Mid-South CAH Conference
August 16, 2018

Brock Slabach, MPH, FACHE
Sr. Vice-President
National Rural Health Association
Leawood, KS
Improving the health of the 62 million who call rural America home.

NRHA is non-profit and non-partisan.
National Rural Health Association Membership

One Dot Represents One Member
(Map shows only members residing in the United States & Puerto Rico)
Destination NRHA
Plan now to attend these upcoming events.

RHC/CAH Conference—September 25-28, 2018 • Kansas City, MO
Policy Institute—February 5-7, 2019 • Washington, DC
Annual Conference—May 7-10, 2019 • Atlanta, GA
Rural Hospital Innovation Summit—May 7-10, 2019 • Atlanta, GA

Visit RuralHealthWeb.org for details and discounts.
The rural health in the land of enchantment.

Albuquerque, New Mexico, USA

Oct. 12-15, 2019
The Mantra of the Rural Hospital Leader....

“We the willing, led by the unknowing, have been doing so much with so little for so long that we are now qualified to do anything with nothing.”

--David Rakel, MD
University of New Mexico
Backdrop of Concern: Federal Budget Deficits

- FY 2018: Federal deficit will exceed $1 trillion
- Due to recently passed tax legislation, rate of deficit will be 4.9% of GDP, higher than at any point since WWII, between 2021 to 2028
- More bad news: the total national debt will reach $33T or 96% of GDP over the next decade
- Be watchful of discussion on methods to reduce this burden, like watching the storm clouds on the horizon, we need to be prepared!
The State of Rural America

- Workforce Shortages
- Vulnerable Populations
- Chronic Poverty
• 6,000 areas in the U.S. are primary care health shortage areas;
• 4,300 areas are dental health shortage areas; and
• 3,500 areas are short of mental health shortage areas.
Rural Populations Suffer many Health Disparities

Rural hospitals care for older, poorer, and sicker populations than non-rural providers:

These rural populations also have less access to primary, dental, and mental healthcare:
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.

• Mortality is tied to income and geography.

• Minorities, especially Native Americans die consistently prematurely nation-wide, but more pronounced in rural.

• Startling increase in mortality of white, rural women. Causes:
  • Risky lifestyle (smoking, alcohol abuse, opioid abuse, obesity)
  • Environmental cancer clusters
  • Suicides
Rural Americans are at greater risk of death from 5 leading causes than urban Americans:
- Heart Disease
- Cancer
- Unintentional Injury
- Chronic Lower Respiratory Disease
- Stroke

Protect yourself:
- Be physically active
- Eat right
- Don’t smoke
- Wear your seat belt
- See your doctor regularly
Job growth in America

Since 2008, job growth in metropolitan areas has outpaced that in rural areas.
The geography of food stamps

SNAP Enrollment as Percent of County Population

- Work Requirements?
- What if there are no jobs in rural areas?
## Rural Resilience

### Entrepreneurship per 1000 residents

Most people mistakenly believe that startups occur overwhelmingly in metropolitan areas. Yet it is in fact rural counties that have higher rates of self-employed business proprietors.

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
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<tbody>
<tr>
<td>Rural (pop. less than 2,500, not adjacent to metro area)</td>
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*Entrepreneurship is measured here by proprietorship, a tax status indicative of at least one self-employed individual, who may also employ others. One proprietor may own multiple businesses.*

*The Conversation, CC-BY-ND*
It’s 4 A.M. The Baby’s Coming. But the Hospital Is 100 Miles Away.

