Designing and Implementing the Rural Health System of the Future

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“Advancing the Transition to a High Performance Rural Health System”

Prepared by the RUPRI Health Panel:
Charles Alfero, MA
Andrew F. Coburn, PhD
Jenifer P. Lundblad, PhD, MBA
A. Clinton MacKinney, MD, MS
Timothy D. McBride, PhD
Keith J. Mueller, PhD
Paula W. Weigel, PhD, Guest Author

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RUPRI Health Panel Paper:
RUPRI Health Panel Brief:
Need points of access to modern healthcare services: Hill/Burton

Payment system change with advent of PPS: payment designations for rural institutions, culminating in Medicare Rural Hospital Flexibility Program (Critical Access Hospitals)

Payment and delivery system reform: rural based action to evolve into high performance systems
Current rural landscape

- Population aging in pace
- Increasing prevalence of chronic disease
- Sources of patient revenue change, including doubt about ability to collect in era of increased use of high deductible plans
- Is small scale independence sustainable?
Tectonic shifts occurring

- Insurance coverage shifts: through health insurance marketplaces; private exchanges; use of narrow networks
- Public programs shifting to private plans
- Volume to value in payment designs
- Evolution of large health care systems
What is the next move to rural vitality?

- Goals of a high performance system
- Strategies to achieve those goals
- Sustainable rural-centric systems
- Syncing reforms: focus on health (personal and community), payment based on value, regulatory policy facilitating change, new system characteristics
The high performance system

- Affordable: to patients, payers, community
- Accessible: local access to essential services, connected to all services across the continuum
- High quality: do what we do at top of ability to perform, and measure
- Community based: focus on needs of the community, which vary based on community characteristics
- Patient-centered: meeting needs, and engaging consumers in their care
Strategies

- Begin with what is vital to the community (needs assessment, formal or informal, contributes to gauging)
- Build off the appropriate base: what is in the community connected to what is not
- Integration: merge payment streams, role of non-patient revenue, integrate services, governance structures that bring relevant delivery organizations together
Tools to use

- Team based care
- Use of data as information to manage patient care, integrate efforts focused on patient, community
- Payment reform that shares premium dollar
Approaches to use

- Community-appropriate health system development and workforce design
- Governance and integration approaches
- Flexibility in facility or program designation to care for patients in new ways
- Financing models that promote investment in delivery system reform
Community-appropriate health system development and workforce design

- Local determination based on local need, priorities
- Create use of workforce to meet local needs within the parameters of local resources
- Use grant programs
Governance and integration approaches

- Bring programs together that address community needs through patient-centered health care and other services
- Create mechanism for collective decision making using resources from multiple sources
Flexibility in facility or program designation to care for patients in new ways

- How to sustain emergency care services
- Primary care through medical home, team-based care models
- Evolution to global budgeting
Financing models that promote investment in delivery system reform

- Shared savings arrangements
- Bundled payment
- Evolution to global budgeting
- New uses of investment capital
Regional megaboards
Aggregate and merge programs and funding streams
Inter-connectedness of programs that address personal and community health: the culture of health framework
Strategic planning with implementation of specifics
Develop and sustain *appropriate* delivery modalities
Policy Considerations: System development and workforce

- Medicare Shared Savings Program improvements to engage rural providers, including CAHs, RHCs, FQHCs
- Continue developments in payment to support redesigned rural primary care systems, such as payment for care management
- Facilitate adoption of telehealth where appropriate
- Reviews of potential antitrust violations consider benefits to rural communities from integrated systems
Policy Considerations: System development and workforce

- Federal support for training a new health care workforce
- Federal research and planning related to workforce incorporate all participants in the workforce
- Grants programs support system development: Federal Office of Rural Health Policy Network and Outreach Grants, State Innovation Models (CMMI), Community Transformation Grants (CDC)
Capital available through federal programs be targeted to rural providers and places engaged in service integration and redesign
Grant funding directed to collaboration among local provider and service organizations
Federal task force review governing requirements for all types of health care and human service entities to identify inconsistencies in required composition
Policy Considerations: Governance and Integration

- White House Rural Council discuss new approaches to designing programs across agencies such that funding streams are easily merged
- Additional means of aggregating capital for local investment be explored
Policy Considerations: Flexibility in Facility or Program Designation

- Learn from demonstrations of Frontier Extended Stay Clinic and Frontier-CHIP Program to establish new designations and associated payment policies
- Reconfigure some rural hospitals to medical hubs to provide essential local services that do not include inpatient hospitalization, requires changes in regulatory and payment policies
- Implement Sections 2703 and 3502 of the ACA to encourage rural innovation in medical homes
In value based purchasing approaches use achievement and improvement in tandem to assess value

New payment models should be designed, demonstrated, and implemented to facilitate transition to high performance systems

Incentives for investment should be in information systems, personnel and physical infrastructure associated with meeting needs of populations outside of the “four walls” of hospitals and fixed-place clinics
“Local Primary Care Redesign” projects that combine primary care and other health care providers (including the local hospital) in organizational configurations that expand and sustain access to comprehensive primary care focused on individual and community health improvement.

“Integrated Governance” projects align various organizations in a community or region in a new model of governance, using affiliation agreements and memoranda of understanding, requiring new governing entities such as community foundations, or establishing new designs that merge financing and funding streams and direct new programs.
Getting to the new system: demonstrations

- “Frontier Health Systems” – innovative models to secure sustainable essential health care services integrated with services across the horizontal and vertical care continua
- “Finance tools to repurpose existing local health care delivery assets;” support projects that leverage existing assets to develop sustainable rural systems meeting needs of local populations
Momentum is toward something very different, more than changing how to pay for specific services.

Need to be strategic, in lock step with or ahead of change in the market.

Change in dependencies from fee-for-service to sharing in total dollars spent on health.
Retaining rural values

- Accessible
- Affordable
- High quality
- Community-based
- Patient-centered
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
145 Riverside Drive, N232A, CPHB
Iowa City, IA 52242
319-384-3832
keith-mueller@uiowa.edu