Sunrise Session: Key Rural Hospital Policy Issues & Available Resources

Rural Healthcare Leadership Conference

Tom Morris
Associate Administrator
Federal Office of Rural Health Policy (FORHP)
Health Resources and Services Administration (HRSA)
Federal Office of Rural Health Policy

Sec. 711. [42 U.S.C. 912] (a) There shall be established in the Department of Health and Human Services (in this section referred to as the “Department”) an Office of Rural Health Policy (in this section referred to as the “Office”). The Office shall be headed by a Director, who shall advise the Secretary on the effects of current policies and proposed statutory, regulatory, administrative, and budgetary changes in the programs established under titles XVIII and XIX on the financial viability of small rural hospitals, the ability of rural areas (and rural hospitals in particular) to attract and retain physicians and other health professionals, and access to (and the quality of) health care in rural areas.
Policy and Research

• Getting the Rural Voice in to the Policy Process
• Putting Research Findings into the Hands of Rural Leaders

https://www.ruralhealthresearch.org
Medicare Hospital Inpatient PPS Final Rule for FY 2017

- Significant proposals for rural providers include:
  - Withdrawal of the Two-Midnight Rule
    - Permanent 0.2% increase, and 1-year 0.6% increase (for FYs 2014-2016)
  - Notice of Observation Treatment and Implication for Care Eligibility (NOTICE) Act implementation
    - Requires hospitals and CAHs to notify Medicare beneficiaries receiving outpatient observation services for more than 24 hours using proposed Medicare Outpatient Observation Notice (MOON), no later than 36 hours after observation services begin
  - Update to Rural Community Hospital (RCH) and Frontier Community Health Integration (FCHIP) demonstrations
    - RCH: final budget neutrality offsets against IPPS rates, likely FY 2020
    - FCHIP: began August 1; est. 0.03% withhold against all CAHs, if necessary, CY 2020
Hospital and Critical Access Hospital (CAH) Proposed Rule

• Significant proposed changes for CAHs include standards for:
  • Maintaining a data-driven quality assessment and performance improvement (QAPI) program;
  • Having written non-discrimination policies;
  • Evaluating the care provided by practitioners at the CAH;
  • Maintaining active infection prevention, infection control, and antibiotic stewardship programs.
  • Recognizing the Medicare Beneficiary Quality Improvement Project (MBQIP) as a national quality measurement and reporting program.
    • The proposed rules would require CAHs to collect data to measure the quality of care they provide and CAH participation in MBQIP is one way for CAHs to meet this data collection requirement.
Significant proposals for rural providers include:

- Continuing the payment adjustment of 7.1 percent to certain rural sole community hospitals (SCHs), including essential access community hospitals (EACHs).
- Implementing Section 603 of the Bipartisan Budget Act of 2015, which provides that certain items and services provided by certain hospital off-campus provider based departments (PBDs) would no longer be paid under the OPPS beginning January 1, 2017.
  - CAHs are exempted; however, all other rural hospitals may be subjected to policy changes.
  - All hospitals with existing off-campus PBDs exempted; however, hospitals could lose its exception status if it expands services, relocate, or changes ownership.
- Removing the pain management dimension from the Hospital Value-Based Purchasing program to eliminate any potential financial pressure clinicians may feel to overprescribe pain medications.
Significant proposals for rural providers include:

- Changing supervision requirements from direct to general for auxiliary staff (e.g. nurse, medical assistant, or other clinical staff) in Rural Health Clinics and Federally Qualified Health Centers for chronic care management and transitional care management services;
- Adding advance care planning and ESRD to the list of telehealth services;
- Using a new telehealth place of service (POS) code for distant site practitioner claims;
- Establishing separate payment for behavioral health integration provided by a primary care team with a primary care physician and behavioral health specialist;
- Expanding Medicare payment for the Diabetes Prevention Program.
- Requiring all Medicare Advantage providers and suppliers to enroll in Medicare.
Another Voice for Rural Policy

