NOSORH ISSUE BRIEF

VOLUME 2 | ISSUE 2 ● JANUARY 2020

NATIONAL ORGANIZATION OF STATE OFFICES OF RURAL HEALTH

Community Program Eligibility Request for Information

Introduction

The Federal Office of Rural Health Policy (FORHP) of the Health Resources and Services Administration (HRSA) released a Rural Health Grants Eligibility Request for Information (RFI) seeking comments on possible modifications to the eligibility requirements for FORHP's community-based programs. In this communication, the National Organization of State Offices of Rural Health (NOSORH) addresses the issues raised in the RFI and makes recommendations for possible future directions.

The National Organization of State Offices of Rural Health (NOSORH) was established in 1995 to assist State Offices of Rural Health (SORH) in their efforts to improve access to, and the quality of, health care for 57 million rural Americans. All 50 states have a SORH, and each SORH helps their state's rural communities to build effective health care delivery systems.

NOSORH is supportive of the efforts of FORHP related to this RFP. NOSORH believes that the current eligibility requirements have worked well for many years, but changes in rural health systems may require some modifications. NOSORH appreciates the opportunity to provide some perspective from the State Offices of Rural Health (SORHs).

Overview

NOSORH notes that FORHP's community-based programs share two important goals:

- To preserve, enhance or increase access to health care for rural residents, and
- To improve the health of rural populations.

In pursuit of these goals, FORHP community-based programs emphasize the importance of ***health service networks*** and ***formal coordinated arrangements between multiple health service providers.*** The eligibility and review criteria for these coordinated arrangements and networks are the subject of the RFI.

NOSORH believes that appropriate eligibility and review criteria for FORHP's community-based programs are needed to address two important concerns:

- To assure that the Federal program investment is appropriately targeted on rural communities and is not redirected to the benefit of urban populations and health systems, and
- To assure that regional networks and collaborative arrangements do not remove service capacity from local rural health systems and transfer it to urban-based systems; and Urban partners can successfully participate in rural health service

networks and collaborative arrangements. Nevertheless, there are multiple anecdotal stories indicating how health service consolidation has led to reduced capacity of the rural health system to the benefit of an urban partner. Recently, a headline story involving the Mayo Clinic received national attention:

- https://www.politico.com/story/2017/11/16/mayo-clinic-rural-health-care-244955

The issue has also been raised in Congress:

- https://www.healthleadersmedia.com/strategy/house-subcommittee-takes-dim-view-healthcare-consolidation

It will be important to continue assuring that FORHP's program investments do not lead to consolidations which result in reduced rural community health service capacity. This being said, the current eligibility requirements for FORHP's community-based programs may be somewhat constraining. NOSORH believes that it is time to explore how some flexibility could be built into these requirements. Comments exploring the need for flexibility and specific recommendations for change are provided below.

SORH Observations on Current Program Eligibility Requirements

The current eligibility requirements for FORHP's community-based programs were developed as a bulwark to assure that the Federal rural program investment was appropriately restricted to rural health. NOSORH has heard from several SORHs about these requirements. SORHs observed that the current requirements have been successful in assuring that FORHP program resources have targeted rural communities. SORHs also observed, however, that many rural health systems have evolved over the decades – from systems of smaller local health service providers and agencies to integrated provider systems, often with regional coverage. SORHs have seen multiple occasions where the current eligibility requirements have constrained efforts to improve local services.

The challenge for FORHP will be to find ways to accommodate new service systems without compromising the targeting funding to rural communities. Some specific observations of SORHs on eligibility requirements are discussed below. NOSORH recommendations for potential changes to eligibility requirements follow.

Responsibility of Applicant Rural Entity:

Current requirements state that the rural applicant entity for a FORHP community-based grant *must be responsible for the planning, program management, financial management, and decision making of the project.* Multiple SORHs indicated that this requirement is a concern, particularly for smaller rural communities. Rural health care providers in small communities have fewer resources and are less likely to have the capacity to appropriately carry out the full range of planning and management responsibilities enumerated in this requirement. These applicants would need to rely on outside resources to conduct all required activities. In cases where local entities with a separate EIN are part of larger regional organizations, it is often inefficient to establish management systems within the local entity.

Location of Applicant and Permissible Service Area:

Current requirements state that an applicant organization *must be located in a non-metropolitan county or in a rural census tract of a metropolitan county*, and that *all project services be provided in such locations*. SORHs indicated that the requirement related to the provision of services in a rural area is appropriate, and that they support the requirement that a funded project be the responsibility of a collaborative network directed by rural entities. SORHs felt, however, that not all network participants need be located in a rural area, and that, with appropriate FORHP monitoring, the

actual applicant organization could be located in a metropolitan location as long as there was an active local rural component of that organization. The aim should be to assure rural direction and focus for the project, no matter who is the applicant organization. As discussed previously, there may be instances where the lead rural provider entity is part of a larger regional health organization. It may be more effective for a parent organization, outside of a rural area, to apply for, receive and administer funds under the guidance of the local network entities. This would require changes from the current eligibility criteria.

