

The Rural Health Landscape

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CEO

May 2023

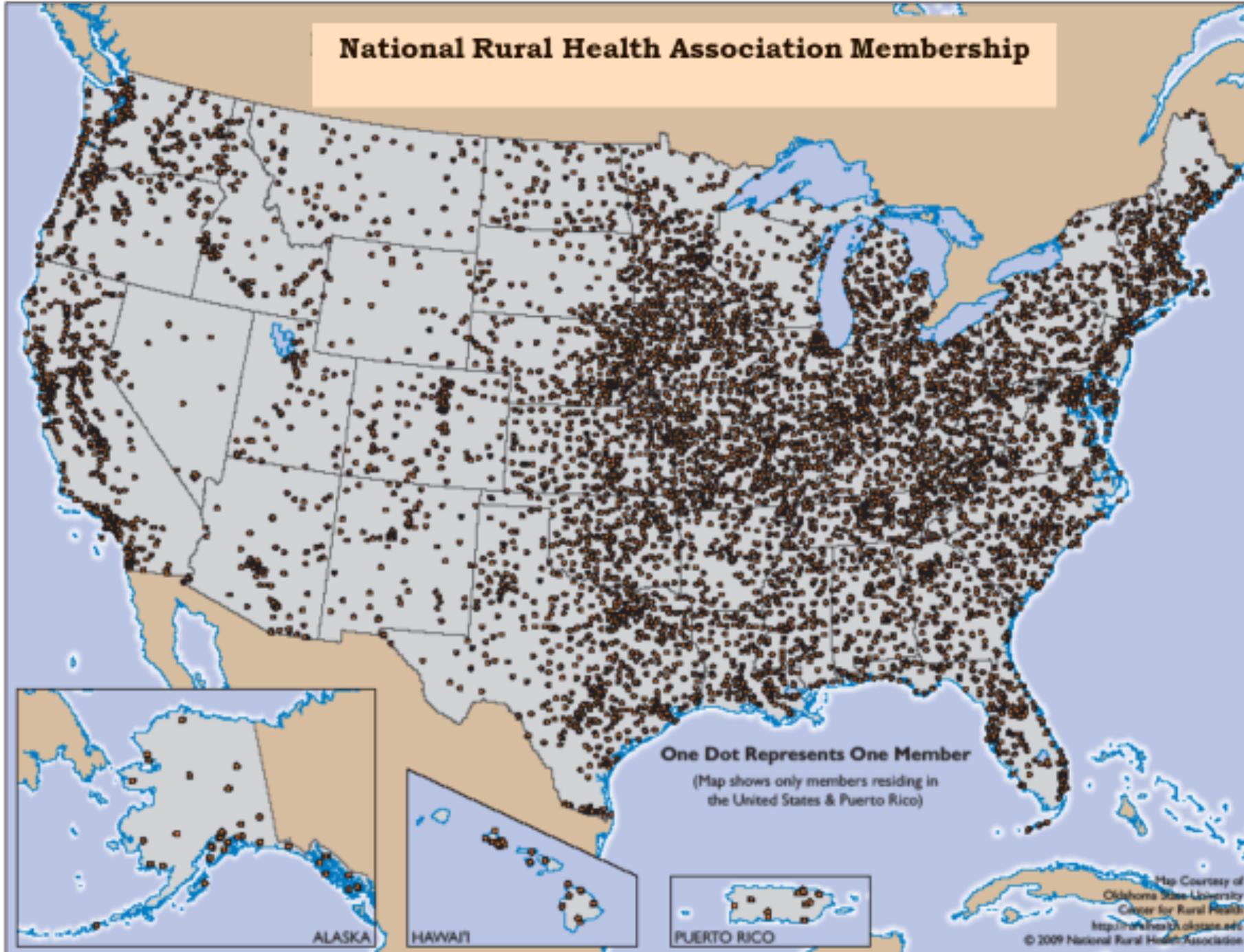


NRHA

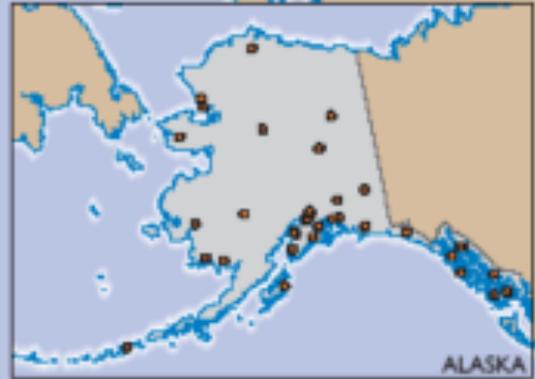
Your voice. Louder.

**Our mission is to provide leadership on
rural health issues.**

National Rural Health Association Membership



One Dot Represents One Member
(Map shows only members residing in the United States & Puerto Rico)



ALASKA



HAWAII



PUERTO RICO

Map Courtesy of
Oklahoma State University
Center for Rural Health
<http://ruralhealth.okstate.edu>
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2023: An unprecedented year

- Unprecedented challenges to an already fragile rural health safety net
- Impact of the pandemic today and tomorrow
- Unprecedented NRHA advocacy and funding victories
- Rural health inequality and racial injustice focus
- New 117th Congress and Biden Administration
- Innovation continues

The Rural Landscape

The State of Rural America

- **Workforce Shortages**
- **Vulnerable Populations**
- **Chronic Poverty**



The Rural Context



Rural areas make up 80% of the land mass in USA

Rural areas have roughly 17% of the US Population

Rural areas provide the food, fuel and fiber to power our nation

Rural Population since 2015

- U.S. Census shows that population in nonmetropolitan counties remained stable from 2014 to 2022 at about 46 million.
- (2014-2018 rural adjacent to urban saw growth.)

