The ACA and Beyond: Public Policy and Marketplace Changes Affecting the Future of Rural Health

KEITH J. MUELLER, PHD

UNIVERSITY OF IOWA COLLEGE OF PUBLIC HEALTH AND RURAL POLICY RESEARCH INSTITUTE CENTER

PRESENTED TO SOUTH CAROLINA'S
18TH ANNUAL RURAL HEALTH CONFERENCE
MYRTLE BEACH SOUTH CAROLINA
NOVEMBER 20, 2014

THE UNIVERSITY OF IOWA rupri™ RURAL POLICY RESEARCH INSTITUTE

The Winds of Change

- The Patient Protection and Affordable Care Act of 2010 (ACA)
  - Insurance coverage
  - Payment and system reform
  - Public health
  - Market consolidation
  - Paradigm shifts in service delivery

Source Material

The Patient Protection and Affordable Care Act of 2010: *Impacts on Rural People, Places, and Providers: A Second Look*

http://www.rupri.org/Forms/HealthPanel_AFA2010_April2014.pdf

Drawing from Analysis of the RUPRI Health Panel with Recommendations

- Health Insurance Coverage
- Medicare and Medicaid Payment
- Quality and Delivery System Reform
- Public Health
- Health Care Workforce
- Long-Term Care

ACA: Health Insurance Coverage

- At end of first year enrollment, 9 million newly insured
- The mixed picture by state because of Medicaid expansion decisions and variation in market enrollment
- Any rural differentials in the impact of Medicaid expansion, including assessment of any unique circumstances due to waivers should be monitored.

Eye Toward Rural Differential

- In changes in access and use of services as a result of affordability of coverage and subsequent benefit design and network use
- In the affordability and design of plans offered to, and chosen by, rural residents
- In participation in Medicaid by rural providers, and rural provider participation in narrow networks
- Inclusion of essential rural providers in networks established by qualified health plans

Medicare and Medicaid Payment

- Future research should examine whether Medicaid primary care access improves in 2014. If improvements occur, policy makers should consider a permanent change in payment.
- The Medicare Advantage (MA) program should be monitored to ensure that rural access to MA plans has not been compromised (relative to access in urban areas) by payment policies that equalize MA and Medicare fee-for-service payments. In addition, as quality-based incentive payments are implemented, they should be monitored to ensure they are leading to improvements in the quality of MA plans in all areas as intended, including in rural areas.

Medicare and Medicaid Payment

- Policy should mandate design and implementation of health care delivery and finance innovations appropriate for rural Medicare/Medicaid beneficiaries and providers.
- When and if the Independent Payment Advisory Board becomes active, rural stakeholders should monitor Board action for geographic bias.

Quality and Delivery System Reform

- Federal agencies, especially the Center for Medicare and Medicaid Innovation, should be encouraged to be attentive to rural needs when developing and launching demonstrations and pilots to ensure that the millions of Medicare and Medicaid beneficiaries, as well as other patients and families, in rural areas across the country are receiving care which is aligned with the goals of health reform.

Quality and Delivery System Reform

- In the absence of a CMS Critical Access Hospital (CAH) value-based purchasing program, alternative approaches led by state Medicaid agencies and commercial purchasers that shift payment from volume to value are essential in preparing CAHs for a rapidly changing payment and delivery environment, and should be encouraged, supported, and studied.
- Research efforts should include or focus on health care access, delivery, and patient experience issues specific to residents of rural communities.

Actions Related to Quality and Delivery System Reform

- National Prevention Council released National Prevention Strategy in June, 2011 and Action Plan in June, 2012
- Medicaid and Children's Health Insurance Plan Payment and Access Commission (MACPAC) now active, issuing March and June Reports
- Centers for Medicare and Medicaid Innovation (CMMI) very active across at least 8 major initiatives

Actions Related to Quality and Delivery System Reform

- Measures Applications Partnership (MAP) established in 2011, submitted first annual review of performance for use in federal rulemaking in February, 2012
- First iteration of National Quality Strategy (NQS) submitted to Congress in March 2011, updates in 2012 and 2013, including agency-specific quality plans in support of the NQS

Future for Quality and Delivery System Reform

- Commissions and Agencies have been active, with strategies and demonstration opportunities that could be relevant and useful in the rural health environment
- Requires vigilance to assure application to rural needs
- Push for rural-relevant measures in the move to better measures and increased transparency

Concluding Remarks About Quality Improvement in Rural Environment

Rural providers could successfully lead and participate in health system redesign efforts to improve care. However, to realize the potential in rural communities, the pilot projects and demonstrations must be designed and implemented to allow geographic and service areas with smaller volumes of patients to participate.

