

Kentucky Rural Health Association Conference

NRHA
NATIONAL RURAL HEALTH ASSOCIATION



Celebrate the greatness of Kentucky's rural health providers!

- Rural independence; rural work ethic; rural ingenuity; rural providers doing more with less.
- Fortitude even through the most challenging of times.



- ✓ Higher quality
- ✓ Higher patient satisfaction
- ✓ Cost-effective
- ✓ Fewer Resources

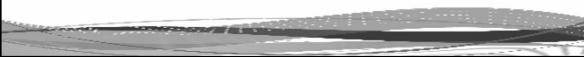
NRHA

Today

Challenges
continue

Rural
Victories

Midterm
elections



Non-Profit and Non-Partisan



The continuing challenges in rural Kentucky...

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



Kentucky Rural Health Care

- 27 Critical Access Hospitals
 - 205 Rural Health Clinics
 - 198 Federally Qualified Health Centers located outside of Urbanized Areas
 - 46 rural PPS hospitals



Social Determinants of Health for Rural Kentucky

- 6% of Kentucky residents lack health insurance (Kaiser, 2016).
 - Average 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 rural Kentucky is 5.9%, while in urban Kentucky, it is 4.3%.



Rural Mortality Rates. *A Rural Divide in American Death*

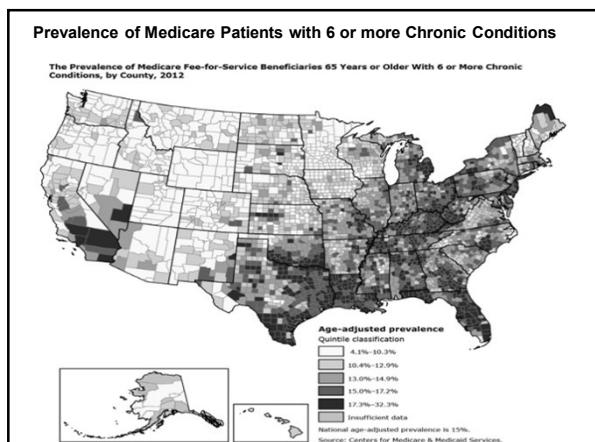
Center for Disease Control January, 2017 Study:

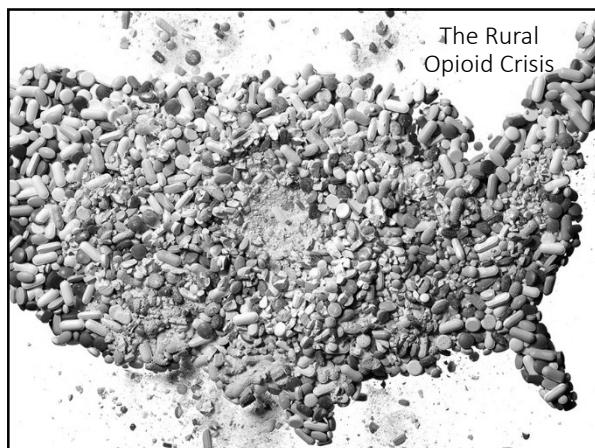
"The death rate gap between urban and rural America is getting wider"

- Rates of the five leading causes of death — heart disease, cancer, unintentional injuries, chronic respiratory disease, and stroke — are higher among rural Americans.
 - Infant mortality rates are 20% higher than in large urban counties.
 - Mortality is tied to income and geography.
 - Minorities, especially Native Americans die consistently prematurely nation-wide, but more pronounced in rural areas.
 - **Startling increase** in mortality of white, rural women. Causes:
 - Risky lifestyle (smoking, alcohol abuse, opioid abuse, obesity)
 - Environmental cancer clusters
 - Suicide





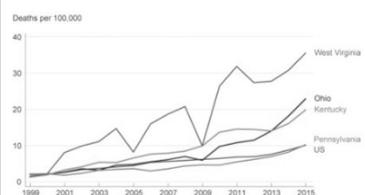




States at Greatest Risk

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)