July 27, 2018 NYT
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.
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.
Elections = opportunities

• Impact on ability to move legislation.
• Each party wants to help rural but each party doesn’t want to help the other.
26 seats up for election in 2018 are held by Democrats and Independents out of a total of 34

States with U.S. Senate seats up for election


May 17, 2018 | Madelaine Pisani
Democrats, Republicans will take turns playing defense in upcoming elections

Senate seats in play, by election year

- Republican seats
- Democrat seats

Control of the Senate will depend on the eight “toss up” seats

Breakdown of 2018 Senate races

THE COOK POLITICAL REPORT

<table>
<thead>
<tr>
<th>Solid Democrat</th>
<th>Likely Democrat</th>
<th>Lean Democrat</th>
<th>Toss Up</th>
<th>Lean Republican</th>
<th>Likely Republican</th>
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Of the 26 Democratic senators up for re-election, Trump won 10 of their states – and five by double digits

Senators up for re-election in states won by the opposing party’s 2016 presidential candidate

PERCENTS INSIDE THE STATE REPRESENT BY HOW MUCH THE OTHER PARTY’S PRESIDENTIAL CANDIDATE WON IN 2016

- Clinton victory
- Trump victory
- Democratic senator up for re-election
- Republican senator up for re-election

Jon Tester (D) won in 2012 by 4%
Heidi Heitkamp (D) won in 2012 by 0.9%
Tammy Baldwin (D) won in 2012 by 5.6%
Debbie Stabenow (D) won in 2012 by 21%
Joe Donnelly (D) won in 2012 by 5.7%
Sherrod Brown (D) won in 2012 by 6.0%
Bob Casey, Jr. (D) won in 2012 by 9.1%
Joe Manchin (D) won in 2012 by 14%
Claire McCaskill (D) won in 2012 by 16%
Bill Nelson (D) won in 2012 by 13%

Jon Tester (D) won in 2012 by 4%
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Bill Nelson (D) won in 2012 by 13%
### The House...

House Republicans are defending many more vulnerable seats

#### Cook Political Report ratings

**COMPETITIVE 2018 HOUSE RACES**

<table>
<thead>
<tr>
<th>Democrat held seats</th>
<th>Republican held seats</th>
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<th>Lean Republican</th>
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<td>NC-9 Pittenger</td>
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<td>NH-1 CA-5 Porter*</td>
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<td>CA-21</td>
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<td>NV-3 AZ-2 Rosen*</td>
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<td>GA-6</td>
<td>OH-14 Joyce</td>
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<td>WV-3 Jenkins*</td>
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</table>

*Incumbent not seeking reelection

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Source: Cook Political Report.

May 17, 2018 | Daniel Stublen
How big of a swing? Control of the House will depend on whether Democrats can win most “toss-up” races

Cook Political Report ratings

ALL 2018 HOUSE RACES

- **Solid Republican**: 154
- **Likely Republican**: 30
- **Lean Republican**: 26
- **Toss-Up**: 22
- **Lean Democrat**: 6
- **Likely Democrat**: 2
- **Solid Democrat**: 179

Source: Cook Political Report.

May 17, 2018 | Daniel Stublen
Health Care

• Remains a campaign issue
• Remains an issue for new Congress.
• **Politico poll (July 25, 2018):**
  
  – Health care should be a top priority. 55% of registered voters said a "health care reform bill" should be a top priority for the next Congress. None of the other policy issues offered as a choice got such a significant response. Reducing the federal budget deficit came close with 51 percent saying it should be a top priority.

  – 60 percent of Americans think insurance premiums will go up and those respondents will blame health insurance companies (40 percent), the Trump administration (34 percent) and the Obama administration (22 percent).
Brand new Kaiser poll

- 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 percent), independent voters (64 percent), and voters living in battleground areas (61 percent), as well as half of Republican voters (49 percent) 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.
Close elections mean opportunity
Opportunities

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 Min. Leader Chuck Schumer
INVESTING IN RURAL AMERICA
BRINGING PROGRESS AND ECONOMIC OPPORTUNITY TO RURAL COMMUNITIES
JUNE 2018

Joint Economic Committee Democrats
U.S. Senator Martin Heinrich

Political Efforts in Support of Rural

JEC Democratic
The Rural Opioid Crisis

Funding opportunities are abundant
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.
Fentanyl Dominates

The needle and the damage done
United States, opioid-overdose deaths
By drug type, 12-month rolling total, ’000

Source: Centres for Disease Control and Prevention
Economist.com
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 fivefold 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
Current focus is on pill dumping...

