Changes in Rural Communities and Rural Health Care Services

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Facing Realities

- Changes in rural America
- Health care is more than a community institution/infrastructure
- Changes in health care
- Pulling policy levers for rural health

Positive Changes in Rural America

- Areas of economic growth
  Extraction industry alive and well
  Amenities attracting baby boomers
  Trade centers remain viable
- Potential for entrepreneurship
  Technological connections
  Transportation improvements
- The spirit of the people
  Those who stay
  Immigrant populations

Source material: Carsey Institute. "Rural America in the 21st Century: Perspectives from the Field." Carneyinstitute.unh.edu/documents/PB_NRA.pdf

Changes that Challenge Rural America

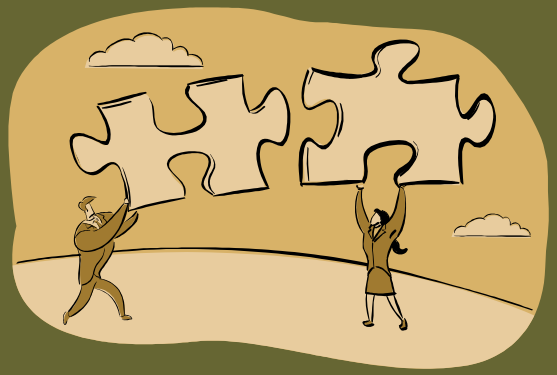
- Persistent poverty, especially in middle and south of the country
- Counties with low educational achievement
- Population out-migration
- Loss of local governance capacity

- Insufficient skilled labor
- Inadequate housing in growth areas
- Lack of planning in growth areas
- Lack of public transportation

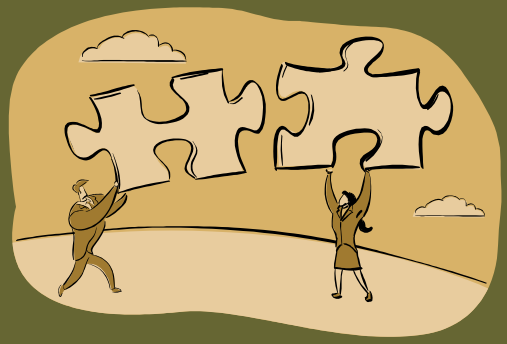
Source material: Carsey Institute report

Traditional solutions

- Attract new employers
- Abandon some places
- Exploit natural resources
- Invest in infrastructure



- Small business development
- Look to the federal government for transfer payments
- Look to the federal government for investment capital



Break-out Ideas

- Place-based policies that use local assets (products, recreation, tourism)
- Develop regional markets and encourage local production
- Provide quality education, including to new migrants
- Improve civic leadership, including regional governance

HEALTH CARE IS MORE THAN INFRASTRUCTURE

- Economic contribution of health care: multipliers between 1.2 and 1.7
- Governance contribution of health care: local leaders from the sector
- Social contribution of health care: social capital from its employees
- Better appearance of local community
- Attraction as a core community asset

Regional development and health care

- An international phenomenon
- If thinking regional, think large rural systems of care
- Both the “hub” of that system
- And its “spokes”

Get Ready for the Future

- Different possibilities
- Present is unsustainable
- Future can be influenced

2025 in Victoria, Texas: Family with moderate income and high-deductible health insurance

- 12 year-old Tommy develops cold symptoms and Mom takes him to Wal-Mart for care because the store is now a Super Wal-Mart offering health care services that include:
- Routine care
- Children and adolescent Health
- Diagnostic testing
- X-Ray imaging
- Vaccinations
- Preventative care

- [taken from www.quickqualitycare.com/services.htm on August 11, 2006; current sites in Tampa, Sturt, Fort Myers FL]
- Mom pays the bill on site, $30 in 2006 dollars, and withdraws the money from the family health savings account

2025 in Brownfield, Texas
Lifelong 85-year-old resident with lifetime of healthy living now covered exclusively by Medicare

- 85-year-old Elizabeth has recently experienced worsening of the arthritis condition that had been only a minor pain in the …. She had been taking over-the-counter pain killers purchased at the local convenience store. Now she has multiple choices for upgrading care:
- Establish a medical home in Lubbock, a mere 40 miles away
- Also purchase her medications in Lubbock at Wal-Mart or Albertson's Food and Drug
- Use mail order to purchase 90 day supplies of some medications
- As she needs help in activities of daily living hope neighbors can help because the home health agency does not serve Brownfield (too costly)
- Give up her lifelong commitment to remain in Brownfield and move to a place with full services in the community

