The Future of Rural Health

Presentation to the US Senate
Rural Health Caucus

July 31, 2012
A High Performance Rural Health Care System Is

- Affordable: costs equitably shared
- Accessible: primary care readily accessible
- Community-focused: priority on wellness, personal responsibility, and public health
- High-quality: quality improvement a central focus
- Patient-centered: partnership between patient and health team
## Context: Poverty Rates (ACS 2006 – 2010)

<table>
<thead>
<tr>
<th>County Status Type</th>
<th>Poverty Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total U.S. Counties</td>
<td>13.8%</td>
</tr>
<tr>
<td>Metropolitan Counties</td>
<td>13.3%</td>
</tr>
<tr>
<td>Micropolitan Counties</td>
<td>16.2%</td>
</tr>
<tr>
<td>Noncore Counties</td>
<td>17.1%</td>
</tr>
<tr>
<td>All Nonmetro Counties (micropolitan + noncore)</td>
<td>16.6%</td>
</tr>
</tbody>
</table>

Data source: U.S. Census Bureau, American Community Survey 2006-2010; Analysis by RUPRI
<table>
<thead>
<tr>
<th>County Type</th>
<th>Total Counties</th>
<th>Counties with Poverty Rate &gt; 27.6% (2X U.S.)</th>
<th>Percent of Counties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total U.S.</td>
<td>3,143</td>
<td>147</td>
<td>4.7%</td>
</tr>
<tr>
<td>Metropolitan</td>
<td>1,100</td>
<td>14</td>
<td>1.3%</td>
</tr>
<tr>
<td>Micropolitan</td>
<td>686</td>
<td>42</td>
<td>6.1%</td>
</tr>
<tr>
<td>Noncore</td>
<td>1,357</td>
<td>91</td>
<td>6.7%</td>
</tr>
<tr>
<td>All nonmetro</td>
<td>2,043</td>
<td>133</td>
<td>6.5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>County Type</th>
<th>Total Counties</th>
<th>Counties with Poverty Rate &gt; 20%</th>
<th>Percent of Counties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total U.S.</td>
<td>3,143</td>
<td>634</td>
<td>20.2%</td>
</tr>
<tr>
<td>Metropolitan</td>
<td>1,100</td>
<td>109</td>
<td>9.9%</td>
</tr>
<tr>
<td>Micropolitan</td>
<td>686</td>
<td>168</td>
<td>24.5%</td>
</tr>
<tr>
<td>Noncore</td>
<td>1,357</td>
<td>357</td>
<td>26.3%</td>
</tr>
<tr>
<td>All nonmetro</td>
<td>2,043</td>
<td>525</td>
<td>25.7%</td>
</tr>
</tbody>
</table>

Data source: U.S. Census Bureau, American Community Survey 2006-2010; Analysis by RUPRI
Time of change: health care systems, new private insurance products, new payment methods

- Creates threats and opportunities
- Public programs are part of the trends
- Aligning policy specifics with the broad goals for a better system in the future
Change is Underway

- FFS to VBP
- PC Physicians to Other Primary Care and PCMH personnel
- Face-to-face encounters to telehealth
- Independent entities to systems
- Encounter-based medicine to person-based health
- Revenue centers to cost centers and vice versa
First Address Immediate Threats

- Verify they are real
- Place in perspective and priority
- Intervene as necessary
Facilitate Local and Regional Improvements

- Merging funding and policy streams: community transitions meet CMS innovations
- Support innovations that meet minimum access standards
Medicaid is currently a crucial safety net program for rural persons:

- In 2010, 17.9% of rural persons were enrolled in Medicaid compared to only 15.5% of urban persons.
- 13.2% of rural persons over age 65, but only 12.1% of urban persons in this age group are on Medicaid.
- 9.8% of rural elderly received Medicaid benefits compared to 9.0% of urban elderly.
In part because of the higher rates of coverage of rural persons, Medicaid is a particularly important source of payment for rural providers:

Almost one-third of rural physicians derive 25% or more of their patient revenues from Medicaid, as compared to 19.9% in urban areas.

Physicians in rural areas are more likely to serve Medicaid beneficiaries than are their urban counterparts.
Medicaid financed 40% of the $177.6 billion spent nationally on long-term care in 2010.

Medicaid is the primary source of funding for publicly provided mental health services, accounting for 46% of spending in 2007.
Medicaid, ACA, and Moving Forward

- Access standards for any contracts
- FMAP and state participation: expectations and balance
- Weighing rural consequences
Medicare Levers

- Preservation in the face of threats (20+ years of rural policy activities)
- Pay-for-performance and rural considerations
- Health systems and payment changes: ACOs
Other points of leverage

- Health professions training programs
- Loan repayment and other incentive programs
- Public health programs
- Infrastructure support
Calls to Move Forward: Medicare Payment Advisory Commission

- Principle of equitable access to health care services
- Principle of quality of care in rural areas
- Principle of payment adequacy
Call to Move Forward: Institute of Medicine Report on Geographic Adjustment to Payment

- Access to primary care services
- Improving access to primary and specialty services through telehealth
- National Health Care Workforce Commission
- Ongoing evaluation of programs intended to provide access
### Toward a High Performance System: Public Policy Examples

<table>
<thead>
<tr>
<th>Issue</th>
<th>Innovative Public Policies (examples)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population Health</td>
<td>The Public Health Title (IV) of the ACA</td>
</tr>
<tr>
<td>Chronic disease management</td>
<td>Hospital Value-Based Purchasing and Physician Value-Modifier programs</td>
</tr>
<tr>
<td>Health care coordination</td>
<td>Bundled Payment and Care Coordination demonstrations</td>
</tr>
<tr>
<td>Primary care</td>
<td>Primary care bonus payments and Comprehensive Primary Care Initiative</td>
</tr>
<tr>
<td>Patient-centered</td>
<td>Patient-Centered Medical Home demonstration</td>
</tr>
<tr>
<td>Care delivery innovation</td>
<td>Medicare Shared Savings Program (Accountable Care Organizations)</td>
</tr>
</tbody>
</table>
Central points from RUPRI Health Panel regarding change

- Preserve rural health system design flexibility: local access to public health, emergency medical, and primary care services
- Expand and transform primary care: PCMH as organizing framework, use of all primary care professionals in most efficient manner possible
Use health information to manage and coordinate care: records, registries
Deliver value in measurable way that can be basis for payment
Collaborate to integrate services
Strive for healthy communities
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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