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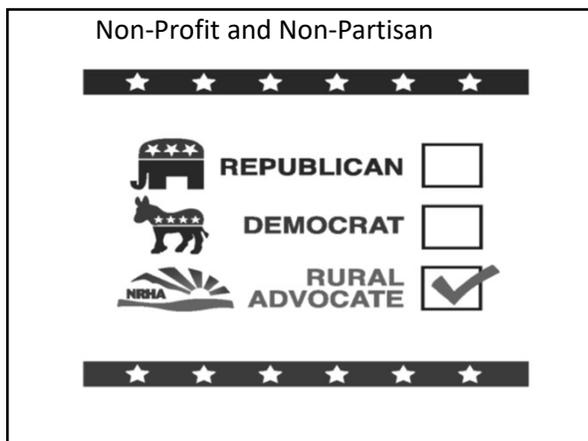
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**A renewed awareness of rural issues on with Administration and on Capitol Hill**

- Key hearings on rural health in Senate Finance and House Ways and Means Committee;
- Key legislation introduced.
- Key advancements with Administration.

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**Rural is trending...**

- NRHA input in four presidential campaigns: Biden, Buttigieg, Warren, Sanders. Also, of note: DeLaney, Klobuchar, O'Rourke.
- Unprecedented news coverage on rural issues
- National reports: CDC, HRSA, RWJ, BPC.
- National and local press coverage.



**Struggling Rural Hospitals Say They're Being Drained** | [View the Blue Print: Blue 481](#)




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**Rural Health Care Poll**

- 92% of Democrats and 93% of Republicans consider access to health care an important issue.
- 3 in 5 voters are more likely to endorse a candidate who makes access to rural health care a priority.
- >1/2 of rural voters polled said access to specialists is a problem.
  - Bipartisan Policy Committee and American Heart Association poll conducted by Morning Consult



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### The Administration



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### Executive Orders Focusing on Rural America

1. **Veterans Access to Mental Health**  
❖ Automatic enrollment/VA mental health services for 1 year.
2. **Veteran Suicide Task Force**  
❖ Established to develop comprehensive approach to end veteran suicide
3. **Rural Broadband**  
❖ Two executive orders to remove federal red tape to access capital and other barriers limiting rural connectivity.
4. **Executive Order**  
❖ Establishes task force on how to improve rural economic prosperity.
5. **Possible announcement this week**



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### CMS's "Re-thinking Rural" Efforts Outlines at NRHA Annual Conference

- "Placing unprecedented priority" on rural health.
- Cited quality payment program and new telehealth payments as two examples.
- Goal is to reduce unnecessary burden.
- "Wage Index" in IPPS Reg is an example that CMS recognizes that rural hospitals are struggling.
- Physician supervision guidelines and "we will hear more on this."
- Announced CMS is developing "new, innovative model that will come out later this year."
- "Communities will be able to custom design," and "funding may be added for a hub and spoke telehealth approach," or a "plan to realign hospitals."



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### Other HHS Efforts

- Sec. Azar addressed NRHA Policy Institute 2019
- NRHA Meets with Secretary Azar twice this summer
- NRHA meetings also with Deputy Secretary Hargen and HRSA Acting Administrator Engels.



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### NRHA Focus with the Administration

1. Hospital Closure Crisis
2. Rural Health Clinic Relief
  - Regulatory burdens
  - Rural Health Clinic Closures
3. Workforce Shortages (obstetric shortages)
4. Opioid Crisis
5. Initiating an Office of Rural Health within CDC
6. Economic vitality in rural America



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### Efforts on Rural Maternity Shortages

A Conversation on Maternal Health Care in Rural Communities:  
Charting a Path to Improved Access, Quality and Outcomes

Wednesday, June 12, 2019  
9:00 AM - 4:30 PM

Kaiser Family Foundation  
Barbara Jordan Conference Center  
1330 G Street NW, Washington, D.C. 20005



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### Rural OB Shortage Grant Awards

- HHS -- \$9 million to MO, NM, and TX to improve maternity of OB care in rural areas.
- Intended to develop new ways to increase access and continuity of care.
- Create networks of care: hospital, home visiting, Healthy Start, prenatal, postpartum.



