Transforming Rural Health: Value-Based Payment

PRESENTATION TO THE HEALTH ACCESS INTEREST GROUP

NATIONAL ASSOCIATION OF MEDICAID DIRECTORS

APRIL 30, 2026

RURAL HEALTH VALUE TEAM

KEITH J. MUELLER, PHD

JENNIFER P. LUNDBLAD, PHD, MBA

RURAL POLICY RESEARCH INSTITUTE

Rural HEALTH VALUE

IOWA College of Public Health

Context of Rural Health Transformation Program (RHTP)

- Program is underway now: states will soon be able to learn from each other, at least regarding early experiences
- Will be important to understand what is *actually happening* in the states, to advance rural health and to advance transformation to sustainable rural health care organizations
- Of special interest to the topic of value-based payment: investments in changes to the delivery system and care management intersecting with changes in payment to drive value for rural residents and the healthcare organizations serving them

Special Opportunities for VBC and VBP in Medicaid Programs

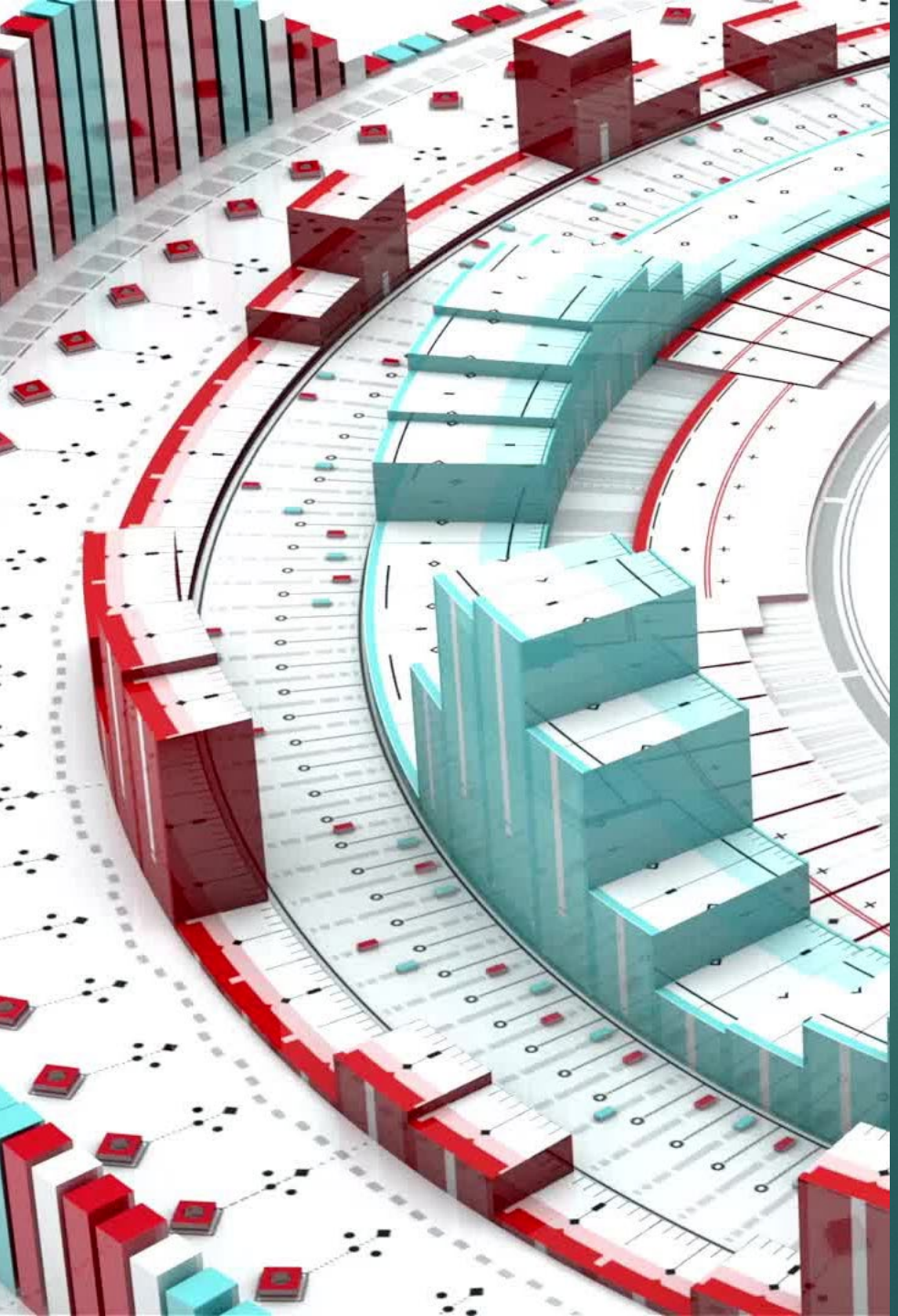
- Medicaid services high, high need people and communities
- Increasing pressure to control Medicaid costs, especially with looming changes in HR 01
- Medicaid is uniquely positioned to accelerate VBC and VBP to drive delivery reform
- Value-based care and payment can support sustainability

Activities Linked to VBP

- **State RHTP plans** - at least 23 specifically chose the activity of value-based payment
- **Redesigning the health care delivery system** to achieve better patient outcomes at the same or lower cost
- **Use of technology** that supports delivery of local services to improve patient outcomes through enhanced access
- **Address health care workforce** with a comprehensive approach that includes occupations such as community health workers that address all circumstances affecting health outcomes; including prior to interaction with clinical care (upstream drivers) and after initial clinical care (managing chronic conditions, post acute care)

