National Rural Health Day

Celebrating the Power of Rural!

NOSORH

Rural Policy and Advocacy

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NRHA

National Organization of **State Offices of Rural Health**

NRHA Mission

The National Rural Health Association is a national membership organization with more than 21,000 members whose mission is to ***provide leadership on rural issues*** through advocacy, communications, education and research.

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How is “Rural” Different?

- “Access to quality health care is the number one health challenge in rural America,” (Rural Healthy People 2010 and 2020)

- “Rural Americans are older, poorer and sicker than their urban counterparts… Rural areas have higher rates of poverty, chronic disease, and uninsured and underinsured, and millions of rural Americans have limited access to a primary care provider.” (HHS, 2011)

- Disparities are compounded if you are a senior or minority in rural America.

What is Advocacy?

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and ***to petition the government for a redress of grievances***.

What is Advocacy?

- **Educate**
- You'll hear lobby – think advocacy or go further and think educate
- All you are doing is asking Members of Congress and their staff to understand your situation – they can do the rest

Why do I need advocate?

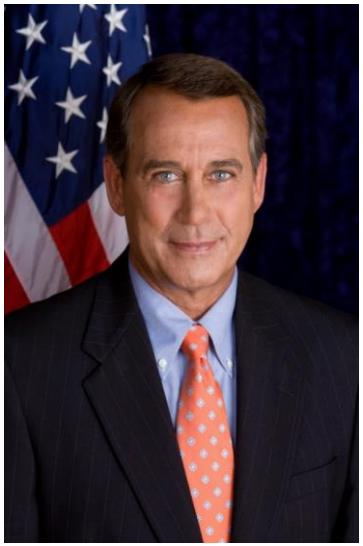
- Congress is making decisions EVERY day that affects rural health
- If we don't make our collective voice heard, someone else will—and they'll get the resources we need
- You have a story to tell

What is going on in Washington?

What happened in the election?

2015 will be another partisan year—opportunity for compromise?

How will that impact rural America?

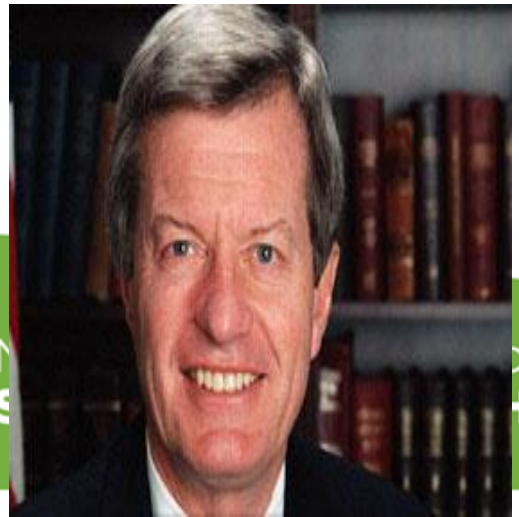


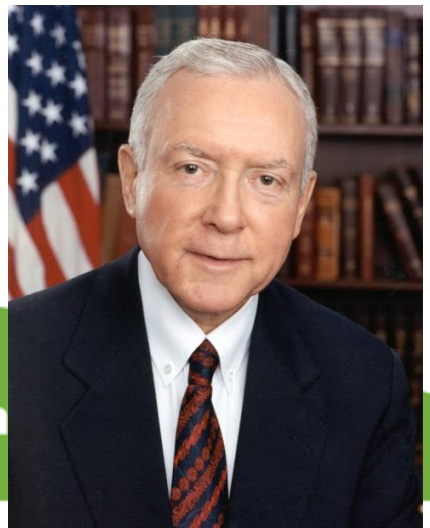
What about Lame-Duck?