Public Health

- Rural stakeholders should monitor grant programs that could contribute to improving health in rural areas and encourage participation (i.e., grant applications) by rural communities.
- Rural advocates should use opportunities to secure resources for grant programs that could contribute to improving health in rural areas, and implementation by federal partners that facilitate rural participation
- Evaluations of these grant programs should include assessment of impact on rural communities.

Actions Related to Public Health

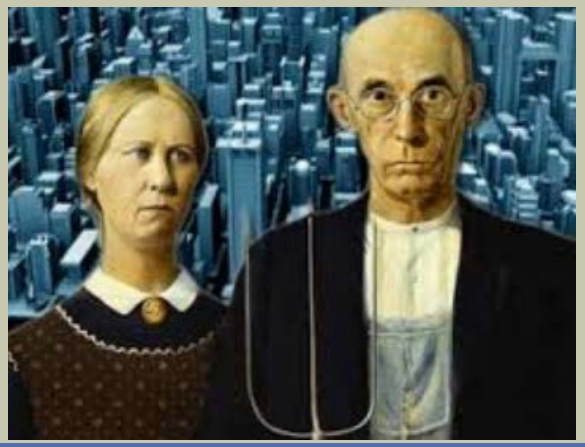
- Prevention and Public Health Fund (PPHF) appropriations, but reduced from $15 billion over 10 years to $8.75 billion
- Preventive Health Services now covered, reports indicate 71 millions persons received expanded coverage through March 2013
- Medicare coverage of preventive services: HHS report showed more than 25 million beneficiaries used one or more free preventive services in 2011

Actions Related to Public Health

- Community Transition Grants to states have been used by rural communities
- October, 2011 data collection standards did not include standards related to geographic location or socioeconomic status
- Small business (fewer than 100) wellness program funded at $10 million in FY 2011 and $10 million in FY 2012, from the PPHF

Future for Public Health Activities

- With reduced funding and expectations for results, natural pressure to show “population health” results challenges maintaining balance of rural and urban projects
- Monitor actual use of preventive services after financial barrier removed



Health Care Workforce

- The ongoing work in workforce studies, whether or not supported through the relevant sections in the ACA should be monitored. We also recommend consideration of funding for the National Workforce Commission to take full advantage of study results to help shape further policy enhancing the spread of needed health care workers into rural areas.
- Given increased demand from newly insured persons, the Panel recommends vigilance to be sure sufficient personnel inclined to practice in underserved rural areas benefit from programs designed to increase the workforce.

Long-Term Care

- Evidence from states implementing early Money Follows the Person demonstrations suggest challenges unique to rural areas. These include issues relating to transportation (a lack of appropriate options, and the need for fuel assistance), a lack of crucial services (e.g., mobile pharmacies), and shortages of direct service workers. These challenges must be monitored to ensure that home- and community-based services in rural areas are adequately supported.

