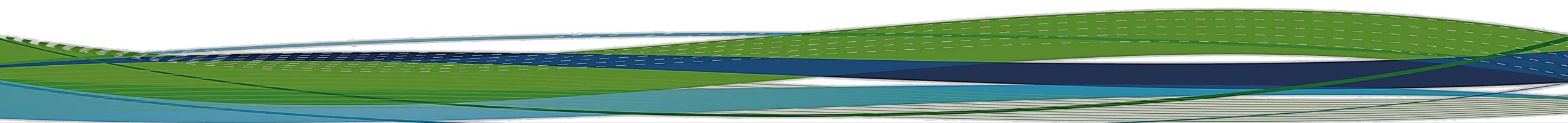




National Rural Health Association

Landscape of Rural Health

Alan Morgan, MPA
Chief Executive Officer





NRHA...

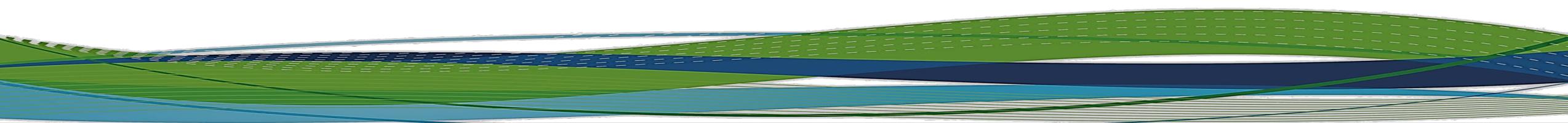


Improving the health of the 62 million who call rural America home

NRHA is non-profit and non-partisan

NRHA: [#ruralhealth](#)

Alan: [@Amorganrural](#)



National Rural Health Association Membership



Destination NRHA

Plan now to attend these 2020 events.



| | | |
|--|----------------|-----------------|
| Policy Institute | February 11-13 | Washington, DC |
| Annual Conference | May 19-22 | San Diego, CA |
| Rural Hospital Innovation Summit | May 19-22 | San Diego, CA |
| Rural Health Clinic Conference | Sept. 22-23 | Kansas City, MO |
| Critical Access Hospital Conference | Sept. 23-25 | Kansas City, MO |

**Visit [RuralHealthWeb.org](https://www.RuralHealthWeb.org)
for details and discounts.**

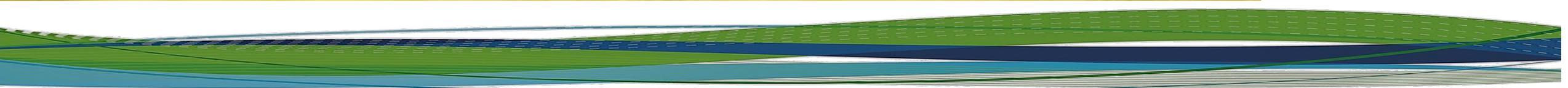
The State of Rural America



Your voice. Louder.



- Workforce Shortages
- Vulnerable Populations
- Chronic Poverty



The State of Rural America



Your voice. Louder.

U.S. Census show that after a modest four-year decline, the population in nonmetropolitan counties remained stable from 2014 to 2019 at about 46 million. (2014-2019 rural adjacent to urban saw growth.)

A screenshot of a mobile browser displaying a New York Times article. The browser's address bar shows "nytimes.com". The page header includes the New York Times logo and navigation links for "SUBSCRIBE" and "LOG IN". The article is categorized as "Opinion" and has the title "Something Special Is Happening in Rural America". The lead paragraph reads: "There is a 'brain gain' afoot that suggests a national homecoming to less bustling spaces." The author is identified as "By Sarah Smarsh", with a bio stating: "Ms. Smarsh is the host of the podcast 'The Homecomers' and the author of the memoir 'Heartland.'"

Rural has an Older, Sicker and Poorer Population



- The median age of adults living in rural areas is greater than those living in urban:
 - Rural: 51 years
 - Urban: 45 Years
- 18.4% of rural residents are age 65+, whereas its 14.5% in urban
- Rural areas have higher rates of several health risk factors/conditions:
 - Obesity
 - Diabetes
 - Smoking

Rural has an Older, Sicker and Poorer Population



- Nationally, rural households had lower median household incomes:
 - Rural: \$49.9K
 - Urban: \$66.1K
- 14.7% of rural population is below the federal poverty line, compared with 11.3% of the urban population

