

# **Improving Access to Quality Medical Care Webinar Series**

*Presented by*

Southwest Telehealth Resource Center  
and the University of Arizona's  
Center for Rural Health

# Welcome

AZ, UT, CO, NM & NV FLEX Programs

Arizona Rural Health Association Members

Fellow HRSA Telehealth Resource Centers

All other participants from the US & abroad



**The Arizona Rural Health Association & the Southwest Telehealth Resource Center** welcomes you to this free webinar on the implementation & practice of telemedicine. The practice & deliver of healthcare is changing, with an emphasis on **improving quality, safety, efficiency, & access to care.**

**Telemedicine can help you achieve these goals!**

# Webinar Tips & Notes

- Mute your phone &/or computer microphone
- Time is reserved at the end for C
- Please fill out the post-webinar survey
- Webinar is being recorded
- Recordings will be posted on the SWTRC & CRH websites





**Your voice. Louder.**

**September 20, 2017**

**Alan Morgan**

Chief Executive Officer

National Rural Health Association



**Mid-Year Rural Health Policy Briefing**



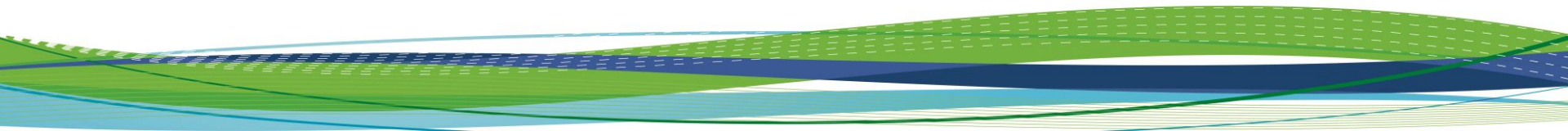


**Your voice. Louder.**

**Improving the health of millions  
who call rural America home.**

# THE IMPORTANCE OF TODAY

- **Our Message:** rural healthcare is critical for rural patients and the rural economy:
  - You can't have a healthy rural economy without a healthy rural community.
  - Quality rural healthcare saves lives, provides skilled jobs, attracts businesses, and reinvests millions back into rural communities.





# Opening Remarks

**Andy Slavitt**

Acting Administrator

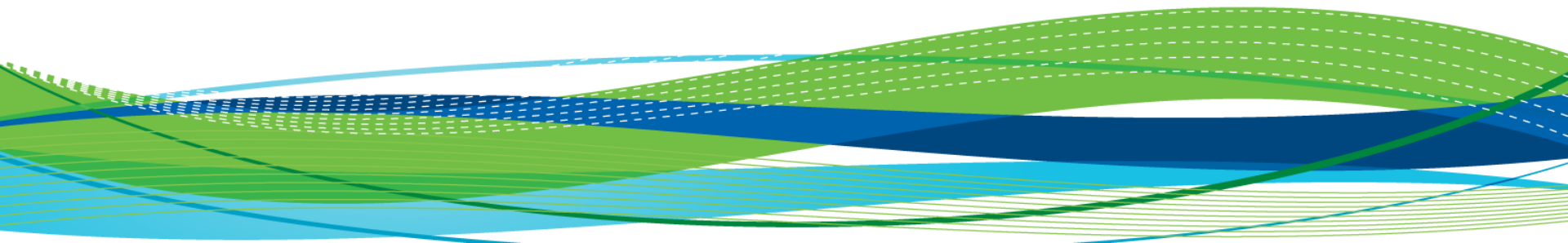
Centers for Medicare & Medicaid Services







**Tom Price**  
**HHS Secretary**





Your voice. Louder.

**Seema Verma** - Centers for Medicare and Medicaid Services Administrator. She is the founder and CEO of SVC Inc., a health policy consulting firm.



# Regulatory Relief Ahead?

- **Common-sense approach needed for “exclusive use” standard.**
- **Critical Access Hospitals (CAHs) and many Sole Community Hospitals (SCH) should be Eligible for Indirect GME (IME).**
- **Performance Comparisons Should Occur Between Equivalent Cohorts in MIPS**
- **Implementation of the Section 603 Site Neutral payment for new off-campus provider based department (PBD) harms rural providers.**
- **Hospital Star Rating treats Rural Hospitals Unfairly. Rural Relevant Measurements Needed.**
- **Elimination of the 96 hour Condition of Payment requirement reduces unnecessary red tape in line with the congressional intent in the creation of the CAH.**
- **Changing the supervision requirements for outpatient therapy services to general supervision from direct supervision protects patient safety and access.**
- **Improper MAC denial of Low-Volume Hospital Adjustment**





# CMS Rural Council

- Intra-agency council stood up by CMS Administrator Andy Slavitt, February, 2016
- Cara James, CMS Office Minority Affairs and John Hammarlund, CMS Seattle Region Administrator are Co-Chairs
- Designed to be an internal working group to assess prior to regulations being promulgated the impact on rural providers and to mitigate negative effects on same
- Desire to lay foundation for next Administration

# White House Rural Task Force

- Last month, President Trump signs E.O. specifically focusing on the rural economy.
- Primary focus is on agriculture - - but goal is to spur economic development in rural communities.



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PHOTOS BY MICHAEL S. WILLIAMSON/THE WASHINGTON POST

## Rural America's dying hospitals

**T**his town of the Tennessee Delta, seat of a county that once grew the most cotton east of the Mississippi, relied for decades on a little public hospital built during the Great Depression a few blocks from the courthouse square.

The red-brick building was knocked down in the 1970s when a for-profit chain came along and opened a modern stucco hospital on the north side of town. There, thousands of babies were born, pneumonias and failing hearts were treated and the longtime family doctor across the parking lot could wheel the sickest patients who arrived at his office right into the emergency room.

But these days, plywood boards are nailed up behind the hospital's sliding glass entrances. Black paint is smudged across signs over its door-

When residents of Tenn. town lost their ER, they gained a long drive and nagging fears

BY AMY GOLDSTEIN  
IN BROWNSVILLE, TENN.



ways. The nearest ER is more than a half-hour ambulance ride away.

The demise of Haywood Park Community Hospital three years ago this summer added Brownsville to an epidemic of dying hospitals across rural America. Nearly 80 have closed since 2010, including nine in Tennessee, more than in any state but Texas. Many more are considered fragile — downstream victims of federal health policies, shifts in medical practice, and the limited tolerance of distant corporate owners for empty beds and financial losses.

In every rural community, the ripple effects of a lost hospital are profound, reverberating beyond the inability of would-be patients to get immediate care. Many of the best jobs in town vanish. Local leaders trying to recruit new industry face an extra hurdle.

HOSPITALS CONTINUED ON A6

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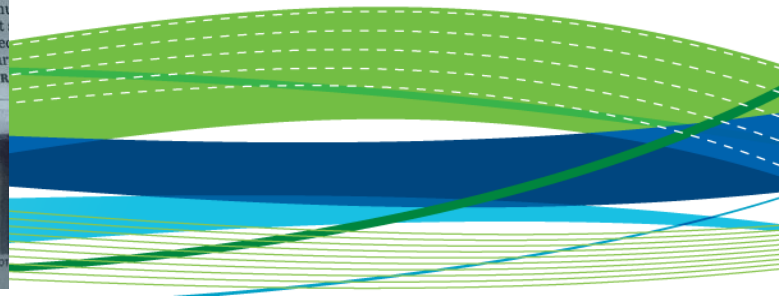
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## Rural America's Dying Hospitals

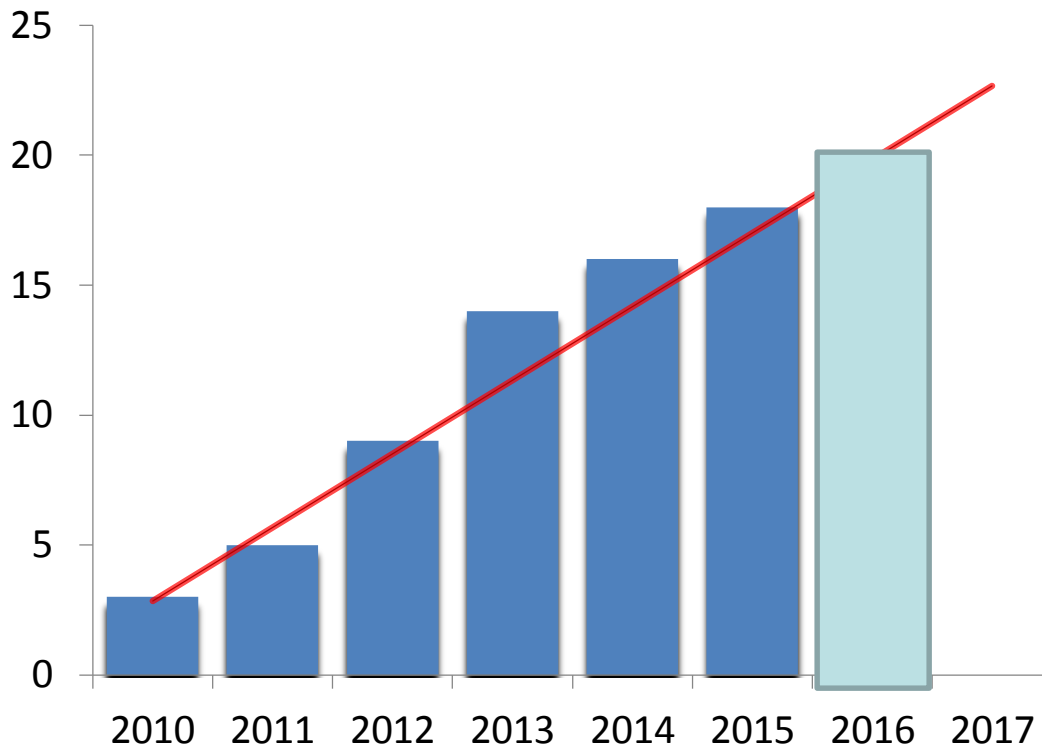




# Rural Hospital Closures on the Rise

*The rate of closure is six times higher in 2015 than in 2010*

## Closures

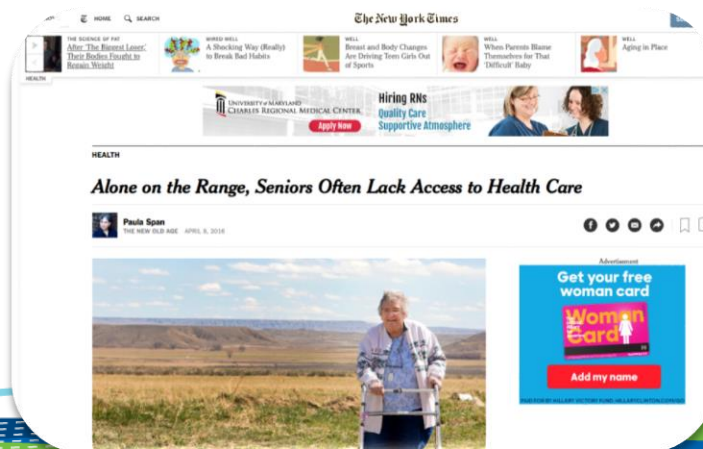
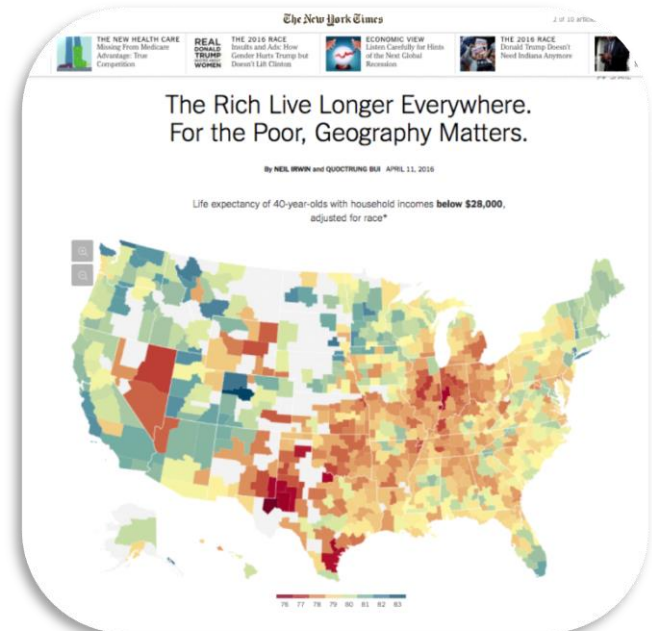


At this rate,  
25% of rural  
hospitals will  
shut down in  
less than  
10 years.

