



Rural Health – A National Perspective

Alan Morgan
 Chief Executive Officer
 National Rural Health Association



NRHA Mission

The National Rural Health Association is a national membership organization with more than 20,000 members whose mission is to *provide leadership on rural issues* through advocacy, communications, education and research.


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Agenda


- Change comes to Washington
 - New players and new power for old players
 - Regulations on hold...
- Health reform coming to Washington?
 - Stimulus package
 - The Jigsaw Puzzle of health reform
- Be a rural advocate!

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Change comes to Washington...

- Jan 20, 2009: Inauguration Day
- Obama had served on the HELP cmte.
- Assumption that Biden will focus on foreign policy
- Campaign promises on health



Obama vs McCain, 2008

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Health Leadership Team

- Gov. Kathleen Sibelius, HHS Sec. Designate
- Nancy-Ann DeParle, Health Reform Czar
- Mary Wakefield, HRSA Administrator
- Rep. Rahm Emanuel, WH Chief of Staff



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Health Reform: Desire for change

- Is this the year?
- Most buzz since...
 - 92-93 – HillaryCare
 - 70s – too much for Nixon
 - 60s - Medicare/Medicaid
 - 12? - T. Roosevelt's failed campaign
- Campaign promise

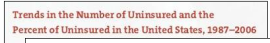

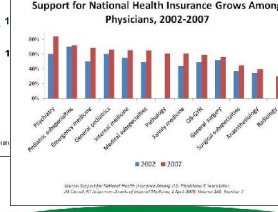



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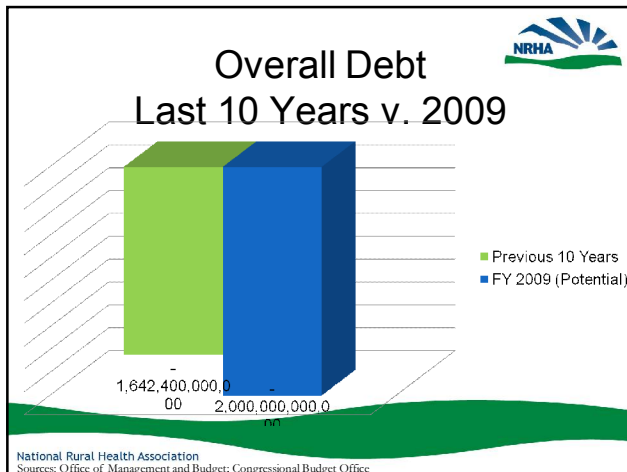
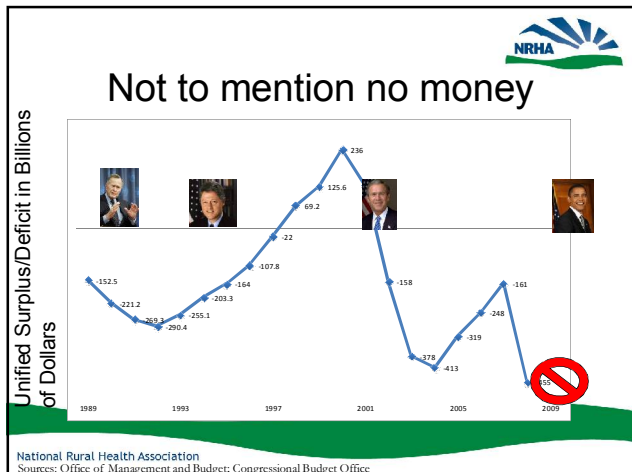


Impetus for reform

- Nearly 50 million uninsured
- Global economy is hurting companies ability to offer care
- Providers burdened with paperwork and lots of no-pay patients

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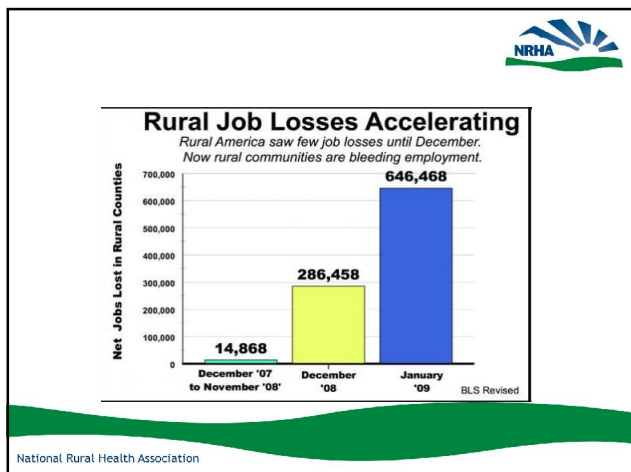
Recession Hits Rural America