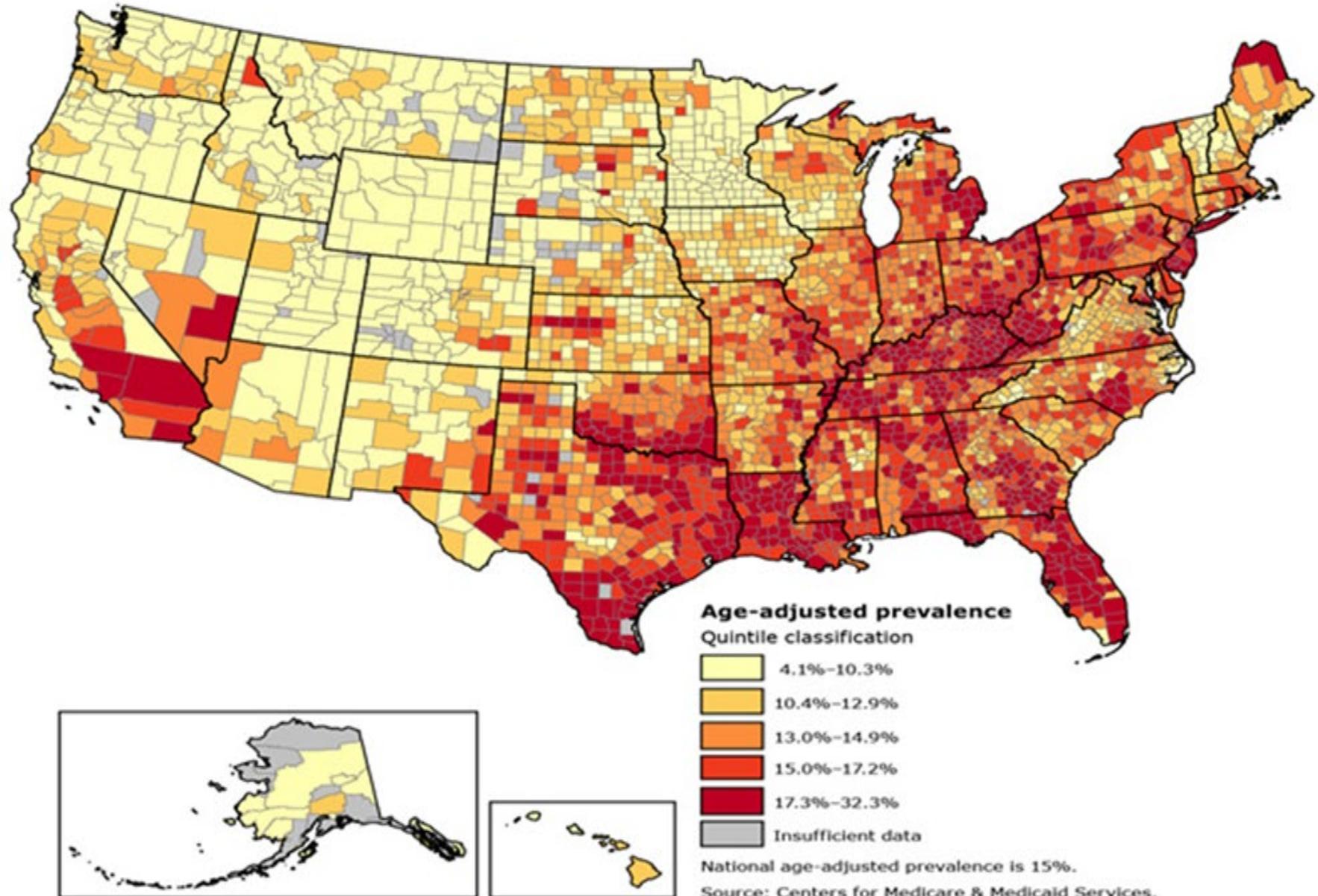
Further Data on Health Disparities



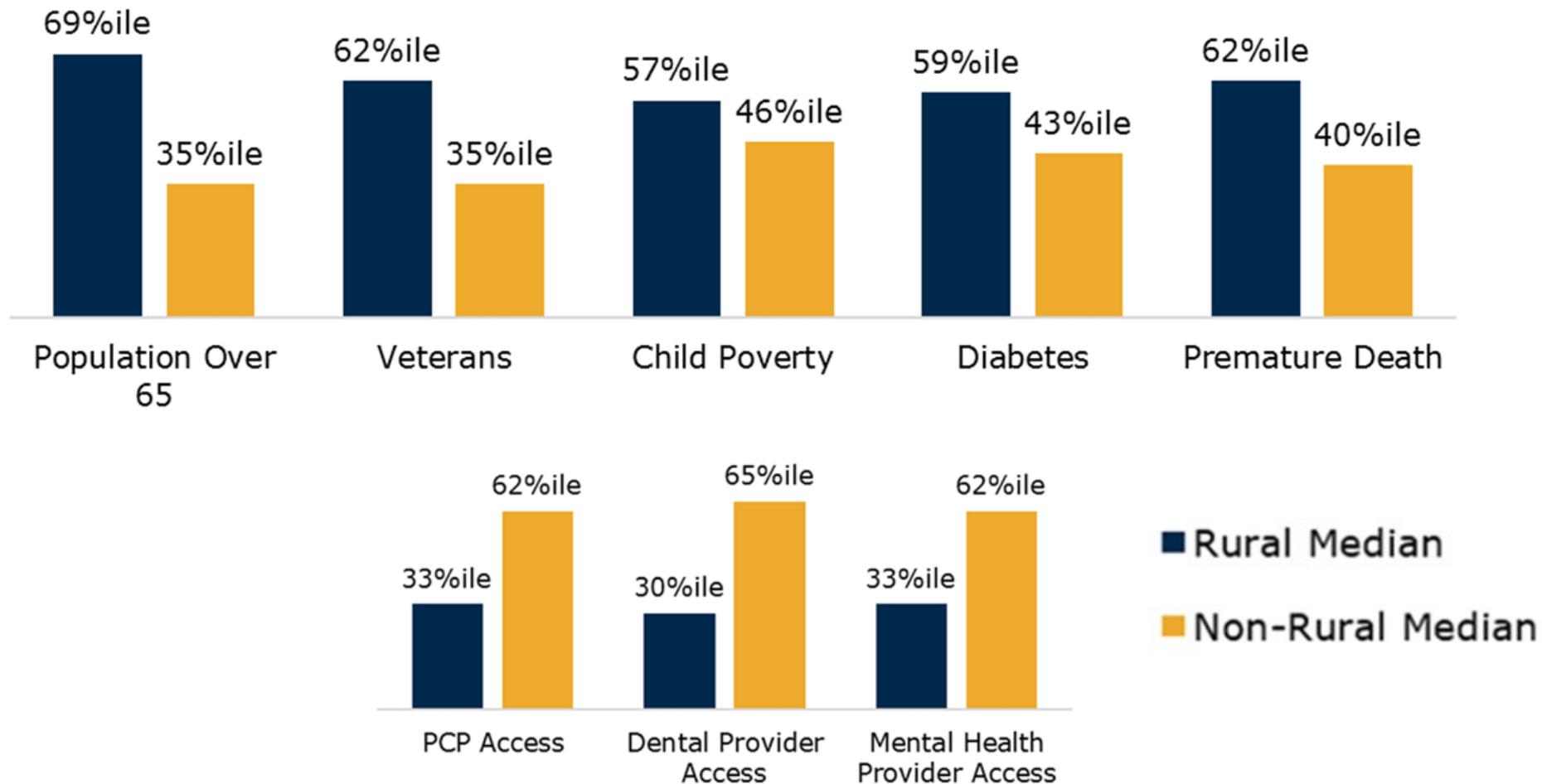
-
- The incidence of heart disease in small town America is 56 percent higher than in metropolitan areas -- or, more starkly, by some 26,700 excess deaths;
 - Chronic lower respiratory disease is 75 percent higher;
 - Unintentional or accidental injuries, 37 percent higher;
 - Cancer fatalities declined nationwide from 2003 to 2017, they fell at a 62% slower rate in rural America.
 - And there now is "a widening gap" of almost three years in life expectancy between urban and rural dwellers
-
- A decorative graphic at the bottom of the slide consists of several overlapping, wavy horizontal bands in shades of green and blue, creating a stylized landscape or water effect.

Prevalence of Medicare Patients with 6 or more Chronic Conditions

The Prevalence of Medicare Fee-for-Service Beneficiaries 65 Years or Older With 6 or More Chronic Conditions, by County, 2012



Summary: Rural Populations are Older, Less Healthy, Less Affluent and Have Limited Access to Multiple Types of Care



Deaths of Despair: The Rural Opioid Crisis



- The federal government has provided over \$2.4 billion in state grants since 2017, in hopes of stemming an opioid epidemic that killed 47,6600 people in that year alone
- Crawford County, Ohio: Received \$327,300 from key federal grants designed to curb the opioid epidemic
- Most Federal opioid grants cannot be used to treat meth addiction
- “I don't need more opiate money. I need money that will not be used exclusively for opioids,” said a County Commissioner

Disparities in Maternal Care Access for Rural Moms



More than
18 MILLION
reproductive age women
live in rural America.