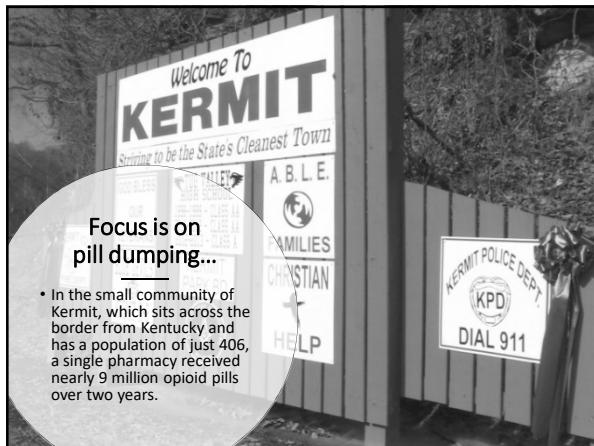
Opioids Ravage Rural America

- 175 deaths each day.
 - Up 30% in 2017 from 2016.
 - In rural America opioid death rates quadrupled among those 18-25 years old and tripled for females.
 - ***Death rate is 45% higher in rural counties.***
 - “Forgotten people” of opioid epidemic – Native Americans and Alaskan Natives – 30% under-reported.



Congress is learning:
Most vulnerable are at risk

- Every 15 minutes a baby is born with opioid withdrawal syndrome.
 - The number of babies who were exposed to opioids in the womb rose by more than five-fold in the last four years, according to a new analysis of Medicaid data.
 - Dr. Stewart Patrick, Vanderbilt University Medical Center before an April, 2018 Senate HELP Hearing



- In the small community of Kermit, which sits across the border from Kentucky and has a population of just 406, a single pharmacy received nearly 9 million opioid pills over two years.

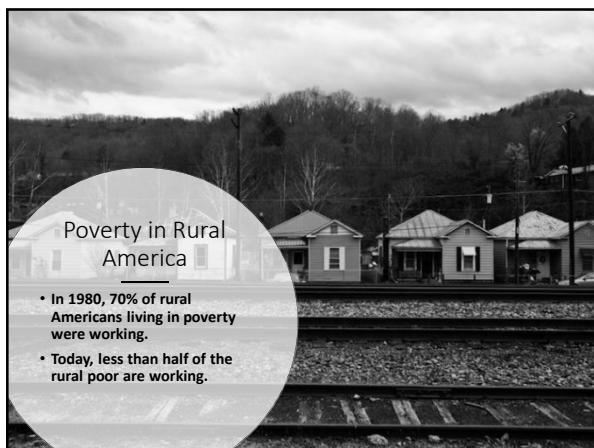
**THE
BLAME
GAME**

"I want you to feel shamed in your roles, respectively, in all of this," David McKinley (R-WV)

- May 8 – Energy and Commerce Oversight Hearing.
- Drug manufacturers blame physicians for over-prescribing.
- Two Family Discount Pharmacy locations in Mount Gay-Shamrock, population 1,779, and Stollings, population 316, received more than 20 million opioid, hydrocodone and oxycodone between 2008 and 2016. The two pharmacies are just 3 miles apart.
- Just one drug manufacturer supplied nearly 6 million pills to the Mount Gay-Shamrock location between 2008 and 2012. This means the manufacturer supplied an average of 3,561 pills every day to this single pharmacy for four years, the House panel said.

- May 8 – Energy and Commerce Oversight Hearing.
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"I want you to feel shamed in your roles, respectively, in all of this," David McKinley (R-WV)



- In 1980, 70% of rural Americans living in poverty were working.
 - Today, less than half of the rural poor are working.

Persistent Poverty in Rural Kentucky



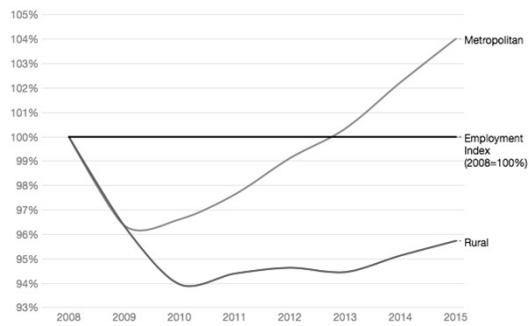
Poverty Rates for Kentucky's Children

- 25% of Kentucky's children are living below the federal poverty level.
- 12% of Kentucky's children live in extreme poverty, which is below 50 percent of the poverty level.
- Nearly half of Kentucky's children live in homes considered low income, or 200 percent of the poverty level, the report found.
- The poverty level is defined as annual income of \$24,600 for a family of four.
- 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.