# Declining Rural Life Expectancy



Your voice. Louder.





Your voice. Louder.



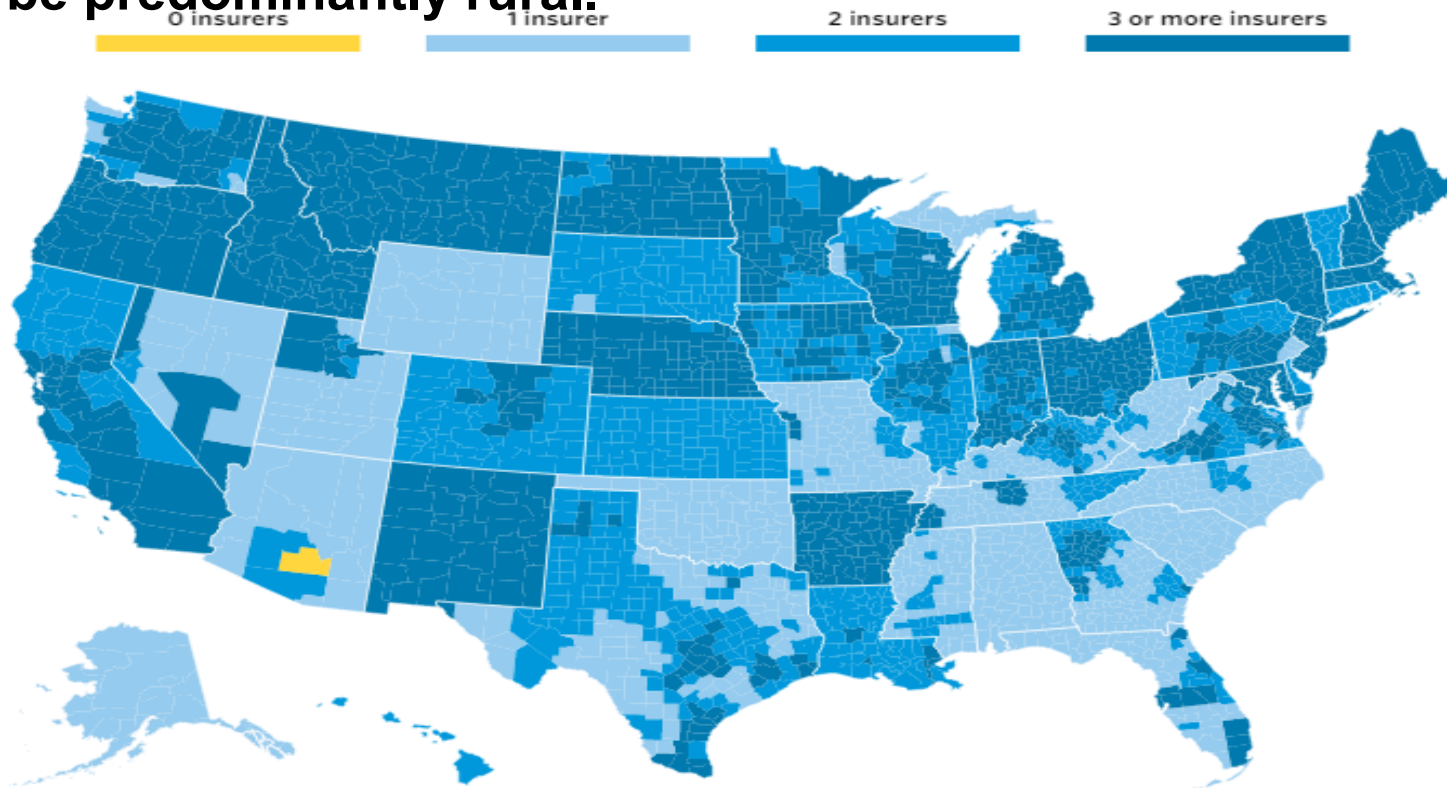


# 2017 Market-place penetration

## THINNING FIELD

Kaiser August, 2016

**“Most of the counties with just one insurer in 2017 would be predominantly rural.”**



Note: Net changes represent insurer entries and exits disclosed through Aug. 26, 2016. If exact county footprints were not available, estimates were used.

Source: Kaiser Family Foundation

# NRHA Solution: Market Reform

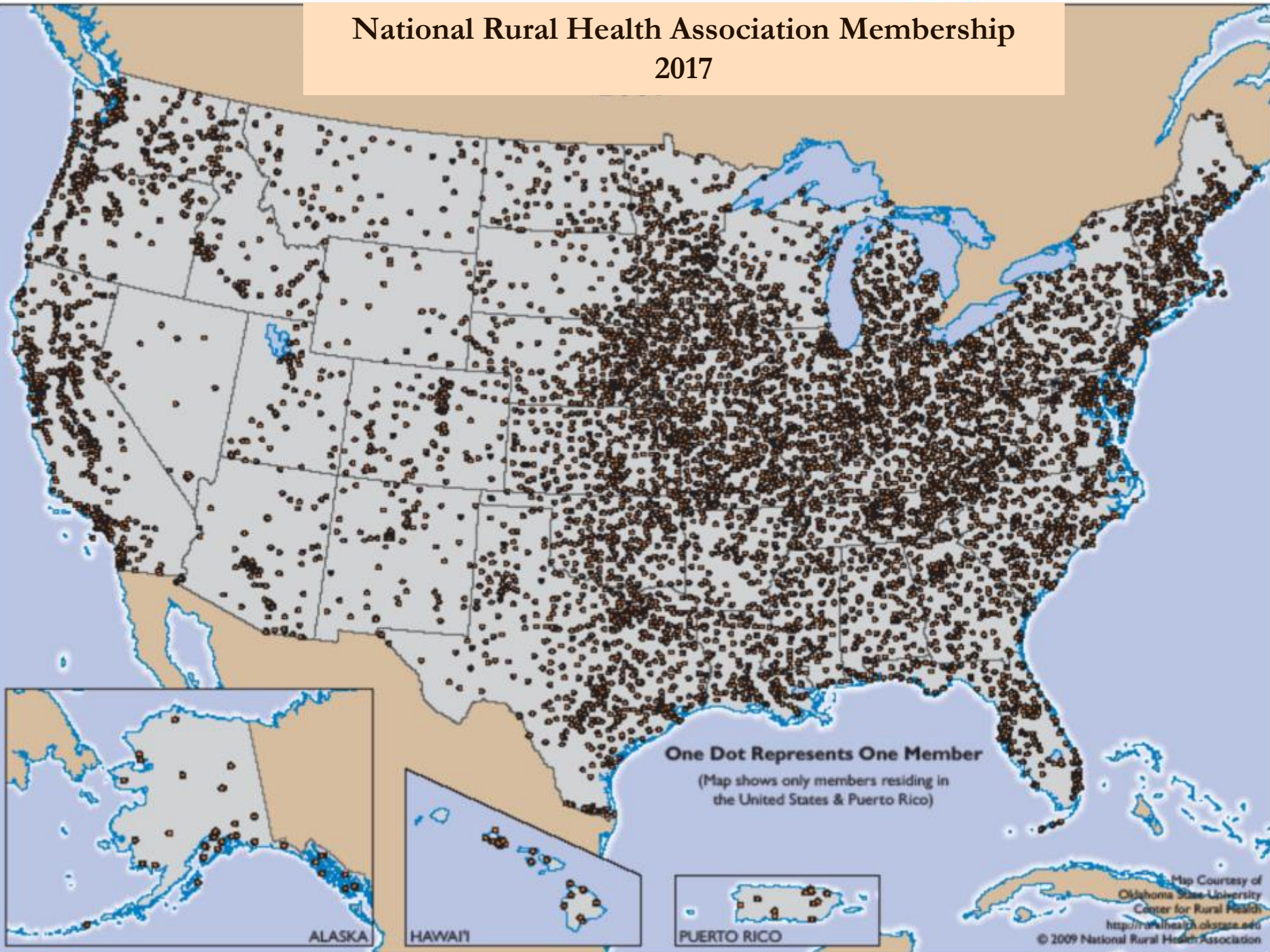


- Any federal health reform proposal must address the fact that insurance providers are vacating rural markets.
- Support requirements similar to those passed by Congress in the Community Reinvestment Act.
  - CRA encourages financial institutions to meet the credit needs of underserved communities. To enforce the statute, federal regulatory agencies examine banking compliance, and take this information into consideration when approving new bank branches or mergers and acquisitions.