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### Other Key Rural Funding Initiatives

- HRSA Rural Funding Initiatives
  - **Veterans:** Awarded up to \$300,000/year for 3 years in grants to Oklahoma, Wyoming, and Utah as part of the Rural Veterans Access Program
  - **Workforce:** Rural Residency Programs (27 organizations, 21 states, up to \$750,000)
  - **Opioids:** HHS has awarded nearly \$400 million through HRSA to combat the Opioid Crisis – funding to HRSA funded CHCs, rural orgs and academic institutions.

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### Key Victories with Renewed Awareness of Rural Issues on Capitol Hill

*"If we learned nothing from the past election, it's that we haven't listened to rural America enough."*  
 -- Chuck Schumer, Senate Min. Leader

- Unprecedented appropriations spending
- Renewal of Rural Medicare Extenders
- Opioid package
- Farm Bill – with rural health provisions
- VA Mission Act
- Passage of Improving Access to Maternity Care Act – better targets maternity shortage areas for NHSC prioritization.
- Keys hearings in committees
- Joint Economic Committee Report on Rebuilding Rural America
- Senate Democrats Rural Summit
- Ways and Means Task Force on Rural Health



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### Then, this happened...



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### The continuing challenges in rural Kentucky...

- Workforce Shortages
- Vulnerable Populations: older, poorer, sicker
- Chronic Poverty



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### Rural Health Providers of Kentucky

Based on HRSA data, July 2019:

- 27 Critical Access Hospitals
- 241 Rural Health Clinics
- 242 Federally Qualified Health Center sites located outside of Urbanized Areas
- 46 short term hospitals located outside of Urbanized Areas



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### Social Determinants of Health for Rural Kentucky

- 6% of Kentucky residents lack health insurance (Kaiser, 2016).
- Urban per capita income for Kentucky residents in 2016 was \$38,926, Rural per capita income lagged at \$32,903.
- Poverty rate in rural Kentucky is 22.2%, compared to 13.8% in urban areas of the state.
- 20.6% of the rural population has not completed high school, while 11.5% of the urban population lacks a high school diploma
- Unemployment rate in Kentucky is 4.4%, rural is improving but lags behind urban areas.



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### Poverty Rates for Kentucky's Children Improve, but still high

- 2017: 25% of Kentucky's children are living below the federal poverty level.
- 2019: 16% of Kentucky's children live in poverty.
- Some officials tie the state's drug epidemic to child poverty and the rising number of children removed from homes because of abuse and neglect.
- "We have made headway in the percent of children living in poverty with improved rates in 93 out of 120 counties. And yet, nearly one in four Kentucky kids still lives in poverty," said Terry Brooks, executive director of Kentucky Youth Advocates, in the summary.



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<b>Kentucky</b>	<b>has</b>	<b>accepted federal Medicaid expansion</b>
<b>1,241,612</b>		Number of people covered by Medicaid/CHIP as of July 2018
<b>634,807</b>		Increase in the number of people covered by Medicaid/CHIP fall 2013 to July 2018
<b>62%</b>		Reduction in the uninsured rate from 2013 to 2017
		

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### Rural Minority Mothers and Babies

Rural counties with higher percentages of African American women were more than 10 times as likely as rural counties with higher percentages of white women to have never had hospital-based obstetric services and more than 4 times as likely to have lost obstetric services between 2004-2014.

University of MN Rural Health Research Center



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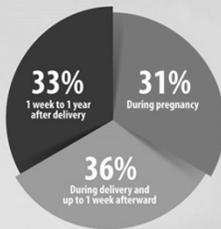
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### CDC Report in May

Death can happen up to a year after delivery.



- 50% more likely to die than our mothers.
- Minority women are 3 times more likely to die.