Market Forces Shaping Rural Health

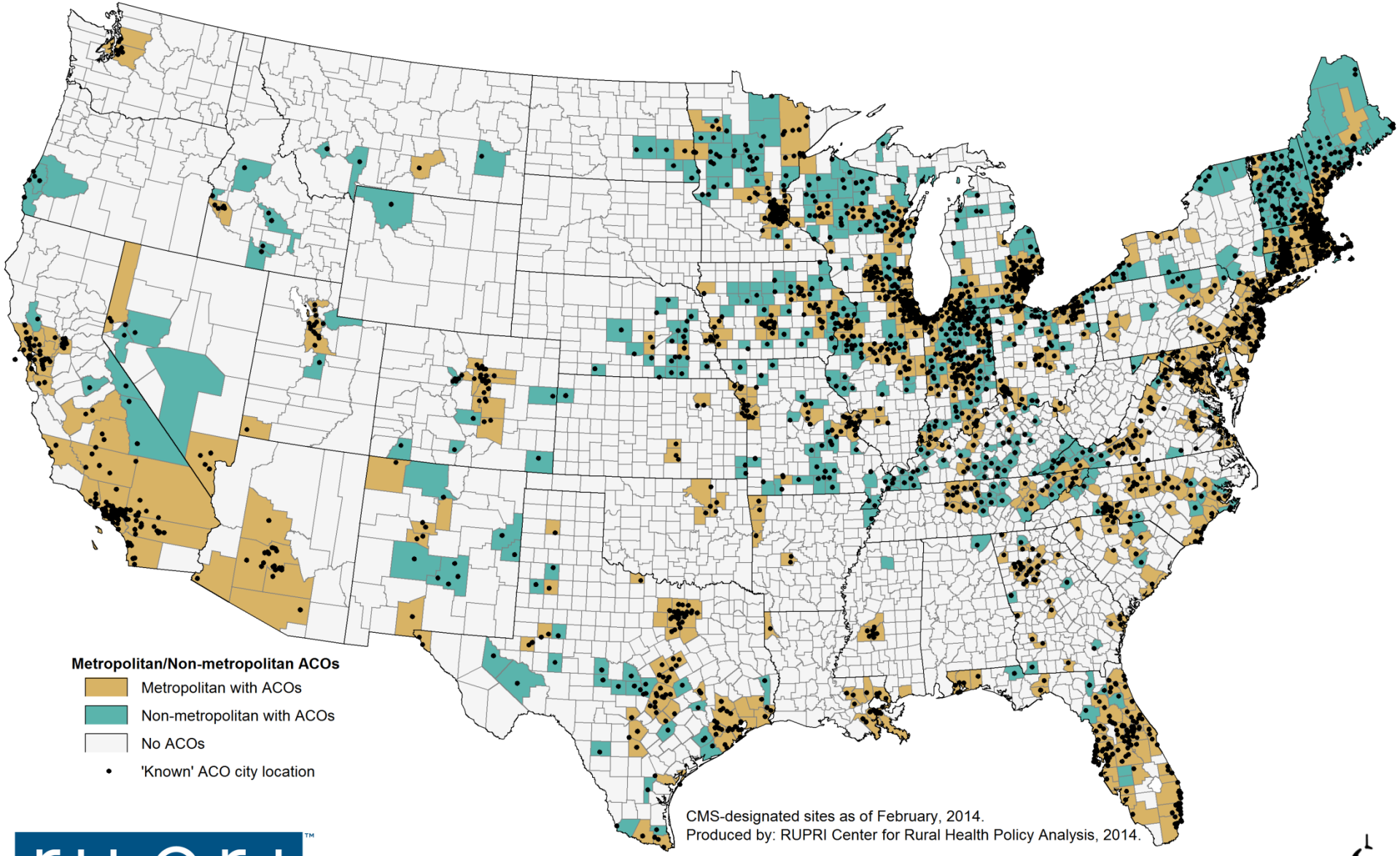
- Hospital closure: 40 since 2010 (*USA Today* story from November 14, 2014)
- Enrollment into insurance plans and function of choice and cost ("Geographic Variation in Plan Uptake in the Federally Facilitated Marketplace" http://www.shepscenter.unc.edu/wp-content/uploads/2014/09/EnrollmentFFMSeptember_rvOct2014.pdf)
- Choices among plans ("Geographic Variation in Premiums in Health Insurance Marketplaces" http://cph.uiowa.edu/rupri/publications/policybriefs/2014/Geographic%20Variation%20in%20Premiums%20in%20Health%20Insurance%20Marketplaces.pdf)
- Development of health systems
- Growth in Accountable Care Organizations

ACO's in Rural Places

- 109 ACOs operate in a combination of metro and non-metro counties
- 8 ACOs operate exclusively in rural areas, including 1 such ACO in each of the 4 census regions
- 24.4% of non-metropolitan counties include a primary care provider being assigned Medicare patients

Source: RUPRI analysis of data obtained from public sources and ACOs

County Medicare ACO Presence
Continental United States



Where Do We Go From Here?

- From “Advancing the Transition to a High Performance Rural Health System” by the RUPRI Health Panel, document and brief available from www.ruprihealth.org
- Four approaches, with accompanying policy considerations

Approach 1: Community-appropriate health system development and Workforce Design

- Characterize new roles for local health care providers, such as Rural Health Clinics and Federally Qualified Health Centers, in system delivery design
- Pay for services developed in new system configurations, such as new payment to primary care providers for care management

Approach 2: Governance and Integration Approaches

- Target capital to rural providers and places engaged in service integration and redesign, and explore additional means of aggregating capital for local investment
- Identify inconsistencies among funding streams in required composition of local organizations and recommend changes; create locally based “megaboards” that could unify decision making among local entities

Approach 3: Flexibility in Facility or Program Designation to Care for Patients in New Ways

- Reconfigure facilities as medical hubs to provide essential local services that do not include inpatient hospitalization; will require change in regulatory and payment policies
- Develop person-centered health homes, under programs for health homes (e.g., Sections 2703 and 3502 of the ACA)

Approach 4: Financing Models that Promote Investment in Delivery System Reform

- Value-based purchasing methods should use achievement and improvement in tandem
- Incentives for investment should change in parallel to incentives in payment methods

The Worst of Times

- Confusion associated with changes in the insurance market
- Uneven effects based on state decisions
- Uncertain policy environment following political winds
- Payment through traditional mechanisms reduced
- The giant sucking sound