Am I rural?



Rural Quality

- Strong sense of community responsibility, propensity toward collaboration (unique ways to develop and provide services needed.)
- Ability to create regional networks to provide greater access to state-of-the-art health care.
 - Institute Of Medicine “Quality through Collaboration”

Rural Quality

- Rural hospitals consistently outperform urban hospitals on patient experience metrics and patients often report higher levels of trust in their providers.
 - Joynt et al., 2016

Rural Quality

- Rural hospitals are more likely to practice patient-centered care as opposed to “more expensive” specialized care, which drives up Medicare costs.
 - Hiler 2014

Rural Quality

- Rural hospital perform better than urban hospitals in Medicare's Hospital Value-Based Payment Program.
- Rural hospitals scored better than their urban counterparts in postoperative wound infection rates and measures of health care related to infections.
 - Joynt et al, 2016

Rural Quality

- Rural home health care agencies are initiate care more quickly than their urban counterparts and typically outperform in the care process measure.
 - New York University, 2022

Rural Quality

- Patients seeking prenatal care at rural hospitals are less likely to experience potentially avoidable maternity complications.
 - Laditka et al, 2005

Rural Delivering Value

Rural has the edge

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

Study Area C – Hospital Performance

**Rural hospitals match
Urban hospitals on
performance at a lower
price**

“Rural hospitals and the rural economy rise and fall together”

“Three years after a rural hospital community closes, it costs about \$1000 in per capita income.”

- Mark Holmes, professor, University of North Carolina

- On average, 14% of total employment in *rural areas* is attributed to the health sector. *Natl. Center for Rural Health Works*. (RHW)
- The average CAH creates 107 jobs and generates \$4.8 million in payroll annually. (RHW)
- Health care often represent up to 20 percent of a rural community's employment and income. (RHW)
- Medical deserts form in rural communities where hospitals close.

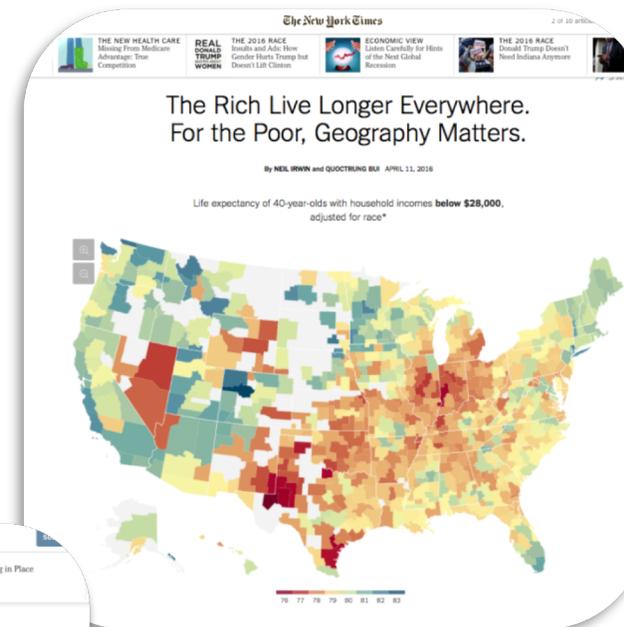
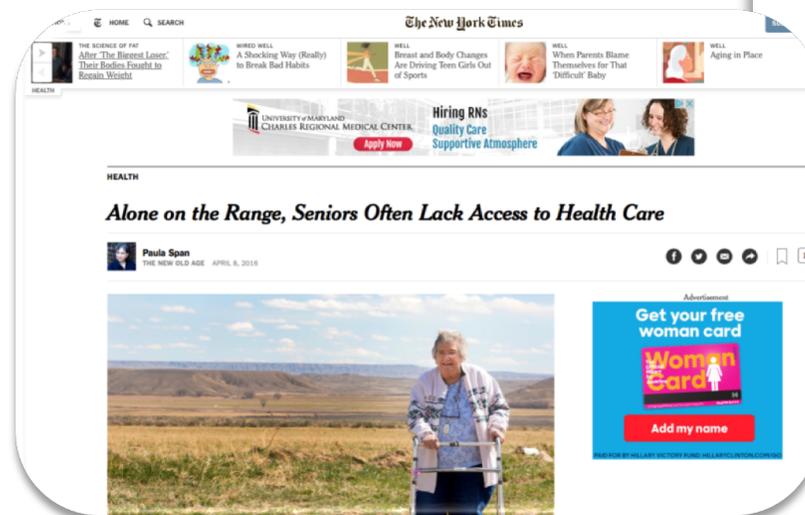
Rural has an Older, Sicker and Poorer Population

- The median age of adults living in rural areas is greater than those living in urban:
 - Rural: 51 years
 - Urban: 45 Years
- 18.4% of rural residents are age 65+, whereas its 14.5% in urban
- **Rural areas have higher rates of several health risk factors/conditions:**
 - **Obesity**
 - **Diabetes**
 - **Smoking**