#RuralMaternalHealthForum



NATIONAL RURAL HEALTH ASSOCIATION

More than
HALF
of rural counties have
NO
hospital-based maternity ward.



#RuralMaternalHealthForum



NATIONAL RURAL HEALTH ASSOCIATION

From 2004-2014,
Rural counties with greater %s
of black women were more than
4Xs as likely to lose
obstetric services.



#RuralMaternalHealthWeek



NATIONAL RURAL HEALTH ASSOCIATION

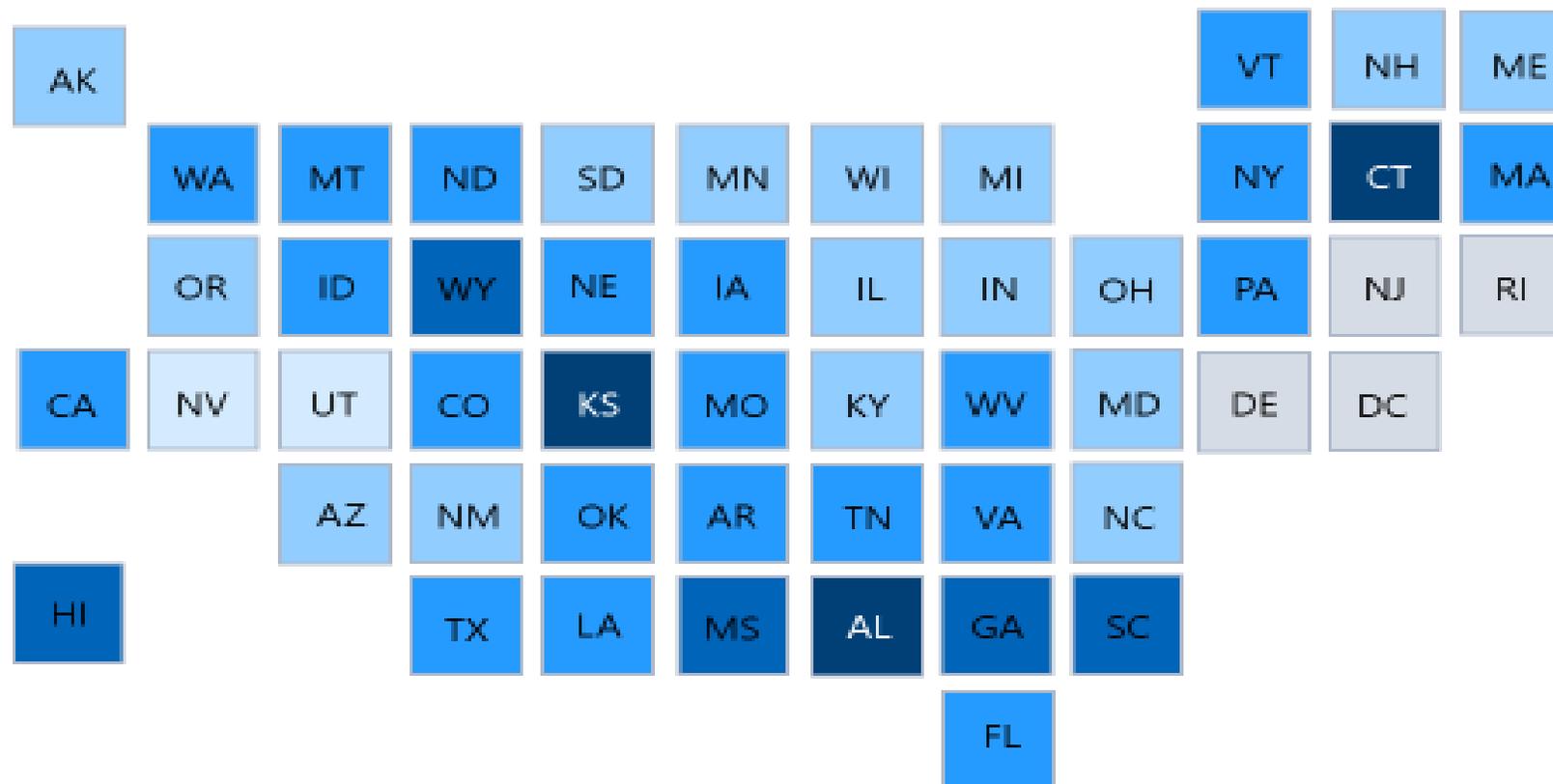
Rural Hospital and Clinic Closure Crisis: Convergence of Multiple Pressure Points



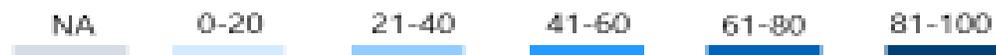


Impact on Rural Operating Margins

48% of all Rural Providers have a Negative Operating Margin



State-level percentage of rural hospitals with negative operating margin.



Source: The Chartis Center for Rural Health, 2019.

