The Rural Report

John T. Supplitt
Senior Director
AHA Field Engagement

Challenges Facing Rural Hospitals & Communities
AGENDA

- The Environment
- The Rural Report
  - Persistent
  - Recent
  - Emergent
- Advocacy Call to Action
- The Field Response
Cornerstones of Rural Communities

- **National reach:**
  - 20% of Americans live in rural areas

- **Key access points:**
  - Local, timely access to health care

- **Economic anchors:**
  - Employment opportunities
  - Transactions, attraction for business investment
  - Contributions local taxes, public services
Between 2010 and today, 118 rural hospitals have closed, 17 in 2019.

Critical Access Hospital Closures

CAHs account for 35% of rural hospital closures 2010- present

Rural Hospital Closure Impact

Access
- Lower availability of services
  - ED, specialty
  - Clinician shortage
- Difficult/ longer travel

Local Economy
- Job losses
- Harder to attract employers

Disparities
- Socio-Demographics
- Vulnerable groups

Have Cancer, Must Travel: Patients Left In Lurch After Hospital Closes

A Look at Rural Hospital Closures and Implications for Access to Care: Three Case Studies

‘The hospital was a force holding the community together. Without it, I think this community probably will disintegrate’

No Mercy: After The Hospital Closes, How Do People Get Emergency Care?
Healthcare executives were surveyed about the biggest issues of 2020, with their responses ultimately compiled into this year's Top 10 list.

1. Costs & Transparency
2. Consumer Experience
3. Delivery System Transformation
4. Data & Analytics
5. Interoperability / Consumer Data Access
6. Holistic Individual Health
7. Next Generation Payment Models
8. Accessible Points of Care
9. Healthcare Policy
10. Privacy / Security
The Rural Report

Rural Hospitals are Essential to the Health and Economic Well-being of the Community

- Local access to essential health services
- Direct and indirect employment; private-sector investment in the community
- Vital part of the increasingly connected and networked health care infrastructure

Challenges Facing Rural Hospitals & Communities
Challenges Facing Rural Communities and the Roadmap to Ensure Local Access to High-quality, Affordable Care

Challenges Facing Rural Hospitals & Communities

Emergent
- Opioid epidemic
- Violence in communities

Recent
- Care delivery shifts
- Behavioral health
- Economic and demographic shifts
- High cost of drugs

Persistent
- Low patient volume
- Payer mix
- Patient mix
- Geographic isolation

- Medical surge capacity
- Cyber threats
- Regulatory burden
- Coverage
- Medicaid Expansion
- Health Plan Design
- Workforce shortage
- Aging infrastructure
- Limited Access

American Hospital Association
Advancing Health in America
PERSISTENT CHALLENGES

Challenges Facing Rural Hospitals & Communities

- Low Volume
- Payer/Patient Mix
- Workforce Shortages
- Aging Infrastructure
- Geographic Isolation
- Limited Access
Low Patient Volume

• Low occupancy was associated with higher risk of hospital closure.
• Congress established the Low-volume Hospital Adjustment (LVA) program in 2003.
• The Bipartisan Budget Act of 2018 extended the LVA through FY 2022.
• The program continues to face threats of retrenchment despite the effectiveness of LVA in assisting hundreds of rural hospitals.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

[CMS–1677–N]
RIN 0938–ZB47

Medicare Program; Extension of the Payment Adjustment for Low-Volume Hospitals and the Medicare-Dependent Hospital (MDH) Program Under the Hospital Inpatient Prospective Payment Systems (IPPS) for Acute Care Hospitals for Fiscal Year 2018
Challenging Payer Mix

• Rural hospitals are more likely to serve a population that relies on Medicare and Medicaid.

• Section 50205 of the Bipartisan Budget Act of 2018 provides for an extension of the MDH program for discharges occurring on or after October 1, 2017, through FY 2022.
Challenging Patient Mix

Rural hospitals treat a patient population that is often older, sicker and poorer compared to national averages.
People living in rural areas have longer travel times to the nearest hospital

Average minutes of car travel time to nearest hospital by community type for ...

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<th>Below 25th percentile</th>
<th>All</th>
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Workforce Shortages
Recruitment and retention of health care professionals is an ongoing challenge and expense for rural hospitals.

1. Increasing Residency Programs and Partnerships
2. Expanding the Care Team/Expanding Scope of Practice
3. ‘Growing Your Own’ Pathways
4. Integrating Behavioral Health into Primary Care Settings
5. Leveraging Telehealth Services
Workforce Shortages: Recruitment and retention of health care professionals

Clinical Workforce Supply

Map 1.1. Active physicians per 100,000 population, 2016.