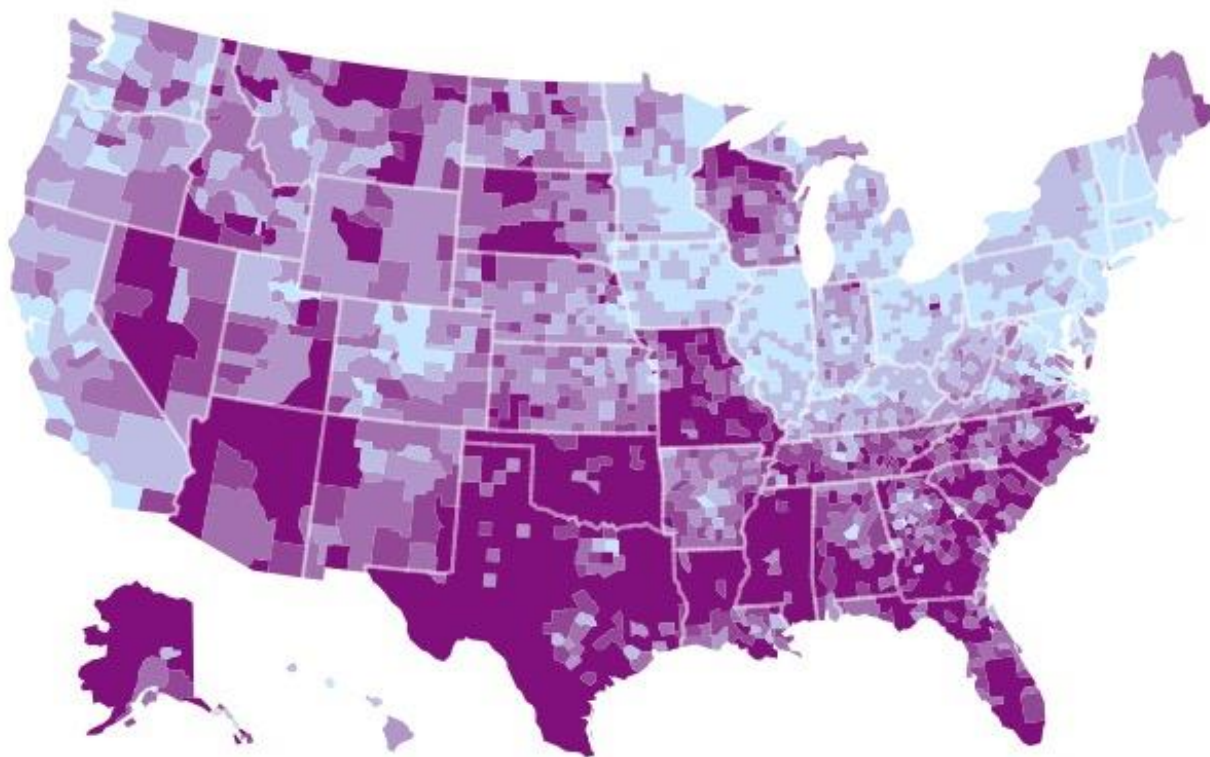
# National Rural Health Association Membership 2017



# Where are the uninsured today?

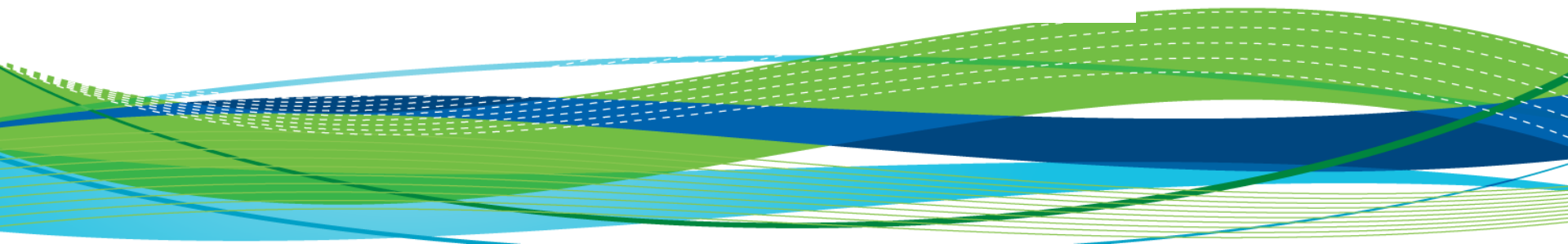


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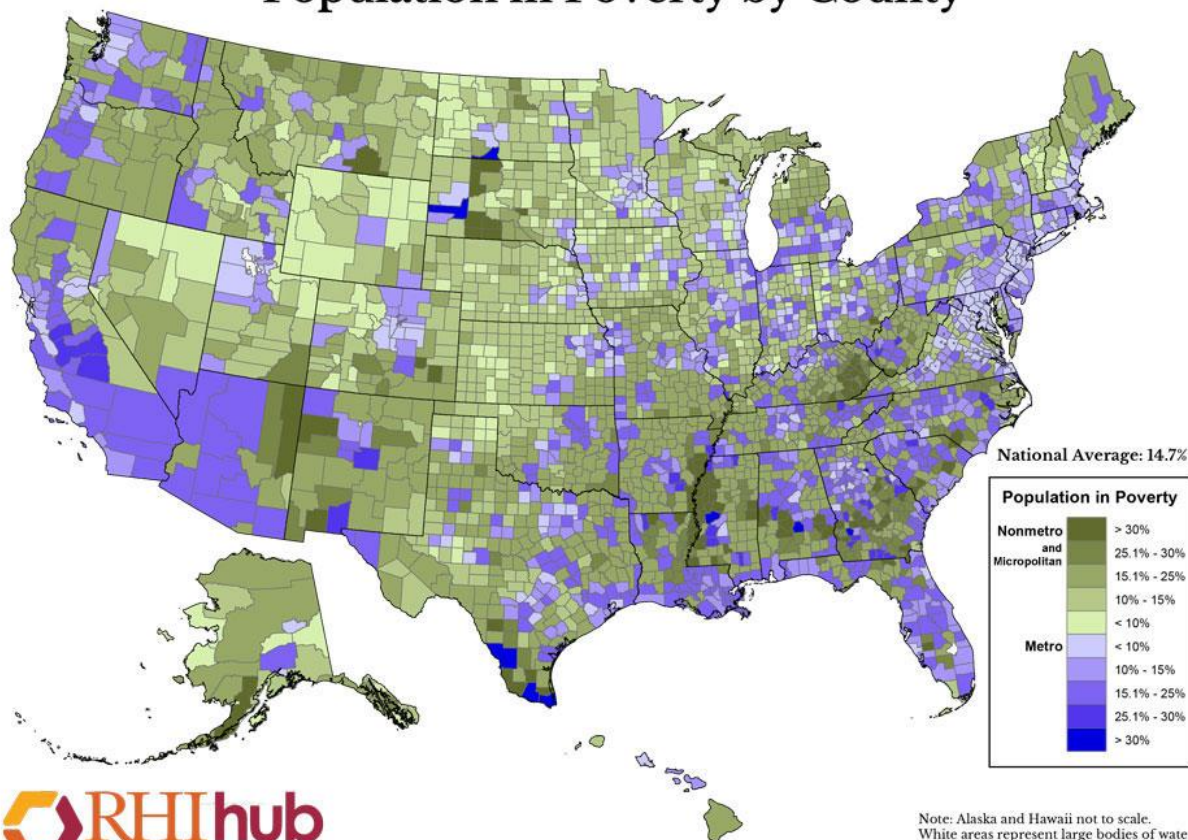
2016

Source: NYT "The Impact of Obamacare Oct 31, 2016

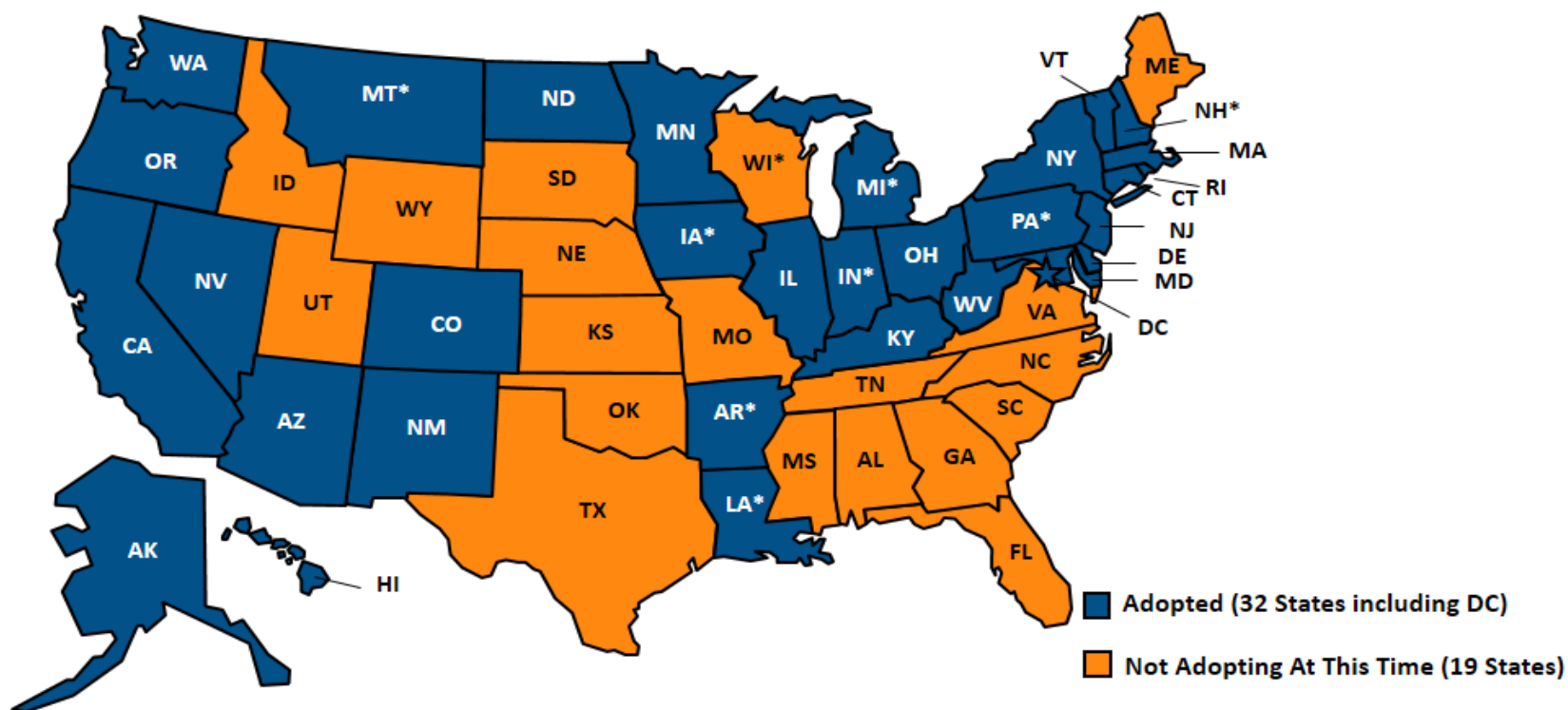




## Population in Poverty by County



# Current Status of State Medicaid Expansion Decisions



NOTES: Current status for each state is based on KCMU tracking and analysis of state executive activity. \*AR, IA, IN, MI, MT, NH and PA have approved Section 1115 waivers. Coverage under the PA waiver went into effect 1/1/15, but it has transitioned coverage to a state plan amendment. Coverage under the MT waiver went into effect 1/1/2016. LA's Governor Edwards signed an Executive Order to adopt the Medicaid expansion on 1/12/2016, but coverage under the expansion is not yet in effect. WI covers adults up to 100% FPL in Medicaid, but did not adopt the ACA expansion. See source for more information on the states listed as "adoption under discussion."