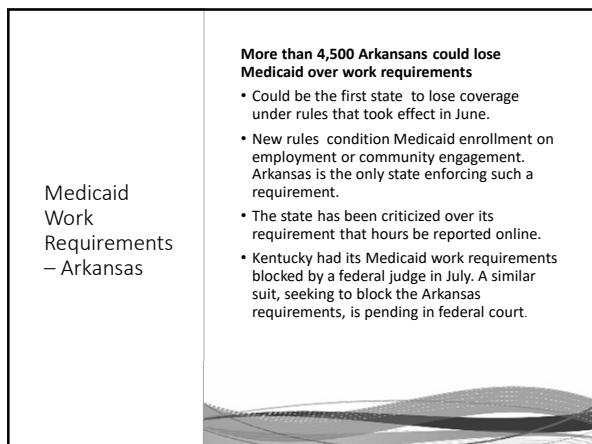
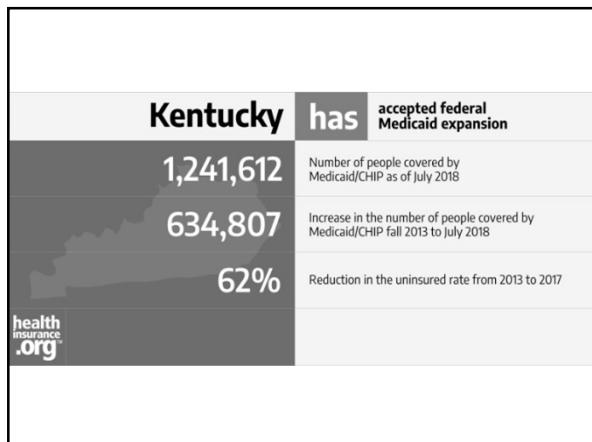
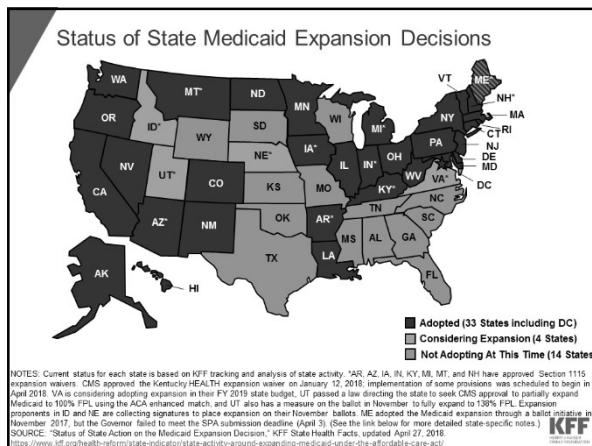


Job growth in America

Since 2008, job growth in metropolitan areas has outpaced that in rural areas.



The Conversation, CC-BY-ND

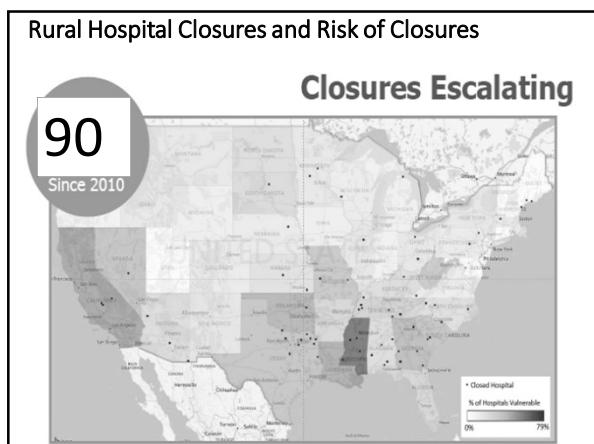
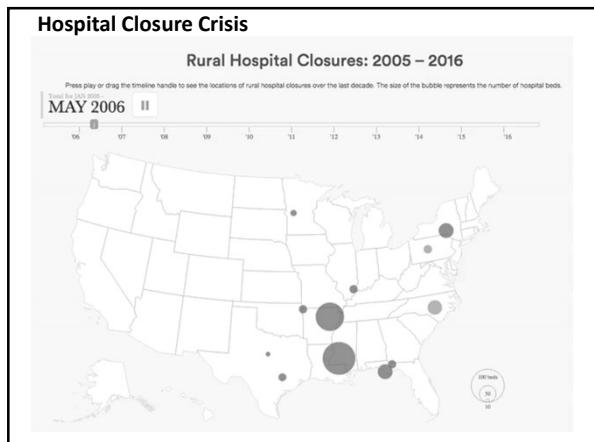