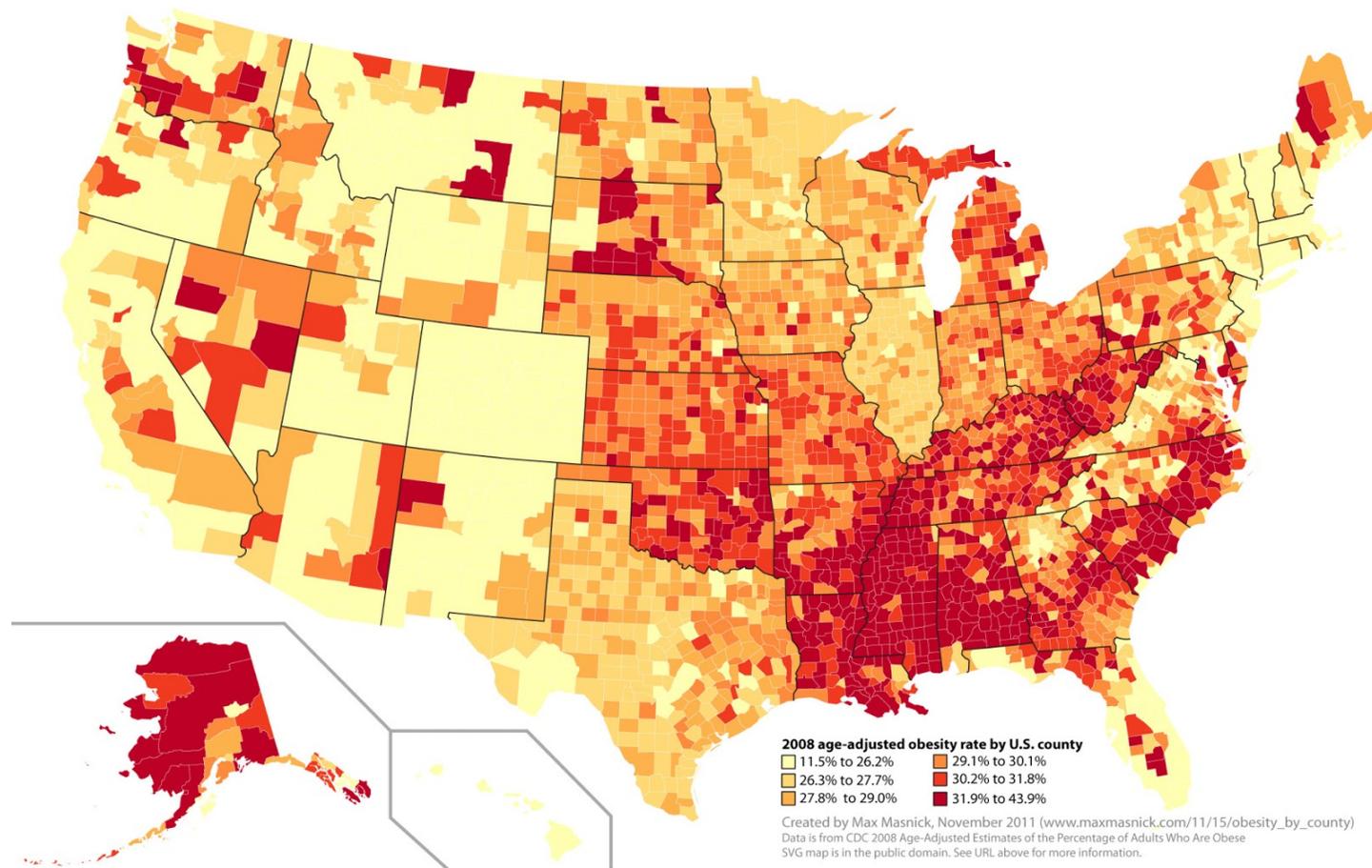
Fragile Rural Health Safety Net

- Vulnerable populations
- Systemic workforce shortages
- Scattered populations with inherent access to care issues
- Limited resources for providers
- Inadequate Medicare, Medicaid and private insurance coverage
- Lack of Medicaid expansion and high uninsured populations
- Rural provider closures

