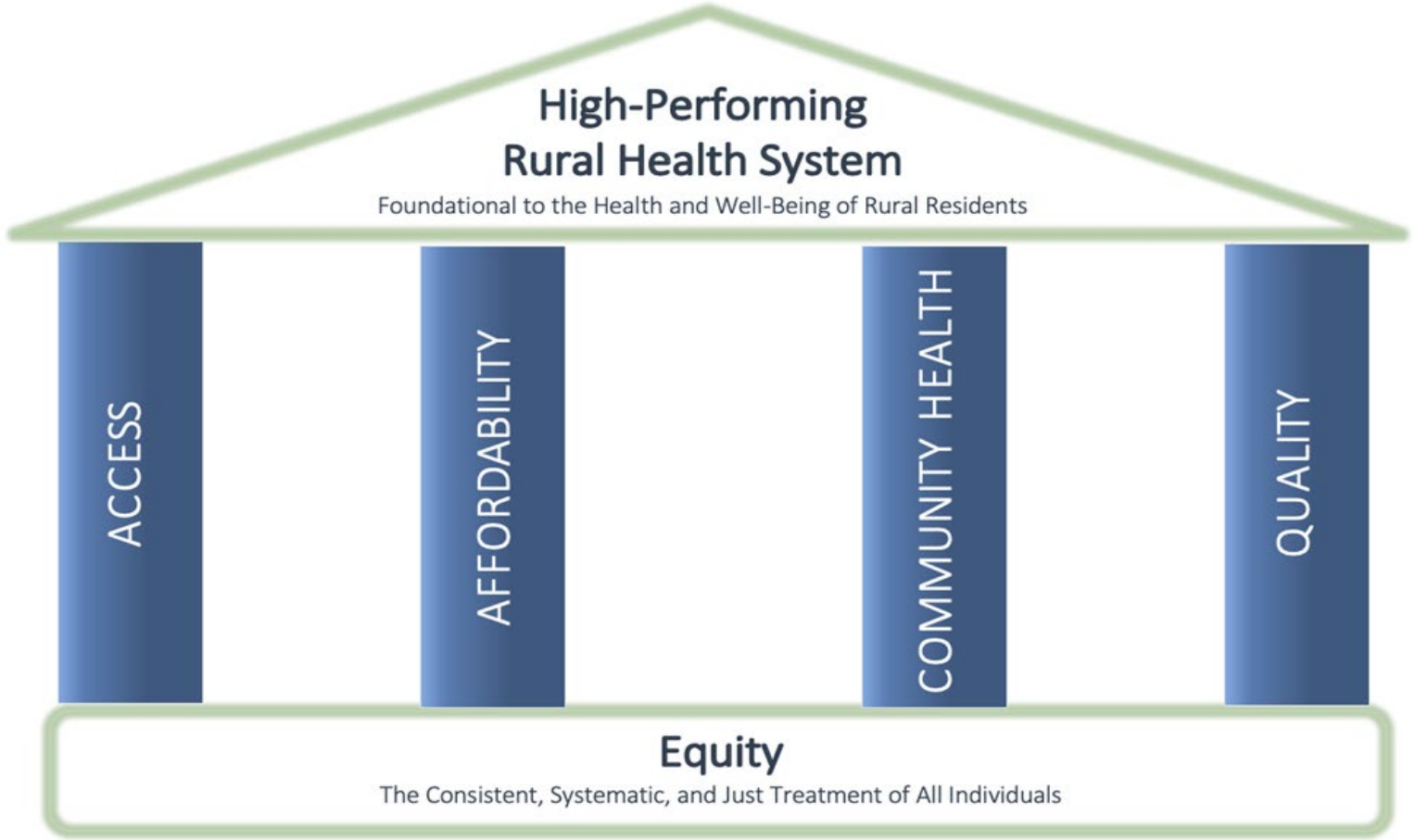
2) Development for your current community

