Implications of Evolving Rural Healthcare Markets

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Public Health Insurance: Markets Have Arrived

- Medicare Advantage
- Competition for engagement in Advantage Care Organizations
- Medicaid Managed Care Organizations
- Medicaid use of ACOs
Enrollment Growth in Medicare Advantage

- Rural Enrollment in 2009: 1.17 million (13.5%)
- Rural Enrollment in 2013: 1.71 million (18.2%)
- Rural Enrollment in 2017: 2.37 million (23.2%)
Percent of Eligible Non-Metropolitan Beneficiaries Enrolled in Medicare Advantage by State, March 2017

Source of data: Centers for Medicare and Medicaid Services (CMS) data, as of March 2017
Produced by: RUPRI Center for Rural Health Policy Analysis, 2017
ACOs By the Numbers

- 480 Shared Savings Program ACOs in Medicare
- 44 Next Generation ACOs
- 12% of ACOs in low population density counties (0 to 40% in metro)
- 9 million beneficiaries now receiving care through ACOs
- Participating providers include 71 RHCs, 55 CAHs, 65 FQHCs
Counties have an 'ACO presence' when they contain the practice site of at least one participating provider. Includes all active CMS ACOs as of August, 2015. Produced by: RUPRI Center for Rural Health Policy Analysis, 2015.
Medicare Shared Savings Program ACO Assigned Beneficiary Population by ACO by County
(counties with more than 1 percent of an ACO’s assigned beneficiaries)
Welcome to MACRA: Medicare Access and CHIP Reauthorization Act

Play the wheel of Merit-Based Incentive Payment System (MIPS) with 750,000 physicians

Advantage to those participating in alternative payments models (ACOs that are not sharing downside risk)
New Physician Payment Reality

- **Minimal FFS payment increase**
  - 0.5% x 5 years, then 0% x 5 years
  - Actually payment **decrease** (inflation)

- **Merit-Based Incentive Payment System**
  - Eventually **-9% to +27%** adjustment in pay
    - Based on quality, resource use, meaningful use, and clinical practice improvement activities
  - Up to **36%** differential per year!
  - Plus, up to **10%** Exceptional Performance Incentive Payment (budget neutral exclusion)

- **Or, 5% APM bonus**
  - Excluded from MIPS and meaningful use
Medicaid Through Private Contractors

- 275 Medicaid MCOs operating in 38 states
- 55.2 million enrollees
- 77% of state Medicaid population

Source: State Health Facts. The Henry J. Kaiser Family Foundation. Accessed July 21, 2017: http://www.kff.org/medicaid/state-indicator/total-medicaid-mco-enrollment/?currentTimeframe=0&selectedRows=%7B%22wrapups%22:%7B%7B%22united-states%22:%7B%7D%7D%7D&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D
Medicaid Through Accountable Care Organizations

- 10 states actively using this approach
- 13 more pursuing
- Most notable: Oregon, Colorado, Minnesota

Continued Evolution in Private Insurance

- Pressures: premium price setting, cost-sharing
- Results: shift to sharing the insurance risk – with consumers, providers
- Consequences: different patterns of use and payment
Private Policy Trajectories

- Use of value-based contracting
- ACOs, again
- Push and pull regarding new delivery modalities, including telehealth
- Population health a dominant theme, but starting with high users
Pulling Public and Private Trajectories Together

- Doing different with less
- But **doing different** – break molds cast since 1997 and before
- Ideal is all payer system supporting innovation and redesign
- But much more likely – communities and providers have to make it happen
For further information

The RUPRI Center for Rural Health Policy Analysis
http://cph.uiowa.edu/rupri

The RUPRI Health Panel
http://www.rupri.org

Rural Telehealth Research Center
http://ruraltelehealth.org/

The Rural Health Value Program
http://www.ruralhealthvalue.org
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Collaborations to Share and Spread Innovation

✔ The National Rural Health Resource Center
  https://www.ruralcenter.org/

✔ The Rural Health Information Hub
  https://www.ruralhealthinfo.org/

✔ The National Rural Health Association
  https://www.ruralhealthweb.org/

✔ The National Organization of State Offices of Rural Health
  https://nosorh.org/

✔ The American Hospital Association
  http://www.aha.org/