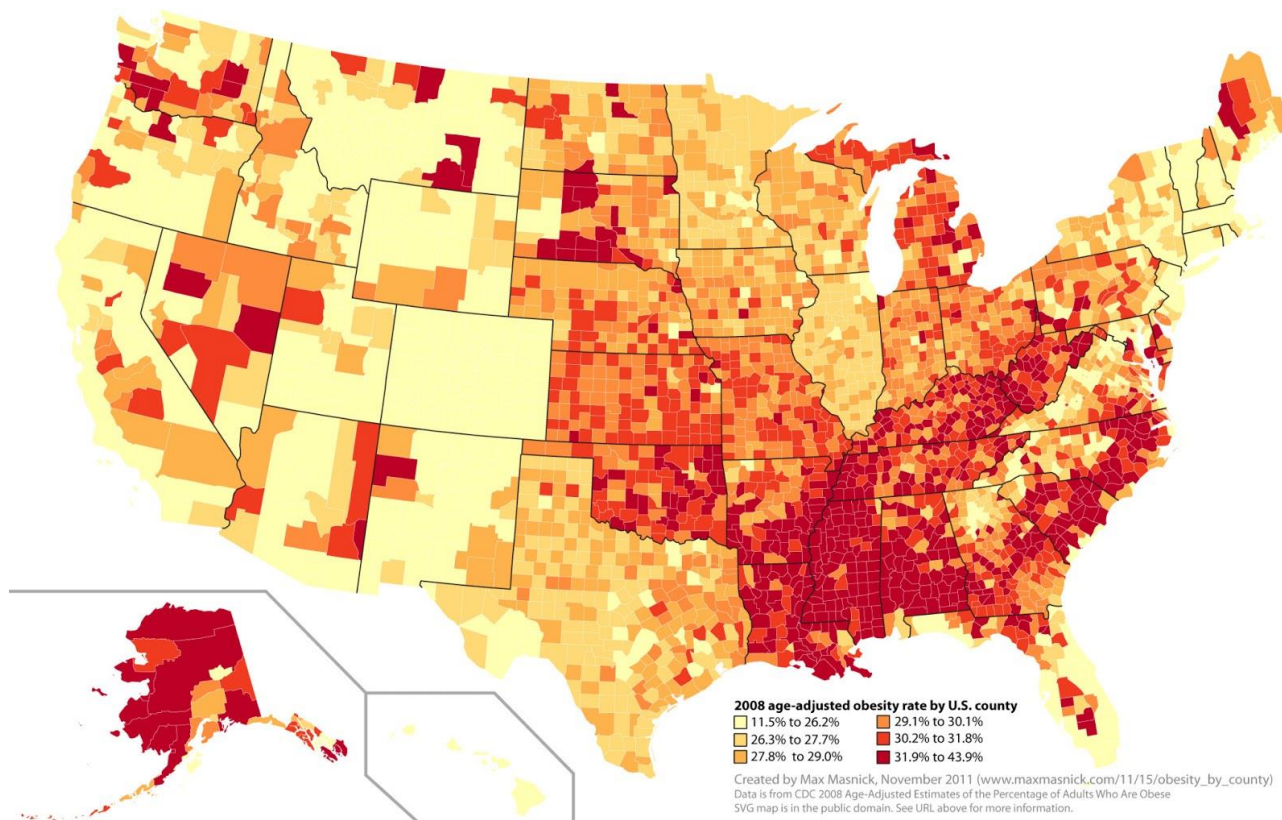
SOURCE: "Status of State Action on the Medicaid Expansion Decision," KFF State Health Facts, updated March 14, 2016.

<http://kff.org/health-reform/state-indicator/state-activity-around-expanding-medicaid-under-the-affordable-care-act/>



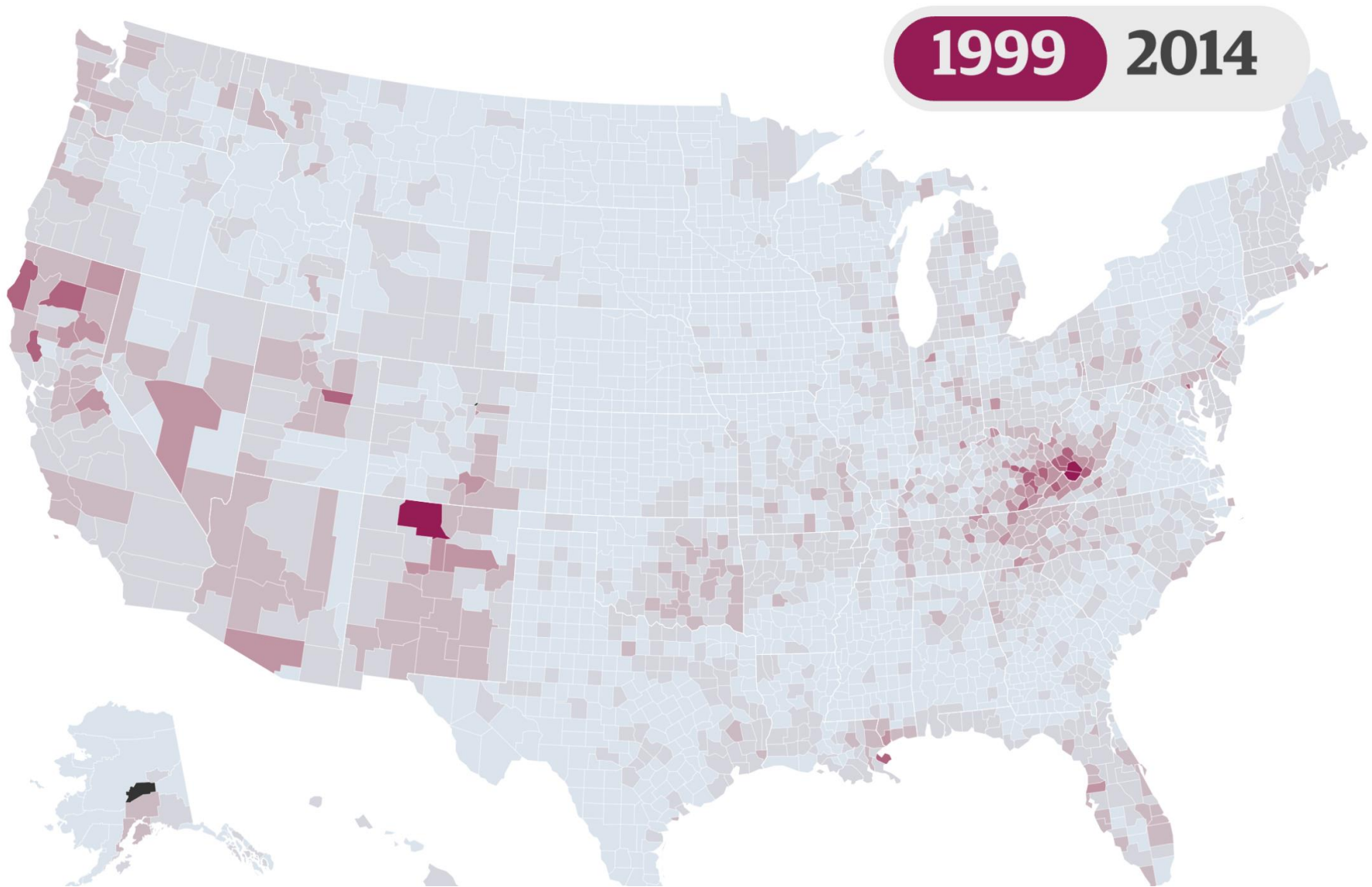
# Obesity?

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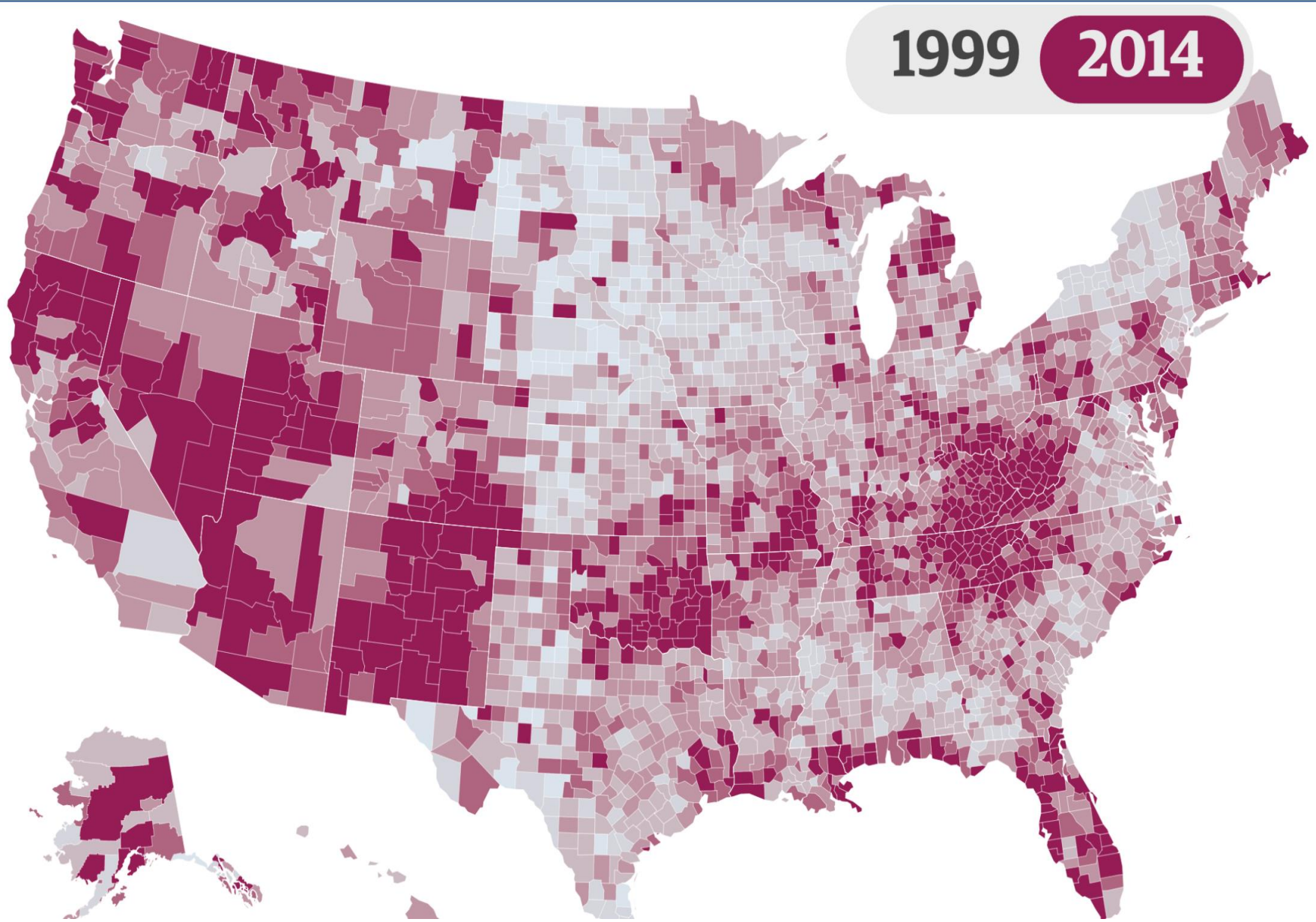




# Mapping the Opioid Crisis



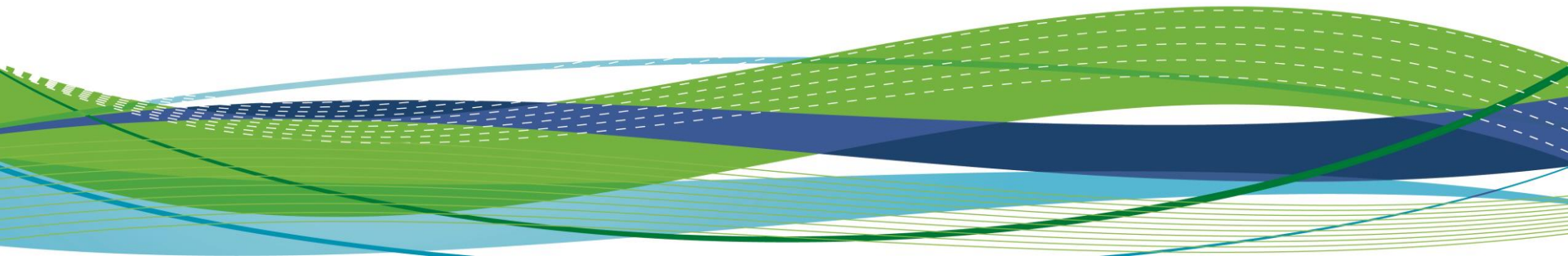
# Deaths per 100,000 residents



# Rural Health Disparities



- ❑ More likely to report fair to poor health
  - Rural counties 19.5%
  - Urban counties 15.6%
  
- ❑ More obesity
  - Rural counties 27.4% VS urban counties 23.9%
  - Less likely to engage in moderate to vigorous exercise: rural 44% VS urban 45.4%
  
- ❑ More chronic disease (heart, diabetes, cancer)
  - Diabetes in rural adults 9.6% VS urban adults 8.4%





# Workforce Shortages



**Your voice. Louder.**

- Only 9% of physicians practice in rural America.
- 77% of the 2,050 rural counties are primary care HPSAs.
- More than 50% of rural patients have to drive 60+ miles to receive specialty care.