Nurse Practitioner Scope of Practice:
Authority to Diagnose/Treat and Prescribe, 2011

Requirement for Physician Involvement
- Physician involvement NOT required to diagnose/treat or prescribe (15 states & DC)
- Written documentation of physician involvement required to prescribe, but NOT to diagnose/treat (8 states)
- Written documentation of physician involvement required to diagnose/treat and prescribe (27 states)*

*CT, IN, MN, and PA, physician involvement is required to diagnose/treat, but written documentation of relationship is not required.
Aging Infrastructure and Access to Capital

Many rural hospitals were constructed following the passage of the Hill-Burton Act of 1947, and need to update their facilities to better align with how care is delivered in the 21st century.

- USDA Community Facilities Guaranteed Loan Program
- USDA Community Facilities Direct Loan & Grant Program
- HUD Section 242: Hospital Mortgage Insurance Program
- SBA Guaranteed Loans
RECENT CHALLENGES and Responses from the Field
Challenges Facing Rural Hospitals & Communities

- New Models of Payment and Delivery
- Care Delivery Shifts
- Economic and Demographic Shifts
Changes in Health Care Delivery

Across the United States, numerous health care services previously provided on an inpatient basis are now offered in outpatient settings.
Coverage

Individuals without adequate health insurance and those with plans that have high out-of-pocket expenses often cannot pay for emergency and other acute health services, leaving providers with higher rates of uncompensated care.
Behavioral Health Trends
Mental illness, emotional distresses and substance use disorders disproportionately affect rural communities.
Increased Regulatory Burden

Rural hospitals are subject to the same regulations as other hospitals, but on a per-discharge basis, their cost of compliance is often higher than for larger facilities.
Shortages and Cost of Rx Drugs

- Average drug spending increased by 18.5% between FY2015 and FY2017.
- Outpatient drug spending increased by 28.7% while inpatient drug spending increased 9.6%.
- Eighty percent increases or more of unit price across different classes of drugs.
- Almost 80% of hospitals found it extremely challenging to obtain drugs experiencing shortages.
- Almost 80% also said that drug shortages resulted in increased spending on drugs to a moderate or large extent.
EMERGENT CHALLENGES and Responses from the Field

Challenges Facing Rural Hospitals & Communities

- Opioid epidemic
- Violence in communities
- Medical surge capacity
- Cyber threats
EMERGENT CHALLENGES AND Threats

Opioid Epidemic
In 2017, the Centers for Disease Control and Prevention announced that drug overdose death rates for metro areas were higher than in rural areas in 1999 however, the rates converged in 2004, and by 2015, the rural rate (17.0) was slightly higher than the metropolitan rate (16.2).
Violence in Communities

Incidences of violence, such as mass shootings, are events that communities hope never occur; yet hospitals must be prepared to respond. Violence against employees threaten their safety and access to care.
Medical Surge Capacity

The ability to care for a significantly increased volume of patients when a tragic event strikes is a key marker of an effective health care system.
Cyber Threats

Hospitals, and health care overall, remain heavily targeted by cyber criminals. Protecting information and appropriately responding to threats creates significant direct and indirect cost for hospitals and can require individuals with specialized skills who are difficult to recruit in rural communities.
Challenges Facing Rural Communities and the Roadmap to Ensure Local Access to High-quality, Affordable Care

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A Call to Action

Challenges Facing Rural Hospitals & Communities
America’s rural hospitals are committed to serving their communities and ensuring local access to high-quality, affordable health care. The AHA is working to ensure federal policies and regulations are updated for 21st century innovation and care delivery, and new resources are invested in rural communities to protect access.

- Ensure Fair and Adequate Reimbursement
- Support New Models of Care
- Remove Red Tape
- Support Health Information Technology
- Bolster the Workforce
- Rein in Rx Prices
Rural Legislation

- 96 Hour Rule: H.R. 1041, S. 586
- Direct Supervision: S. 895, H.R. 3429
- Conrad State 30: S. 948 / H.R. 2141
- New models of care: REH and REMC
- Broadband, telehealth

https://www.aha.org/advocacy/small-or-rural
CMMI: Rural-related Demonstrations

- Frontier Community Health Integration Project
- Rural Community Hospital
- PA Rural Health Model
- New model: Fall 2019
Rural Health Visibility and Stakeholder Engagement

- House Ways & Means Committee Rural and Underserved Communities Health Task Force
- HHS Rural Task Force
- Bipartisan Policy Center Rural Health Task Force

- AHA Future of Rural Health Care Task Force
  - Focus on long-term view
  - Provide strategic thought leadership
  - Identify future trends and emerging strategies
  - Develop new care delivery models & stable financial models
The Rural Response

Challenges Facing Rural Hospitals & Communities
OHSU School of Medicine
Emergency Medicine Residency Program

Clatsop Community College School of Nursing
Community Health Worker
Community Paramedic initiative

$200,000 grant from the Peace Harbor Medical Center Foundation

Mobile Integrated Healthcare – Community Paramedicine is the provision of healthcare using patient-centered, mobile resources in the out-of-hospital environment. For every dollar spent on the MIH program the hospital saved $5 in health care costs.