Declining Life Expectancy



Obesity rates in rural America



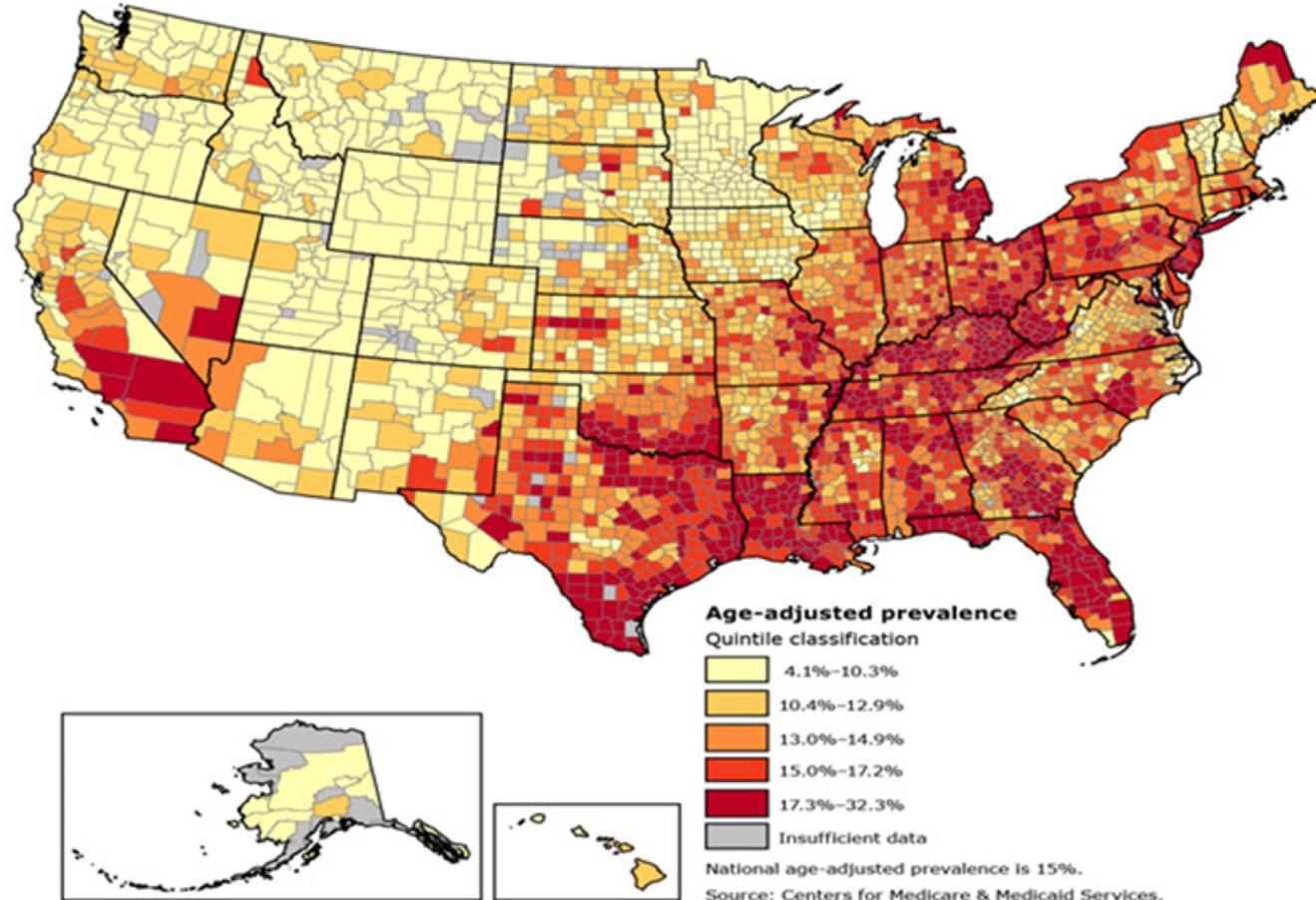
Rural Cancer Rates

(Source: Centers for Disease Control and Prevention, MMWR Series July 2017)

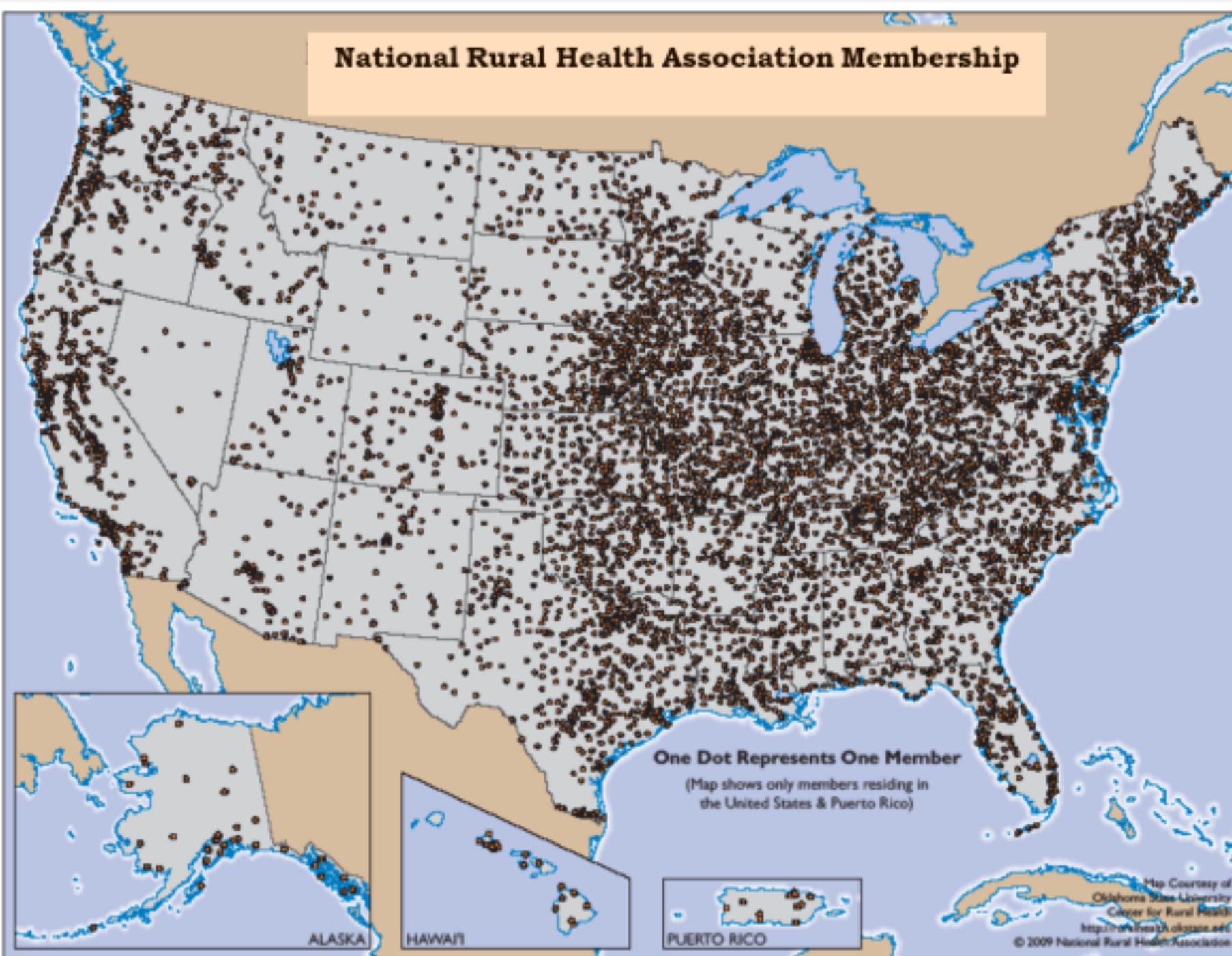
- Reported death rates were higher in rural areas (180 deaths per 100,000 persons) compared with urban areas (158 deaths per 100,000 persons).
- Analysis indicated that while overall cancer incidence rates were somewhat lower in rural areas than in urban areas, incidence rates were higher in rural areas for several cancers: those related to tobacco use such as lung cancer and those that can be prevented by cancer screening such as colorectal and cervical cancers.
- ***While rural areas have lower incidence of cancer than urban areas, they have higher cancer death rates. The differences in death rates between rural and urban areas are increasing over time.***