3) Capitals are interconnected

4) Decisions have short- and long-term impacts

RURAL POLICY RESEARCH INSTITUTE

Achieving a High Performing System



rupri™
RURAL POLICY RESEARCH INSTITUTE

IOWA
College of Public Health

Changing Modalities and Sites of Care

- Telehealth – Disruptor?
  - Use increased dramatically in 2020-2021
  - Declined since 2021, but leveled off at higher percent of all visits than pre-PHE, including primary care
  - Not yet a major disruptor, but use in primary care and remote patient monitoring indicate potential impact
- Increased use of ambulatory sites for formerly inpatient services
- Shift in sites of care for rehabilitation, monitoring and treating chronic conditions

Changes in Service Delivery Organizations

Person-centered health teams

Engaging human services organizations

Engaging community-based organizations

rupri™
RURAL POLICY RESEARCH INSTITUTE

IOWA
College of Public Health

Facilitating or Inhibiting The Move to the Future: Policy design

POLICY GOALS TO MOVE TO VALUE-BASED PAYMENT

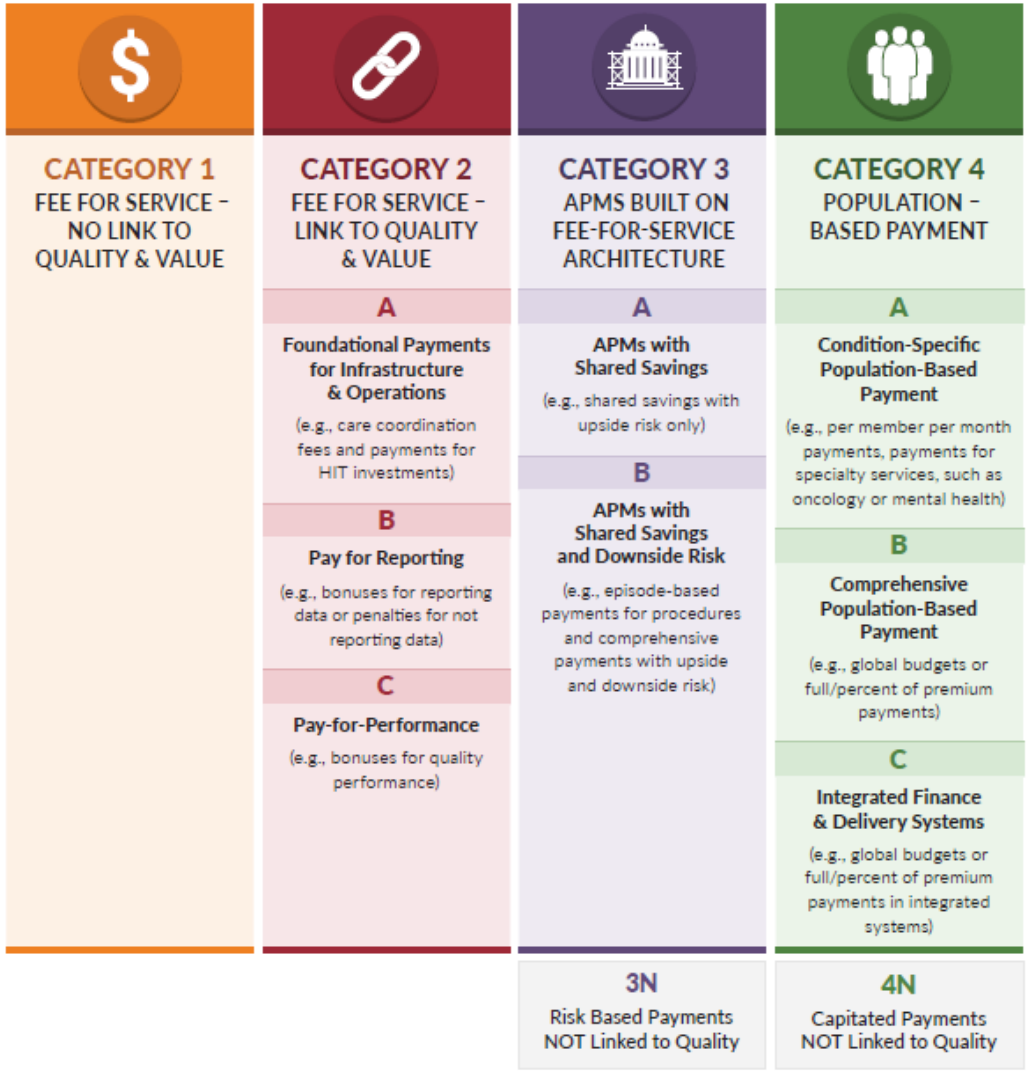
MEDICARE ADVANTAGE

ACCOUNTABLE CARE ORGANIZATIONS

RURAL POLICY RESEARCH INSTITUTE

IOWA College of Public Health

Health Care Payment Learning and Action Network (HCP LAN) Alternative Payment Model Framework



Source: http://hcp-lan.org/workproducts/apm-framework-onepager.pdf

RURAL POLICY RESEARCH INSTITUTE

IOWA College of Public Health

Getting to Categories 3 and 4

- CMS Goal that 100% of beneficiaries in Traditional Medicare are in accountable care arrangements by 2030; and “the vast majority” of Medicaid beneficiaries
- Reaching toward global budgeting or per capita payment
- The journey includes emphasizing two critical components
  - Primary care delivered through person-centered health teams
  - Focus on *health*, including health-related social needs
- Requires a financial model to move resources to where needed *in each community*