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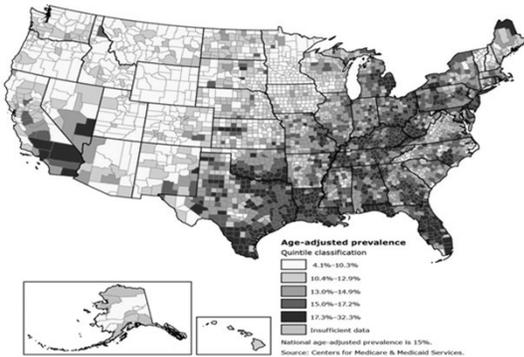
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### Prevalence of Medicare Patients with 6 or more Chronic Conditions

The Prevalence of Medicare Fee-for-Service Beneficiaries 65 Years or Older With 6 or More Chronic Conditions, by County, 2012



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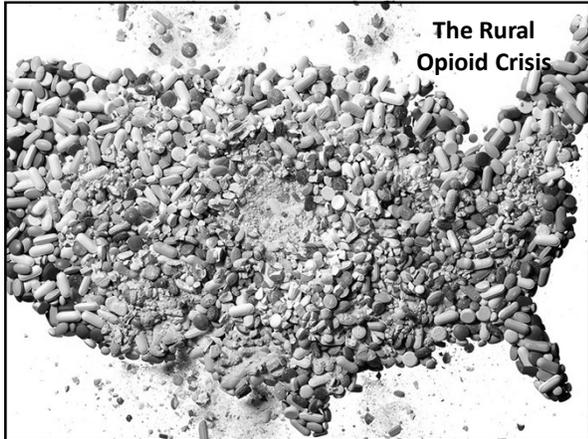
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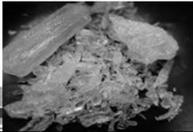
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### Federal Grants Restricted To Fighting Opioids Miss The Mark, States Say

- The federal government has provided over \$2.4 billion in state grants since 2017, in hopes of stemming an opioid epidemic that killed 47,6600 people in the in that year alone.
- Crawford County, Ohio: Received \$327,300 from key federal grants designed to curb the opioid epidemic.
- Most Federal opioid grants cannot be used to treat meth addiction.
- "I don't need more opiate money. I need money that will not be used exclusively for opioids," said County Commissioner Crowe.



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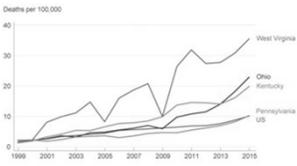
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### States at Greatest Risk

Kentucky: among highest rates of death due to overdose

- West Virginia (52.0 per 100,000)
- Ohio (39.1 per 100,000)
- New Hampshire (39.0 per 100,000)
- Pennsylvania (37.9 per 100,000)
- Kentucky (33.5 per 100,000)



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**Rural Health Clinics Face Challenges**

- 4,100 RHCs throughout 45 states.
- Provide critical primary and preventative care in underserved areas.
- RHCs serve complex communities. Patients are generally poorer, older and have higher rates of chronic disease such as diabetes, congestive heart failure (CHF), and certain types of cancer.
- RHCs are major employers in the rural economy, but still struggle to recruit and retain providers.



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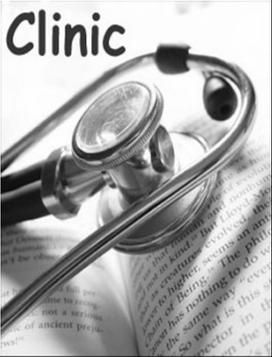
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**Rural Health Clinic Closures**

- Rural health clinic closures are also escalating.
- Since 2012, there have been 388 rural health clinic closures.
- Rural Health Clinics across rural America face long-standing challenges:
  - inadequate reimbursement rates;
  - workforce shortages; and
  - technology challenges.



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**Auto HPSA Update Concerns**

- Shortage Designation Modernization Project
- Notices sent August 30<sup>th</sup>
- Significant changes in HPSA scores possible - which may impact a provider's competitive status for NHSC and Nurse Corps.
- Note: Auto-HPSAs update does not affect CMS HPSA Bonus Payments or rural health clinics' enrollment/certification.

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### The Results

- Currently no state-by-state impact.
- However, we know of the approximately 4000 auto-HPSA's scores:
  - 985 scores went slightly up;
  - 834 went down;
    - 421 FQHCs
    - 254 RHCs
- Current NHSC participants and those awarded this year are not affected by the national update.




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### Impact on Rural Health Clinics



Process was not as transparent as it could have been.



Questions to whether RHCs received adequate noticed



Appeals process was short. Deadline to guarantee that rescore requests are processed before 2020 NHSC cycle was 11-1-19.