# Findings from 2016 RWJ County Health Rankings

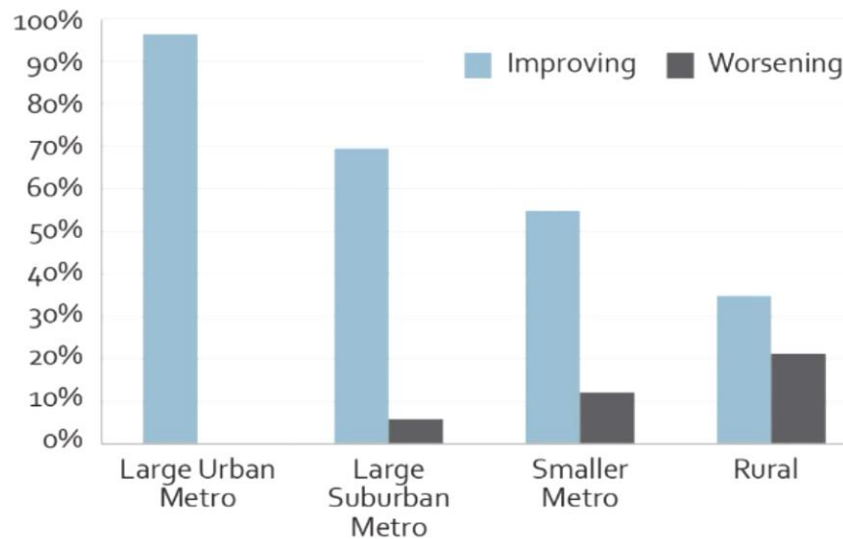


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Years lost  
increased in 1 of  
every 5 rural  
counties

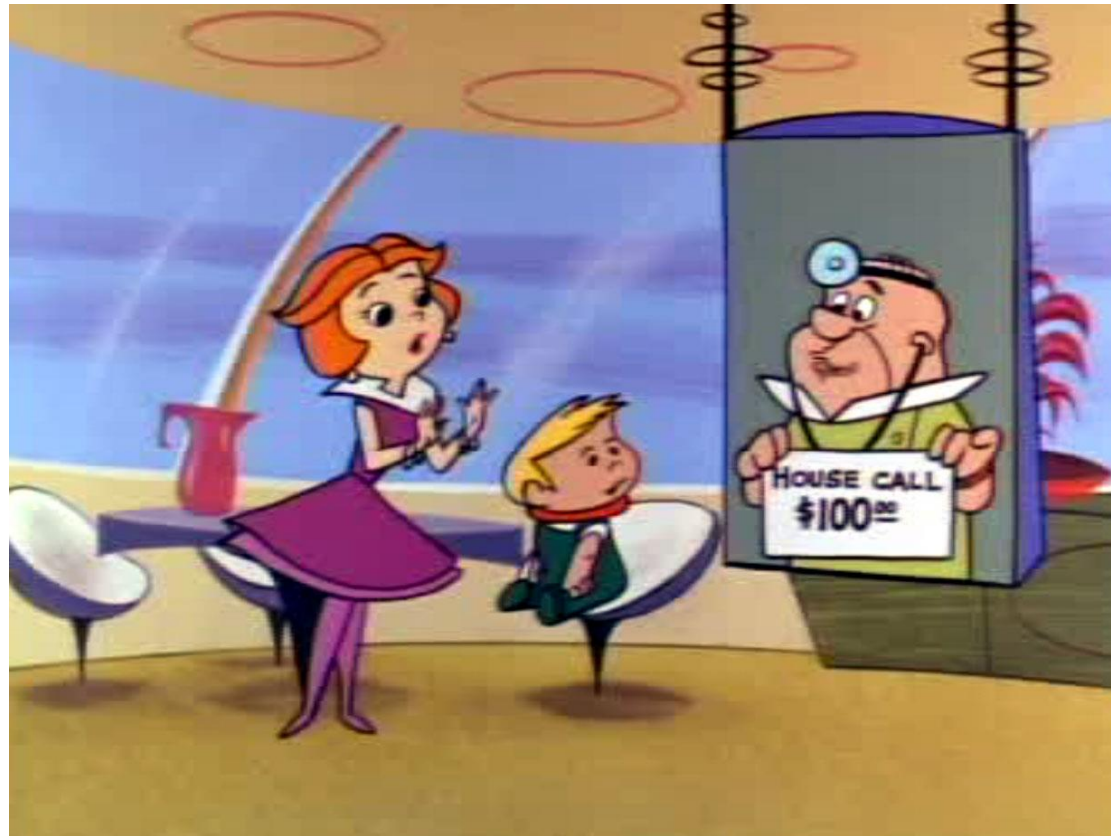
## *Counties with Improving or Worsening Premature Death Rates, 1999-2013<sup>1</sup>*

*Percent of counties*





**Your voice. Louder.**





Muddy Creek  
Family Clinic  
200 White Way  
785-933-2000



Michael Keehn, MD

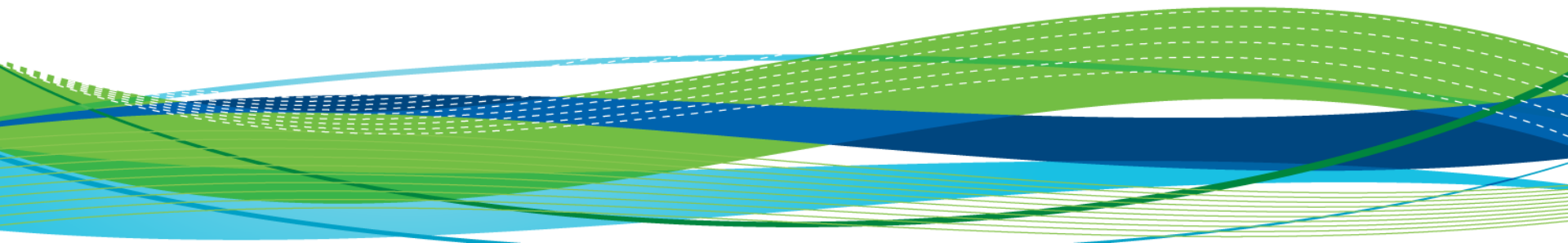




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# Rural Telehealth Challenges: The Big Four -

- Reimbursement
- Licensure
- Clinical Adoption
- Community Acceptance







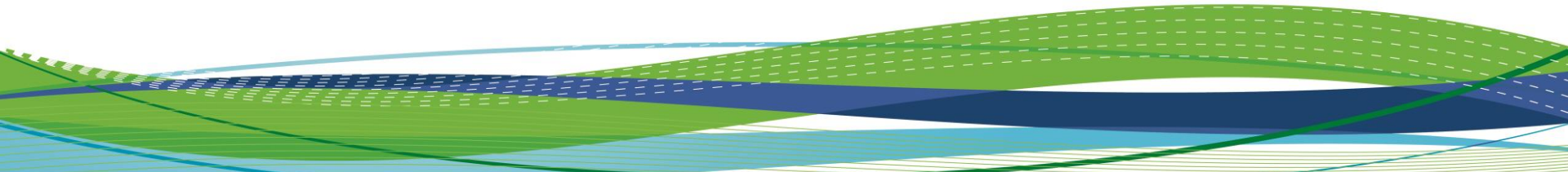
# KEY Telehealth Legislation

- **Creating Opportunities Now for Necessary and Effective 6 Care Technologies (CONNECT) for Health Act of 2017**

Introduced last week - - waives some restrictions around telehealth coverage in Medicare for specific programs or conditions, including Accountable Care Organizations (ACOs), home dialysis and stroke care. Makes remote patient monitoring services available in bundled or global payments.

- **Telehealth Innovation and Improvement Act of 2017**

S. 787 (Gardner), adds the telehealth services in delivery reform model to the list of models the Centers for Medicare and Medicaid Services' (CMS) Center for Medicare and Medicaid Innovation (CMI) can use to test innovative payment and service delivery models that reduce program expenditures while preserving or enhancing the quality of care.







**Your voice. Louder.**



# NRHA's Position

- Concern over Medicaid
- NRHA Policy: We oppose block grants

(In any type of reform, including approving state plans and waivers, the federal government must not abdicate its moral, legal, and financial responsibilities to rural, Medicaid eligible populations and to support the development of sustainable rural health systems.)
- Concern that nothing is being done to address systemic rural health delivery problems:
  - Workforce shortages
  - Payment inequities
  - Hospital Closure Crisis



Your voice. Louder.



NATIONAL RURAL HEALTH ASSOCIATION

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Washington, DC 20005  
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March 16, 2017

The Honorable Mitch McConnell  
Senate Majority Leader  
Washington, DC 20510

The Honorable Charles E. Schumer  
Senate Minority Leader  
Washington, DC 20510

Dear Leaders McConnell and Schumer,

Many provisions in the Affordable Care Act (ACA) failed rural America. The lack of plan competition in rural markets, exorbitant premiums, deductibles and co-pays, the co-op collapses, lack of Medicaid expansion, and devastating Medicare cuts to rural providers -- all collided to create a healthcare crisis in rural America. The American Health Care Act (AHCA) does nothing to address these problems, and will in fact, create a greater health care crisis in rural America.

Rural populations are, per capita, older, poorer and sicker than other populations. A January 2017 CDC study indicates that "the death rate gap between urban and rural America is getting wider" and rates of the five leading causes of death are higher among rural Americans. Because of unfair provisions in the ACA, insurance companies are dropping out of rural markets and cherry-picking those who get coverage. In fact, 70% of the counties where big insurance companies have dropped out and left only one "option" have been rural counties -- leaving rural Americans with little or no choice of plans. Bad debt has risen among rural hospitals by 50%, leaving one in three financially vulnerable. Eighty rural hospitals have closed since the ACA went into effect. At the current rate of closure, 25% of all rural hospitals will close in less than a decade unless Congress acts. Closures of this magnitude will create a massive national crisis in access to emergency services as well as detrimentally harm rural economies.

