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Alan Morgan
Chief Executive Officer
National Rural Health Association

The Virginia Telehealth Network Summit

The Role of Telehealth in an Evolving Health Care Environment
On a National Level...

Medical Group Management Association physician poll:
- 17% offering telemedicine services
- 21% plan to use telemedicine in the near future. - 2014
In Rural Settings…

- 15.7 percent in radiology departments
- 7.5 percent in emergency/trauma care
- 6.8 percent in cardiology/stroke/heart attack programs

RUPRI 2014
Transformation?

- 70% of US patients would use telehealth services
- 52% of US Hospitals use some form of telehealth services
  - 2015 AHA Survey
Improving the health of the 62 million who call rural America home.
March 16, 2017

The Honorable Mitch McConnell
Senate Majority Leader
Washington, DC 20510

The Honorable Charles E. Schumer
Senate Minority Leader
Washington, DC 20510

Dear Leaders McConnell and Schumer,

Many provisions in the Affordable Care Act (ACA) failed rural America. The lack of plan competition in rural markets, exorbitant premiums, deductibles, and co-pays, the co-op collapses, lack of Medicaid expansion, and devastating Medicare cuts to rural providers—all colluded to create a healthcare crisis in rural America. The American Health Care Act (AHCA) does nothing to address these problems, and will in fact, create a greater health care crisis in rural America.

Rural populations are, per capita, older, poorer and sicker than other populations. A January 2017 CDC study indicates that “the death rate gap between urban and rural America is getting wider,” and rates of the five leading causes of death are higher among rural Americans. Because of unfair provisions in the ACA, insurance companies are dropping out of rural markets and cherry-picking those who get coverage. In fact, 70% of the counties where big insurance companies have dropped out and left only one “option” have been rural counties—leaving rural Americans with little or no choice of plans. Bad debt has risen among rural hospitals by 50%, leaving one in three financially vulnerable. Eighty rural hospitals have closed since the ACA went into effect. At the current rate of closure, 22% of all rural hospitals will close in less than a decade unless Congress acts. Closures of this magnitude will create a massive national crisis in access to emergency services as well as detrimentally harm rural economies.

Instead of addressing these problems, the AHCA will cause more harm to rural Americans, leaving millions of the sickness, poorest populations in our midst without coverage, and likely escalating further the hospital closure crisis. According to the Wall Street Journal, the “GOP health plan would hit rural areas hard. Poor, older Americans would see largest increase in insurance-coverage costs.” The LA Times reports, “Americans who swept President Trump to victory — lower-income, older voters in conservative, rural parts of the country — stand to lose the most in federal healthcare aid under a Republican plan to repeal and replace the Affordable Care Act.”

The United States Senate has long recognized the importance of the rural health care safety net and has steadfastly worked to protect it. Much of the protections created in the Senate to maintain access to care for the 62 million who live in rural America is now in jeopardy. We implore the Senate to continue its fight to protect rural patients’ access to care by adding three modest, yet critical provisions to the House bill.
Rural Health Disparities

- More likely to report fair to poor health
  - Rural counties 19.5%
  - Urban counties 15.6%

- More obesity
  - Rural counties 27.4% VS urban counties 23.9%
  - Less likely to engage in moderate to vigorous exercise: rural 44% VS urban 45.4%

- More chronic disease (heart, diabetes, cancer)
  - Diabetes in rural adults 9.6% VS urban adults 8.4%
Workforce Shortages

- Only 9% of physicians practice in rural America.
- 77% of the 2,050 rural counties are primary care HPSAs.
- More than 50% of rural patients have to drive 60+ miles to receive specialty care.
Declining Rural Life Expectancy
Metro/Non Metro Life Expectancy

The graph illustrates the life expectancy trends for different regions from 1969-1971 to 2005-2009. Key trends include:

- **Metro, Both Sexes**: Shows a steady increase in life expectancy.
- **Non-Metro, Both Sexes**: Also exhibits an increase, though at a slightly lower rate compared to Metro areas.
- **Metro Males** and **Non-Metro, Males**: Both males' life expectancy in Metro and non-Metro areas show similar increases.
- **Metro, Females** and **Non-Metro, Females**: Females' life expectancy also increases, but at a higher rate compared to males.

Life expectancy improvements are evident across all categories, with a noticeable gap between Metro and non-Metro areas.
Life expectancy declines with rurality

Life expectancy at birth, in years, 2005-2009

Source: Singh, Siapush 2014
Health Equates to Wealth:

People who live in wealthy areas like San Francisco, Colorado, or the suburbs of Washington, D.C. are likely to be as healthy as their counterparts in Switzerland or Japan, but those who live in Appalachia or the rural South are likely to be as unhealthy as people in Algeria or Bangladesh.