- Kermit, West Virginia town of 3200 flooded with 21 million prescription painkillers, a state where more people have overdosed than any other.
House Passes Legislation

The House passed a large package of bills, and we fought to ensure rural was included.

The package contained NRHA supported legislation:
- Preventing Overdoses While in Emergency Rooms (POWER) Act
- Substance Abuse Disorder Workforce Loan Repayment Act
Senate Finance Legislation

1. The Senate Finance Committee introduced and marked up the Helping to End Addiction and Lessen (HEAL) Substance Use Disorders Act – legislation focused on Medicaid/Medicare and its role in opioids.

2. Will see the Senate floor soon!

3. Includes the CRIB Act’s provisions to ensure Neonatal Abstinence Syndrome (NAS) care at facilities like Lily’s Place.
The Administration – Grant Opportunities and More

### Rural Communities Opioid Response Program - Technical Assistance (RCORP-TA)

Funding for a single entity to provide technical assistance to HRSA's Rural Communities Opioid Response Program grantees as they work to build capacity and implement programs that support the treatment and prevention of opioid use disorder. Application Deadline: Aug 10, 2018.

### Rural Communities Opioid Response-Planning Program

The purpose of RCORP is to support treatment for and prevention of substance use disorder, including opioid use disorder, in rural counties at the highest risk for substance use disorder, including the 220 counties identified by the Centers for Disease Control and Prevention (CDC) as being at risk for HIV and Hepatitis C infections due to injection drug use (See Appendix A for additional eligibility information). Application deadline was August 3, 2018.

### Grant Awards for Prevention and Treatment

FORHP will make awards of up to $200,000 each to support one year of community-level planning for prevention and treatment of opioid use disorder in approximately 75 high-risk rural communities. Successful awardees will partner with at least three other separately-owned entities and develop plans to implement opioid use disorder prevention, treatment, and recovery interventions. This program is part of a multi-year, $130 million opioid-focused effort by HRSA. In FY 2019 and beyond, there will be additional funds available to provide continued support, including additional grants and National Health Service Corps (NHSC) Loan Repayment Program awards.
The Farm Bill and new health care opportunities
House Bill Finally Passes

• The House Bill failed to pass because of intra-party fighting and partisan bickering
  — However, the House re-voted and finally passed the Bill

• Senate passed their bill earlier

• House and Senate Bills goes to conference process starting after Labor Day

• Key sticking point: changing work requirements for SNAP benefits (Food Stamps)

• Farm Bill important to rural communities and their economic health, crop support, SNAP and Rural Development
Any movement on Senate Finance Committee Rural Health Hearing?

- NO.
- Senate Finance Committee on May 24, 2018 held a hearing on “Rural Health Care in America: Challenges and Opportunities”
- Three NRHA member witnesses
- Want to do a rural package – cannot be expensive or controversial
- Opportunity to work on a new model
Miscellaneous Bills/Issues

- Save Rural Hospitals Act (SRHA) introduced by Graves/Loebsack reverses sequestration/bad debt, regulatory reform and introduces new model: Community Outpatient Hospital (COH) (HR 2957)
- Rural Emergency Medical Center (REMC) introduced by Lynn Jenkins, et. al. in Congress July, 2018. New model introduction (HR 5678)
- Rural Emergency Acute Care Hospital (REACH) Act introduced by Grassley/Gardner/Klobuchar allows 50 bed or less CAH/Hospital to convert to Rural Emergency Hospitals and receive 110% of reasonable cost
- Critical Access Hospital Relief Act which removes the 96 hour physician certification for payment requirement upon admission. (HR 5507)
- Association Health Plans regulations released yesterday, removes Essential Health Benefits (EHB) provisions from offered plans.
- Star Ratings July, 2018 release delayed.
- NQF Core set of Rural Relevant measures approved July, 2018.
Appropriations and the budget
Budget and Appropriations

• FY2018 – A Brief History
  – CR through Dec. 8 (passed Sept. 8)
    • House passed Omnibus (Sept 14) no Senate action
  – CR through Dec 22 (passed Dec 7)
  – CR through January 19 (passed Dec 21)
  – Government shutdown Jan 19-21 – mostly weekend
  – CR through February 8 (passed January 21)
  – CR through March 23 (passed February 9)
    • Included a two year budget deal – topline numbers but details remained

• However, don’t forget 2-year budget win that passed in February!