"Health Advocacy Groups unite to push for Medicaid expansion"

- "It's hard to look at people in the face and tell them to pull themselves up by their bootstraps when they can't afford boots," said Rebecca Jolley of Rural Health Association of Tennessee.
- Jolley said **18 to 22% of people in rural Tennessee communities are uninsured**. She said that's not the only problem they face.
- "We have seen eight hospital closures in the recent past," she said. "Travel times increase for everyone. For people in cases of emergency, it can be a matter of life and death literally. **If you want to see a small town not thrive, close its hospital.** We have a lot more in peril of closing. A lot of our rural hospitals are surviving on bare bones, negative margins."



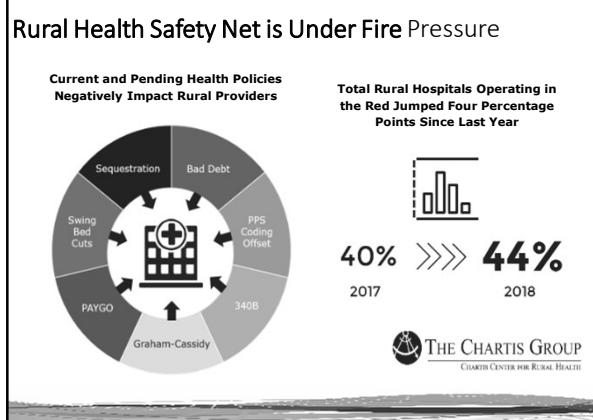
WHAT: PUBLIC FORUM ABOUT INVEST IN THE HOSPITAL CLOSURES WHEN: WEDNESDAY, JUNE 17TH AT 7:00 PM WHERE: JACKSON PUBLIC LIBRARY





Here are the seven states with the most rural hospital closures since 2010, according to the analysis.

- Texas — 14 hospitals.
- Tennessee — 8 hospitals.
- Georgia — 6 hospitals.
- Alabama — 5 hospitals.
- Mississippi — 5 hospitals.
- North Carolina — 5 hospitals.
- Kentucky — 4 hospitals.



Why are hospitals losing money?

RURAL PROVIDERS ARE SUBSIDIZING CARE.

Impact of Bad Debt

- Medicare and Medicaid bad debt has increased by nearly 50% since the ACA was signed into law.
 - Private bad debt?
 - Bad debt cuts cause \$3.8 billion over 10 years to be lost.



Impact of Sequestration



- Projected impact of the Sequester to rural hospitals and communities within one year.¹

The infographic consists of three circular icons with corresponding text boxes below them. The first icon shows a bar chart with a dollar sign, labeled 'Revenue Lost within 1 year²' and '\$320M'. The second icon shows two people in medical scrubs, labeled 'Jobs Lost within 1 year³' and '7,100'. The third icon shows a hand holding a dollar sign, labeled 'GDP Lost within 1 year⁴' and '\$800M'.

 - Revenue Lost within 1 year²
\$320M
 - Jobs Lost within 1 year³
7,100
 - GDP Lost within 1 year⁴
\$800M
 - Median rural hospital loses \$71,000 from sequestration;
 - Rural Health Clinics net payment decrease from Medicare is 1.62% of capitated rate.

"If you want to watch a rural community die, kill its hospital"

Sept. 22, 2017, HuffPost

GLENWOOD, Ga. — After the Lower Oconee Community Hospital shut down in June 2014, other mainstays of the community followed. The bank and the pharmacy in the small town of Glenwood shuttered. Then the only grocery store in all of Wheeler County closed in the middle of August this year.