- In December alone, 282,000 were lost in the nation's 2,048 rural counties.
- December numbers indicate a 29% increase in job losses.
- Uninsured and Under-insured rates are rising at a faster rate in rural America than urban America.

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- Over the last decade, cities and towns across nation lost manufacturing jobs, but gained health care jobs.
- Last year the manufacturing industry lost 310,000 and health care industry gained 363,000.
- Rural manufacturing jobs declined at double the rate of urban manufacturing jobs.
- **Education and health care** are the largest rural employers; health care add the most jobs to the rural economy in 2007 and 2008.

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Healthcare Critical to Rural Economy

- Healthcare is the fastest growing segment of rural economy.
- Each rural physician generates 23 jobs in the local rural economy
- In most rural communities hospitals are the largest or second largest employer
- Health care often represent up to 20 percent of a rural community's employment and income.

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HEALTH REFORM FOR RURAL AMERICA

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First stab? – ARRA

American Recovery and Reinvestment Act
Or Stimulus Bill



- \$787 billion package
 - \$87b for Medicaid
 - \$1.1b for comp. effect research
 - Includes rural
 - Rural broadband
 - Rural water projects
 - Workforce training
 - Prevention/wellness

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- \$2b for grants and office of HIT coord.
- Incentive payments for meaningful adoption:
 - RHC/FQHC
 - 30% needy patients
 - Medicaid cover no more than 85% of IT costs
 - Eligible providers
 - Medicare up to 41k
 - Medicaid, if 30% Medicaid – 85% of IT costs
 - CAHs
 - Depreciation value of Medicare IP % plus 20%
 - Paid same yr. as becoming meaningful
 - PPS Hospitals
 - Base of 2m plus amount per discharge up to 23k
 - Paid over four year period

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Health Information Technology

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- “Down payment” on health reform
- Covers an additional 4 million children
- Special outreach for rural children




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Appropriations and the Budget

- Finally finished 2009 funding
- Starting 2010 funding
- Just finished the Budget
- Important Rural Health Amendment part of the Senate Budget

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Obama Campaign Plan


1. Lower costs
 - HIT, care coord.
2. Universal (or close)
 - Today's system plus
3. Public health
 - Preventative services and prepare for emergency

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Obama and Rural Health


- Seems committed
 - Responded to NRHA
 - Transition teams
 - Feedback wanted
- Reimbursement equity
- Workforce
- Infrastructure




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 Photo taken by Tim Fry at the Inauguration of President Barack H. Obama, 44th President of the United States



- Geographic
- Cultural
- Payment/Reimbursement
- Poverty/Sociological
- Lifestyle
- Aging (high chronic disease)
- Employment (hazards)
- Accidents
- April 2008 Harvard study:
 Life expectancy actually declined in certain rural populations (Appalachia/Deep South)




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Rural Health Safety Net Programs

- Rural Outreach and Network Grants
- Rural Health Research
- State Offices of Rural Health
- Rural Hospital Flexibility Grants
- Rural and Community Access to Emergency Devices
- Rural EMS
- Community Health Centers
- National Health Service Corps
- Title VII and Title VIII
 - Areas Health Education Centers
 - Geriatric Programs
- Denali Commission
- Delta Health Initiative

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Provider impact or “What this means for you?”




- Payment cuts?
 - Likely long-term
- Less “no pays”
 - Possibly
- Rural payments?
 - Likely to continue
- Federal control
 - Likely more

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- To resolve the health care crisis in rural America, the rural health care safety net must be prevented from crumbling. Four reforms are crucial:
 - The workforce shortage crisis must be abated;
 - Equity in reimbursement must occur;
 - Decaying rural health care infrastructure must be repaired and non-existent infrastructure must be created; and
 - Health disparities among vulnerable populations must be corrected.