Instead of addressing these problems, the AHCA will cause more harm to rural Americans, leaving millions of the sickness, neediest populations in our nation without coverage, and likely escalating further the hospital closure crisis. According to the *Wall Street Journal*, the "GOP health plan would hit rural areas hard... Poor, older Americans would see largest increase in insurance-coverage costs." The *LA Times* reports "Americans who swept President Trump to victory -- lower-income, older voters in conservative, rural parts of the country -- stand to lose the most in federal healthcare aid under a Republican plan to repeal and replace the Affordable Care Act."

The United States Senate has long recognized the importance of the rural health care safety net and has steadfastly worked to protect it. Much of the protections created in the Senate to maintain access to care for the 62 million who live in rural America is now in jeopardy. We implore the Senate to continue its fight to protect rural patients' access to care by adding three modest, yet critical provisions to the House bill.

A6 | Monday, March 13, 2017

U.S. NEWS

THE WALL STREET JOURNAL

# Health Bill Puts Rural Areas at Risk

By Anna Wilde Mathews  
And Dave Gribben

Donald Trump  
First 100

The administration  
actions and agenda

WHAT'S AHEAD

◆ President Trump  
will meet German Chancellor  
Angela Merkel on Tuesday  
at the White House. It  
will be their first meeting.  
Markets first visit to  
in more than two years.

◆ Mick Mulvaney, the  
House budget director,  
is expected to release a  
plan this week that will  
slash federal spending.

QUOTES

"We are making great  
progress with healthcare. Our  
Care is improving and we  
only get worse. Republicans  
coming together to get it  
done."

—Mr. Trump



Under the House plan, low-income residents in some parts of the country would face yearly premiums that exceed their annual income.

## AARP Rejects Republican Move

WASHINGTON—The health-care proposal from House Republicans is ruffling the feathers of the AARP.

Low- and middle-income seniors, Democrats, sensing an opening, are targeting their criticism on how the bill would affect older people, particularly those between ages 50 and 64.

As much as younger customers, much lower-income seniors are

mark plan



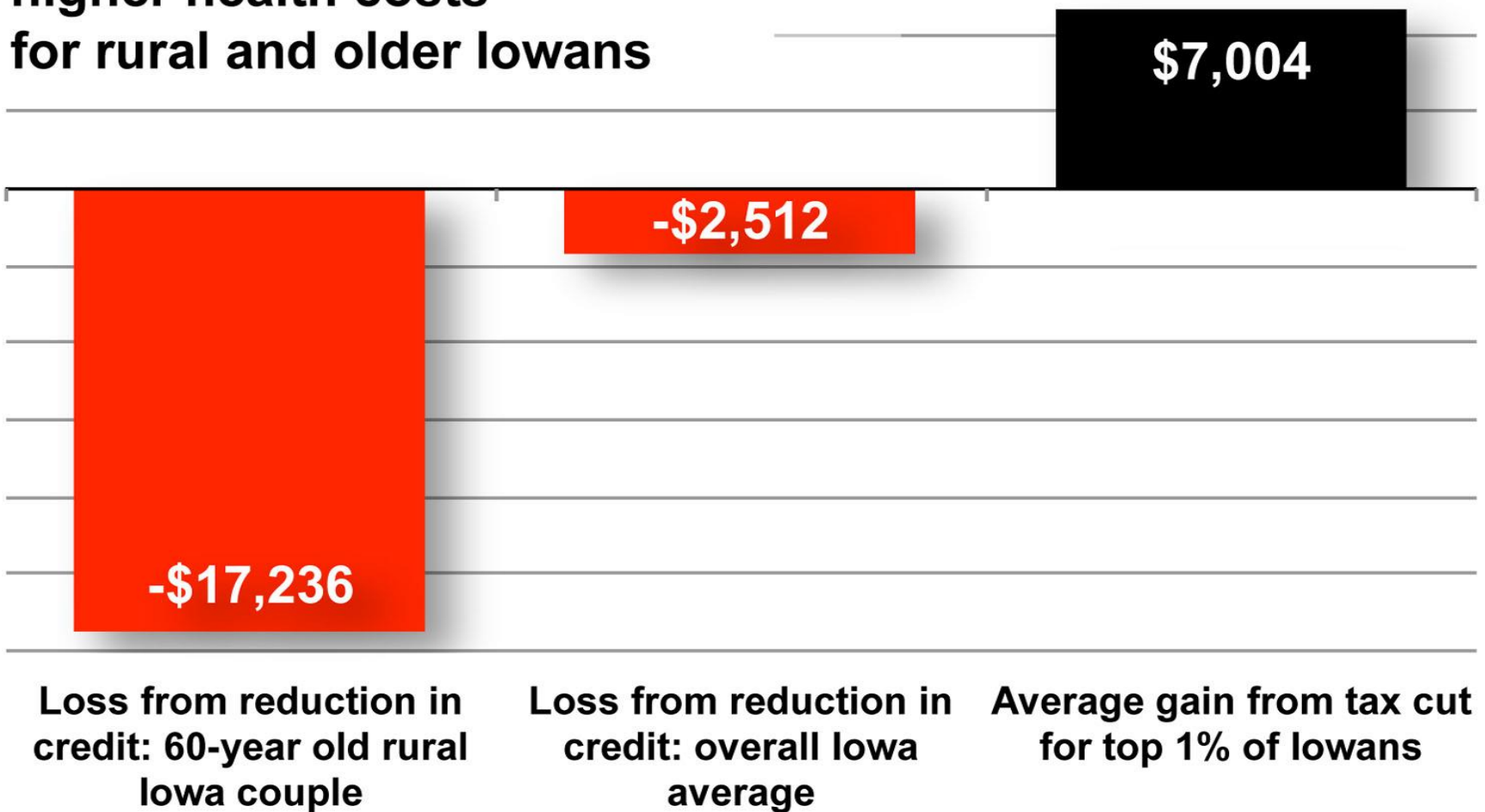
# NRHA to Congress: Vote NO on the American Health Care Act



- ***Less health coverage:*** According to the Congressional Budget Office, about 2.9 million rural Americans would lose their coverage by 2020.
- ***More hospital closures.*** The AHCA also fails to restore hundreds of billions of dollars in reductions to Medicare's hospital payments under Obamacare that offset the cost of increased coverage. Since the AHCA would also eliminate coverage for 24 million Americans by 2026, hospitals would be stuck dealing with the Medicare cuts along with the loss of revenue from people with coverage.
- ***Unaffordable premiums for older, rural Americans.*** Could charge older Americans who buy their own coverage up to 5 times the cost for younger individuals.
- ***Worsens rural economy.*** The combination of higher insurance premiums and fewer rural hospitals would put rural areas at a disadvantage in attracting jobs to their area. In addition, health care is, by itself, a big part of rural economies.
- ***Less treatment for opioid addiction.*** Loosens requirements for health plans to cover a minimum level of health care costs will make the treatment less accessible; and cuts to Medicaid will have an outsized impact on substance abuse treatment because Medicaid covers 25% of this treatment throughout the country.

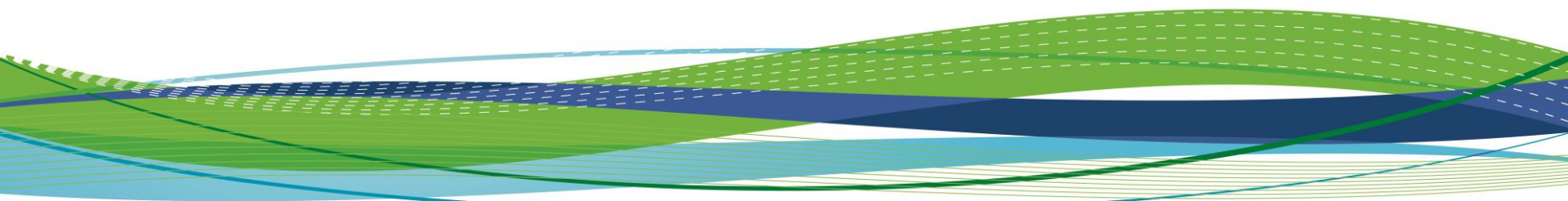
# Does Republican Plan Help Rural?

**ACHA replacement for Obamacare offers lost subsidy,  
higher health costs  
for rural and older lowans**



# **Critical Rural Hospital Medicare Payments Set to Expire Next Year**

- **Medicare Dependent Hospital (MDH) - \$100 million**
- **Low-Volume Hospital (LVH) - \$450 million**

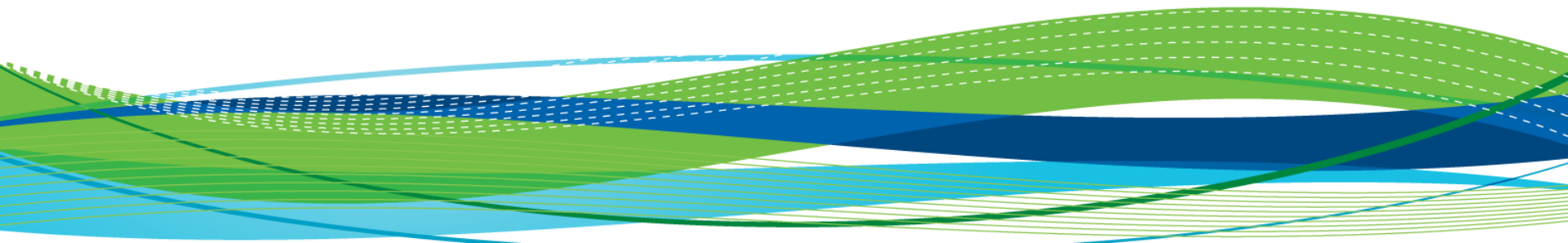




# The Path Forward – New Approaches

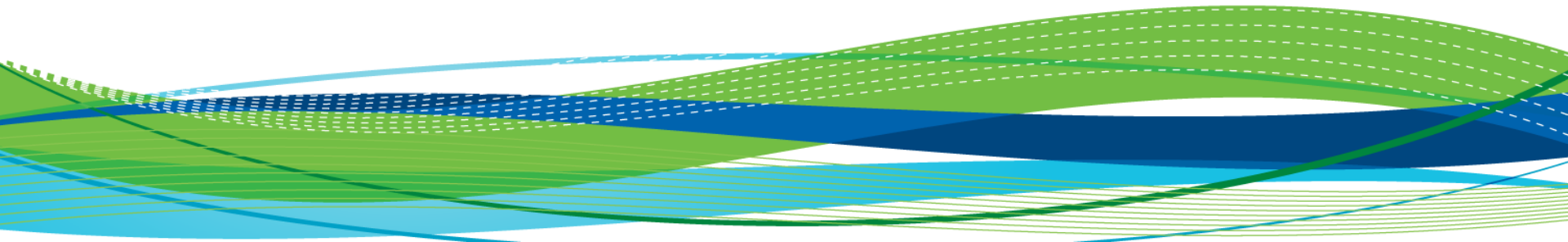


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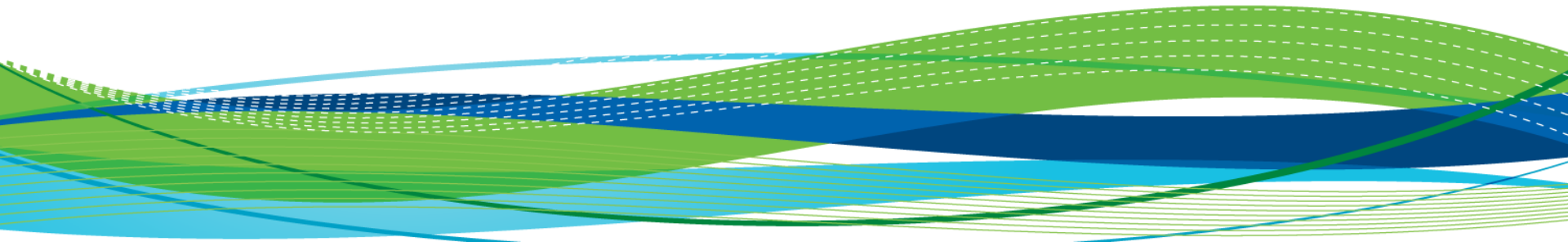
# However...