Medicaid Expansion Status and Margins



Expansion State

Non-Expansion State

Median Operating Margin

1.5%

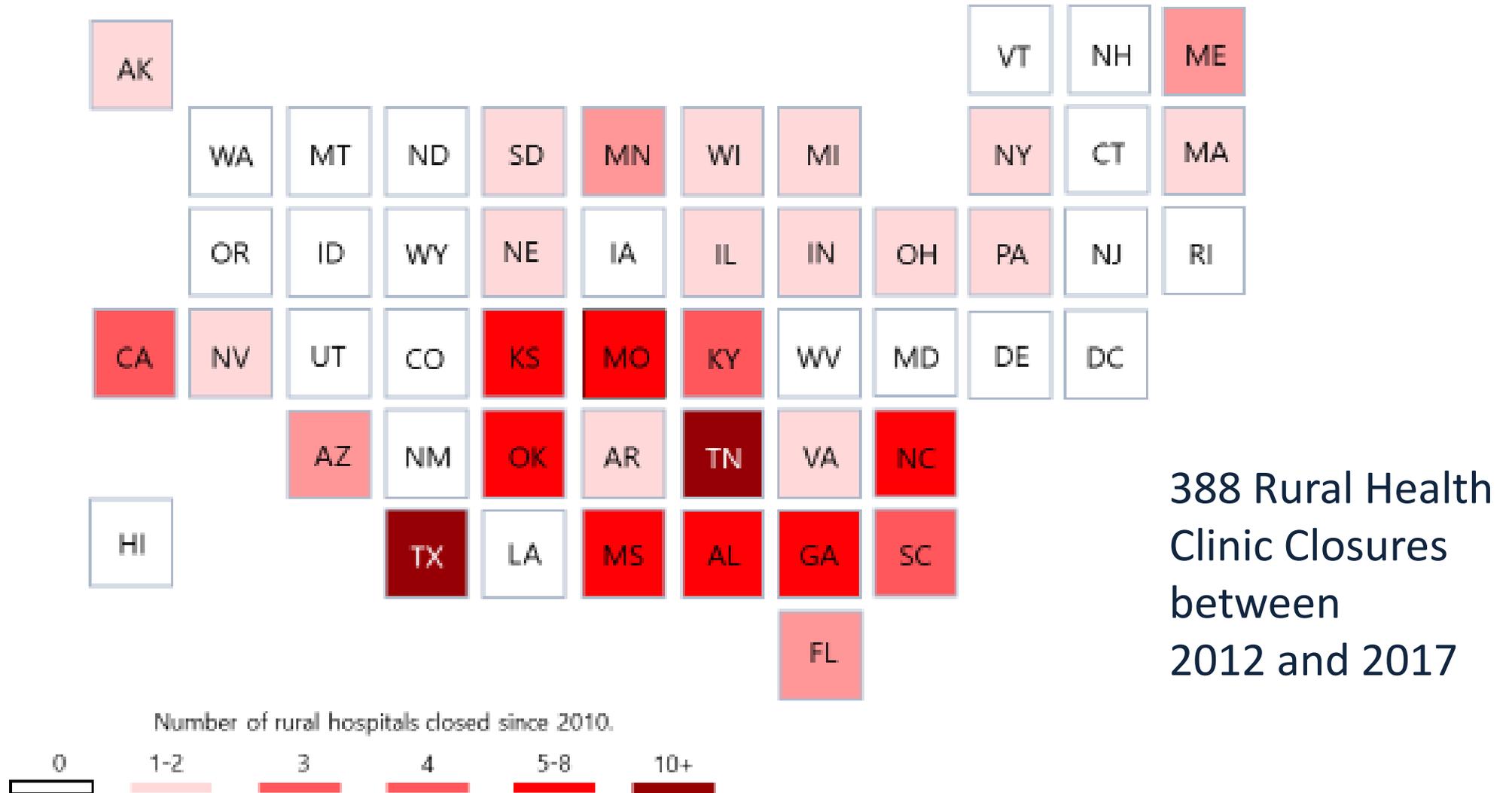
-0.2%

% with Negative Operating Margin

41%

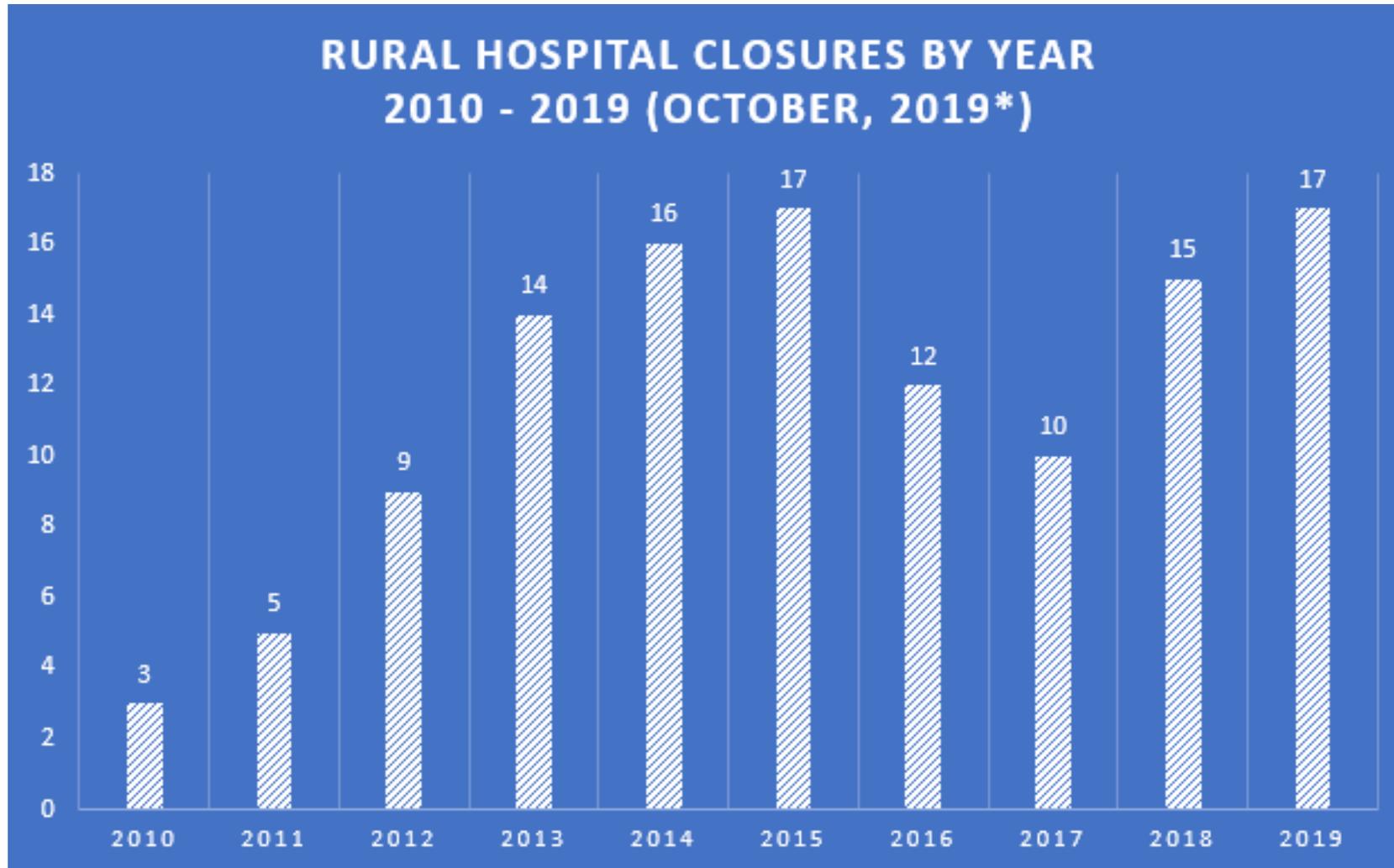
51%

Rural Hospital Closures – 118 and counting



388 Rural Health Clinic Closures between 2012 and 2017

Rural Hospital Closures – 118 and counting



388 Rural Health
Clinic Closures
between
2012 and 2017

Rural Delivery Service Closures



➤ Rural hospitals dropping OB since 2011:

134

➤ Rural hospitals offering OB that have closed:

21

Rural communities that have lost access to OB since 2011.