• National Advisory Committee on Rural Health and Human Services
  • Issues Policy Briefs and Makes Recommendations to the HHS Secretary
  • Focus on Both Rural Health and Rural Human Service Issues

## FORHP Community Health Funding

<table>
<thead>
<tr>
<th>Program</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural Health Network Development Planning (Network Planning)</td>
<td>X</td>
<td>*Funding applications available Winter 2016</td>
<td>*Funding applications available Winter 2018</td>
</tr>
<tr>
<td>Delta States Rural Health Development (Delta Program)</td>
<td></td>
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<td>X</td>
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<tr>
<td>Small Healthcare Provider Quality Program (Quality Program)</td>
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<tr>
<td>Rural Health Care Services Outreach Program (Outreach Program)</td>
<td></td>
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<td>X</td>
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<tr>
<td>Rural Health Network Development Program (Network Development)</td>
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<td>*Funding applications available Fall 2016</td>
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<tr>
<td>Black Lung Clinics Program (BLCP) &amp; Black Lung Centers of Excellence (BLCE)</td>
<td></td>
<td>X</td>
<td>*Funding applications available Winter 2016</td>
</tr>
<tr>
<td>Radiation Exposure Screening &amp; Education Program (RESEP)</td>
<td></td>
<td></td>
<td>X</td>
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*Funding applications available Winter 2016*
The Rural Community Health Gateway

• Toolkits
• Sustainability Tools
• Economic Impact Tool

“Grants In Motion” highlights Innovation
• Identifying Successful Efforts and Telling Their Story
• Quarterly series in Rural Monitor Launched November, 2015
FORHP Support for Rural Hospitals

• Collaborating with State Offices of Rural Health and State Flex Programs
  • Improving Quality
  • Improving Finances
  • Strengthening Health Systems
  • Enhancing Emergency Medical Services
Assisting Critical Access Hospitals - Data

**Impact of Financial and Operational Interventions Funded by the Flex Program**

**Rebecca Garr Whittaker, MSPH; George H. Pink, PhD; G. Mark Holmes, PhD**

University of North Carolina at Chapel Hill

**KEY FINDINGS**

- Prior to state Flex grantee finance and operations interventions (Flex interventions), participating critical access hospitals (CAHs) were generally in poorer initial financial condition compared to CAHs that did not participate. At baseline, the average current ratio, days cash on hand, and Medicare inpatient cost per day (i.e., Medicare inpatient revenue per day) of CAHs that participated in Flex interventions were significantly lower than CAHs that did not participate.

- Participation in Flex interventions was associated with reduced CAH reliance on Medicare. Medicare outpatient payer mix (the percentage of total outpatient charges that is for Medicare beneficiaries) was lower after Flex interventions, possibly because of improved billing and coding for privately insured or Medicaid patients.

- Participation in Flex interventions was associated with improved revenue cycle performance. On average, days revenue in accounts receivable was two days lower after participation in Flex interventions.

- Significant data quality and availability problems, lack of control for market and state factors, and unobserved institution-specific factors limited the analysis. Collection of fewer but more precisely defined data may increase data reporting by state Flex coordinators as well as improve the accuracy and reliability of data reporting.
New Tool for CAHs

• Online data query tool created by FMT
• Provides graphs and data to compare CAH performance for various measures across user-defined groups
Range of Quality, Finance Data ...
Office for the Advancement of Telehealth

- Telehealth Resource Centers, Licensure Portability, & Telehealth Networks
- Building and Advancing Tele-Emergency Services Performance Measures
- Telehealth Focused Rural Health Research Center
Leveraging Telehealth

http://www.telehealthresourcecenter.org
Other Resources for Rural Hospitals

- Telehealth
- Workforce
- Broader Rural Funding
- Technical Assistance
- Emerging Rural Public Health Focus

http://www.telehealthresourcecenter.org
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<th>Program</th>
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<th>FY 2019</th>
</tr>
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<tbody>
<tr>
<td>Telehealth Resource Center Grant Program</td>
<td>X</td>
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<td>*Funding applications available Winter 2016</td>
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<tr>
<td>Telehealth Network Grant Program</td>
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<td>*Funding applications available Winter 2017</td>
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<tr>
<td>Evidence-Based Tele-Emergency Network Grant Program</td>
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<tr>
<td>*Funding applications available Winter 2016</td>
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Rural Recruitment and Retention