On Glenwood's main street, building after building is now for sale, closing, falling apart or infested with weeds growing through the foundation's cracks...

The hospital's closure eliminated the county's biggest health care provider and dispatched yet another major employer. Glenwood's mayor of 34 years, G.M. Joiner, doubts that the town will ever recover.

"It's been devastating," the 72-year-old mayor said, leaning on one of the counters in Glenwood's one-room city hall. "I tell folks that move here, 'This is a beautiful place to live, but you better have brought money, because you can't make any here.'"

Rural hospitals are in danger across the country, their closures both a symptom of economic trouble in small-town America and a catalyst for further decline.

Maternity Care is Disappearing in Rural America

- In 1985, 24% of rural counties lacked OB services. Today, 54% of rural counties are without hospital based obstetrics.
- More than 200 rural maternity wards closed between 2004 and 2014.



Rural Obstetric Factors

- Rural areas have higher rates of chronic conditions that make pregnancy more challenging, higher rates of childbirth-related hemorrhages and higher rates of maternal and infant deaths.
- Half of rural women in rural communities live more than the recommended 30 minutes from a hospital offering maternity services.
- Workforce shortages and medical liability costs.



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



Victories: A year ago we told you the politically powerful are listening...



"If we've learned nothing from the last election, it's that we can't listen to rural America enough."

Senate Minority Leader Chuck Schumer



Rural Victories: Appropriations

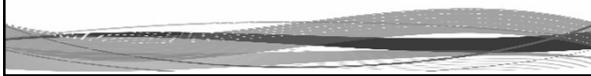
- First time in more than a decade, a L-HHS Bill has been approved by Congress.
 - Unprecedented Funding for:
 - Rural Health Safety Net;
 - Opioid prevention funding;
 - National Institute of Health.
 - Remember also operating off of 2-year budget bill that passed in February, which included significant rural funding.

The Details

- **Medicare Rural Hospital Flexibility Grants** - \$53.6 million – \$3.2 million over NRHA request.
 - Of Rural Hospital Flexibility Grants funds, \$19.9 million is specifically provided for the Small Rural Hospital Improvement Grant.
 - **State Offices of Rural Health (SORH)**
\$10 million to help the SORH improve rural health care across our country.
 - **Telehealth Programs:** The bill focuses resources toward efforts and programs to help rural communities, including \$25.5 million, \$2 million above FY2018, for Telehealth.
 - **Workforce:** The committee appropriated \$40.25 million, \$2 million above FY2018 for Area Health Education Centers (AHECs). An additional \$15,000,000 will be available through September 30, 2021 to support the Rural Residency Development Program.

And, Opioid Funding in Approps Bill...

- \$3.7 billion, an increase of \$145 million, to fight the opioid crisis
 - For treatment and prevention efforts; finding alternative pain medications; workforce needs, especially in our rural communities; and behavioral health.
 - **Two Specific Rural Victories:**
 - \$200 million for Community Health Centers to support and enhance behavioral health, mental health, or substance use disorder services.
 - \$120 million focused on specifically on responding to the opioid epidemic in rural communities.



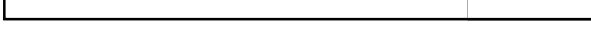
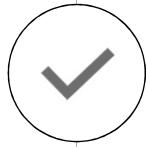
Examples of Rural Focus in Appropriations Bill

- **New Grant dollars for Obstetric Shortages:** Senators Lisa Murkowski (R-AK) and Heidi Heitkamp (D-BD) \$1 million grants for the purchase and implementation of telehealth services or other necessary technology and equipment to improve care coordination and delivery for pregnant women in rural (Sens. Heitkamp (D-ND) and Murkowski (R-AK)).
 - **Coal Workers Surveillance Program Improvements:** (Sens. Manchin (D-WV), Shelley Moore Capito (R-WV), Sherrod Brown (D-OH), and Bob Casey (D-PA))



Opioid Funding Agreement Reached. Huge amounts of spending.