Among inpatients discharged to home:
500 home visits with 60 clients
200 percent decrease in ED visits and
200 percent reduction in avoidable readmissions

Among palliative patients:
187 patients receiving palliative care - 50 percent decrease in ED visits.
Addressing the Social Determinants of Health
Expanding Access Points for Primary, Dental and Behavioral Health

Lafayette Regional Health Center
Health Care Collaborative of Rural Missouri
Lexington, Missouri

Hospitals and FQHCs can get along! Lafayette Regional Health Center partnered with LiveWell Community Health Centers and the Health Care Collaborative of Rural Missouri and its four FQHCs.

Accessing primary care, dental care and psychiatric services is a challenge to the residents of rural communities; there simply are not enough local resources to meet the demand. These providers have expanded access, improved efficiency, enhanced the health of the population and maximized resource utilization by avoiding unnecessary duplication of services while directing patients toward the appropriate site of service.
Wilderness Health Rural Health Network

Wilderness Health is a network of nine independent hospitals collaborating to improve health care for a population of approximately 450,000 people in Northeast Minnesota and Northwest Wisconsin.

Strategic goals of the network are to:
- Coordinate care using evidence-based medicine.
- Provide quality, local healthcare.
- Identify shared service opportunities to maximize operating efficiencies and reduce costs.
- Explore alternative payment models, such as ACOs.
- Work with key community stakeholders to improve the continuum of care.
- Integrate data between entities to enable better care coordination and care planning.

Early achievements include:
- Participating in MN Medicaid ACO model.
ACO Investment Model (AIM)

- AIM supported smaller and rural ACOs by investing start-up funds in 2015 and 2016.
- 47 AIM ACOs began in 2015 and 2016
- AIM ACOs reduced the cost of care by $82.8 million and maintained excellent quality.
- Outperformed higher risk programs like Pioneer ACOs and Next Generation ACOs:
  - AIM saved $22.70 PBPM
  - NextGen ACOs saved $18.20 PBPM
  - Pioneer ACOs saved $20.00 PBPM
COMMUNITY CARE NETWORK
ACCOUNTABLE CARE ORGANIZATION
WINONA, MINNESOTA

CCN empowers clients to better self-manage their health and wellbeing. Early results suggest that the program can reduce utilization particularly in the ED, save costs, and improve health.

Initially, AIM encouraged uptake of coordinated, accountable care in rural areas by offering pre-payment of shared savings. Presently, these same ACOs have migrated to form a shared savings ACO.
Providence Health-Fairfield
Emergency Room
Winnsboro, SC

24/7/365 local emergency care:

- 18,000 square feet
- 6 exam rooms with 2 trauma rooms
- Onsite laboratory
- Imaging Services: CT Scan, Ultrasound, X-ray
- Emergency medicine professionals
- “Pull to full” processes
Protocol for the Prescription of Controlled Substances by Emergency Department Providers

This policy provides guidelines for appropriate action when a patient suspected of abusing drugs requests prescription for a controlled substance from an emergency practitioner. For clarity, a practitioner is anyone legally permitted to prescribe a controlled substance in the hospital emergency department (ED).
ACTIVE SHOOTER
King’s Daughters’ Health, Madison, Ind.

- 58-year-old man from Texas, wounded himself in the upper left torso with a handgun after he shot himself inside the emergency room area of KDH.
- 77-bed rural hospital and health system that provides health care to a five-county area in Southeast Indiana and North Central Kentucky.
In effect, these organizations (rural hospitals) have not crossed the cybersecurity digital divide. – Health Care Industry Cybersecurity Task Force to the U.S. Congress

Cybersecurity Toolkit for Rural Hospitals and Clinics

American Hospital Association™
Advancing Health in America

What’s Your Cyber Risk Profile? 12 Considerations for CEOs
Rural Hospitals: A Community’s Anchor

**DID YOU KNOW?**
- Rural America includes approximately 67 million people, about 18% of the population and 84% of the geographic area of the USA.
- There are 1,866 rural hospitals that support nearly 2 million jobs.
- Every dollar spent by a rural hospital produces another $2.29 of economic activity.
- A typical critical access hospital employs 213 community members.
- Rural hospitals handle more than 21.6 million emergency visits.

Tell Congress to protect health care in rural communities.
Questions and Discussion
John T. Supplitt
Senior Director
AHA Member Relations
Chicago, IL
312-422-3306
jsupplitt@aha.org