- The National Rural Recruitment and Retention Network
  - State-Level Resources
  - New Training Module Series
- Tools for Enhancing Retention
Partnering with the Bureau of Health Workforce

Title VII and VIII Partnerships

AHEC Redesign
Workforce, Continued
The Workforce Investment and Opportunity Act

• FY 2016 - $10.14 billion to administers federal government job training and worker dislocation programs, federal grants to states for public employment service programs, and unemployment insurance benefits.
  • $9.18 billion in discretionary funding
  • $96 million mandatory

• Primarily provided through state and local workforce development systems

• Opportunities/Challenges for Healthcare
  • Getting Health Employers on State and Local Workforce Boards
Why This Matters ...

- **Thousands of Wage and Salary Jobs Projected, 2014-2024**
  - Source: Bureau of Labor Statistics

<table>
<thead>
<tr>
<th>Industry</th>
<th>Projected Jobs</th>
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<tbody>
<tr>
<td>Health care and social assistance</td>
<td>3,795</td>
</tr>
<tr>
<td>Professional and business services</td>
<td>1,889</td>
</tr>
<tr>
<td>Leisure and hospitality</td>
<td>941</td>
</tr>
<tr>
<td>Construction</td>
<td>790</td>
</tr>
<tr>
<td>Retail trade</td>
<td>765</td>
</tr>
<tr>
<td>State and local government</td>
<td>756</td>
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<tr>
<td>Financial activities</td>
<td>507</td>
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<tr>
<td>Educational services; private</td>
<td>339</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>325</td>
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<tr>
<td>Other services</td>
<td>268</td>
</tr>
<tr>
<td>Transportation and warehousing</td>
<td>137</td>
</tr>
<tr>
<td>Mining</td>
<td>80</td>
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<tr>
<td>Information</td>
<td>-27</td>
</tr>
<tr>
<td>Utilities</td>
<td>-48</td>
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<tr>
<td>Federal government</td>
<td>-383</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-814</td>
</tr>
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## Workforce Opportunities

<table>
<thead>
<tr>
<th>Program</th>
<th>Focus</th>
<th>Funding</th>
<th>Number of Awards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centers for Excellence</td>
<td>Supporting Health Professional Training for Under-Represented Minority Groups</td>
<td>$8.7 million</td>
<td>12 awards</td>
</tr>
<tr>
<td>Advanced Nursing Education Workforce</td>
<td>Training for Nurse Practitioners, Nurse Midwives, etc.</td>
<td>$31 million</td>
<td>50 awards</td>
</tr>
<tr>
<td>Nurse Anesthetist Traineeships</td>
<td>Provides support for a range of activities related to the training of nurse anesthetists</td>
<td>$2.2 million</td>
<td>80 awards</td>
</tr>
<tr>
<td>Mental and Behavioral Health Workforce Education and Training</td>
<td>Supports the education and clinical training for behavioral health-related paraprofessionals and professionals.</td>
<td>$50 million</td>
<td>110</td>
</tr>
</tbody>
</table>
Access to Capital

https://www.cdfifund.gov/programs-training/Programs/new-markets-tax-credit/Pages/default.aspx


http://www.rd.usda.gov/programs-services/community-facilities-direct-loan-grant-program

Other Funding Options ...  
in Broader Context of Healthy Rural Communities

<table>
<thead>
<tr>
<th>Program</th>
<th>Focus</th>
<th>Approximate Award and Funding Level</th>
<th>WebLink</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthy Places for Healthy People (EPA)</td>
<td>Provides technical assistance for making health an economic driver in community revitalization</td>
<td>Variable; Competition for 2017 complete; new cycle expected in Fall of 2017</td>
<td><a href="https://www.epa.gov/smartgrowth/healthy-places-healthy-people">https://www.epa.gov/smartgrowth/healthy-places-healthy-people</a></td>
</tr>
<tr>
<td>Transportation Investment Generating Economic Recovery (DoT)</td>
<td>Supports capital projects that generate economic development and improve access to reliable, safe and affordable transportation for communities</td>
<td>Not yet posted</td>
<td><a href="https://www.transportation.gov/tiger">https://www.transportation.gov/tiger</a></td>
</tr>
</tbody>
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Tools

