



Medicare as an Asset for Rural Community Health

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Viewing Medicare as an Asset

- Critical to the health of a growing percentage of the rural population
- Principal source of income for health care providers, who in turn are critical to the future of rural communities
- Can be a catalyst for change, or an inhibitor

Major changes in the program can be landmarks in rural development

- Prospective payment system in the 1980s
- Flex program in the BBA in 1997
- Prescription drug benefit and more in the MMA in 2003
- And now PPACA in 2010



Appropriate that most attention is focused on payment amounts

- Counting on the savings from payment restrictions
- Minimum updates may be a significant burden on providers
- Rural “extenders” critical to many providers



How significant are the changes in payment?

- Too much: risk losing providers in the Medicare program, or for all services
- Too little: bonus payments may not drive behavior
- Timing of change in payment in relationship to other changes

Medicare payment as catalyst for change

- Accountable care organizations serving at least 5,000 beneficiaries
- Bundled payment as a new methodology
- Value based purchasing methodologies and levels of payment



Enhancing the program for its beneficiaries

- Covering a health risk assessment and a screening schedule for next 5 to 10 years
- Personalized health advice and a referral as appropriate
- Finishes what MMA started in benefits to keep beneficiaries healthy
- Coverage in the donut hole until it is eliminated

What to watch for; Medicare and system change

- The national strategy to improve the delivery of services, patient health outcomes and population health
- The CMS Center for Medicare and Medicaid Innovation
- Developing new quality measures and using them in public reporting



Continued

- Interplay of the National Workforce Commission goals and objectives with changes in graduate medical education
- Flex program and participation in reforms including VBP, ACO, bundling
- Comparative effectiveness research, but commissioned by a private entity

Continued

- Patient-centered medical homes (for all, could include Medicare patients)
- Medication management services in treating chronic conditions



Groundwork for the future?

- MedPAC report on rural payment due January, 2011
- Operation and impact of new Independent Payment Advisory Board





Thank you!

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