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### Rural Health Clinic Modernization Act

- Sens. Barrasso (R-WV) and Smith (D-MN)
- REMOVES OUTDATED LAB REQUIREMENTS.
- ALLOWS RHCs FLEXIBILITY TO CONTRACT WITH PHYSICIAN ASSISTANTS AND NURSE PRACTITIONERS.
- ALLOWS RHCs TO BE THE DISTANT SITE FOR A TELEHEALTH VISIT.
- INCREASES REIMBURSEMENT FOR RHCs.
  - "(3) in 2020, at \$105 per visit,
  - "(4) in 2021, at \$110 per visit,
  - "(5) in 2022, at \$115 per visit, and
  - Removes previous controversial pay-fir.

**Rural Access to Hosp Act,**  
S. 1190 / H.R. 2594

**S. 1037**

116TH CONGRESS  
1ST SESSION

To amend title XVIII of the Social Security Act to modernize provisions relating to rural health clinics under Medicare.

IN THE SENATE OF THE UNITED STATES:  
APRIL 4, 2019  
Mr. BARRASSO (for himself and Mr. SMITH) introduced the following bill; which was referred to the Committee on Finance



**BILL**

To amend the Social Security Act to modernize provisions relating to rural health clinics under Medicare.

Senate and House of Representatives of the United States of America in Congress assembled

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**We may need some antacids this Thanksgiving**

CRITICAL FUNDING SET TO EXPIRE: Nov. 21, 2019:

- Community Health Centers
  - The Primary Care Powerhouse: mental health, oral health, substance abuse
- National Health Service Corps
- Teaching Health Center Funding



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**Critical Access Hospitals and the Rural Hospital Closure Crisis**



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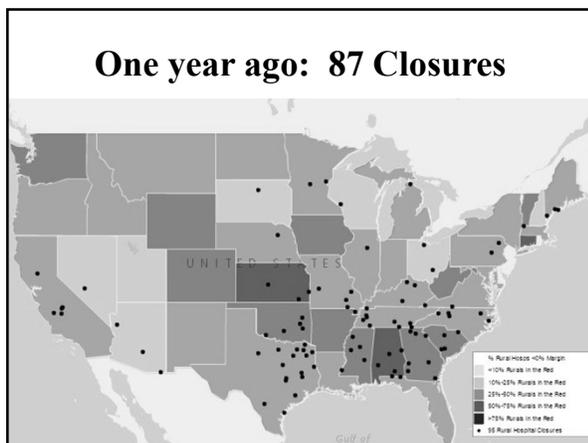
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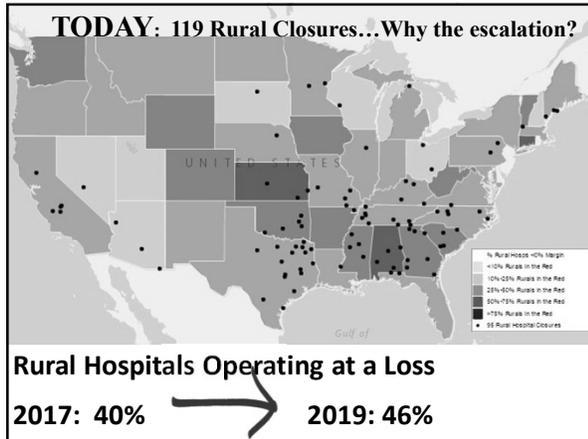
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**Study: 16 rural hospitals in Ky. at high risk of closing; 35 in poor financial health**

- KHA recently replicated a narrower study that looked at the financial health of 44 rural hospitals in 2015 and found that their situation has worsened. The first study found that 15 of the 44, or 34%, were in poor financial health. The updated study added eight more to the list, bringing the number to 23, or 52 percent of the total.
- A University of Kentucky study found that ambulance-run length for rural patients increased 76%, from 14.2 minutes to 25.1 minutes, when their hospital closes. For seniors that transport time was 98% longer, going from 13.9 minutes to 27.6 minutes.

