

The Interface of Policy Dynamics and Transforming Rural Health Care Services

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Two Part Presentation

Part One: Phases of transformation

Part Two: Specific policy recommendations

Part One: Phases of Transformation

- Squeeze the turnip
- Plant new seeds
- Water and fertilizer – change as needed
- Grow the new crop
- Linear but not mutually exclusive



Squeeze the Turnip: Public Policy Manifestations

- Policy imperative to find “savings” in the Medicare and Medicaid programs
- Consequence: Sequestration, scrutiny of allowable cost, little to no give on expanding the latter
- Tight definitions of budget neutrality affect ability to demonstrate new approaches to sustaining services
- Continuous debates about certain programs, including 340b

Squeeze the Turnip: Management Responses

- Service line expansion
- Network affiliation to share costs and expand service lines
- Addressing total cost of care in preparation for new models

- IS IT ENOUGH/ -- NO



Plant New Seeds: Policy Initiatives

- Perhaps a hybrid seed: Frontier Community Health Integration Program (still fee-for-service; extending cost-based reimbursement)
- New seed with basically untreated soil: Accountable Care Organizations (ACOs) with one-sided risk
- New seed: ACOs with two-sided risk
- New seed: Global budgeting models (MD, PA)
- New seed: Changes in primary care payment – direct contracting, primary care first



Plant New Seeds: Healthcare Organization Actions

- Think bold: Third Generation Hospitals (Paul Keckley report June 6, 2016: *health focused, consumer driven; clinical leadership of clinically integrated networks - -- **operating a retail business***)
- Hospitals without boundaries (Spectrum Health "Ecosystem of Health" *Hospitals and Health Networks*, Sept 14, 2016)
- Begin to address social determinants of health
- Form and/or participate in community coalitions



Water and Fertilize: Changing the Models as they Grow

- Example of changes to ACO program, including nurturing new plants with demonstrations (water) and capital investments (fertilizer, could be in the same demonstrations)
- Infusions such as changes to wage index
- Evolution of physician payment to include chronic care code, PCP+ and now the new programs
- Inserting new services into Medicare Advantage and ACOs



Water and Fertilize: Changing the Models as they Grow

- Parallel the policy changes with new strategies and efforts locally
- Working through local collaborations
- Working through regional collaborations



Grow the New Crop

- Leverage community resources – Southeastern Hospital in Robeson County NC
- Transitional care team in Granville Medical Center in Oxford NC
- Service line focus in Transylvania Regional Hospital in NC (services for elderly such as ortho and emergency, but not labor and delivery – moms sent to nearby hospital that is affiliated)



Source: Rural Hospitals Embrace Population Health in Quest for Relevance.
North Carolina Health News. March 4, 2016.

Grow the New Crop

- Partnerships to improve community health
- Tobacco prevention programs
- Wellness initiatives
- Care coordination and medical homes

Source: Population Health Strategies of Critical Access Hospitals. *Briefing Paper #36*. Flex Monitoring Team. August, 2016



Grow the New Crop

- Effective use of community health workers
- Addressing social determinants of health – Accountable Health Communities, projects in State Innovation Models,
- Working with Medicaid programs, managed care organizations



Source: Samantha Artiga and Elizabeth Hinton. Beyond Health Care: The Role of Social Determinants in Promoting Health and Health Equity. *Issue Brief*. Kaiser Family Foundation. May, 2018

Top resources on the Rural Health Value website:

- [Value-Based Care Assessment](#) - Assess capacity and capabilities to deliver value-based care. Receive an eight category readiness report.
- [Physician Engagement](#) - Score current engagement and build effective relationships to create a shared vision for a successful future.
- [Board and Community Engagement](#) - Hold value-based care discussions as part of strategic planning and performance measurement.
- [Social Determinants of Health](#) - Learn and encourage rural leaders/care teams to address issues to improve their community's health.

New Resource from Rural Health Value

The [Rural Health Value](#) team recently released a new resource outlining eight commonly used change management methodologies that are rural-relevant. It is intended as a guide to help rural health care leaders identify which approach(es) might be most useful to them and their organizations.