- Changes funding formula for states to receive funds -- will help rural states with most significant problem.
 - **Expands Medicaid Inpatient Coverage.**
 - **Technical Assistance and Grants for Tribes**
 - **First Responder Training** --allows first responders to administer a drug or device like naloxone, to treat an opioid overdose.
 - **Health Providers Shortages Areas** -- Allows National Health Services Corps (NHSC) to provide services in schools and with mental health professional shortages.
 - **Loan Repayment for Substance Abuse Treatment Providers** -- modifies NHSC for behavioral health providers practicing in substance use disorder treatment facilities in mental health professional shortage areas through NHSC.
 - **Grants for Community Building Programs.**
 - **Expanding Medication Assisted-Treatment (MAT) for Recovery from Addiction**
 - **Eliminates Certain Site Requirements for Telemedicine under Medicare.**
 - **Improving Access to Telemedicine** -- allows use of MAT through the use of telemedicine.
 - **Neonatal Abstinence Syndrome (NAS)** -- Provides support for NAS care in residential pediatric recovery centers and for services to mothers and caretakers under Medicaid. (Like Lil's Place in WV).
 - Huge SMHSA and Centers for Disease Control Research increases.





More Rural Victories:

- New Rural Health Title in bill
- Rural Health Liaison
- Farer Suicide Prevention
- Loan Assistance Program

- USDA conducting Series of roundtables on how to improve economic development and health in rural farm communities.

Veterans Health Care



- Major overhaul of Veteran's Choice Act

- VA Mission Act, would alter eligibility criteria for veterans to access private-sector health care, extend benefits for veteran caregivers and initiate a review of VA infrastructure, among other changes.

- \$51 billion over a five-year period.

More Congressional efforts to help rural providers



- Ways and Means Releases Red Tape Relief Report
 - Report discusses opportunities to reduce regulatory burdens placed on Medicare providers while also ensuring increased efficiency and quality of Medicare programs.
 - Exclusive use
 - Physician supervision
 - Star Rating
 - 96 hour rule

- Senate Finance Committee Rural Hearing
- Senate HELP Committee Rural Hearing

And, shortly before the election...



Thank you -- YOU have made a difference!
Remember what happens when you speak up!



RURAL HAPPENDED



"If Medicaid is cut, that hospital will not survive. It's the biggest employer in town. It has 180 good-paying jobs. So not only would people lose access to health care that they need, it would be a devastating blow to the community. You could go all over the state and find that would be true."

Senator Susan Collins speaking about rural hospital in Greenville, Maine.

Regulatory Victories with Administration



New “rural lens” at CMS

"For the first time, CMS is organizing and focusing our efforts to apply a rural lens to the vision and work of the agency."

CMS Administrator Seema Verma

Five objectives to achieve the agency's vision for rural health:

- Apply a rural lens to CMS programs and policies
 - Improve access to care
 - Advance telehealth and telemedicine
 - Empower patients in rural communities
 - Leverage partnerships



CAH Mileage Requirement Victory

Earlier this year...

- CMS Improperly Reinterpreted CAH Mileage Requirements.
- Misguided view was:
 - Opposite of clear legislative language (as well as CMS's previous and consistent interpretation).
 - Would cause hundreds of CAHs to lose their CAH status, forcing the vast majority to close.
- For the first time, CMS deemed that an outpatient clinic (which has no emergency care, limited operating hours and services) is considered a "like facility."
- After challenging the issue, CMS withdrew the altered interpretation.



More Regulatory Victories:

- Rural Exemptions from 340B cuts – protected CAHs and Sole Community Hospitals
- Star Rating – no more grey stars for comparison
- Low Volume Hospitals-Indian Health Service fix
- Physician Supervision moratorium

Administrative Victories: New Federal Assistance for Rural Hospitals

- HHS Vulnerable Rural Hospital Assistance Program
 - Targeted, in-depth assistance program to vulnerable rural hospitals with communities struggling to maintain access to care.
 - Funding will be utilized to help rural hospitals stay financially stable, keep care local, and best meet needs of the community.
 - Currently being rolled out -- likely available in October.
- USDA Rural Hospital Assistance Program
 - Help struggling hospitals who have received a USDA loan.
 - Offers hand-on technical and financial assistance
 - Goal to keep rural hospital doors open.





Growing Support for New Payment Models...