2025 in Uvalde, Texas
The health care system of the future

- An integrated health care delivery system offers local access to:
- Same day surgery performed by rotating surgical teams with telehealth back-up
- 24/7 primary care in the local clinic (not the hospital ER)
- Local pharmacy which also supports the hospital and skilled nursing facility
- Behavioral health services through a social worker backed up with telehealth
- General surgery, delivery services, diagnostic imaging on site at the CAH
- Assisted living and independent living supported by a regional nursing service
- And linked to other health care services through a fully automated information system that includes electronic health records and ability to crosswalk to personal health records

Which Future Is It To Be?

- What do we want?
- How do we affect it?
- If there are no changes ….

"At the present time, many persons do not receive service which is adequate either in quantity or quality, and the costs of service are in equably distributed. The result is a tremendous amount of preventable physical pain and mental anguish, needless deaths, economic efficiency, and social waste. Furthermore, these conditions are largely unnecessary. The United States has the economic resources, the organizing ability, and the technical experience to solve this problem."

Source: "Medical Care for the American People," The Final Report of the Committee on the Costs of Medical Care, October 31, 1932.

We are on the Eve of Destruction

- Expenditures for health care are spiraling beyond any single fix
- Complexity of health care problems present more opportunities for medical error
- Millions with limited access because of cost, availability, cultural misfit
- Health care professionals with declining morale
- Breakthrough policies that contribute to problems: Medicare Part D
- **WILL IT ALL IMPLODE?**

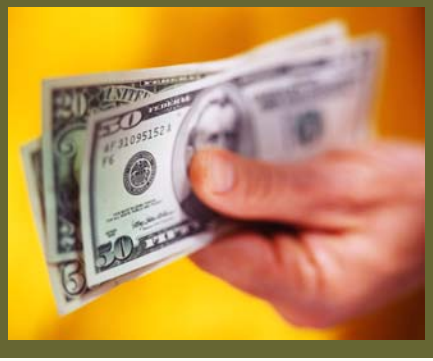
We Have a Problem:

- “The American health care delivery system is in need of fundamental change” [1]
- “I see my patients continuing to wander in the health care wilderness, without much hope of finding the path out.” [2]
- “In addition to cost, many Americans experience hurdles to entering the health care system simply because of where they live, where they work, the level of previous exposure to our medical system and its payment mechanisms, age, race and ethnicity, or the language they speak. Many do not have adequate health care options, and may be forced to use emergency departments for primary care. Indeed, the complexity of our system is often a barrier to access as well as a major impediment to effective and efficient treatment.” [3]