Medicare Advantage

REALITY IS THAT MA IS *PRIVATE INSURANCE WITHIN MEDICARE PARAMETERS*

ENROLLMENT INCREASING, MORE THAN 50%, WITH NEARLY 40% OF RURAL BENEFICIARIES

FEDERAL PAYMENT IS CAPITATED, BUT TO THE HEALTH PLANS

HEALTH PLAN PAYMENTS TO PROVIDERS VARIES

RURAL POLICY RESEARCH INSTITUTE

IOWA College of Public Health

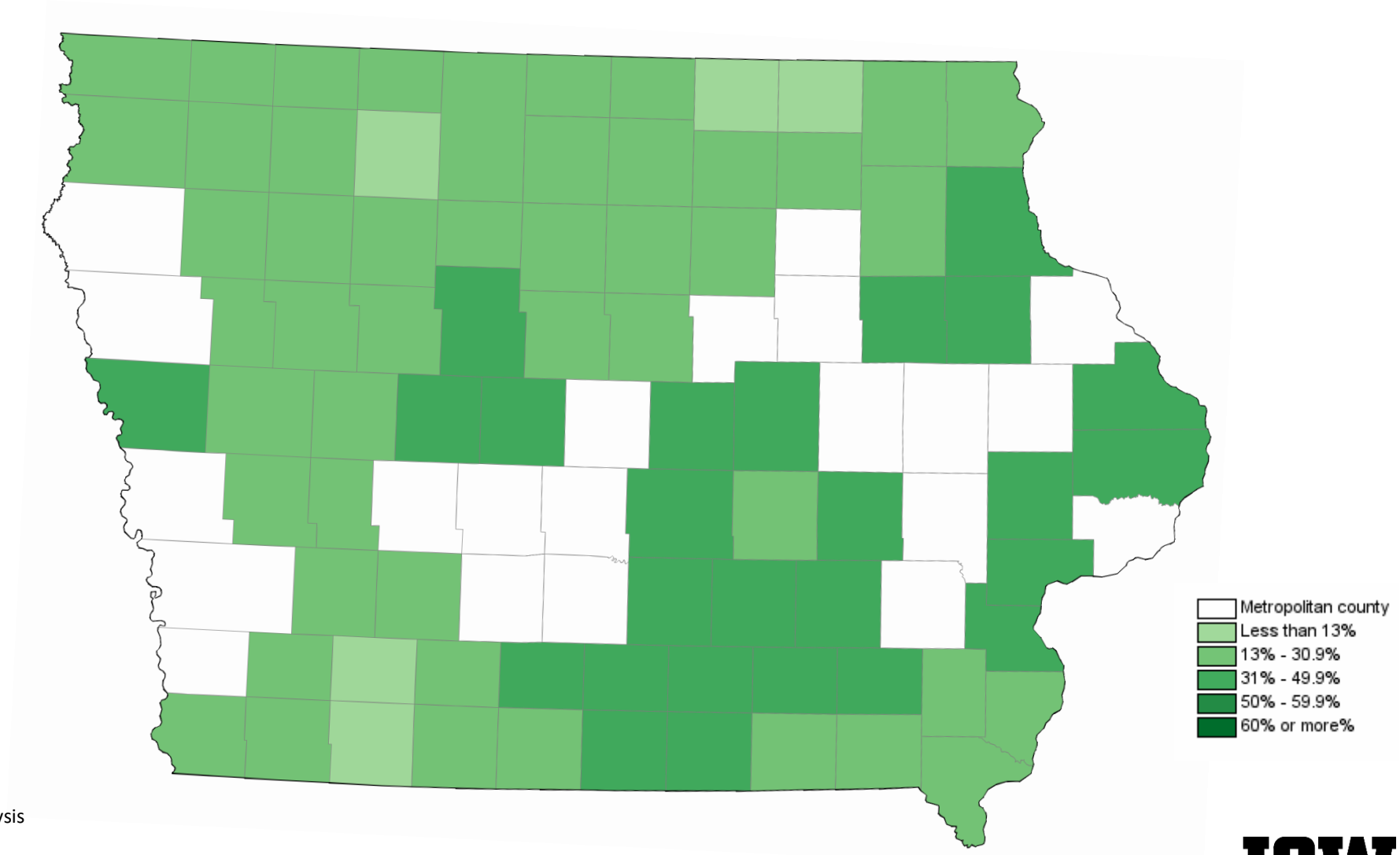
Medicare Advantage

Attraction to enrollees: benefits, low premiums

Potential problems for enrollees: narrow networks, limited benefits

What does it mean for a “new world” in health care delivery and finance?

Iowa State Rural County MA Penetration



RUPRI Center for Rural Health Policy Analysis

rupri™
RURAL POLICY RESEARCH INSTITUTE

Percentage of Medicare beneficiaries enrolled in MA, March 2023
Rural counties defined using Urban Influence Codes

IOWA
College of Public Health

Shared Savings Program

Plateau of 561 in 2018, fell to 456 in 2023

Composition in 2023

252 low revenue (55%)	2,240 Rural Health Clinics	467 Critical Access Hospitals	One-sided: 33% (151)	Two-sided include 144 in basic tracks, 161 in enhanced track	Source: CMS: Savings Program Fact Facts – As of January 1, 2023