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- Improving IT Investment in Rural America
- Improving USDA and HUD lending programs
- Strengthening State Offices of Rural Health


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So Many Moving Parts...

- Senate HELP Committee - - insurance, workforce, non-Medicare
- Senate Finance Committee - - Medicare, Medicaid, Social Security, Graduate Medical Education
- House Ways and Means - Medicare, Graduate Medical Education
- Energy and Commerce - - Medicaid, Insurance, workforce
- Education and Labor - - Education loans


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Committee Philosophies


- HELP: Kennedy long history of health care, but too ill to chair. R's shut out of process.
- Finance: long history of bipartisanship, rural champs, moderate members - - cross-over votes (Snowe, Hatch)
- Ways and Means: Strong personalities (Rangle, Stark) Rs shut out of process.
- Energy and Commerce: Struggle for control between Waxman and Dingell. Rs shut out of process.

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The President's 8 Principles

- Reduce health care costs
- Protect families from bankruptcy and debt of medical costs
- Guarantee choice of doctors and health plans
- Invest in prevention and wellness
- Improve patient safety and quality of care
- Ensure affordable coverage for everyone
- Maintain coverage when you lose job
- End barriers to coverage for pre-existing conditions.



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- H-CARE and R-HOPE Act
 - Important CAH provisions
 - RHC cap increase
 - Medicare Dependent and Sole Community Hospital Provisions
 - GPCI
 - MedPAC Rural Representation
 - 340B drug program expansion


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- Expand National Health Service Corp
- Title VII and Title VIII improvements
- Improve Residency Training Programs
- Medical School Rural Training Tracks
- Lift Caps on Rural Residency Programs
- Meet the Needs of Emergency Medical Services in Rural America



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Grants specific to health


- \$500m Indian Health Srv
- \$1b Veterans Admin
- \$2b Community Health Centers

Rural development loans



- \$130 million for rural community facility development
 - Translate to well over \$1 billion in guaranteed loans for rural facilities, including health care facilities
 - In addition grants through USDA for facilities, including health care





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- Mental Health Disparities
- Improving Access to Care for Rural Veterans
- Improving Outreach to Uninsured Children
- Rural Impact Study Sense of Congress






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The Rural Veteran

- Always responding when nation has gone to war.
- 44% of U.S. Military recruits are from rural America.
- According to a 2006 study, the death rate for rural soldiers in our current war in Iraq, is 60% higher than the death rate for those soldiers from cities and suburbs.
- Given this commitment to service, barriers to health care for the rural veteran must be removed.

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The Time Table

- Urgency to get bill done this year.
- So many delays. Goal was to finish committee work in June and have Floor debate in July.
- October signing date tough possible.



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Cool Hand Obama

- Planted seeds in campaign
- Met with ALL interest groups (providers, insurers, drug companies, manufacturing comings, Chambers, Business, Patient Groups.
- Hands-Off Strategy (The lessons of Clinton)
- Down-side - - no control over Democrats (problem of Stimulus bill)

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Is the message lost? New Health Care Numbers

Washington Post-ABC News poll ...

- Since April, approval of Obama's handling of health care has dropped from 57 percent to 49 percent
- Disapproval rising from 29 percent to 44 percent.
- Obama still maintains a large advantage over congressional Republicans in terms of public trust on the issue, even as the GOP has closed the gap.

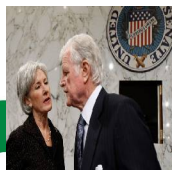



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The HELP Committee The Affordable Choices Act

- Require all to have insurance
- Create Health Insurance Exchange (Gateway) - - Individuals and Employers can purchase.
 - Premium and cost-sharing credits available for up to 400% of FPL
- Impose new insurance regulations on plans in exchange
- Expand Medicaid to 150% of FPL




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Is it good for rural?

- HELP bill contains very strong workforce provisions
 - AHEC funding quadrupled - - patterned after Clinton reauthorization bill
 - Strong investment in NHSC
 - 340B Expansion




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We Need You!

- You are your own best voice
- Your member of Congress listens when you speak
- You will have more success than I



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"Senator, the American people, whom you often mention in your speeches, would like a word with you."

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