Prevalence of Medicare Patients with 6 or more Chronic Conditions

The Prevalence of Medicare Fee-for-Service Beneficiaries 65 Years or Older With 6 or More Chronic Conditions, by County, 2012



National Rural Health Association Membership



The Geography of Food Stamps

SNAP Enrollment as Percent of County Population

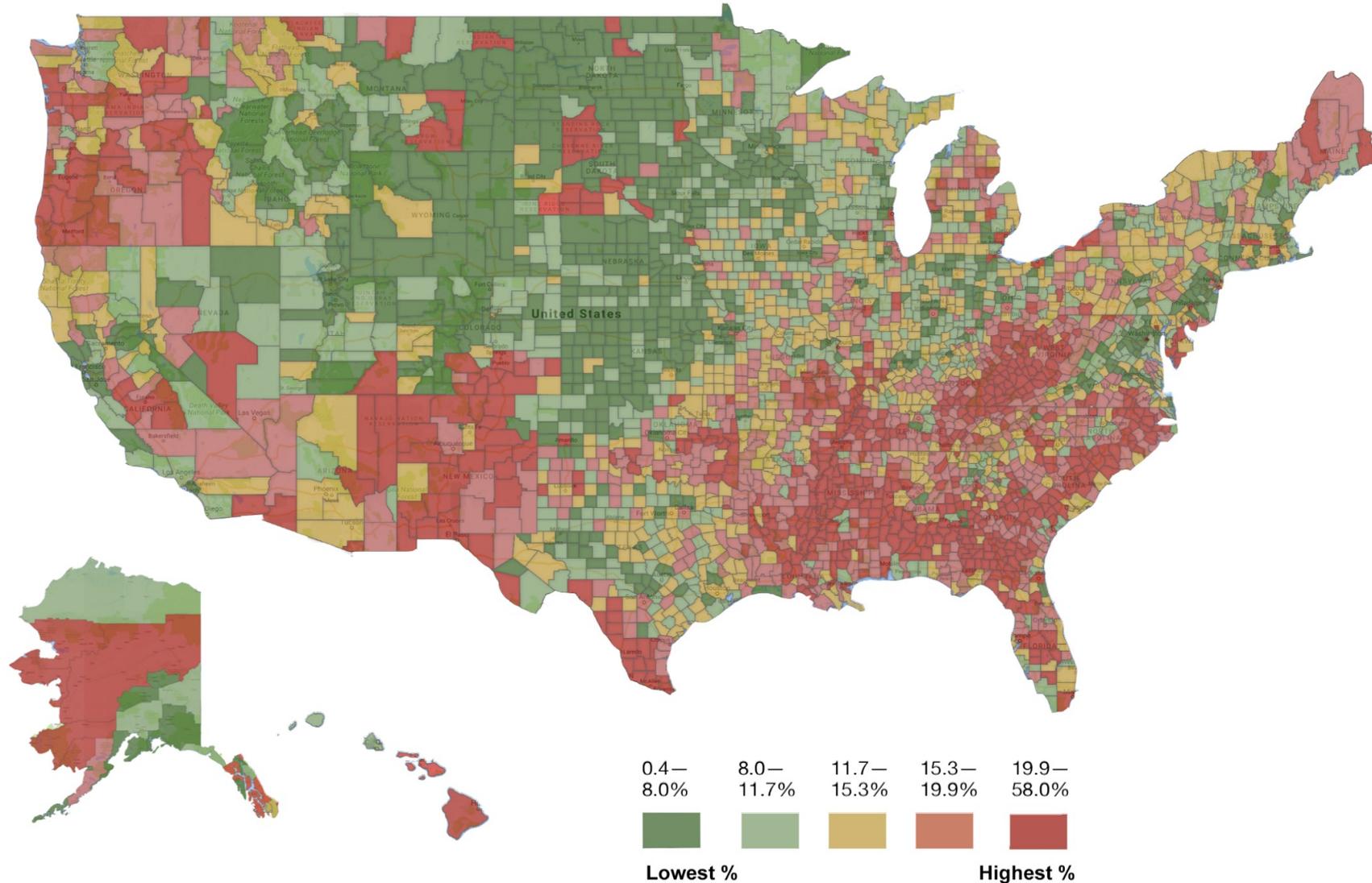


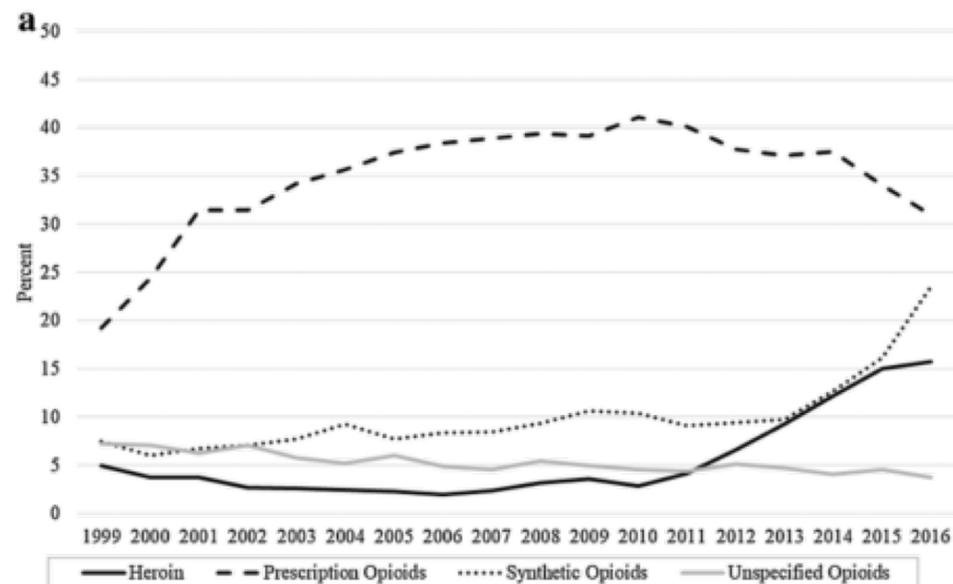
Table 1. Prevalence of Diseases, by Income, 2011 (percent of adults)

DISEASE OR ILLNESS	ANNUAL FAMILY INCOME				
	Less than \$35,000	\$35,000–49,999	\$50,000–74,999	\$75,000–99,999	\$100,000 or more
Coronary heart disease	8.1	6.5	6.3	5.3	4.9
Stroke	3.9	2.5	2.3	1.8	1.6
Emphysema	3.2	2.5	1.4	1.0	0.8
Chronic bronchitis	6.3	4.0	4.4	2.2	2.4
Diabetes	11.0	10.4	8.3	5.6	5.9
Ulcers	8.7	6.7	6.5	4.7	4.4
Kidney disease	3.0	1.9	1.3	0.9	0.9