rupri
RURAL POLICY RESEARCH INSTITUTE

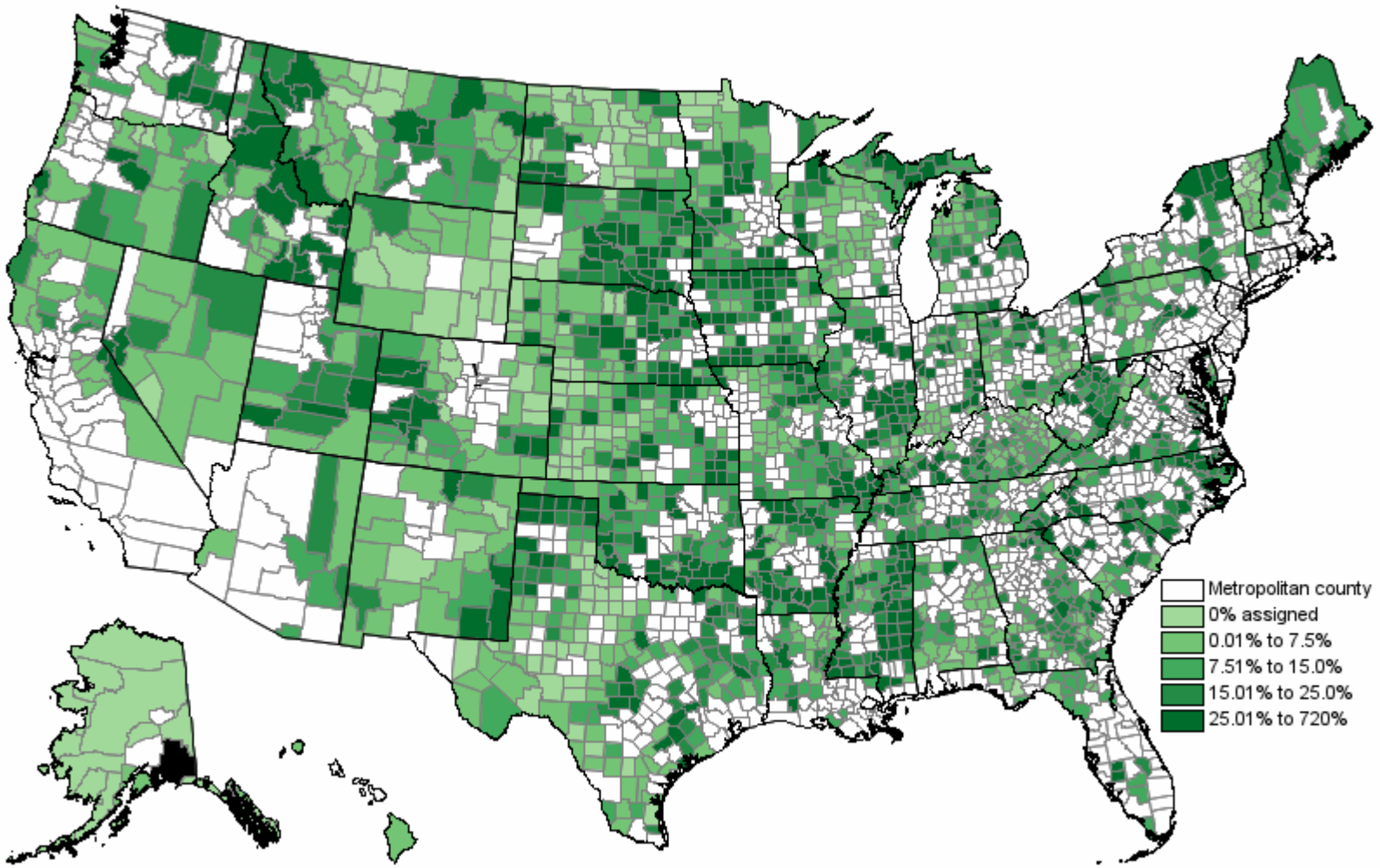
IOWA
College of Public Health

ACO Spread - 2023

Medicare Shared Savings Program ACO Assigned Beneficiary Population by Rural County