- Lame-Duck is unlikely to yield major items
- Mandatory:
  - Continuing Resolution
  - Ebola
  - ISIS
- Possible:
  - Two-Midnight
  - 96-Hour
  - Tax Extenders
- Improbable
  - SGR

Rural Champions exit

- Many other rural champions are also leaving or have left – Sen. Harkin (D-IA), Sen. Rockefeller (D-WV), Sen. Inouye (D-HI), Sen. Conrad (D-ND), Sen. Bingaman (D-NM), Sen. Lugar (R-IN), Sen. Snowe (R-ME), Sen. Begich (D-AK).
- Senator Max Baucus (D-MT) leaves Chairmanship.
- Senator Orrin Hatch to become new Chairman of Finance—Enzi or Alexander to HELP.
- Rep. Ryan to Ways and Means Chair—Upton to stay at E&C





Immediate need in new Congress

- Vital rural Medicare payments expire on March 31, 2015
  - LVH
  - MDH
  - Rural and Super-rural ambulance payments
  - Therapy Caps
  - GPCI
  - SGR

- **Importance**: MORE rural hospitals will close if all not included

- What else did the SGR package include last year?:
  - **ICD–10** – one year delay of transition;
  - **Two Midnight Rule** - Delays enforcement of the CMS two-midnight policy for an additional 6 months (through Sept. 31, 2015); and prohibits recovery audit contractors from auditing inpatient claims spanning less than two midnights for the 6-month period—possible modifications during Lame Duck

Health Reform- Year 2

- Year one enrollment numbers exceed expectations: 8 million; 35% 18-30 year olds
- Big “PR” push by White House—Millions invested
- Some private insurers rate hikes
- Open enrollment going on now
- Is it right from rural?

Health Insurance Exchange

- Who is an “essential community provider”? If you are not, what can you do?
- What are the negotiated rates offer from the carriers?
- Narrow and ultra-narrow networks challenges
- What is the deductibility of you patients’ plans?

Medicaid

- Disproportionately important to rural America (rural patients and rural economies).
- One-half of all newly insured under ACA will be covered by expanded Medicaid. (Estimates are 5 million in rural will be covered.)
- Supreme Court decision: Allowed states to "opt-out" or seeking waivers
- 21 states are opting out - - creating a new gap in coverage
  - New models being pursued (Utah, Indiana, Arkansas)

How does Medicaid affect rural?

- A majority of the states with the largest percentage of population living in rural areas are not expanding, while nearly all of the least rural states are expanding.
- Rural, poor states are the least likely to expand Medicaid.
- The majority of rural residents in the U.S. live in states that are not expanding. Only 3 of the 11 states with the largest rural population have expanded (IA, KY, MI)
- There is a wider rural-urban insurance coverage than existed pre-ACA.
- *NC Rural Heal Research Program, July 2014*

Why do these matter?

- 27 Rural Hospitals have closed sine January 2013 (44 since 2010)
- Represents more closures in 23 months than in previous 10 years
- Analysts believe 283 in same or similar financial distress
- Many reasons for closures

Why are there closures?

- Sequestration
- Reduction in “Bad Debt” reimbursement
- Loss of SCH “Hold-Harmless” payment
- Loss of Section 508 payment
- Documentation and Coding Cuts
- “Efficiency/Productivity Cuts”
- DSH Cuts
- Negative “Fixed ACA” Cuts
- Termination of MU Payments

The headlines are already here…

"Rural hospitals in critical condition"

"Rural hospital closing hurts more than just the hospital"

"Another Rural Georgia Hospital Closing"

"Rural hospitals worry about health IT funding"

How can I get involved?

We tell our story—We educate: Local, State, Federal

Our message is powerful. An investment in rural health:

1. Protects patients;
2. Protects the rural economy; and
3. Protects taxpayers

Protecting Rural Patients

- Rural patients are older, poorer, sicker, and have a harder time getting care
- Local care critical for all rural Americans
- Closures mean tragedy:
  - 18-month-old in Texas
  - 48-year-old in North Carolina

Protecting rural economies

- Health care is the fastest growing segment of the rural economy
- On average, 14% of total employment in *rural areas is attributed to the health sector. Natl. Center for Rural Health* Works. (RHW)
- The average CAH creates 107 jobs and generates $4.8 million in payroll annually. (RHW)
- Health care often represent up to 20 percent of a rural community's employment and income. (RHW)

Rural providers give value

- Medicare spends 2.5% less on rural beneficiaries than it does on urban beneficiaries
- If urban beneficiaries cost the same as rural beneficiaries, CMS would save more than $6 billion a year
- Local providers lower travel and access costs to rural seniors

Items to look to:

- New SGR legislation
- R-HOPE
- “CARE Act” draft
- 96-Hour and Two-midnight legislation
- MU modifications
- VA regulation tweaks

Thank you!

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