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**Rural Hospital Medicare Utilization**

Category	Medicare Percent of	
	Days*	Discharges*
Urban	50%	44%
All Rural	63%	56%
Sole Community Hospitals	58%	50%
Medicare Dependent Hospitals	66%	58%
Critical Access Hospitals	67%	61%

\*Includes Medicare HMO volume

- Medicare utilization is significantly higher in rural hospitals
  - Medicare cuts are a bigger share of budget
  - Less commercial volume to subsidize Medicare cuts

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### CAH – Why 101% Isn't 101%

- Sequestration reduces net Medicare payments by 2% (since 2013);
- If not meaningful user of electronic health records, payments decrease starting in 2015, up to 1% by 2017 & thereafter;
- Medicare bad debts reduced by 35% for cost reports beginning on or after 10/1/14

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### One-year Impact of Current and Pending Policies

	Sequester	Bad Debt
Hospital Revenue	\$371.3M	\$127M
Potential Job Loss	8,032	2,879

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### Rural Hospital Closures Boost Mortality Rates by Nearly 6%

- September 2019 research shows that patients are more likely to die following a rural hospital closure; urban closures had no measurable impact on mortality.
  - Rural hospital closures increased mortality by about 5.9 percent overall
  - National Bureau of Economic Research.

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“Rural closings increase travel times for patients, and lead to outmigration of health care professionals post-closure, severely dismembering patient access to care and exacerbating social disparities in health outcomes,” researchers Kritee Gujral and Anirban Basu wrote in their study.



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What is Congress doing to improve Rural Health Care Access?

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The U.S. House of Representatives  
COMMITTEE ON APPROPRIATIONS

**Rural Health Safety Net - Appropriations**

House:

- HHS Budget: \$8.5 billion over last year; \$20.9 billion over President’s request.
- HRSA Budget: \$8.5 billion over last year; \$1.5 billion over President’s budget.

Senate:

- Mark-up delayed. Release language - - numbers look positive...BUT...Don’t hold your breath, due to partisan politics, likely will be a CR.



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**Older Americans Act Reauthorization**

Offers assistance to persons with the greatest social or economic need, such as low-income or minority persons, older individuals with limited English proficiency, and older persons residing in rural areas.

**Other snags:**

- Surprise Billing
- Drug Pricing



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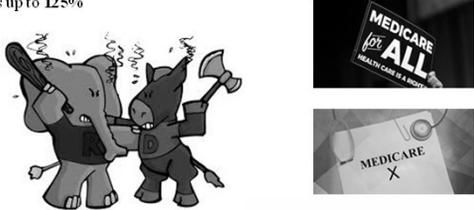
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**Bigger Health Reform Debate Legislation**

Medicare for All – several proposals

Medicare Buy-in (public option) -- Medicare X: Reintroduced by Senators Tim Kaine and Michael Bennet (D-CO) – reimburses rural providers up to 125%



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**Will Congress Do About the Hospital Closure Crisis?**

- Congress has strong interest in new payment models.
- Senate Finance Committee is having the most serious discussions.
  - Chairman Grassley REACH Act
  - Sen. Casey (D-PA) - global budget model
- Remember: Congress will have a hospital bill due to DSH payment expirations.

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**The Debate Among  
New Payment Models**

**OLDER MODELS**

- Frontier Extended Stay Clinic (FESC)
- Frontier Community Health Integration Project (F-CHIP)
- Rural Community Hospital Demonstration Program

**NEWER MODELS**

- Global Budget Model – Sen. Bob Casey (D-PA)
- 24/7 ER Model with Cost-Based Reimbursement
  - Community Outpatient Hospital
  - REACH ACT

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**NRHA GOALS**

- Must Keep Doors Open**
- Must be Sustainable**
- Must Act with Urgency -- need some type of stabilization for current closure crisis.**

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**Key Rural Legislation**

- Ways & Means
  - ◊ Critical Access Hospital Relief Act of 2019 (H.R. 1041)
    - ◊ Removing the 96-Hour physician certification requirement for inpatient critical access hospital services
  - ◊ Rural Health Task Force
    - ◊ Reprs. Sewell (D-AL), Arrington (R-TX), Wenstrup (R-OH), Davis (D-IL)
- Senate Bills:
  - ◊ S. 2157 – Rural Hospital Sustainability Act of 2019 (Sen. Robert Casey)
  - ◊ S. 2373 - RMOMS Act re-introduction (Sen. Tina Smith)
  - ◊ Rural Health Clinic Modernization Act
- ◊ Appropriations: Labor HHS - - Community Health Center funding

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### Could reinstating “necessary provider” help closure crisis?