- **Rural Health Clinic Technical Assistance**
  - Sign up at [http://03672e4.netsolhost.com/?page_id=712](http://03672e4.netsolhost.com/?page_id=712)

- **Free-Standing Emergency Department Tool**

- **Rural GME Analyzer**

- **Other**
Leveraging FORHP Funding and Resources

**Improved Finances**
- Flex funding supported better use of cost report
- SHIP funding improved ICD 10 coding

**Reduced Bypass**
- Expanded Telehealth Services
- Planning Grant focused on retaining patients
- MBQIP participation showed improved quality to community
- USDA funding led to new facility

**Expanded Access**
- Planning Grant led to new CHC
- Network Development Grant added behavioral health services
- Network grant established new service lines to meet community need and improve population health
Rural Realities and Challenges

Informing the Issue ...

- CDC Efforts ...

Arthritis Awareness Month — May 2016

May is Arthritis Awareness Month. The 2016 theme for the observance is "See Arthritis" (http://www.cdc.gov/features/arthritisawareness/index.html). The theme is designed to raise awareness about the seriousness of arthritis by focusing on accounts from persons affected by the disease.

An estimated 52.5 million (22.7%) adults in the United States have self-reported doctor-diagnosed arthritis. Of those, 22.7 million (9.8% of U.S. adults) have arthritis-attributable activity limitation (AAAL) (1). Arthritis also commonly co-occurs with obesity, heart disease, and diabetes (1). The prevalence of arthritis is projected to increase 49% to 78.4 million (25.9% of U.S. adults) by 2040, and the number of adults with AAAL is projected to increase 52% to 34.6 million (11.4% of U.S. adults) (2). Arthritis and AAAL will remain large and growing problems for clinical and public health systems for many years to come. Clinicians and public health professionals might find these estimates useful for planning and resource allocation for arthritis-related problems and solutions.
Data Driving New Potential Partnerships...

HIDI HealthStats
Statistics and Analysis From the Hospital Industry Data Institute

OCTOBER 2016
Building Resilience Around Trauma and Adverse Childhood Experiences: Identifying High-Risk Communities in Missouri and Kansas

Background
A child that experiences abuse, neglect, a troubled home or toxic stress can carry the burden for a lifetime. The direct and indirect effect of these experiences can influence physical and behavioral health, and even result in premature death. Mitigating the harm of these adverse childhood experiences requires that communities identify the drivers of long-term health and social problems, and build community-wide systems to better serve children at risk for ACEs.

No community is completely immune from families or circumstances that contribute to ACEs. However, using data from several different sources, researchers are able to identify communities where children have a potentially increased risk of ACEs. This risk analysis allows stakeholders to develop initiatives to address the upstream social determinants of downstream physical and emotional health outcomes for children experiencing adverse events.

One approach to reducing the harm of ACEs is to build community resilience — a system defined as “the sustained ability of a community to utilize available resources to respond to, withstand and recover from adverse situations.” Resilience initiatives align and leverage assets across multiple sectors of local economies to maximize residents’ ability to cope with adversity.

Figure 1: 2013-2015 ZIP-Level ACE-Risk Scores

Source: Hospital Industry Data Institute
We Need Your Help

Consider Being a HRSA Grant Reviewer

• http://www.hrsa.gov/grants/reviewers/index.html
Weekly Announcements

Focus on …

• Rural-focused Funding opportunities
• Policy and Regulatory Developments Affecting Rural Providers and Communities
• Rural Research findings
• Policy updates from a Rural Perspective

To sign up: Email Michelle Daniels at: mdaniels@hrsa.gov
Contact Information

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