Value-based Care and Payment Initiatives in RHTP

- **Nevada Rural Value Acceleration Network** to reward providers for improved health outcomes and administrative efficiency
- **Colorado** exploring feasibility of shared savings, bundled payments and other approaches that reward prevention; finalizing contracts by end of Year 5
- **New Hampshire** to start with first cohort in 2027, second cohort in 2028 working with Medicaid VBP models to prepare rural providers for two-sided risk
- **Montana** exploring VBP for dual-eligible special needs plans and PACE model; VBC for nursing facilities



System Change: Hub and Spoke Design

- Missouri TORCH Program expanded from current Medicaid pilot to statewide all payer model; payment model with incentives tied to reductions in ED visits and inpatient admissions; ensure long term financial, operational, and sustainable future of the rural healthcare system through infrastructure modifications; community hubs in regional networks
- Iowa using rural hubs as cancer care sites working with local spokes; all are rural hospitals; also a health hub model for other conditions, builds off cancer network and centers of excellence programs

Hub and Spoke Design (Continued)

- **North Carolina** established **NC ROOTS Hubs** – six locally governed networks that coordinate medical, behavioral, and social services; tailors projects to regional needs; each hub must address prenatal health, chronic disease, prevention, cancer, and physical fitness
- **Ohio Rural Health Innovation Hubs** – establish Clinically Integrated Networks and Regional Centers of Excellence; mission is to address rural residents' needs to close healthcare gaps

System Change: Population Health

- Screening activities, including wellness visits
- Preventative services
  - Primary
  - Secondary
  - Tertiary
- Addressing living conditions (upstream factors affecting health)
- CO: a specific focus on Population Health Outcomes
- FL: focus on health and lifestyle
- GA: addressing transportation needs

rupri RURAL POLICY RESEARCH INSTITUTE

Rural HEALTH VALUE

IOWA College of Public Health

Use of Technology

- Modernizing Health Information Exchanges (IN)
- Investing in telehealth
- Remote patient monitoring (LA)
- Population health management (KS)

Workforce Composition

PIPELINE PROGRAM DEVELOPMENT

INCLUDES COMMUNITY HEALTH WORKERS

EMS TRAINING (OR)

RECRUITMENT AND RETENTION INITIATIVES

Medicaid Opportunities to Sustain Transformation Through VBP

- Evolving payment design – what can be accomplished in five years?
- System redesign – again, what can be accomplished in five years?
- For both of the above, building at a pace that is sustainable, with metrics to achieve at points in time

rupri RURAL POLICY RESEARCH INSTITUTE

Rural HEALTH VALUE

IOWA College of Public Health

Medicaid Opportunities to Sustain Transformation Through VBP

- What do short-term projects contribute to long-term transformation?
- Sustaining momentum based on the north star – sustained high value care in rural communities

RHV Tools and Resources: General Lessons in Design

- Rural Health Value Virtual Summit Designing Rural Value-Based Care for the Future, February 2026
- Rural Value-Based Care - The Payer Perspective, Rural Health Value Summit Report

RURAL POLICY RESEARCH INSTITUTE

Rural HEALTH VALUE

IOWA College of Public Health

RHV Tools and Resources: Guides and Tools

- Value-Based Care Assessment Tool (being used in MN)
- Rural Community Engagement Resource Guide
- Serving High Need/High Cost Patients in the Emergency Department
- Introduction to Rural Clinically Integrated Networks (CINs)

RHV Tools and Resources: Profiles

[Rural Hospital Participation in Missouri HealthNet's Transformation of Rural Community Health (ToRCH) Program]

[Rural Hospital Experiences in the Colorado Hospital Transformation Program (CO HTP)]

[Iowa Community Health Centers and Value-Based Care]

[Rural Health Value Summit: Driving Value Through Community-Based Partnerships]

For further information:

- Rural Health Value http://www.ruralhealthvalue.org
- The RUPRI Center for Rural Health Policy Analysis http://cph.uiowa.edu/rupri
- Stratis Health https://stratishealth.org/
- The RUPRI Health Panel http://www.rupri.org

Jennifer P. Lundblad, PhD, MBA

President & CEO
Stratis Health
3001 Metro Drive, Suite 280
Bloomington, MN 55425
952-853-8523
jlundblad@stratishealth.org
www.stratishealth.org

Keith J. Mueller, PhD

Gerhard Hartman Professor of Health Management and Policy
Director, Rural Policy Research Institute (RUPRI)
Department of Health Management and Policy
University of Iowa College of Public Health
145 Riverside Drive, CPHB
Iowa City, IA 52242
Office: 1-319-384-3832
keith-mueller@uiowa.edu

rupri
RURAL POLICY RESEARCH INSTITUTE

Rural
HEALTH VALUE

IOWA
College of Public Health

Rural Health Research Gateway

For more than 30 years, the Rural Health Research Centers have been conducting policy-relevant research on healthcare in rural areas and *providing a voice for rural communities in the policy process.*

Rural Health Research Gateway

The Rural Health Research Gateway ensures this research lands in the hands of our rural leaders.

RHRC
Rural Health Research & Policy Centers
Funded by the Federal Office of Rural Health Policy
www.ruralhealthresearch.org

Funded by the Federal Office of Rural Health Policy, Health Resources & Services Administration

Connect with us

info@ruralhealthresearch.org
facebook.com/RHRGateway
twitter.com/rhrgateway