U.S. Census show that after a modest four-year decline, the population in nonmetropolitan counties remained stable from 2014 to 2016 at about 46 million. (2014-2016 rural adjacent to urban saw growth.)



# The Rural Youth Population Is Growing

Although some rural areas are indeed declining in population, this figure obscures the larger overall trend: **The number of students in rural school districts is steadily growing**, according to data compiled by the National Center for Education Statistics (NCES).





# Delivering Value



## Study Area C – Hospital Performance

Who has the edge?

- Quality
- Patient Safety
- Patient Outcomes
- Patient Satisfaction
- Price
- Time in the ED

Rural	Urban
	✓
	✓
	✓
	✓
✓ +	
✓ +	

**Rural hospitals match Urban hospitals on performance at a lower price**

Data sources include CMS Process of Care, AHRQ PSI Indicators, CMS Outcomes, HCAHPS Inpatient/Patient Experience, MedPAR, HCRIS

Source: Rural Relevance Under Healthcare Reform 2014, Study Area C.

## A non-partisan path forward -

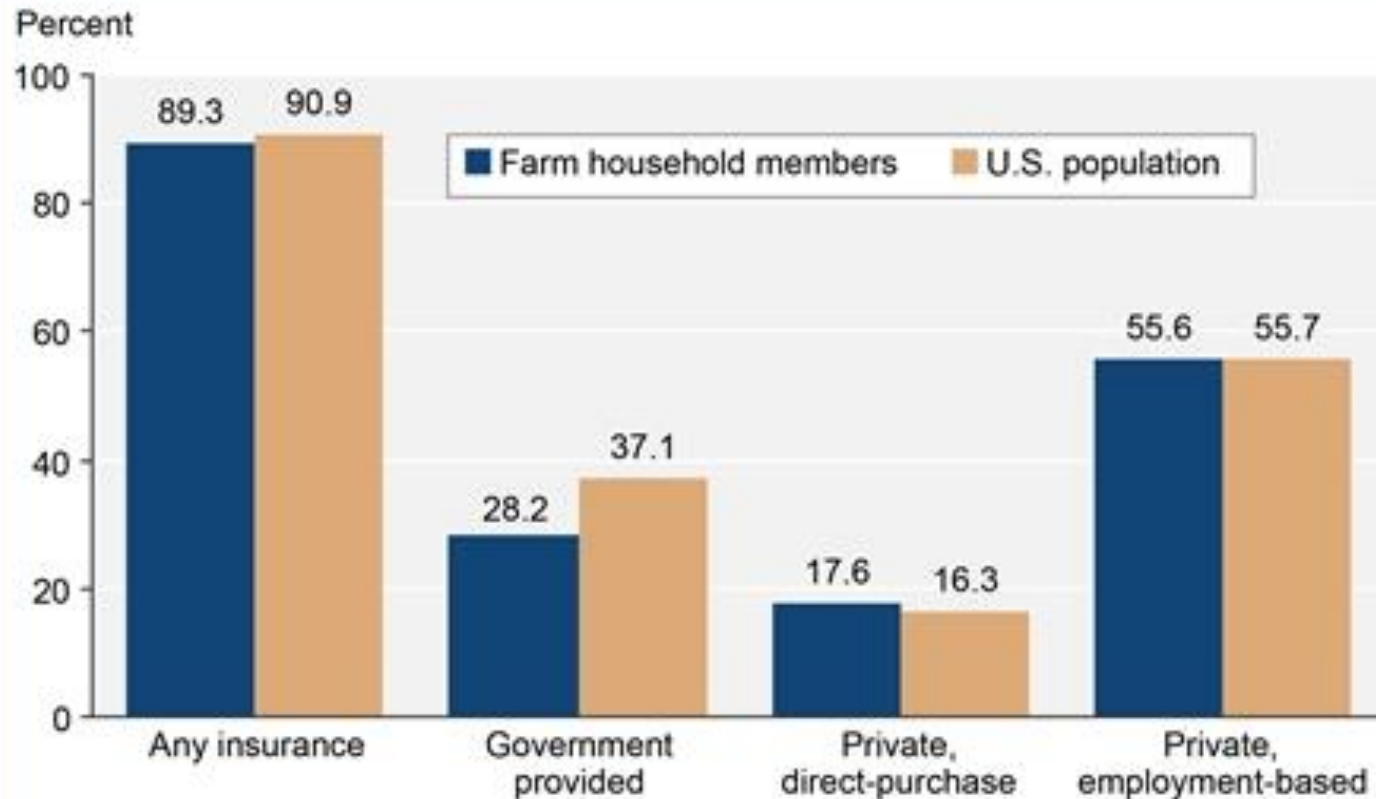


# Is ACA Working?



Your voice. Louder.

Source of health insurance coverage, 2015



Note: Individuals may have more than one source of health insurance.  
Source: USDA, Economic Research Service and National Agricultural Statistics Service, 2015 Agricultural Resource Management Survey. Data for U.S. households come from U.S. Census Bureau, *Health Insurance Coverage in the United States: 2015*, P60-257.



# Bad Debt Reductions are Crippling Rural Hospitals



June, 2016 report of the Rural Health Research Program:

- **Bad debt is growing for rural hospitals** due to high-deductible plans and because of shortfalls care in Medicare and Medicaid were growing.
- Rural hospitals Medicare bad debt levels are ***almost 50 percent higher than urban hospitals.***
- Equates to over \$1 billion in lost revenue over 10 years. iVantage.



# Delivery System Reform (DSR)



## January 2015 Announcement

- HHS Secretary Sylvia M. Burwell announced **measurable goals and a timeline** to move the Medicare program towards **paying providers based on the quality, rather than the quantity of care.**

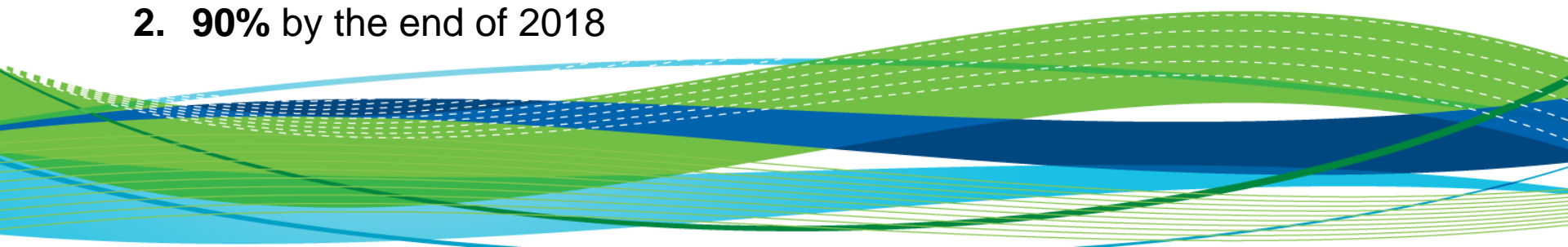
## Goals

### ***1. Alternative Payment Models:***

1. **30%** of Medicare payments are tied to quality or value through **alternative payment models** by the end of 2016
2. **50%** by the end of 2018

### ***2. Linking FFS Payments to Quality/Value:***

1. **85%** of all Medicare fee-for-service payments are **tied to quality or value** by 2016
2. **90%** by the end of 2018



# System Redesign

ACCOUNTABLE CARE  
ORGANIZATION



## **UNITEDHEALTH ANNOUNCES NEW NATIONAL ACO**

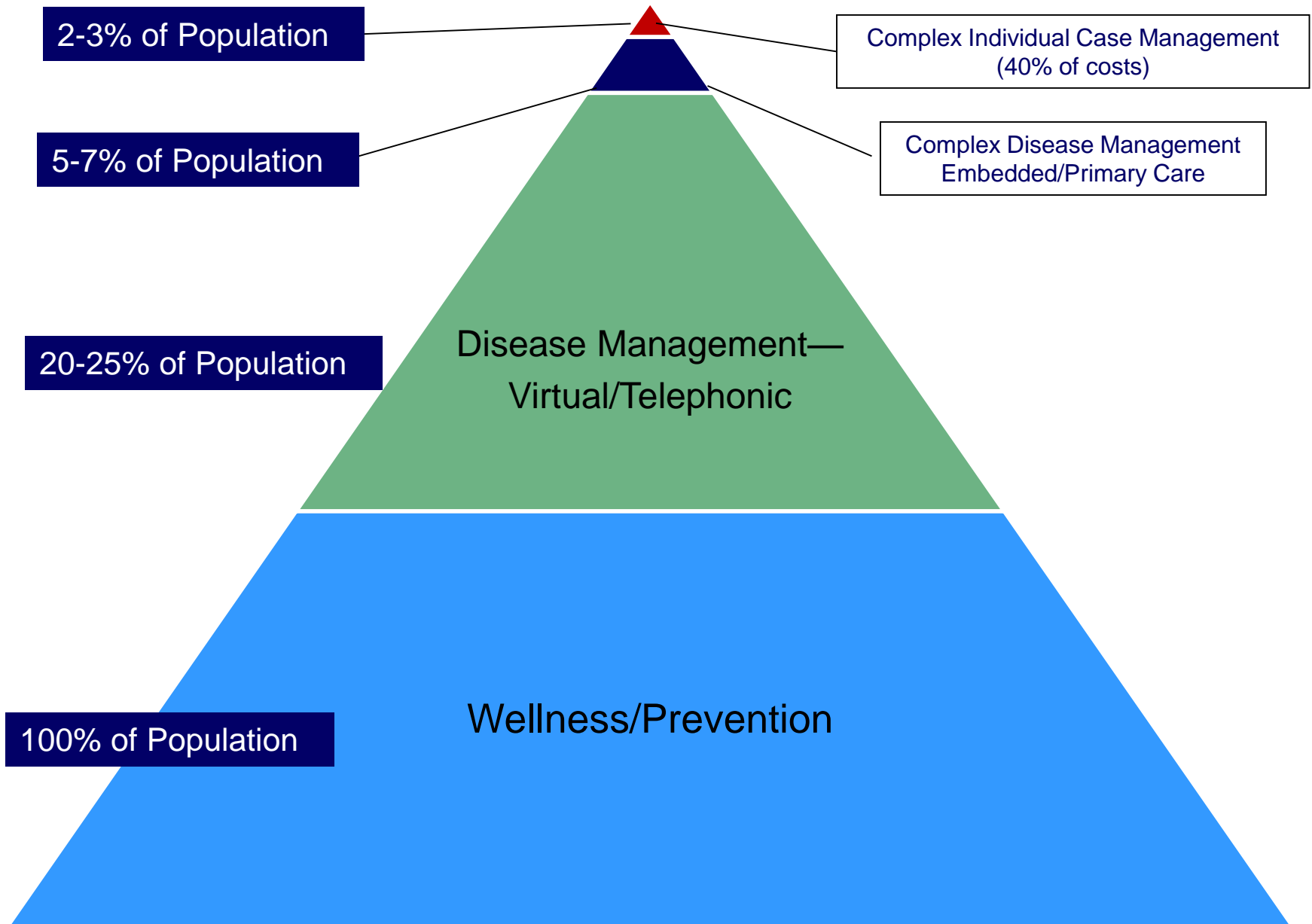
November 2, 2016



UnitedHealth Group recently announced it will launch a national accountable care organization (ACO), called NexusACO, in order to connect more self-funded employers with the resources necessary to participate in value-based care.