SORHs also raised some questions about the current definition of rural used by FORHP community-based programs. SORHs indicated several instances of locations within metropolitan areas, defined as rural under some Federal definitions, that are not recognized as eligible areas by the HRSA Rural Health Advisor website. This prevents the participation of these rural communities in needed projects.

One SORH indicated that this could be a more widespread problem after the 2020 Census. Multiple locations, currently eligible and participating in FORHP community programs, may lose their eligibility as the counties in which they are located are classified as metropolitan. Without a more discrete identification of rural tracts within metropolitan counties, the needs of these rural areas may go unfilled.

Separate Employee Identification Numbers (EINs):

Current requirements state that *a rural provider entity owned by or affiliated with an urban entity or health care system may apply for FORHP community-based grant support as long as the rural entity has its own Employer Identification Number (EIN)* and *can directly receive and administer the award funds in the rural area*. Multiple SORHs indicated that this requirement can be problematic. In line with the previous discussion of rural entity responsibility, it may be more effective for a parent organization to receive and administer funds under the guidance of a network of local entities. NOSORH believes that this can be accomplished even without the establishment of a separate EIN and management structure for all local entities. NOSORH believes that flexibility in these requirements would better serve rural communities.

Non-Health Service Provider Participating Entities:

Current requirements state that, for purposes of funding, *a consortium composed of members—that includes 3 or more health care providers is required.* SORHs indicated that this may be overly restrictive, given the evolving nature of rural health systems. Rural health providers are increasingly working with non-health provider agencies in attempts to address the social and environmental determinants of health. A health service provider may need to work, under formal arrangements, with social service agencies, housing agencies, food services, transportation services and other local service providers to address the social determinants of health. NOSORH believes that FORHP might want to explore modification of the rule limiting consortia/networks to health service providers.

Recommendations

Recommendation 1 Responsibility of Applicant Rural Entity:

NOSORH believes that the current requirement defining the responsibility of the applicant rural entity will not pose a problem for many potential projects, but that provisions should be added to manage the cases of applicants where the responsibilities could more effectively be managed elsewhere.

NOSORH recommends that FORHP permit a waiver of this requirement in situations where the local rural entity cannot efficiently manage all the required responsibilities.

NOSORH further recommends that applicants seeking a waiver be required to: (1) detail the specific reasons why the applicant entity cannot conduct all required responsibilities, (2) identify which other

network partners will have specific responsibilities, (3) provide a clear description of how the project was developed with rural entity leadership and how the project will be accountable to the rural collaborative partners. NOSORH is aware that waivered projects will likely require enhanced monitoring by FORHP but believes that the additional effort is worthwhile.

Recommendation 2
Permissible Service Area:

NOSORH recommends that the current requirement restricting funded project services to rural areas should be maintained. This restriction assures that regional networks and collaborative arrangements do not remove service capacity from local rural health systems and transfer it to urban-based systems

Recommendation 3
Location of Applicant:

NOSORH believes that most applications for funding can be submitted by entities located in rural areas. Nevertheless, NOSORH understands that there may be instances where it makes more sense for an urban partner to be the applicant.

To accommodate these special circumstances **NOSORH recommends that FORHP permit waivers of the applicant rural location requirement for an applicant to be located in a rural area.**

NOSORH further recommends that applicants seeking a waiver be required to: (1) specify the relation of the non-rural and its related local rural entity, (2) detail the specific reasons why a rural applicant entity cannot submit the application, and (3) provide a clear description of how the project was developed with rural entity leadership and how the project will be accountable to the rural collaborative partners. As with previous recommendations, NOSORH is aware that waivered projects will likely require enhanced monitoring by FORHP.

Recommendation 4
Separate Employee Identification Numbers:

Consistent with the previous recommendation, **NOSORH recommends that FORHP permit waivers of the separate applicant EIN requirement.** This should allow local rural entities that are part of larger regional health systems to participate more cost-effectively in FORHP community-based programs.

NOSORH further recommends that applicants seeking a waiver be required to: (1) detail the specific reasons why the applicant entity cannot reasonably get its own EIN, and (2) provide a clear description of how the project was developed with rural entity leadership and how the project will be accountable to the rural collaborative partners.

Recommendation 5
Participation of Non-Health Service Providers in Consortia/Networks:

NOSORH understands that the majority of networks/consortia seeking support under FORHP's community-based programs will be health service providers. Nevertheless, there will increasingly be situations where local health service providers would wish to build formal collaborative relationships with other types of local service providers in order to address the social and environmental determinants of health. **NOSORH recommends that FORHP permit waivers allowing participation in eligible consortia/networks of local rural non-health service providers for purposes of addressing the social determinants of health.**

NOSORH further recommends that applicants seeking a waiver be required to specify how the local non-health service provider will contribute to the consortia/network's ability to address social or environmental determinants of health. NOSORH anticipates that most consortia/network applications will require a waiver for only 1 of the 3 required local providers.