155

OB Closure Impact: Increased Distance to Delivery

Offsetting Revenue Pressure:

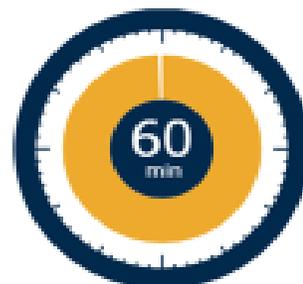
The Decline of Access to OB Services in Rural America



Drive time to nearest OB provider.



Added time (up to) for women in **90** rural communities.

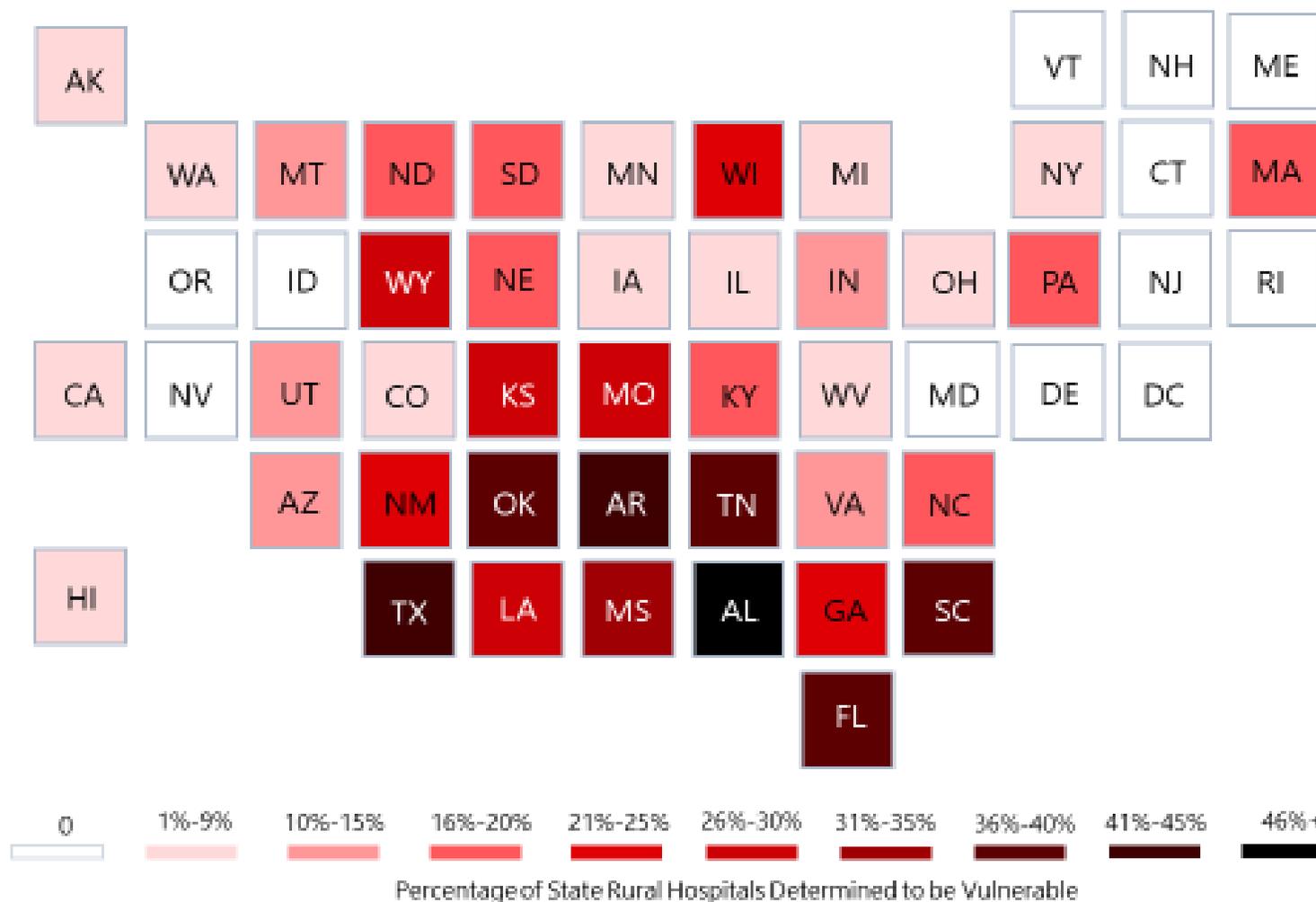


Added time (up to) for women in **53** rural communities.

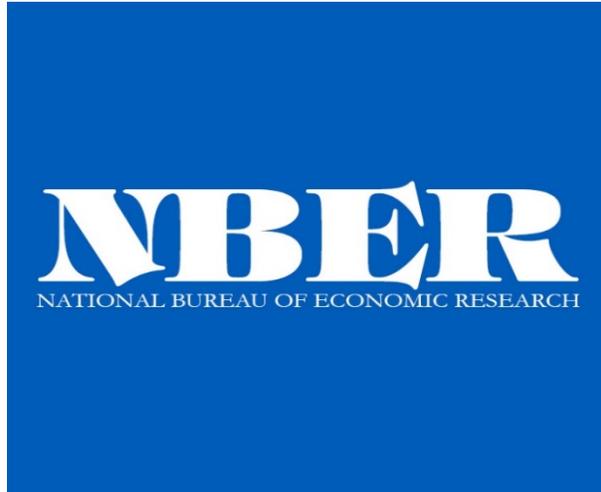
Women in **12** rural communities must now drive an additional 60 minutes or more.

Chartis Vulnerability Analysis by State

Rural Hospital Vulnerability



September Rural Hospital Closure Study



- September 2019 research shows that patients are more likely to die following a rural hospital closure; urban closures had no measurable impact on mortality.
- Rural hospital closures increased mortality by about 5.9 percent overall.
- Two rural hospitals straddling the Ohio River (OH & WV) are [slated to close in early October](#).

Rural closings increase travel times for patients, and lead to outmigration of health care professionals post-closure, severely dismembering patient access to care and exacerbating social disparities in health outcomes.

- Researchers Kritee Gujral & Anirban Basu

How Data Points Can Advance NRHA Policy?