• House Budget Committee Passes FY 2019 Budget: Expand Private plans for Medicare, Block-grant Medicaid using per capita cap, expanded Medicaid work requirements and medical liability reform
Senate Appropriations

• Working on FY19 which begins October 1, 2018
• Budget already complete as part of two year budget deal reached as part of CR in January. (Note: billions of dollars in critical rural payments!)
• Appropriations process
  – The House gave us everything we wanted...and more! This is the Power of Rural in action
  – Senate marked-up the L-HHS bill last week
  – Rural Funding is strong!
  – State Offices Funding is Strong! (State Offices Legislation Marked up in Senate)
Appropriations Process

• Senate is near agreement on unique bipartisan strategy to fund the majority of government operations this summer, including the Pentagon, in a pointed bid to avoid a government shutdown.

• Senate Majority and Minority Leaders have agreed to bind Congress' two largest appropriations bills into a single package in coming weeks, which holds the potential to become law before an Oct. 1 spending deadline: Defense, S. 3159 (115), and Labor-HHS-Education, S. 3158 (115), spending bills.

• Would make up two-thirds of all discretionary funding, most of which goes toward the Pentagon. That would make the package difficult for President Donald Trump to veto, Even though the domestic piece of it, which includes health and education programs, would vastly exceed his own budget request.

• Could be a win-win for Capitol Hill and the White House: Republicans could boast that the Department of Defense is safe from another dreaded stopgap funding bill. Democrats would have secured on-time funding for key domestic programs — a rarity for the government in recent years.

• Will it make it to the president's desk? Depends on Paul Ryan and House GOP.
The purpose of the 340B program is to enable covered entities “to stretch scarce federal resources as far as possible, reaching more eligible patients and providing more comprehensive services.”

House E&C Health Subcommittee considered over twelve bill and concept papers in a July 12, 2018 hearing

Some proposals out of these bills/documents:

- Rescind OPPS reductions of 28% that CMS imposed last year (HR 4392)
- Limit orphan drug exclusions under the 340B program (HR 2889)
- Moratorium on new 340B sites (HR 4170)
- Require DSH to submit reporting of low-income utilization of services (HR 5598)
- Raise DSH percentage to qualify for 340B participation
- Re-define “patient” for purposes of the program
- Require implementation of GAO recommendations regarding Contract Pharmacy
- Establish minimum 1% threshold for charity care to participate in 340B savings

Unclear how much, if any, of the discussed changes would impact CAH participation in 340B

Major advocacy priority for NRHA
President’s Plan to Reorganize Government Agencies

- HHS would be Department of Health and Public Welfare (DHPW) – would include transfer of some rural programs from USDA (SNAP)
- Consolidate research arms of HHS and move to NIH
- Eliminate Community Development Block Grants
- Cut the U.S. Public Health Service Commissioned Corps to a maximum of 4,000 officers, a reduction of 2,500 from the current 6,500 officer positions.
- Needs Congressional Action
A rural lens at CMS

CMS Announces Agency’s First Rural Health Strategy on May 8, 2018
during NRHA’s Annual Conference/Rural Hospital Innovation Summit

“For the first time, CMS is organizing and focusing our efforts to apply a rural lens to the vision and work of the agency,” said CMS Administrator Seema Verma.