--University of Washington, July, 2013

Rural counties have the highest rates of premature death, lagging far behind other counties, RWJF Report, March, 2016

Rural counties have had the highest rates of premature death for many years, lagging far behind other counties. While urban counties continue to show improvement, premature death rates are worsening in rural counties.
President’s Budget

W.H. RELEASES BUDGET DETAILS

- A $54 billion bump in defense spending.
- Does not touch entitlement programs
- $15.1 billion, cut to the Department of Health and Human Services.

The cuts include funding to the National Institutes of Health, which would decrease by $5.8 billion, and to health professions and nurse training programs, which would decrease by $403 million.
A Rural Divide in American Death

- Mortality is tied to income and geography.

- Minorities, especially Native Americans die consistently prematurely nationwide, but more pronounced in rural.

- New study shows startling increase in mortality of white, rural women.
  - For every 100,000 women in their late 40s, 228 died at the turn of this century. Today, 296 are dying.

- Since 1990 death rates for rural white women have risen by nearly 50%.

- Causes:
  - Risky lifestyle (smoking, alcohol abuse, opioid abuse, obesity)
  - Environmental cancer clusters
  - Suicides

- Since 1999, 650,000 rural individuals have died prematurely – that’s equivalent to the death toll of the Civil War.

- In major cities life expectancies continue to expand.
Behavioral Health – Suicide Rates

**Males**

Northeast  Midwest  South  West

Deaths per 100,000 population

**Females**

Northeast  Midwest  South  West

Deaths per 100,000 population

A A A A A
B B B B B
C C C C C
D D D D D
E E E E E

Large central  Large fringe  Small metro  Metropolitan counties  Nonmetropolitan counties

NOTES: Rates are age adjusted. See Technical Notes for description of age-adjustment method and urbanization levels. See Data Table 19 for data points graphed.

SOURCE: Centers for Disease Control and Prevention, National Center for Health Statistics, National Vital Statistics System.
65% of non-metro counties have no psychiatrists (80% of remote counties)

65% of non-metro counties have no psychologists (61% of remote counties)

Non-metro counties with these providers have about 50% fewer per 10,000 population than metro counties
“In rural health care, broadband technologies are proving to be cost-saving and opportunity-expanding tools for delivering services…Telemedicine provides virtual access to better staffed and equipped urban health centers, and can reduce costs for rural patients (by reducing driving time or time lost from work) and hospitals (by lessening the need for full-time on-site specialists, for example).

Rural Telehealth Challenges:
The Big Four -

- Reimbursement
- Licensure
- Clinical Adoption
- Community Acceptance
Challenges Abound

“Telemedicine infrastructure is lagging on two fronts. First, many rural clinics have Internet access that is still too slow and unreliable. Second, telemedicine is increasingly moving from the clinic into the home, with at-home monitoring and mobile apps. Here, the facts on the ground are even worse: According to the FCC’s 2015 Broadband Progress Report, 55 million Americans still do not have access to broadband speed Internet access, which includes more than half of rural Americans.”

- Wired 2015
Can Rural Overcome Barriers?
The unconscionable abandonment of rural America

Jeff Spross

mericans who can barely keep their heads above water
New estimates from the U.S. Census show that after a modest four-year decline, the population in nonmetropolitan counties remained stable from 2014 to 2015 at about 46 million.
Although some rural areas are indeed declining in population, this figure obscures the larger overall trend: The number of students in rural school districts is steadily growing, according to data compiled by the National Center for Education Statistics (NCES).
Rural is Different

- Strong sense of community responsibility, propensity toward collaboration (unique ways to develop and provide services needed.)

- Creation of regional networks to provide greater access to state-of-the-art health care.

  - Institute Of Medicine “Quality through Collaboration”
Delivering Value
Study Area C – Hospital Performance

Who has the edge?

- Quality
- Patient Safety
- Patient Outcomes
- Patient Satisfaction
- Price
- Time in the ED

Rural hospitals match Urban hospitals on performance at a lower price

Data sources include CMS Process of Care, AHRQ PSI Indicators, CMS Outcomes, HCAHPS Inpatient/Patient Experience, MedPAR, HCRIS

Source: Rural Relevance Under Healthcare Reform 2014, Study Area C.
A slow transition forward

- Radiology and Psychiatry

- Tele-ICU services, and remote support from critical care specialists.