Note: This lists the Beneficiaries Assigned to an MSSP ACO by Rural County

In 2023, 467 CAHs are part of an MSSP ACO

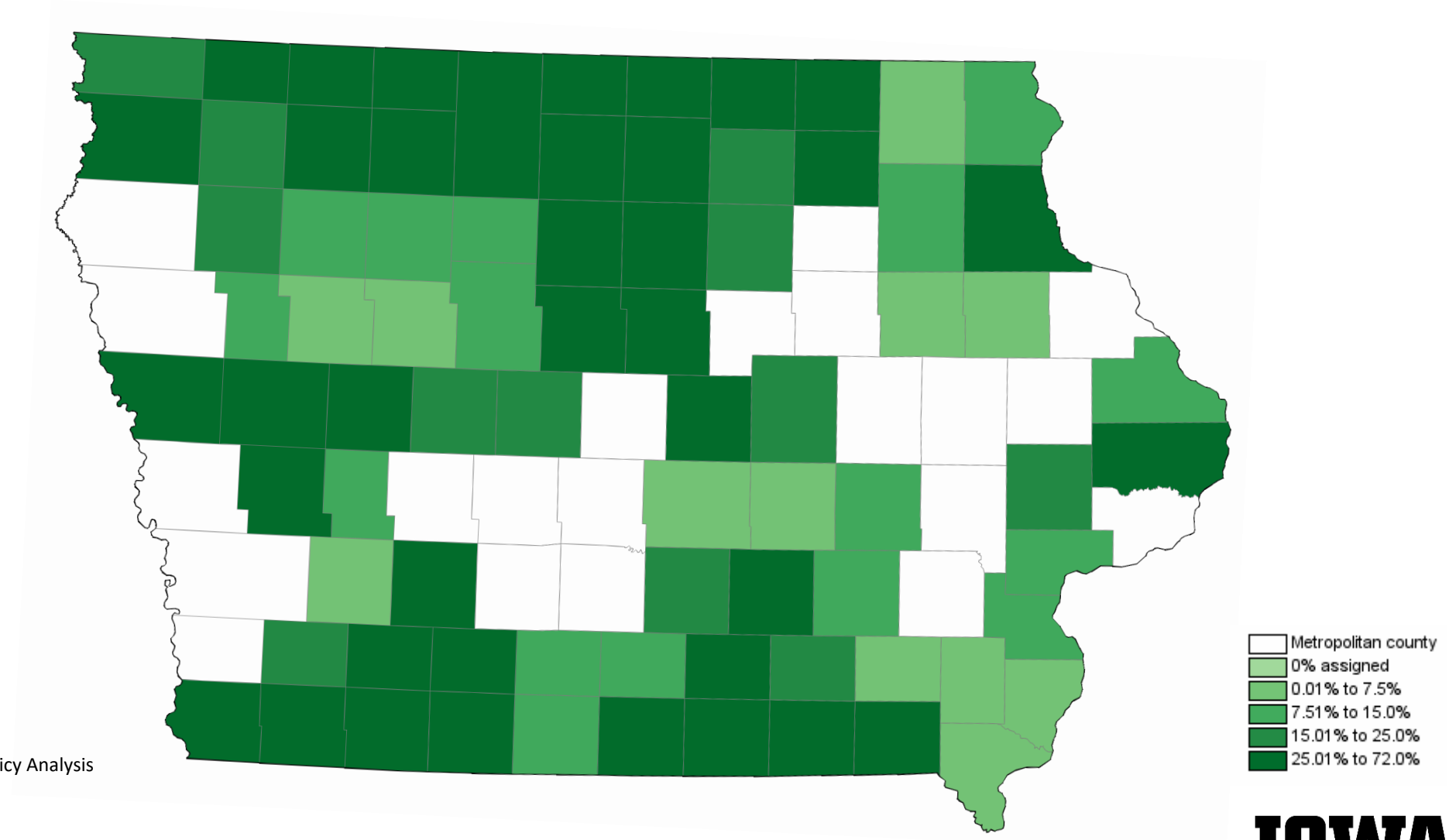


Source: CMS - Medicare Shared Savings Program Fast Facts

RURAL POLICY RESEARCH INSTITUTE

IOWA College of Public Health

Iowa State Rural County MSSP Penetration



RUPRI Center for Rural Health Policy Analysis

Percentage of Medicare beneficiaries assigned to an ACO, January 2021
Rural counties defined using Urban Influence Codes

SSP Changes 2023 for 2024

- Longer time in Basic track A, for inexperienced ACOs: (upside risk only): up to 7 years
- Advanced Interest Payment: one-time $250,000 and quarterly per-beneficiary payments for first 2 years
- Changes to minimum savings rate (MSR) to allow shared savings at half regular rate until MSR is met
- Introduce Accountable Care Prospective Trend to adjust benchmarks calculated based on national and regional rates
- Reduce Negative Regional Adjustment Cap from 5% to 1.5%