- Access to Care
 - HPSAs and Health Disparities reveal a distinct pattern of need
- No Mission No Margin
 - Operating Margin and % of rural providers in red indicate a downward financial trajectory
- The Safety Net is a Bargain
 - Cost per Beneficiary
- Rural Provider Performance
 - Despite the challenges, they are providing excellent care according to several factors

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National Media Attention



Forbes



Robert Wood Johnson
Foundation



BIPARTISAN POLICY CENTER

- 2020 Presidential Election:
 - ❖ Campaign platforms; Debate coverage
- Major News Outlets:
 - ❖ The Hill, NPR, CNN
 - ❖ CBS: New reporting on rural EMS shortages
- National Reports & Surveys
 - ❖ National Bureau of Economic Research*
 - ❖ Robert Wood Johnson Foundation
 - ❖ Bipartisan Policy Center, etc.

If we learned anything from the past election, it's that we haven't listened to rural America enough.

- Chuck Schumer, Senate Minority Leader



Updates from the House of Representatives



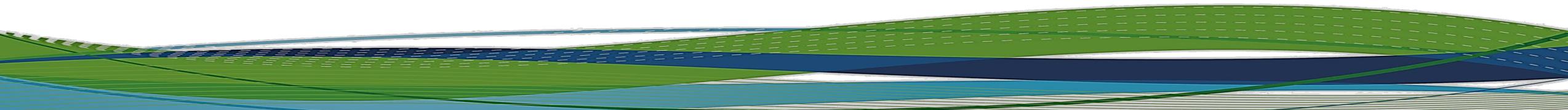
- Appropriations
 - House passed 10 approps. bills before Summer recess
 - House passed a Continuing Resolution (CR) on September 19th to extend federal government funding through November 21st , government shutdown?
 - Rural Development and Infrastructure: Provides more than \$3.943 billion for rural development programs, including \$680 billion for expansion of broadband services for education and healthcare programs.
- Ways & Means
 - Rural Health Task Force
 - Reps. Sewell (D-AL), Arrington (R-TX), Wenstrup (R-OH), Davis (D-IL)
- Energy & Commerce
 - H.R. 4243: Rural MOMS Act (introduced by Rep. Torres Small; bipartisan; 5 cosponsors)
 - Reauthorizing and Extending America's Community Health (REACH) Act: Eliminates scheduled reductions to Medicaid DSH funding in FY2020 and FY2021. Fresh funding for CHCs, National Health Service Corps, and other programs.



Updates from the Senate



- Appropriations
 - Passed on Oct. 31 four-bill minibus, HR 3055 84-9 (bipartisan): Agriculture—FDA, Commerce-Justice-Science, Interior-Environment and Transportation-HUD
 - Failed passage on the second minibus 51-41 (needed 60 votes): Defense, Labor-HHS-Education, State-Foreign –Operations and Energy-Water spending measures
 - The short-term funding agreement in Senate funds key health program extenders through November, 21, 2019:
 - Community Health Centers, National Service Corps, Teaching Health Center Graduate Medical Education Program, TANF,
 - Increase Medicaid Improvement Fund to \$2.387 billion
 - Chairman Shelby has floated the idea of a CR lasting till deep into the first quarter of 2020
 - Government shutdown?





Key Rural Legislation



Your voice. Louder.

- RHC Modernization Act, HR 2990
- Rural ACO Improvement Act, S2648
- Expanding CAH Eligibility, HR 2990
- Conrad State 30 Program, S948/HR2895
- Resident Physician Shortage Reduction Act, S348/HR1763
- CAH 96-hour Rule Fix HR1041/S586
- Physician Supervision to General, S895
- Rural Maternal and Obstetric Modernization Services Act (RMOMS), S2373
- Expanding Capacity for Health Outcomes
- Rural Health Innovation Act, S2411
- Telemedicine Across State Lines Act, S2408
- Rural America Health Corp, S2406
- Rural Hospital Sustainability Act of 2019 (Global Budgets) S2157
- Lower Health Care Costs Act of 2019 ('Surprise Billing' - *will it pass?*), S1895



'Other' Rural Health Updates



- **Converting from a Rural PPS Hospital to CAH**
 - NRHA has been working with both Senate and House offices on this potential legislation; Sen. Kinzinger and Sen. Durbin leading the charge; Met with Secretary Azar's team and recently Deputy Secretary Hargan; Our team is working to include this provision within the SRHA as well (& cost-based reimbursement for ambulatory services)
- **Rural Funding Initiatives**
 - Primary Care Training and Enhancement: Residency Training in Primary Care (PCTE-RTPC) Program
 - HHS has awarded nearly \$400 million through HRSA to combat the Opioid Crisis – funding to HRSA funded CHCs, rural orgs and academic institutions
 - In a major victory for rural moms and NRHA members, HHS recently awarded nearly \$9 million to launch the Rural MOMS program in three states. Funds will be used to pilot, test, and develop models to improve access to and continuity of rural OB care

Senate Finance Rural Health Package



- D.C. Health-based Non-profits Letter*
 - American Academy of Family Physicians, National Association of Rural Health Clinics, Society of Teachers of Family Medicine, Association of Family Medicine Residency Directors, Association of Departments of Family Medicine, American College of Obstetricians and Gynecologists, North American Primary Care Research Group, & NRHA
- State Rural Health Associations Letter
- NRHA-Rebuild Rural Coalition Letter
 - National Association of Counties, National Farmers Union, National Grange, Farm Credit Council. American Academy of Family Physicians, National Association of Community Health Centers, NCTA – the Rural Broadband Association, American Farm Bureau Federation, & NRHA

September 11th, 2019

The Honorable Charles E. Grassley
135 Hart Senate Office Building
Washington, DC 20510

The Honorable Ron Wyden
221 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Grassley and Ranking Member Wyden:

Rural America is facing a health care crisis. Systemic health care workforce shortages, exacerbated by the devastating rural hospital and Rural Health Clinic closure crises, have dramatically worsened access to care. The older, poorer and sicker populations that dominate rural America are seeing dramatic increases in mortality rates as the gap in health disparities between rural and urban populations widens. For these reasons, we unite to ask that the Senate Finance Committee act with urgency to pass meaningful legislation to address the grave inequities that plague rural America.

113 rural hospitals have closed since 2010. More than 46% of rural hospitals are currently operating at a loss, meaning hundreds more will close if federal policies don't change soon. Since 2012, 388 rural health clinics have closed, impacting over 3.86 million individuals living in rural and underserved areas. Drastic and draconian Medicare cuts, disparate payments and the lack of Medicaid expansion are all reasons that the rural hospital and Rural Health Clinic closures are escalating. Unlike urban facilities, when a rural hospital or clinic closes, it rarely reopens; rural patients are left without critical access to health care and 20% of a community's economy vanishes. Health disparities grow and community economic decline often ensues. Most closures are occurring in areas where health care access is needed most - in communities of high health disparities, high poverty and high minority populations.