The agency-wide Rural Health Strategy, built on input from rural providers and beneficiaries, focuses on five objectives to achieve the agency’s vision for rural health:

• Apply a rural lens to CMS programs and policies
• Improve access to care through provider engagement and support
• Advance telehealth and telemedicine
• Empower patients in rural communities to make decisions about their healthcare
• Leverage partnerships to achieve the goals of the CMS Rural Health Strategy

• NRHA has worked toward long-term strategy to raise CMS awareness on regulatory burden impacting rural hospitals and clinics.
A Rural Regulatory Victory

• CMS Fixes Flawed Reinterpretation of CAH Distance Requirement

• As a result of NRHA advocacy and education efforts, CMS announced on an Open Door Forum on June 28th, that they will ensure the reinstatement of the longstanding interpretation of the CAH mileage requirements.

• Specifically, CMS affirmed mileage will be based on the CAH and its provider-based clinic to another like hospital, and it will not be based on the mileage on the proximity to another hospital’s provider-based clinic.

• CMS also committed to reinforce the plain language interpretation to the different regional offices.

• CMS Rural Council played a vital role in changing CMS policy
OPPS Proposed Rule - Off-Campus PBD Physician Practices

Proposed rule released July 25, 2018. This Rule sets Site-neutral payment policies for off-campus PBD that was billing for covered OPD services furnished prior to November 2, 2015. This rule will drastically reduce reimbursements for off-campus PBD physician practices. Does not apply to CAH/RHCs

Stark Law regulations. CMS is seeking comments through August 24, 2018 on changing Stark regulations to better coordinate care around physician self-referral.

FCC and Broadband funding. FCC increased funding for the Rural Health Care program by $171M. The order allowed current year obligations to be paid according to plan. The cap of $400M was set in 1997, never adjusted for inflation. Unused funds can be rolled over from one year to the next.
Congress, Administration and MedPAC Looks to New Rural Models

- 87 rural hospital closures since 2010
- Discussion of New Models
  - Senate
  - House
  - CMMI—Penn. Global Budget
  - MedPAC
- Key Issues: Sustainability, Workforce, EMS
- Movement on this is still elusive.
Pennsylvania Global Budget Model

- Only rural centric CMMI innovation project currently
- Starting January 1, 2019 for five years: 6 hospitals Yr. 1, expands to 30
- Game changer as APMs go
- State government alignment: priority for Governor Wolf/administration
- Daydream: “what if, someday?” scenario
- Harmonize disparate payment systems and their attendant incentives (sometimes conflicting incentives) 80% Yr. 1, 90% Yr. 2
- Single quality measurement data set for all payers/performance standards
- Enables clinical system to fully transform to emphasize prevention and chronic disease management
Pennsylvania Global Budget Model

- Jump over ITERATIONS of change to a sustainable, long-term model
- Solved the paradox of changing your payment arrangements to keep pace with delivery system reforms
- Rural Transformation Plan (RTP) requires transformation around chronic disease management, care coordination activities across the continuum, population health focus, etc.
- Bid deal: RTP allows for CMMI to waive COPs to implement plan
- Next generation Global Budget: Maryland contract starting January 1, 2020 with a Total Cost of Care (TCOC) model. Includes physician payments
Status Report-PA Global Budget

• State of Pennsylvania met all of their June 30, 2018 targets set by CMMI
• Eight hospitals are applying for year 1 participation
• Only six will be selected competitively
• Six of the hospitals are PPS, two are CAHs
• Lauren Hughes, MD, MPH, PA Deputy Secretary of Health for Innovation, will keynote NRHAs RHC/CAH meeting Sept. 26, 2018.
Summary: Grassroots Push/August Recess

• To Congress: Stop the all-talk and no action routine
• Closure crisis worsens
• Health equity worsens (new push for obstetric shortages and oral health integration.)
• August, 2018 Recess Packet, tips on conducting a Congressional Visit
• Critical Access Hospitals not only provide access to care, but are economic engines for their community’s economic health, an important social determinant of health
• Keep up the great work and Go Rural!
Questions?

THANK YOU

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