The Best of Times

- More of our neighbors with affordable health insurance coverage that meets minimum standards
- Importance of quality of health care experience
- Attention to population health
- Throwing off the shackles of discrete payment for discrete encounters
- Getting the attention of systems with resources to leverage

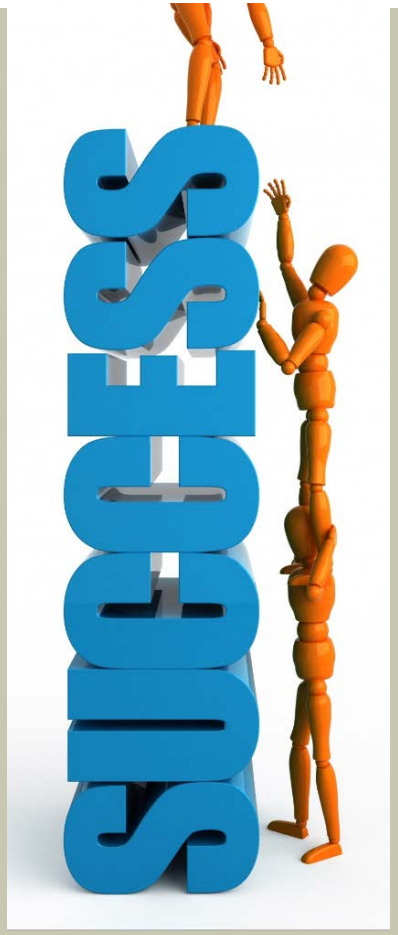
Change is What You Make of It

- Address social issues with prescriptions and follow up
- Take holistic approach to population health
  - Affiliate with organizations who are not healthcare providers
  - Truman Medical Center in Kansas City partnered to open grocery store, bank
- Promote price transparency
- Include physicians in administrative decision-making
- Serious about hospitality
  - Patient experience as area of expertise in upper management

Elements of a Successful System Redesign

Elements

- Clear Vision
- Teamwork
- Leadership
- Customer focus
- Data analysis and action plans
- Inclusive beyond health care system



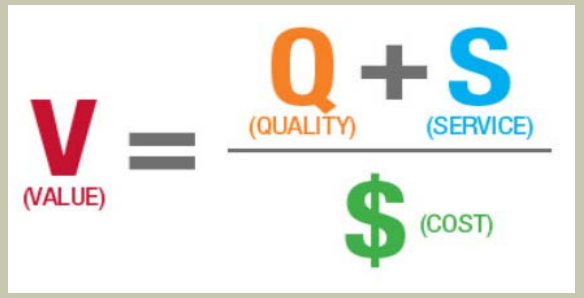
Source: *Pursuing the Triple Aim*, Bisognano and Kenney. Jossey-Bass. 2012

Examples From Rural Institutions

- Available from the Rural Health Value project: http://cph.uiowa.edu/ruralhealthvalue/innovations/Profiles/
- Community Outreach in Delhi, LA
- System Transformation in the Mercy Health Network, IA
- Service Delivery Integration& Patient Engagement in Humboldt County, CA

Other Innovations

- Chief Medical Financial Officer in Banner General Hospital in Sandpoint, Idaho (CAH)
- Chief Patient Experience Officer named at Johns Hopkins Medicine
- All about value for the patient/customer



RuralHealthValue.org

- Rural Health System Analysis and Technical Assistance
  - Assess the rural implications of policies and demonstrations
  - Develop tools and resources to assist rural providers and communities
  - Inform and disseminate rural health care innovations

Rural Health Value
UNDERSTANDING AND FACILITATING RURAL HEALTH TRANSFORMATION.

www.RuralHealthValue.org

- Share an innovation with RHSATA that has moved your organization (or another) toward delivering value.
- Continue to be a leadership voice for rural health care value.
  - Our glass is at least half full. A positive attitude is infectious!

Collaborations to Share and Spread Innovation

- ✓ The National Rural Health Resource Center
- ✓ The Rural Assistance Center
- ✓ The National Rural Health Association
- ✓ The National Organization of State Offices of Rural Health
- ✓ The American Hospital Association

For Further Information

The RUPRI Center for Rural Health Policy Analysis

http://cph.uiowa.edu/rupri

The RUPRI Health Panel

http://www.rupri.org

Dr. Keith J. Mueller

Department of Health Management and Policy
College of Public Health
145Riverside Drive, N232A - CPHB

Iowa City, IA 52242
319-384-3832
keith-mueller@uiowa.edu

RURAL POLICY RESEARCH INSTITUTE

THE UNIVERSITY OF IOWA