Additionally, healthcare workforce shortages in rural America are daunting. (20% of the population is rural, yet only 9% of physicians work in rural areas.) Hundreds of rural maternity wards have closed, leaving 54% of rural counties without hospital-based obstetrics and putting access to care at risk for mothers and infants. Mental health and oral health needs overwhelm the capacity of rural communities. Legislation to overcome these chronic shortages is vital, and support of workforce development programs and telemedicine outreach is critical.

Chairman Grassley and Ranking Member Wyden, we respectfully request that the Senate Finance Committee, a Committee with a lengthy and important history of focusing on the great needs of rural America, act quickly to address these concerns. The people of rural America deserve no less.

Sincerely,





Updates from the Administration & HRSA



- Rumors suggest that a series of Executive Orders aimed at improving rural health care may be coming & HHS may release new rules aimed at reducing regulatory burdens for rural providers
- NRHA Auto-HPSA Concerns
 - Shortage Designation Modernization Project; Notices sent August 30th
 - Significant changes in HPSA scores possible, which may impact a provider's competitive status for NHSC and Nurse Corps.
 - Note: Auto-HPSAs update does not affect CMS HPSA Bonus Payments or rural health clinics' enrollment/certification.
 - Currently, no state-by-state data; however, we know of the approximately 4000 auto-HPSA's scores - 985 scores went slightly up; 834 went down (including 421 FQHCs & 254 RHCs)
 - Current NHSC participants and those awarded this year are not affected by the national update



Process was not as transparent as it could have been.



Questions to whether RHCs received adequate noticed



Appeals process is short. Deadline to guarantee that rescore requests are processed before 2020 NHSC cycle is **11-1-19**.

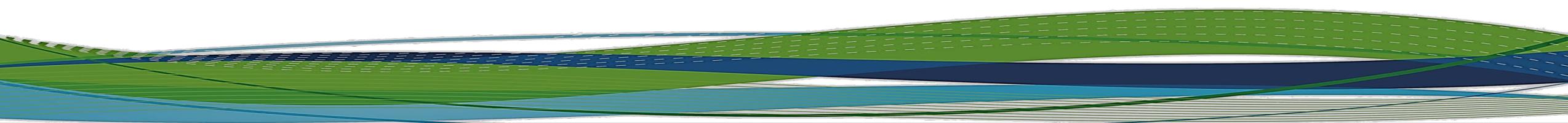


Updates from the Administration & FCC



- HRSA: Rural Access to Health Care Services RFI:
 - Core health services needed in rural communities
 - Professionals needed to provide core services locally
 - Measurements of Access to health care services in rural areas
 - Measurements of quality of care (rural relevance)

NRHA submitted a response to the RFI

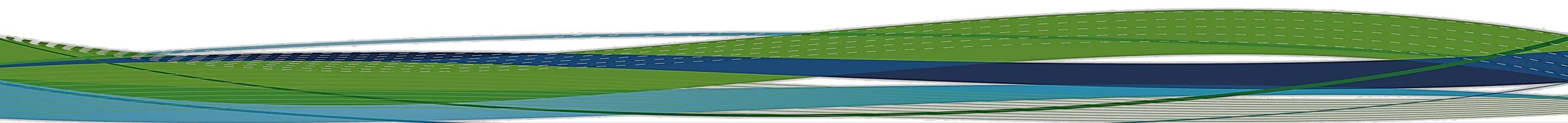




Updates from the Administration & FCC



- Promoting Telehealth in Rural America, final rule released on October 11 and is set to do the following:
 - Reforms payments in the Rural Health Care (RHC) Program to “promote efficiency and reduce waste, fraud and abuse
 - Streamline the process of discounted rates providers pay telecommunications companies and the level of support received from the RHC program are calculated
 - Transparency of rates through a database providers could use to determine support levels
 - Sets a procedure for reaching funding caps and targeting high-need providers if that should occur
 - Simplify the application process with greater clarity regarding process
 - Directs management to increase transparency overall and ensure timely information to assist providers in decision making regarding eligible services and purchases

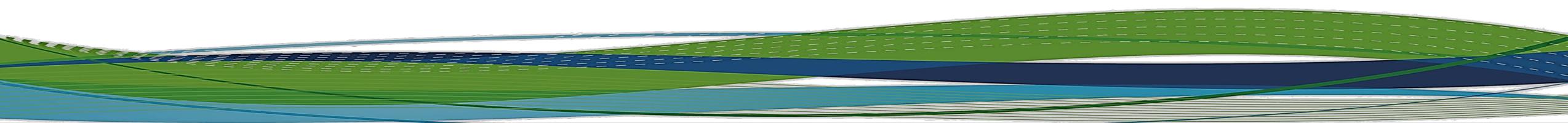




Regulatory Updates



- Inpatient PPS Final Rule for FY 2020, released August 2, 2019. The final rule increased a 3.1% increase in IPPS payments and makes changes to the DSH, wage-index and quality payment programs
 - Changes reimbursement for CAH ambulance service at 101% of costs if it is the only service available within 35 miles that is NOT legally authorized to transport patients to/from the CAH
 - Increases in budget-neutral fashion wage index for hospitals with a wage index below the 25th percentile
 - Starting Oct. 1, 2019 a hospital may include residents training in a CAH in its FTE count provided non-provider setting requirements are met.





Regulatory Updates



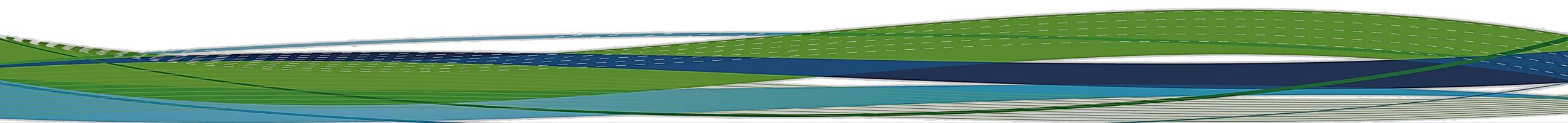
- Proposed Physician Fee Schedule (PFS) Rule for CY 2020. Proposed Policy, Payment, and Quality Provisions Changes for CY 2020. Included several proposals to implement 4th year of the Quality Payment Program (QPP)
 - Separate payment rates for all levels of E/M visits (replaces blended payment for certain levels finalized in 2018)
 - Bundled payment for OUD which includes eligible telehealth codes
- Medicare OPPS and ASC Payment System CY 2020 Final Rule released Nov. 1, 2019
 - CMS is will change the generally applicable minimum required level of supervision for hospital outpatient therapeutic services from direct supervision to general supervision for services furnished by all hospitals and CAH
 - Does NOT require hospitals to disclose payer-specific negotiated rates for 300 “shoppable” bundles
 - Completes phase-in, against court order, of site-neutral rate for clinic visits in grandfathered off-campus provider-based units, roughly 40% of the OPPS rate
 - Continues policy of cutting payments for drugs purchased using the 340B drug discount program, again against court order
 - OPPS wage-index increased for rural providers...budget neutral