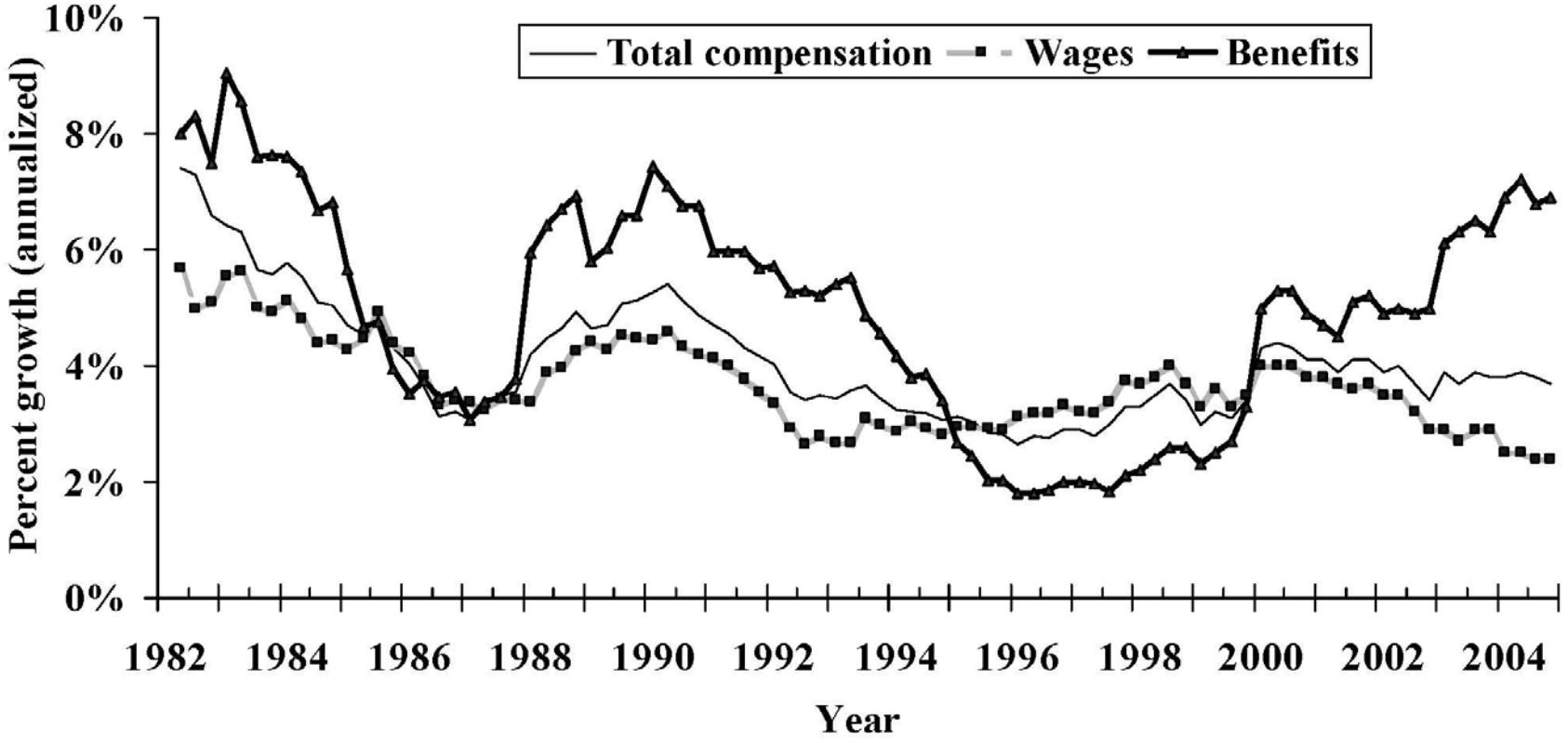
[1] Institute of Medicine. *Crossing the Quality Chasm* 2001. Washington DC: National Academies Press. P. 1
[2] Bob LeBow. *Health Care Meltdown*. 2002. Boise ID: JRI Press. P. ix
[3] 2004Health Sector Assembly. Statement of Findings and Intent

Unsustainable Trends

- In overall health care expenditures
- In the combined Medicare and Medicaid expenditures
- In the underlying demand for services that is driving expenditures
- In supporting a system that kills people
- Graphically illustrated in what is happening with wages and benefits



Growth in Total Compensation, Wages and Benefits, 1982-2004



Source: Bureau of Labor Statistics, Employment Cost Index: http://www.bls.gov/ncs/ect/home.htm

For an underperforming system

- Taken from the work of the Commonwealth Fund Commission for a High Performance Health Care System
- US performance as a percentage of benchmark (what some nation is achieving)
- Long, healthy, and productive lives (outcomes dimension score: **69**
- Getting the right care dimension score: **71**
- Coordinated care dimension score: **70**

- Safe care dimension score: **69**
- Patient-centered, timely car dimension score:**72**
- Overall access score: **67**
- Efficiency dimension score: **61**

IS THIS THE SYSTEM WE TOUT AS THE BEST IN THE WORLD?

Source: C. Schoen, K Davis, S KH How, and SC Schoenbaum. "U.S. Health System Performance: A National Scorecard." Health Affairs web exclusive 25 (2006): w457-w475; 10.1377/hlthaff.235.w457.