SSP Changes 2023 for 2024

- Adjustment for Prior Savings: Adding back into benchmark a portion of savings generated by ACOs
- Risk Score Growth Cap Adjustment: allow flexibility within a 3 percent cap on growth in the risk score
- Sliding Scale for Shared Savings and Losses: allow percentage of shared savings when ACO quality performance is below 30th percentile but at least in 10th percentile in of four outcome measures

Source: Medicare Shared Savings Program: Rule Changes and Implications for Rural Health Care Organizations. *Rural Health Value Policy Brief*. 2022. https://ruralhealthvalue.public-health.uiowa.edu/files/RHV%20MSSP%20Rule%20Changes%20and%20Implications.pdf

2023 Announcements

- ACO REACH
- Making Care Primary
- AHEAD

RURAL POLICY RESEARCH INSTITUTE

IOWA College of Public Health

Aligning Incentives

Challenge of the legacy of encounter-based payment and volume-based incentives

Shift to enrollee-based payment and incentives to shift to lower-cost care

Value is achieving community-focused mission

Designing Delivery System and Payment to Meet the Challenges

- Hitting a reset button
- Redesign use of workforce, including use of telehealth
- Redesign roles of community-based organizations in meeting health needs of individuals, populations, communities
- Redesign payment to emphasize creating flexibility in use of resources – revenue for meeting strategic objectives

RURAL POLICY RESEARCH INSTITUTE

IOWA College of Public Health

Some Specifics

- Flexible financing models: shared savings, global budgeting, broadening eligible services, accounting systems that allow for broader definition of allowable costs
- Investments in capacity to integrate services, manage chronic conditions: information systems including EHRs and interoperability

Where is the Money?

- We spend $4 trillion now – not much appetite to spend additional money to achieve value-based incentives
- Re purposing some of the $4 trillion
- But does require some new investments

RURAL POLICY RESEARCH INSTITUTE

College of Public Health

RUPRI Engagement

RESEARCH CENTER

POLICY PANEL

RURAL HEALTH VALUE

rupri
RURAL POLICY RESEARCH INSTITUTE

IOWA
College of Public Health

https://youtube.com/clip/Ugkx9d83Gk7G2HEediFjW06v8fl7nw4zTIjf?si=A0HNYsrw1kB34Hf1

https://www.youtube.com/watch?v=9EB4plZ5IRQ

Further Resources

- ✓ **The RUPRI Center for Rural Health Policy Analysis** http://cph.uiowa.edu/rupri
- ✓ **The RUPRI Health Panel** http://www.rupri.org
- ✓ **The National Rural Health Resource Center** https://www.ruralcenter.org/
- ✓ **The Rural Health Information Hub** https://www.ruralhealthinfo.org/
- ✓ **The National Rural Health Association** https://www.ruralhealthweb.org/
- ✓ **The American Hospital Association** https://www.aha.org/front

Keith J. Mueller, PhD

Gerhard Hartman Professor of Health Management and Policy
Director, Rural Policy Research Institute (RUPRI) and
RUPRI Center for Rural Health Policy Analysis
University of Iowa College of Public Health
145 Riverside Drive, N211, CPHB
Iowa City, IA 52242
Office: 1-319-384-3832
keith-mueller@uiowa.edu

RURAL POLICY RESEARCH INSTITUTE

College of Public Health

For more than 30 years, the Rural Health Research Centers have been conducting policy-relevant research on healthcare in rural areas and *providing a voice for rural communities in the policy process.*

Rural Health Research Gateway

The Rural Health Research Gateway ensures this research lands in the hands of our rural leaders.

RHRC
Rural Health Research & Policy Centers
Funded by the Federal Office of Rural Health Policy
www.ruralhealthresearch.org

Connect with us

info@ruralhealthresearch.org
facebook.com/RHRGateway
twitter.com/rhrgateway

Funded by the Federal Office of Rural Health Policy, Health Resources & Services Administration