Liver disease	2.0	1.6	1.0	0.6	0.7
Chronic arthritis	33.4	30.3	27.9	27.4	24.4
Hearing trouble	17.2	16.0	16.0	16.2	12.4
Vision trouble	12.7	9.8	7.5	5.7	6.6
No teeth	11.6	7.8	5.5	4.2	4.1

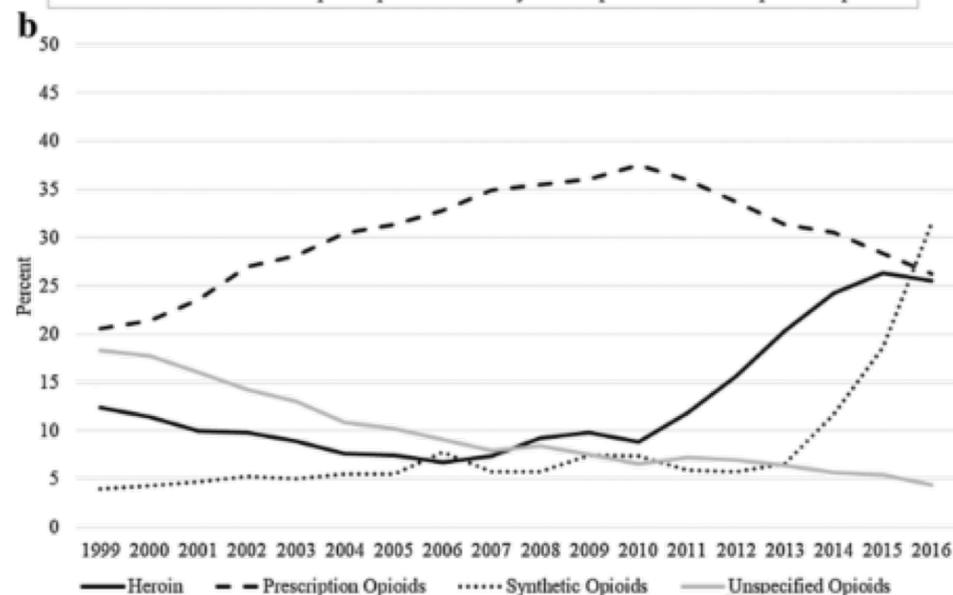
Source: J. S., Schiller, J. W. Lucas, and J. A. Peregoy, "Summary Health Statistics for U.S. Adults: National Health Interview Survey, 2011." Vital and Health Statistics 10, no. 256 (2012): 1–207, tables 1, 4, 8, and 12. http://www.cdc.gov/nchs/data/series/sr_10/sr10_256.pdf.

Opioid-related mortality

K.K. Rigg et al.



Rural areas

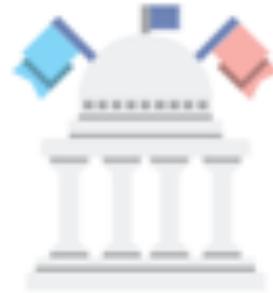


Urban areas

The Rural Provider Environment

- 1400 total Federally Qualified Community Health Centers
(600 rural, serve 1 in 5 rural residents)
- 5000 Rural Health Clinics
- 1300 Critical Access Hospitals
- 500 Rural Prospective Payment Hospitals