Some specific bad signs

- Health insurance premium increases exceed earnings increases all but 4 years since 1988
- Uninsured and underinsured more likely to do without care due to costs: 59, 54, 25 percent (not fill a prescription, not see a specialist, skip recommended care, not see a doctor)
- Adults receive half of recommended care
- States with high quality indicators spend least per capita

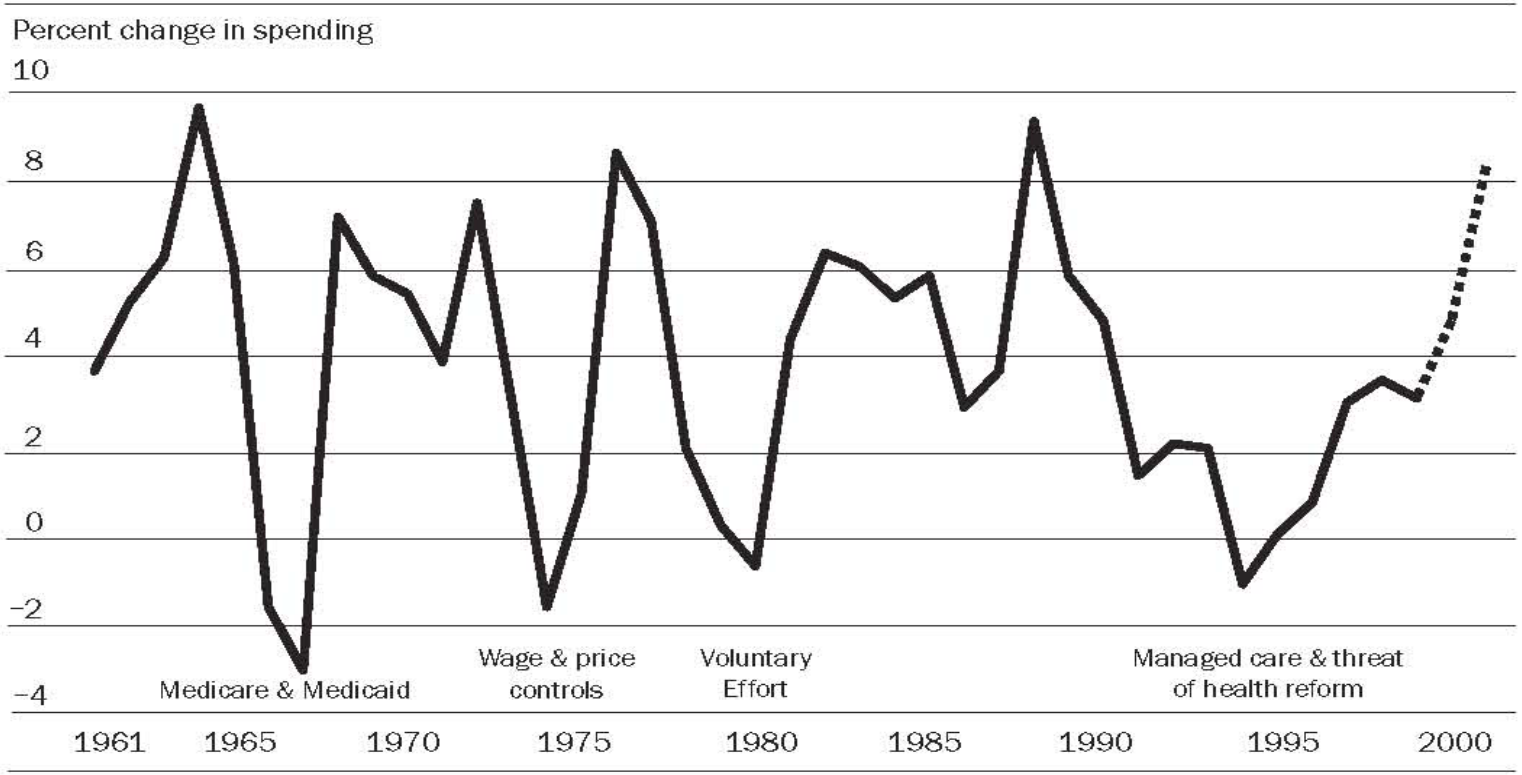
Source: various sources summarized in “A Need to Transform the US Health Care System: Improving Access, Quality, and Efficiency (a Chartbook).” Guthier and Serber. October, 2005.www.cmwf.org

Old policies fall short

- The success and failure of PPS
- The success and failure of RBRVS
- The success and failure of managed cost
- Let the market prevail?
- Let administrative pricing prevail?