Regulatory Updates



- Stark Law/Anti-Kickback Reforms NPRM released in October, 2019 to make major changes in physician self-referral (Stark) and Federal Anti-Kickback Statutes (AKS) regulations
 - Creates 3 new Stark exceptions
 - Provides 3 new AKS safe-harbors for value-based arrangements
 - Provides AKS Safe-Harbor for pt. engagement tools and support offered to patients
 - New Stark exception and an AKS Safe-Harbor for donations of cybersecurity technology services
 - Expand definition of “fair market value”
- Provides additional protections to providers in meeting challenges of a value-based incentive environment
- Deputy Secretary Hargan is very interested in NRHA feedback, this rule was a 3-month effort of senior HHS leadership





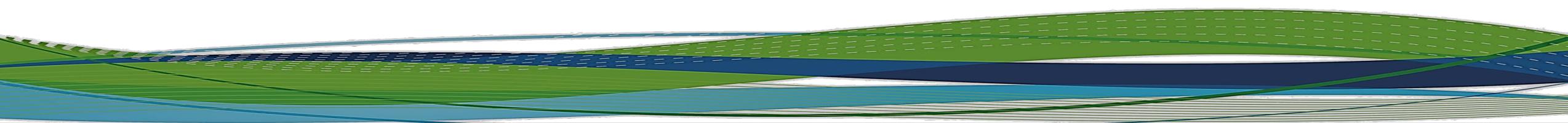
Regulatory Updates



- Medicare Conditions of Participation (COP) Final Rule. CMS released rule on October 11 that identifies unnecessary or obsolete regulations on providers. Final rule takes effect November 29, 2019. CAH provisions in the final rule:
 - For CAHs, removes the need to disclose the names/addresses of its owners or those with controlling interests and enablers a biennial review of Policies and Procedures (rather than annual)
 - Emergency Preparedness Policies/Procedures, alters the regulation to a biennial review, versus annual
 - QAPI, Infection Control and Antibiotic Stewardship. Gives the option of a system approach, rather than individual hospital program



CMS's "Re-thinking Rural" Efforts Outlines at NRHA Annual Conference

- "Placing unprecedented priority" on rural health.
 - Cited quality payment program and new telehealth payments as two examples.
 - Goal is to reduce unnecessary burden.
 - "Wage Index proposal" in IPPS Final Reg as an example that CMS recognizes that rural hospitals are struggling.
 - Physician supervision guidelines and "we will hear more on this."
 - Announced CMS is developing "new, innovative model that will come out later this year."
 - "Communities will be able to custom design," and "funding may be added for a hub and spoke telehealth approach," or a "plan to realign hospitals."
- 

But wait...What about “Value-Based Payment?”

- You’ve heard the programs:
 - payment reform/MACRA
 - practice transformation
 - accountable care organizations
 - bundled payments
 - Medicaid Managed Care
- Wharton researchers say “**curb your enthusiasm,**” what if transformation is simply hype?
- Evidence is lacking on the results of these programs:
- That’s for the “large hospitals,” what about rural hospitals? Even a more remote possibility:
 - Low volume
 - Lack of organizational capacity
 - Sheer complexity is overwhelming

The transformation from ‘volume to value’ appears to be driven more by ideology and aspiration than by evidence.
-Lawton R. Burns and Mark V. Pauly



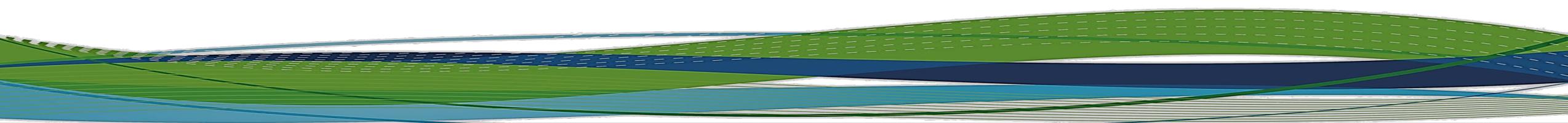
Value-Based Payment and Vulnerable Populations

- Vulnerable Populations
 - People living in poverty
 - People living with disabilities
 - Aging populations
 - High rates of un-insured and under-insured
- Rural populations are generally vulnerable populations
- NEJM, March 15, 2018 noted the negative impact of Alternative Payment Models (APSM) on vulnerable populations.





CMS Center for Innovation

- Based on learning from Pennsylvania Rural Health Model (Global Budgets) and rural ACOs.
 - New Rural Payment Model Announcement on National Rural Health Day? November 21, 2019
 - In May, NRHA met with CMMI to detail suggestions for CMMI new rural payment models, focus on technical assistance
 - Expect small demo; limited funding and statewide/regional effort
- 



CMS Center for Innovation

OLDER MODELS

- Frontier Extended Stay Clinic (FESC)
- Frontier Community Health Integration Project (F-CHIP)
- Rural Community Hospital Demonstration Program

NEWER MODELS

- Global Budget Model
 - Sen. Bob Casey (D-PA)
- 24/7 ER Model with Cost-Based Reimbursement
 - Community Outpatient Hospital
 - REACH ACT



Bigger Health Reform Debate Legislation Leading to 2020



Medicare for All:
Bernie Sanders and Elizabeth Warren



Medicare Buy-in (public option) -- Medicare X:
Reintroduced by Senators Tim Kaine and Michael Bennet (D-CO) – reimburses rural providers up to **125%**, Supporters of this approach include Biden (build on ACA).



Rural Health Care Poll

- 92% of Democrats and 93% of Republicans consider access to health care an important issue.
- 3 in 5 voters are more likely to endorse a candidate who makes access to rural health care a priority.
- >½ of rural voters polled said access to specialists is a problem.
 - Bipartisan Policy Committee and American Heart Association poll conducted by Morning Consult



NRHA Needs You! Contact your Senators and Congressman to Protect Rural Health!

| | | |
|---|---------------------------|-------------------------------------|
|  | REPUBLICAN | <input type="checkbox"/> |
|  | DEMOCRAT | <input type="checkbox"/> |
|  | RURAL ADVOCATE | <input checked="" type="checkbox"/> |



National Rural Health Association

Landscape of Rural Health

Alan Morgan, CEO

amorgan@nrharural.org
Twitter: @Amorganrural
#ruralhealth