Please share this resource as makes sense for your networks and stakeholders:

- [Management Methodologies and Value-Based Strategies: An Overview for Rural Health Care Leaders](#) - Offers rural health leaders an overview of eight commonly used management methodologies to help guide change, plus additional resources and references for further exploration. (June 2019)

Part Two: Policy Choices and Recommendations

- From Seema Verma on March 4, 2019
- Rural problem (hospital finance)
“won’t be solved with money alone”
- “our vision is to transform the healthcare system into a patient centered, consumer driven model where providers compete for patients on the basis of lower cost and quality.”
- Three objectives: empowering patients, focusing on results, unleashing innovation
- Final phase of the transition CMS has been advocating, shared by the Learning and Action network



Health Care Payment Learning and Action Network (HCP LAN)

Alternative Payment Model Framework

			
CATEGORY 1 FEE FOR SERVICE - NO LINK TO QUALITY & VALUE	CATEGORY 2 FEE FOR SERVICE - LINK TO QUALITY & VALUE	CATEGORY 3 APMS BUILT ON FEE-FOR-SERVICE ARCHITECTURE	CATEGORY 4 POPULATION - BASED PAYMENT
	A Foundational Payments for Infrastructure & Operations (e.g., care coordination fees and payments for HIT investments)	A APMs with Shared Savings (e.g., shared savings with upside risk only)	A Condition-Specific Population-Based Payment (e.g., per member per month payments, payments for specialty services, such as oncology or mental health)
	B Pay for Reporting (e.g., bonuses for reporting data or penalties for not reporting data)	B APMs with Shared Savings and Downside Risk (e.g., episode-based payments for procedures and comprehensive payments with upside and downside risk)	B Comprehensive Population-Based Payment (e.g., global budgets or full/percent of premium payments)
	C Pay-for-Performance (e.g., bonuses for quality performance)		C Integrated Finance & Delivery Systems (e.g., global budgets or full/percent of premium payments in integrated systems)
		3N Risk Based Payments NOT Linked to Quality	4N Capitated Payments NOT Linked to Quality

Source: <http://hcp-lan.org/workproducts/apm-framework-onepager.pdf>

Bringing the High Performance System to Life

- Considerations from the RUPRI Health Panel after an assessment of the landscape
- Combined with themes related to successful innovation
- And policy considerations put forth by successful innovators

Sources:

1. Taking Stock: Policy Opportunities for Advancing Rural Health. RUPRI Health Panel. January, 2018. <http://www.rupri.org/wp-content/uploads/TAKING-STOCK-2018.pdf>
2. Toward a High Performing Rural Health Care System: Key Issues and Recommendations from Rural Health Care System Innovators. April, 2019. <http://www.rupri.org/areas-of-work/health-policy/>

Medicaid and CHIP

- Provide incentives and technical support to Medicaid agencies and rural providers to provide effective Substantive Use Disorders services
- Include rural beneficiaries, providers, and communities in Medicaid payment and delivery system innovations, and monitor innovation impact over time

Quality: Policy Opportunities

- Support development of rural-relevant quality measures
- Develop comprehensive cross-agency approach to rural health care quality improvement and technical assistance
- Offer quality initiatives specifically design to meet rural needs and opportunities

Quality: Pathways to change

- Quality measures which reflect the care and services in rural:
 - Support the work of the NQF rural workgroup regarding the implementation of existing rural-relevant measures and development of new measures
- A comprehensive and aligned program of rural-focused quality improvement TA:
 - Coordinated through contracting, management, and oversight across the multiple agencies of HHS with responsibility for health care and rural health.
- New health care quality pilot programs:
 - Designed specifically to test methods to improve quality and value for the unique rural environment
 - Address the barriers to participation by CAHS and RHCs

Population Health: Policy Opportunities

- Ensure affordability of clinical and community-based preventive services
- Provide stable long-term funding to support locally-appropriate public health prevention programs
- Ensure availability of comprehensive and integrated services through policies that target workforce adequacy development to achieve health equity

Population Health: Policy Opportunities

- Incent integrated preventive and clinical services
- Integrate population health goals into financing strategies and payment policy formulation



Rural Workforce

- Workforce central to the transformation of rural health systems
 - Focus on primary care as foundation of high performing rural health systems but other professionals critical, including dental, nursing, behavioral health
 - New training program models (and funding models) to strengthen recruitment and retention
 - New health workers (e.g. community health workers)

Workforce: Policy Opportunities

- Update payment policies to non-physician and patient support providers
- Align payer policies to rural service delivery circumstances
- Create a comprehensive workforce strategy and plan that aligns with the health goals of the nation

Workforce: Pathways to Change

- Changing how federal medical education funding works is essential to support new rural-based physician training models.
- Aligning other federal and state training resources and models to the needs of evolving rural health systems and communities (e.g. integration of behavioral health, public health).
- Support testing of innovation models.