The history of cost containment in a single graph

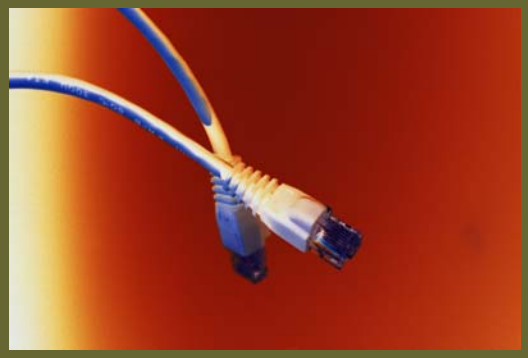
EXHIBIT 1
Annual Change In Private Health Spending Per Capita (Adjusted For Inflation), 1961–2001



SOURCES: Henry J. Kaiser Family Foundation analysis. Private health expenditures per capita, 1960–1999, are from the Centers for Medicare and Medicaid Services (CMS). Change in private spending per capita, 2000–2001, is estimated based on average premium increases for employer-sponsored coverage from the Kaiser/HRET Survey of Employer-Sponsored Health Benefits.
NOTES: Real change in spending is calculated using the Consumer Price Index (CPI-U) all items, average annual change for 1961–2000 and July-to-July change for 2001. This analysis was inspired by an analysis done by Jeff Merrill and Richard Wassermann more than fifteen years ago. See J.C. Merrill and R.J. Wassermann, "Growth in National Expenditures: Additional Analyses," *Health Affairs* (Winter 1985): 91–98.

We have the means to do better

- We have the resources – projections of $3 trillion by 2014
- We have the technology – health information technology, genealogy
- We have the expertise – health care and research
- We have the ideas to use when the policy window opens



Have We Reached a Tipping Point?

- The Law of the Few: E. Gingrich, Clinton, EN21, AMA, Health Sector Assembly?
- Stickiness Factor: Uninsured, Rising Expenditures – thought they went away, but they're baaaaack (actually never left)
- Power of Context: Some element of the "health care crisis" hits nearly everyone

Source: Malcolm Gladwell.
The Tipping Point Little, Brown: 2000.

Policy streams coming together

- Reaching the agenda
- Political forces
- Ideas for change

- 1936 – 1946
- 1965 – 1972
- 1993 – 1994
- 2009?

Idea: principles of value-based competition

- The focus should be on value for patients, not just lowering costs
- Competition must be based on results
- Competition should center on medical conditions over the full cycle of care
- High-quality care should be less costly
- Value must be driven by provider experience, scale, and learning at the medical condition level

- Competition should be regional and national, not just local
- Results information to support value-based competition must be widely available
- Innovations that increase value must be strongly rewarded

Source: Redefining Health Care – Creating Value-Based Competition on Results. Michael E. Porter, Elizabeth Olmsted Teisberg, Harvard Business School Press, 2006.

Search for a new Holy Grail for Rural Health

- Used to be a search for dollars
- And professionals
- But the patient of present day and third party payers want “value” and greater certainty of receiving clinically appropriate diagnosis and treatment
- For rural means moving into the modern age

A Few Specific Illustrations

- Retail medicine: WalMart, Kroger
- Retail medicine: Nurse practitioner clinics in Missouri
- Telepharmacy in North Dakota
- Geisinger system in Pennsylvania: continuity of care in an integrated system

Sources: R. Bohmer. "The Rise of In-Store Clinics – Threat or Opportunity?" *New England Journal of Medicine* 365: 8. February 22, 2007 765-768.

C. Vaughan. "North Dakota Telepharmacy Project Fills Need." *HealthLeaders Media Community*. August 2007. accessed August 1, 2007: www.healthleadersmedia.com/print.cfm?content_id=913177.

B Toland. "Innovative Geisinger thrives inrural areas, excels at recruiting, retaining employees." *Pittsburgh Post-Gazette.com* August 12, 2007. accessed August 15, 2007: www.post-gazette.com/pg/pp/07224/808901.stm.

It’s All About the Consumer

- Community theme again
- Keeping people to be where they are
- Attracting people to the community
- Because they are satisfied they can get what they want when they want it

Policy Levers

- Medicare: resolve the use of market-based policy choices
- Medicaid: safety net or not?
- State regulation: system building or inhibiting?
- Grant programs: the promise of Flex

Global Issues, Local Actions

- Rural development and sustaining “the good life” at stake everywhere
- OECD, International Rural Network, others create forums to learn and act
- Focus is on place, which in the U.S. means region
- Pogo’s law applies to rural place-based policy development

Thank you!

For more information please visit:

www.unmc.edu/publichealth/healthservices/

www.unmc.edu/rural/