Pandemic Relief Funds Stabilize Safety Net



CARES Act



\$4.8B

**Medicare
Advanced Payments**



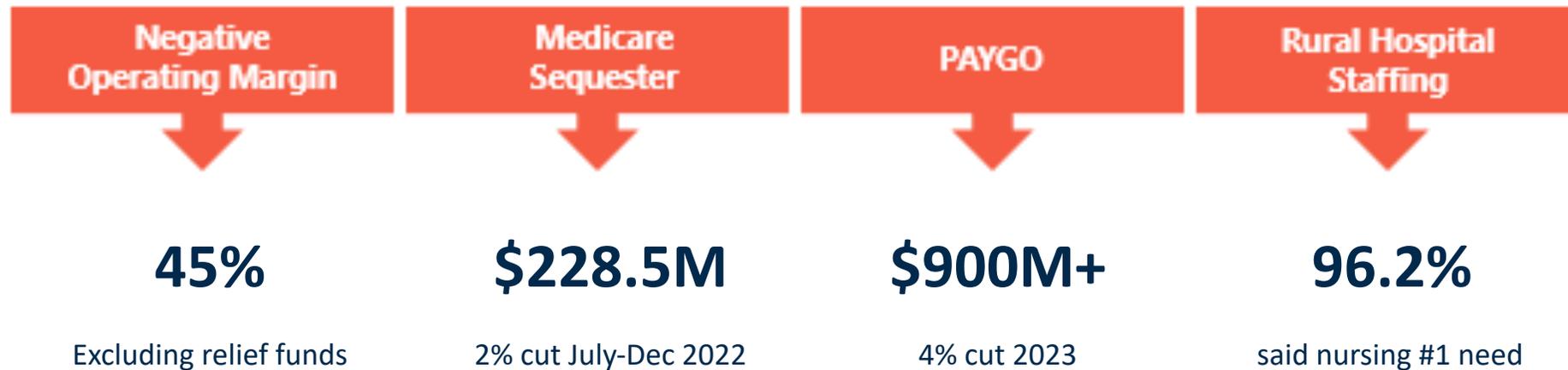
\$8.2B

**American
Rescue Plan**

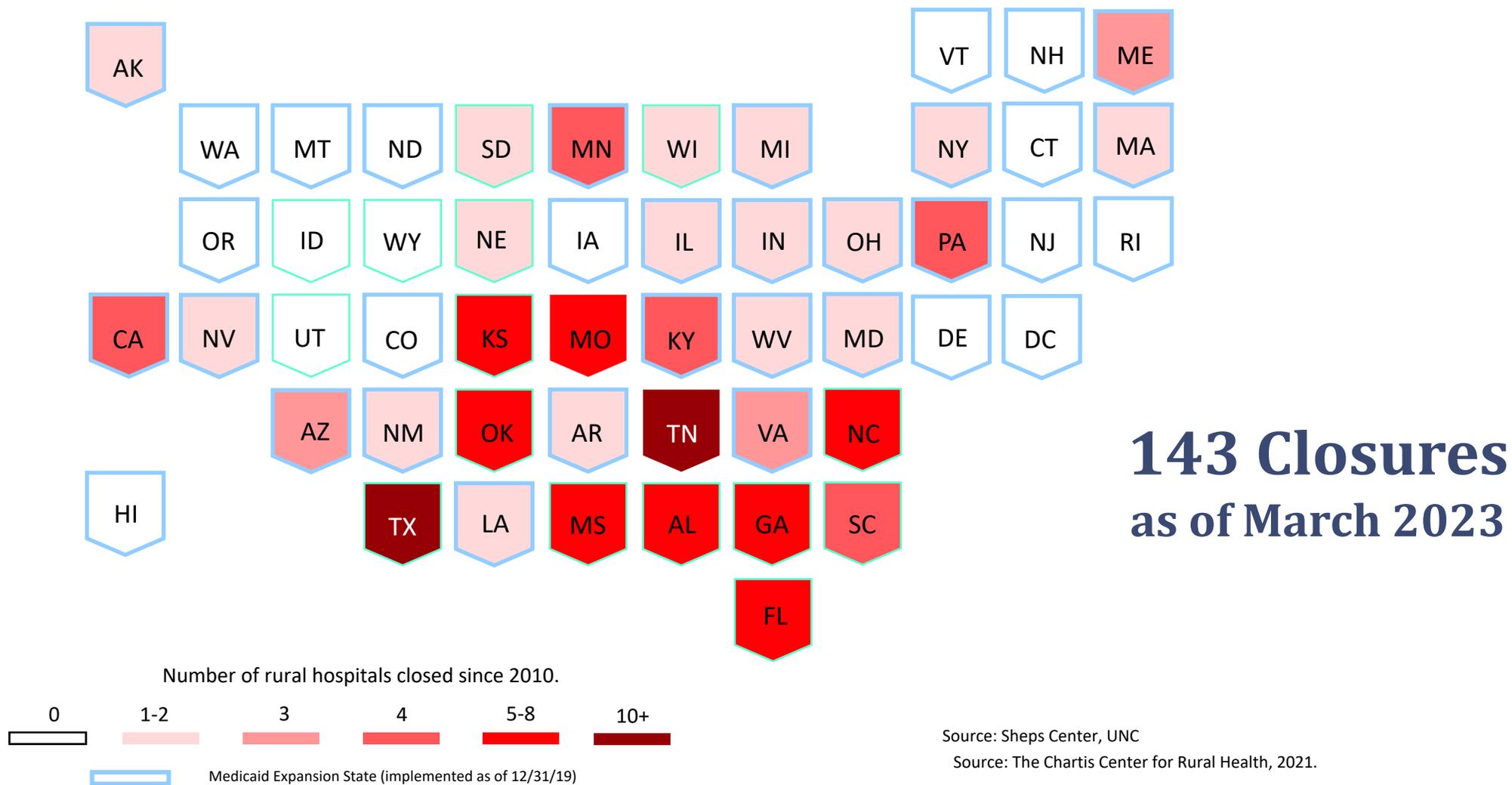


\$887M

Red Sky in Morning, Sailor's Warning



Rural Hospital Closures

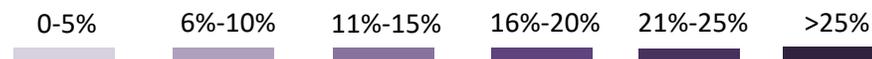


Rural Population Disparity

Uninsured Adults