- Direct patient engagement
Relevance of Telehealth Today
Rural Hospital Closures on the Rise

The rate of closure is six times higher in 2015 than in 2010

Closures

At this rate, 25% of rural hospitals will shut down in less than 10 years.
Research indicates…

- **Most closures in South**
- Annual number of closures increasing
- Most are CAHs and PPS hospitals (vs MDH and SCH)
- Most are in states that have not expanded Medicaid
- Patients in affected communities are probably traveling between 5 and 25 more miles to access inpatient care
- Most hospitals closed because of financial problems
Tele-Pharmacy?
Four hundred ninety rural communities that had one or more retail pharmacy (including independent, chain, or franchise pharmacy) in March 2003 had no retail pharmacy in December 2013.

* A loss of 924 independently owned rural pharmacies in the United States.
Why are Rural Hospitals Closing and Relevance for Telehealth?
Sequestration – mandated 2% cuts to Medicare providers extended **AGAIN**.

- **Result:**
  - Rural Job losses;
  - Rural revenue lost
  - Rural patient services cut
  - Possible rural hospital closures
Medicare Cuts Enacted

- Sequestration cuts – 2% for nine years
- Bad debt reimbursement cuts
- Documentation & coding cuts
- Readmission cuts
- Multiple therapy procedure cuts
- ESRD reimbursement cuts
- Super rural laboratory extender – expired
- Outpatient hold harmless payments (TOPS) – expired
- 508 reclassifications – expired
Affordable Care Act

1. Rural implications in Medicaid Expansion
2. Rural implications in Federal and State Exchanges
Is ACA Working?
April Gallop Poll: U.S. Uninsured Rate at 11.0%, Lowest in Eight-Year Trend

Percentage Uninsured in the U.S., by Quarter
Do you have health insurance coverage? Among adults aged 18 and older

% Uninsured

SOURCE: GALLUP-HEALTHWAYS WELL-BEING INDEX
Health Insurers Quit Rural Exchanges

By Anna Wilde Mathews and Stephanie Armour

Health-insurance customers in a growing number of mostly rural regions will have just one insurer’s plans to choose from on the Affordable Care Act’s exchanges next year, as some companies pull out of unprofitable markets.

The entire states of Alaska and Alabama are expected to have only one insurer on the health law’s signature online marketplaces next year, according to state regulators. The same is expected to be true in parts of several other states, including Kentucky, Tennessee, Mississippi, Arizona and Oklahoma, regulators said.

So far, insurers have pulled out of 14 states, including West Virginia, Arkansas and South Carolina, with more expected before open enrollment begins in October. In about half the states surveyed, some rural counties will have only one insurer on the exchange.

Insurers have every reason to walk away from rural areas, said Karen Markey, director of insurance reform for the National Association of Insurance Commissioners. The act did not include a safety net to keep insurers in such markets, she said.

“Before the act, states were toying with subsidies for rural markets,” Markey said. “Now there’s nothing for these states to spend on insurance subsidies.”

In its approved rules for next year’s open enrollment, the federal government said it would do some emergency tinkering to help states that come up short in certain markets. That could mean more federal dollars for rural areas, which the law oversubscribed.

But states and insurers are looking to next year’s election and Congress’s inevitable tendency to change the law, not build it.

“People are thinking if we can make changes now, Congress will do that,” Markey said. “The presidential election is coming up and it’s a very political time. It’s not like these marketplaces get a lot of political support.”
Expanding Medicaid

Current Status of State Medicaid Expansion Decisions

- Implementing the Expansion (28 States including DC)
- Open Debate (2 States)
- Not Moving Forward at this Time (21 States)

NOTES: Data are as of August 28, 2014. *AR, IA, MI, and PA have approved Section 1115 waivers for Medicaid expansion. In PA, coverage will begin in January 2015. NH is implementing the Medicaid expansion, but the state plans to seek a waiver at a later date. IN has a pending waiver to implement the Medicaid expansion. WI amended its Medicaid state plan and existing Section 1115 waiver to cover adults up to 100% FPL in Medicaid, but did not adopt the expansion.

SOURCES: Current status for each state is based on data from the Centers for Medicare and Medicaid Services, available here, and KCMU analysis of current state activity on Medicaid expansion.
The Path Forward
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)**
I Innovation model for rural hospitals who continue to struggle.
New Provider Type?

• **Primary Health Center (PHC):**
  • Traditional ambulatory/clinic services
  • **Emergency Care (tele-emergency allowed/required)**
  • Care Coordination and Disease Management
  • Transitional care (e.g., observation, extended stay) capacity
  • EMS/Non-emergent Medical Transportation may be provided through PHC
Our Grassroots Effort

- NRHA doesn’t have a PAC
- Website: ruralhealthweb.org
- Depends solely on grassroots advocacy
- Members have access to:
  - ✔ Rural Health Blog
    http://blog.ruralhealthweb.org
- Join NRHA today at ruralhealthweb.org
Go Rural!

Alan Morgan
Chief Executive Officer
National Rural Health Association