- **H.R.2990 - Rural Health Care Access Act of 2019**, Rep Green (R-TN), Rep Thompson (D-MS)  
*“The legislation would repeal an arcane rule called ‘the 35-mile rule’ that bars hospitals from pursuing a Critical Access Hospital (CAH) designation...Rural hospitals are an integral part of the rural health care system. We must make sure rural communities have the same access to health care as urban areas,” said Rep. Bennie Thompson.*
- **Rural Hospital Closure Relief Act** - Rep. Adam Kinzinger (R-IL) and Dick Durbin (D-IL) – open necessary provider on limited basis.

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### The Rural Moms Act

- **Improve rural maternal and obstetric care data** by directing the Centers for Disease Control and Prevention (CDC) to coordinate efforts with respect to maternal mortality and morbidity. **Award new rural obstetric network grants** to establish regional innovation networks to improve maternal mortality and morbidity, as well as birth outcomes.
- **Expand existing federal telehealth grant programs** to include birth and postpartum services as part of telehealth networks and allow federal funding to be used for ultrasound machines, fetal monitoring equipment, and other technology.
- **Establish a new rural maternal and obstetric care training demonstration** to support training for family medicine physicians, obstetricians, nurse practitioners, physician assistants, midwives, doulas, and other professionals to provide maternal care services in rural community-based settings.
- **Report on maternal care in rural areas** to identify the locations of gaps in maternity care, disparities in maternal health in rural areas by race and ethnicity, recommendations to standardize data collection on maternal mortality and morbidity, and activities to improve maternal care in rural areas.

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### What is the best chance of getting something done this year? Senate Finance Committee

- New Model
- Rural PPS/CAH Transition
- Rural Health Clinic Modernization Act
- Senator Tim Scott is key.
- Note: Congress must pass some type of health care bill before the end of the year.



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**We need you!**

- Tell the Senate we need a rural health care package to pass.
- Priority – Senate Finance Committee
- NRHA sample letter.



Majority	Minority
<ul style="list-style-type: none"> <li>• <b>Chuck Grassley</b>, Iowa, <i>Chairman</i></li> <li>• <b>Mike Crapo</b>, Idaho</li> <li>• <b>Pat Roberts</b>, Kansas</li> <li>• <b>Mike Enzi</b>, Wyoming</li> <li>• <b>John Cornyn</b>, Texas</li> <li>• <b>John Thune</b>, South Dakota</li> <li>• <b>Richard Burr</b>, North Carolina</li> <li>• <b>Johnny Isakson</b>, Georgia</li> <li>• <b>Rob Portman</b>, Ohio</li> <li>• <b>Pat Toomey</b>, Pennsylvania</li> <li>• <b>Tim Scott</b>, South Carolina</li> <li>• <b>Bill Cassidy</b>, Louisiana</li> <li>• <b>James Lankford</b>, Oklahoma</li> <li>• <b>Steve Daines</b>, Montana</li> <li>• <b>Todd Young</b>, Indiana</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Bon Wyden</b>, Oregon, <i>Ranking Member</i></li> <li>• <b>Debbie Stabenow</b>, Michigan</li> <li>• <b>Maria Cantwell</b>, Washington</li> <li>• <b>Bob Menendez</b>, New Jersey</li> <li>• <b>Tom Carper</b>, Delaware</li> <li>• <b>Ben Cardin</b>, Maryland</li> <li>• <b>Sherrod Brown</b>, Ohio</li> <li>• <b>Michael Bennet</b>, Colorado</li> <li>• <b>Bob Casey</b>, Pennsylvania</li> <li>• <b>Mark Warner</b>, Virginia</li> <li>• <b>Sheldon Whitehouse</b>, Rhode Island</li> <li>• <b>Maggie Hassan</b>, New Hampshire</li> <li>• <b>Catherine Cortez Masto</b>, Nevada</li> </ul>

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Regulation Season



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**IPPS Reg – Wage Index**

*Wage Index Changes*

- 422 rural hospitals helped, 353 with no change, and 61 hurt
  - Average increase for winners is 3.49%
  - Average loss for losers is 1.1%

**CAH Physician Residency Program Improvement**

- Allows Medicare to reimburse residency programs for the time residents spend at CAHs.  
Based on Rural Residency Act introduced by Sen. Tester (D-MT)

**CAH Ambulance Payment Improvement**



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