# Care Management: Target Populations



# Transition to Transformation/ Huge Impact of MACRA

- Sweeping changes to Medicare reimbursement for physicians -  
- moving away from fee-for-service.
- Goal: tie increased reimbursements to merit-based system or APMs.
- Hospitals' impact: hospitals that employ physicians directly will be impacted. Hospitals may also be called upon to participate in APMs.

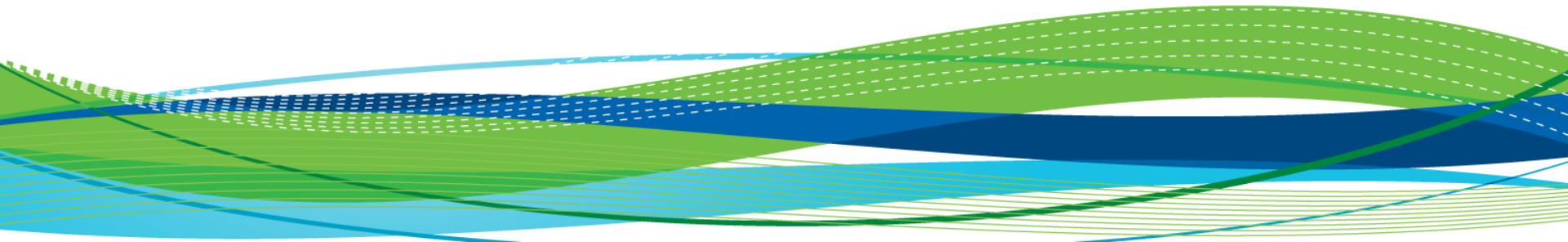




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# Future Models for Rural Providers

- Kansas Model
- Grassley Proposal, S 1648
- Save Rural Hospital Act, HB 3225
- MedPAC Proposal
- Global Budgeting





# Save Rural Hospitals Act



**Your voice. Louder.**

## Rural hospital stabilization (Stop the bleeding)

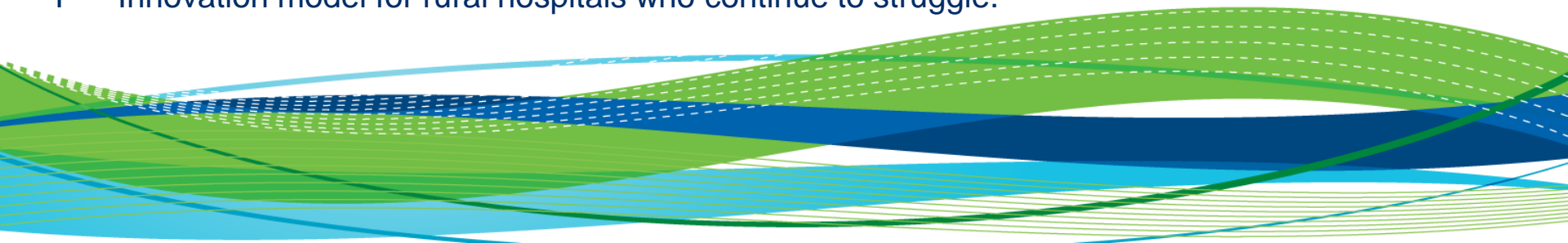
- Elimination of Medicare Sequestration for rural hospitals;
- Reversal of all “bad debt” reimbursement cuts (*Middle Class Tax Relief and Job Creation Act of 2012*);
- Permanent extension of current Low-Volume and Medicare Dependent Hospital payment levels;
- Reinstatement of Sole Community Hospital “Hold Harmless” payments;
- Extension of Medicaid primary care payments;
- Elimination of Medicare and Medicaid DSH payment reductions; and
- Establishment of Meaningful Use support payments for rural facilities struggling.
- Permanent extension of the rural ambulance and super-rural ambulance payment.

## Regulatory Relief

- Elimination of the CAH 96-Hour Condition of Payment (See *Critical Access Hospital Relief Act of 2014*);
- Rebase of supervision requirements for outpatient therapy services at CAHs and rural PPS (See *PARTS Act*);
- Modification to 2-Midnight Rule and RAC audit and appeals process.

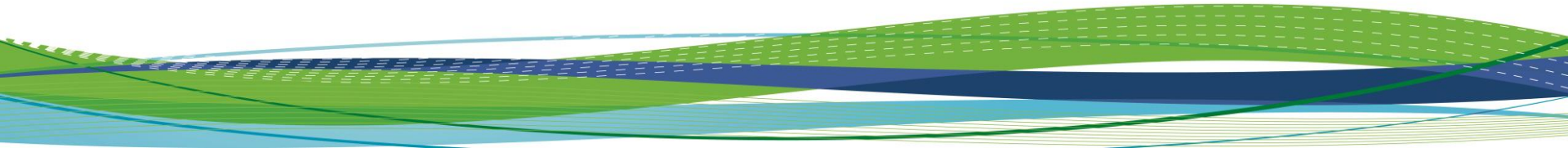
## Future of rural health care (Bridge to the Future)

- I Innovation model for rural hospitals who continue to struggle.



# Future Model: Community Outpatient Model

- 24/7 emergency Services
- Flexibility to Meet the Needs of Your Community through Outpatient Care:
  - Meet Needs of Your Community through a Community Needs Assessment:
    - Rural Health Clinic
    - FFQHC look-a-like
    - Swing beds
    - No preclusions to home health, skilled nursing, infusions services observation care.
- TELEHEALTH SERVICES AS REASONABLE COSTS.—For purposes of this subsection, with respect to qualified outpatient services, costs reasonably associated with having a backup physician available via a telecommunications system shall be considered reasonable costs.”.
- ***“The amount of payment for qualified outpatient services is equal to 105 percent of the reasonable costs of providing such services.”***

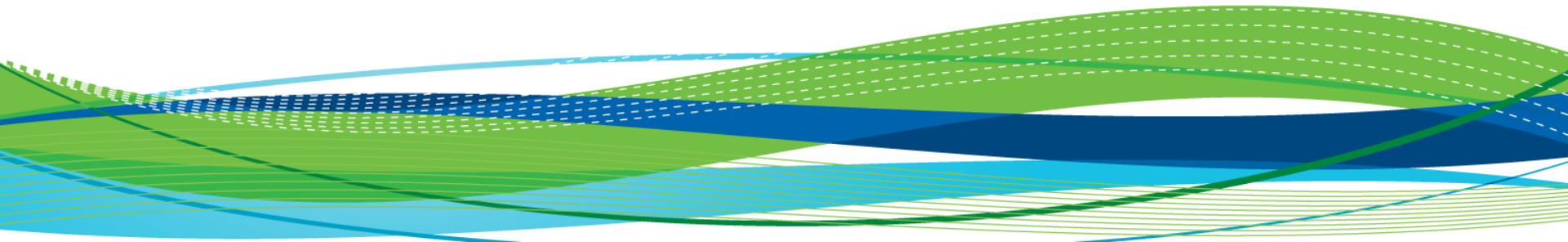


# Global Budgeting



**Your voice. Louder.**

- CMMI published White Paper on Global Budgeting and rural providers
- Maryland All-Payer Model
  - Fixed global budgets based on historical cost trends
- Pennsylvania initiated Global Budgeting demonstration
  - Approximately 8 rural hospitals participating
  - Hope to start January 1, 2018
  - Karen Murphy, Secretary of Health in PA a former CMMI leader
  - Rural providers and SORH so far enthusiastic
  - Featured at 2017 Rural Hospital Innovation Summit, San Diego
- Concerns:
  - Variations in cost due to seasons and epidemics
  - Services covered under budget and for what populations/payers?

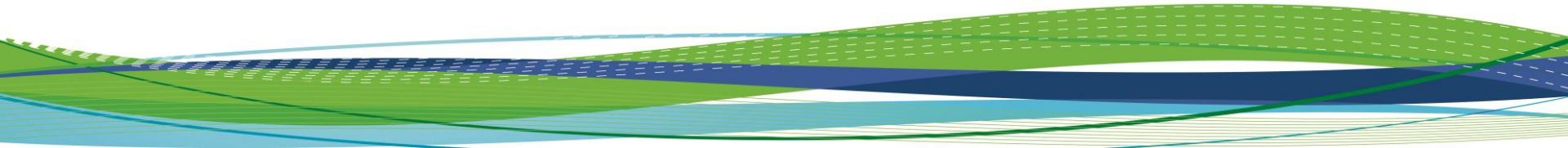




# Pennsylvania Rural Health Model



- Goal – increase financial viability of PA rural hospitals and improve access to high-quality care.
- Participating rural hospitals paid based on all-payer global budgets—a fixed amount that is set in advance for inpatient and outpatient hospital-based services, and paid monthly by Medicare fee-for-service and all other participating payers.
- Rural hospitals would redesign care to improve quality and meet the health needs of their local communities.





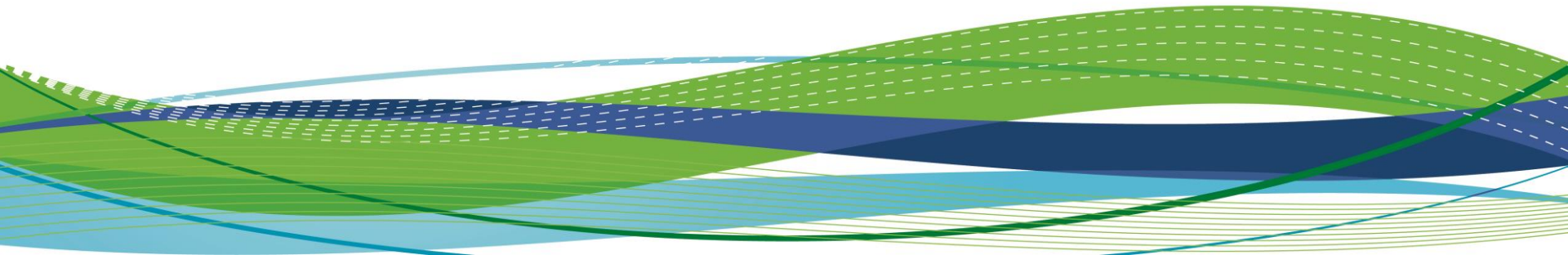
**Your voice. Louder.**

# **G o R u r a l !**

**Alan Morgan**

Chief Executive Officer

National Rural Health Association



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