Medicare Policy Opportunities

- Offer transitional support to rural providers during payment policy changes
- Allow for higher fixed costs per patient encounter in low-volume situations
- Include capital in infrastructure investments to redesign rural health care delivery facilities and support expansion of broadband capacity
- Develop and test alternative delivery models in rural communities

Health Care Finance and System Transformation

- Offer alternative pathways to rural provider inclusion in value-based payments
- Expand collaborative opportunities among rural providers
- Support expanded rural provider participation in CPOC+ and other similar models
- Consider low volumes in rural performance analyses
- Provide TA to rural providers



Financing Themes from Rural Innovators

- Flexible financing models allow collaboration in designing and delivering services responsive to health and well-being needs of rural residents
- Innovative financing models support investments in care management infrastructure



Financing Themes from Rural Innovators

- Innovating financing models allow effective use of personnel, including peer support models, community health workers and inter-professional team-based care
- Private sector funding can help mitigate investment burden and risk necessary for smaller rural providers and health systems to participate in value-based payment models

Recommendations for Payment Redesign to Support Rural Innovation

- Structure primary care payment to cover the cost of team-based coordinated and comprehensive care.
- Expand demonstrations of total-cost-of-care payment methods that incorporate both medical care payments and human service payments.
- Create a rural hospital fixed asset buy-back program to allow facility repurposing and right-sizing.

Recommendations for Payment Redesign to Support Rural Innovation

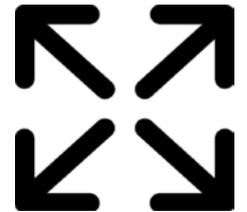
- Expand global budget models to additional areas and health care organizations.
- Align payment systems across payers, under current methodologies.
- Mandate that all payers participate in new state-supported payment systems.
- Risk-adjust payments for social determinants of health.

Creating Infrastructure to Support Innovation

- Frame rural health care innovation as an economic development issue, both jobs and the broader economic health of the community
- Create governance structures supporting collaborative leadership, which fosters opportunities and decisions to reinvest savings or cost reductions in the community
- Develop mechanisms enabling shared data analytic capacity across rural health care organizations, and take advantage of technical assistance and support from outside entities

Recommendations for Public Investment to Support Rural Innovation

- Expand broadband capacity (greater than 25 MBPS speed) to rural residences and health care organizations.
- Provide data analytic capacity to under resourced rural health care organizations to improve health care quality and efficiency.
- Incorporate long-term services and supports, and home and community-based services, in rural health care planning.



Recommendations for Public Investment to Support Rural Innovation

- Fund programs to educate community-based boards of trustees/directors about value-based care and payment.
- Fund technical assistance to hospitals and public health agencies for developing and implementing community health needs assessments.
- Fund innovative health professions programs in health professions training, including interdisciplinary training and community-based care approaches, hospice, palliative care, and advance care planning.

Recommendations for Public Investment to Support Rural Innovation

- Combine health and human services funding demonstrations so that planning and payment have a community focus, not a beneficiary or enrollee focus.
- Create a structure and rationale for balancing rural health investments (e.g., a “base closing commission” for rural health).
- Facilitate and approve community/regional-based insurance plans and governance.



Recommendations for Public Investment to Support Rural Innovation

- Fund exploratory regional gatherings to discuss the organization and delivery of rural health services.
- Allow county-based or region-based health care management, purchasing, and payment models.
- Monitor health care organization mergers and acquisitions to assess changing governance, such as strategic control, resource allocation, and disinvestment.



CONCLUDING COMMENTS



- Exciting times of transforming finance, delivery organizations
- All the while benefitting from advances in science of medicine
- And benefitting from understanding of social determinants of health and actions to take
- We can move to a system focused on health that draws the best talent from multiple disciplines and perspectives
- Policy actions can facilitate (or inhibit) progress toward a high performance rural health system

For further information

The RUPRI Center for Rural Health Policy Analysis

<http://cph.uiowa.edu/rupri>

The RUPRI Health Panel

<http://www.rupri.org>

Rural Telehealth Research Center

<http://ruraltelehealth.org/>

The Rural Health Value Program

<http://www.ruralhealthvalue.org>

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