- Global budget concept growth:
PA, OK, WA
- Other Associations are now advancing as well.
- Greater interest on Capitol Hill and with the Administration.
- NRHA IS LEADING THE WAY!



Importance of Global Budget Model

- Enables a focus on prevention and chronic disease management.
- Creates sustainability, long-term model.
- Solves the paradox of changing your payment arrangements to keep pace with your delivery system reforms.



Save Rural Hospitals Act



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.

Rural Medicare beneficiary equity. Eliminate higher out-of-pocket charges for rural patients (total charges vs. allowed Medicare charges.)

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)

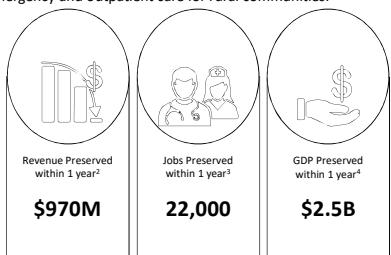
Innovation model for rural hospitals who continue to struggle.

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
 - FFCQHC 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.”***
 - ***“\$50 million in wrap-around population health grants.***

Alternative Model for the Future: *Graves-Loebssack Save Rural Hospital Act*

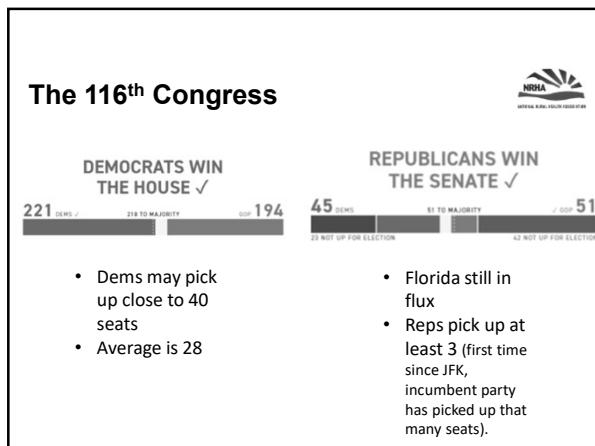
- Under the Save Rural Hospitals Act, *Community Outpatient Hospital* status would preserve emergency and outpatient care for rural communities.¹

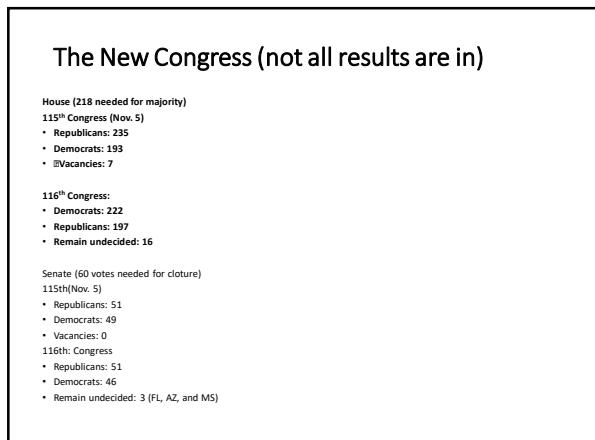


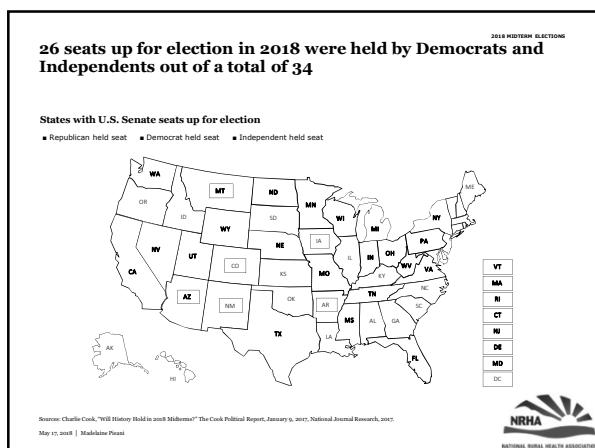
This model is based upon the three key elements of the Community Outpatient Hospital reimbursement structure: 105% of reasonable costs reimbursed, exemption from 2% sequestration, and 100% of bad debt reimbursed (not inclusive of grant funding). Modeled impact reflects revenue, jobs and GDP preserved across all 1,654 eligible providers (rural hospitals with no more than 50 beds) that would financially benefit from conversion to the proposed provider status.

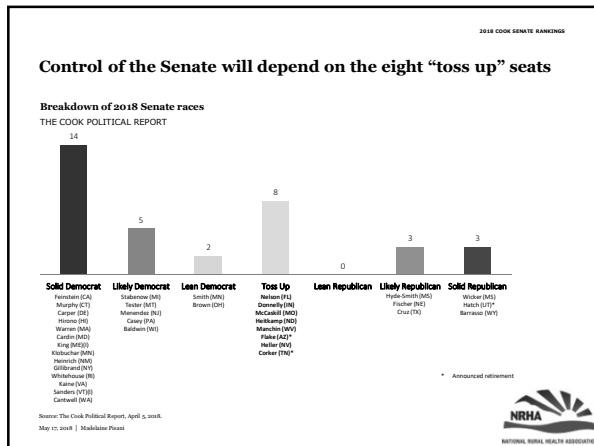
The Politics of Today -- the Midterm Elections











Health Care and Election

- Remained a campaign issue
- A Recent Politico poll:
 - Health care should be a top priority - 55%
 - Reducing the federal budget deficit came close with 51%
 - 60% of Americans think insurance premiums will go up

Protecting Pre-Existing Conditions

Kaiser Survey

• The July Kaiser Health Tracking Poll finds a candidate's position on protecting people with pre-existing health conditions is the top health care campaign issue for voters, among a list of issues provided.

• This issue cuts across voter demographics with most Democratic voters (74%), independent voters (64%), and voters living in battleground areas (61%), as well as half of Republican voters (49%) saying a candidate's position on continued protections for pre-existing health conditions is either the single most important factor or a very important factor in their 2018 vote.

What Can Split Chambers Pass?

Infrastructure

- With the chambers split, a massive infrastructure package could be the one thing that they can agree on
- In a recent Rebuild Rural Coalition meeting – Sen. Martin Heinrich (NM), who won his reelection campaign last night, announced that this will be one of his top priorities moving forward.
- We will work to ensure that both Chambers and both parties understand that health care is infrastructure in rural America.
 - We're ready to go whenever Congress is, but we can always use your input on the priorities you see for us in this package.



What Can Split Chambers Pass?

A New Model for Rural Health

- Democrats and Republicans alike agree on the importance of rural health care, and everyone likes to save money, cut red tape, and foster innovation.
- As we move forward, this will be one of our top priorities in the new Congress.
- The Senate has already shown interest – remember their Rural Health hearing this spring



AT THE STATE LEVEL

Medicaid Expansion and the governorship were on the ballot this year in some rural states.

When Medicaid Expansion is directly related to hospital closures, this could be the critical lifeline for many rural providers that states desperately need.



Medicaid and Rural Hospitals

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"[T]he ACA's Medicaid expansion was associated with improved hospital financial performance and substantially lower likelihoods of closure, especially in rural markets and counties with large numbers of uninsured adults before Medicaid expansion." – Health Affairs

Did Medicaid Expansion pass?

- Idaho - YES
- Nebraska – YES
- Utah - YES
- Montana – Montana voters rejected a tobacco tax to continue Medicaid expansion

New Governors Could Expand Medicaid

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- Wisconsin – Tony Evers (D) beats out Scott Walker (R)
 - Has not expanded Medicaid
- Florida – Ron DeSantis (R) beats out Andrew Gillum (D)
 - Has not expanded Medicaid
- Kansas – Laura Kelly (D) beats out Kris Kobach (R)
 - Has not expanded Medicaid
 - Kelly's campaign ads discussed rural hospital closures and the need for Medicaid Expansion

Follow us today.
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#RebuildRural
#SaveRural
#RuralHealth



**READY TO TAKE ACTION?
JOIN US AT THE 30TH ANNUAL
RURAL HEALTH POLICY INSTITUTE.**

Register today at ruralhealthweb.org/PI



THANKYOU!
Maggie Elehwany
Vice President of
Government Affairs and
Policy
National Rural Health
Association