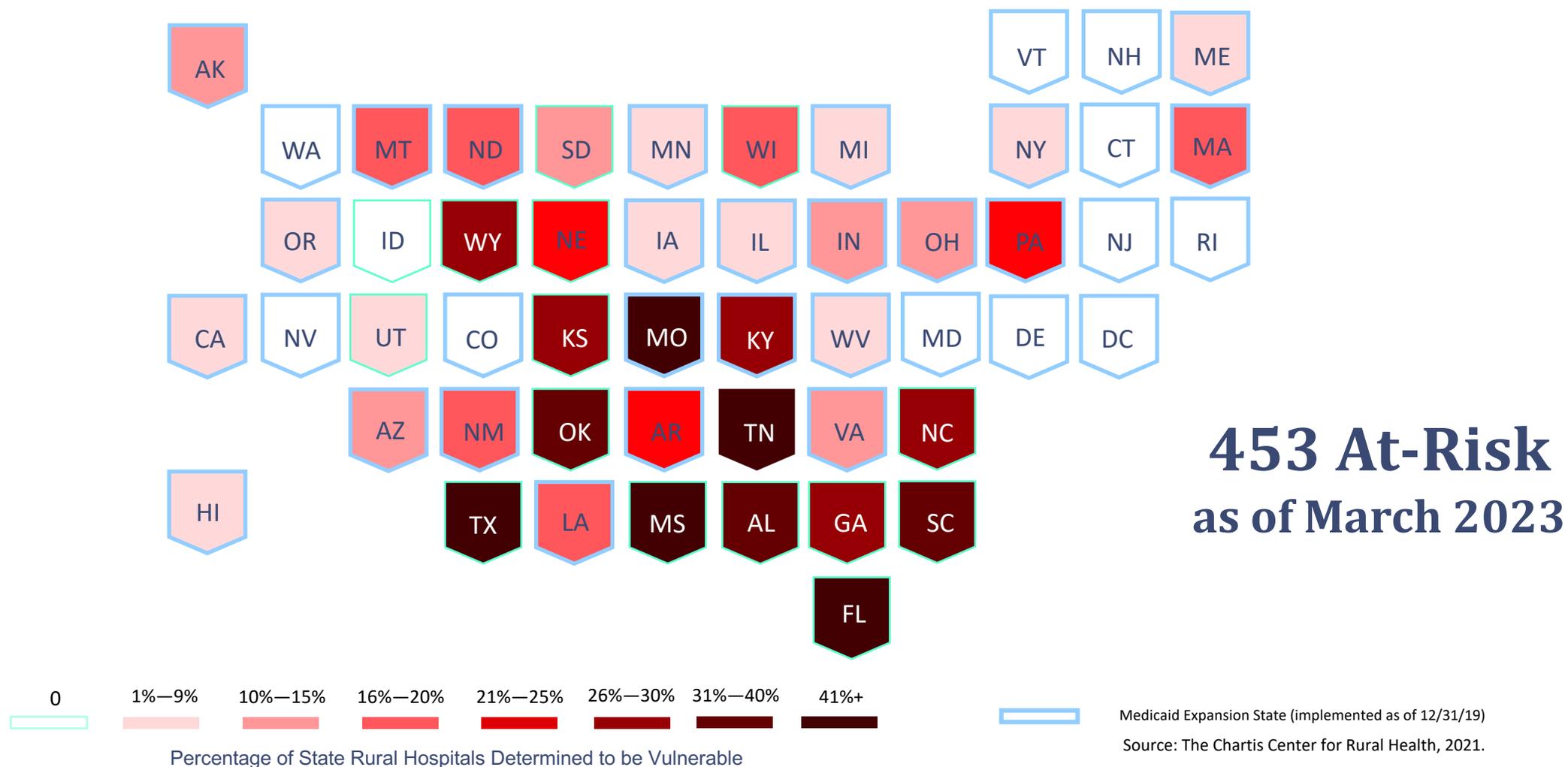
Percentage of population served by rural hospitals that is adults under age 65 without health insurance.



 Medicaid Expansion State (implemented as of 12/31/19)

Source: The Chartis Center for Rural Health, 2021.

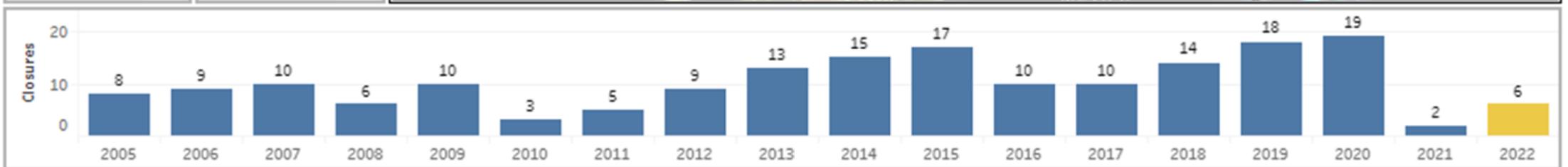
Rural Hospitals Vulnerable to Closure



Rural Hospital Closures

Closure Year
2005 2022

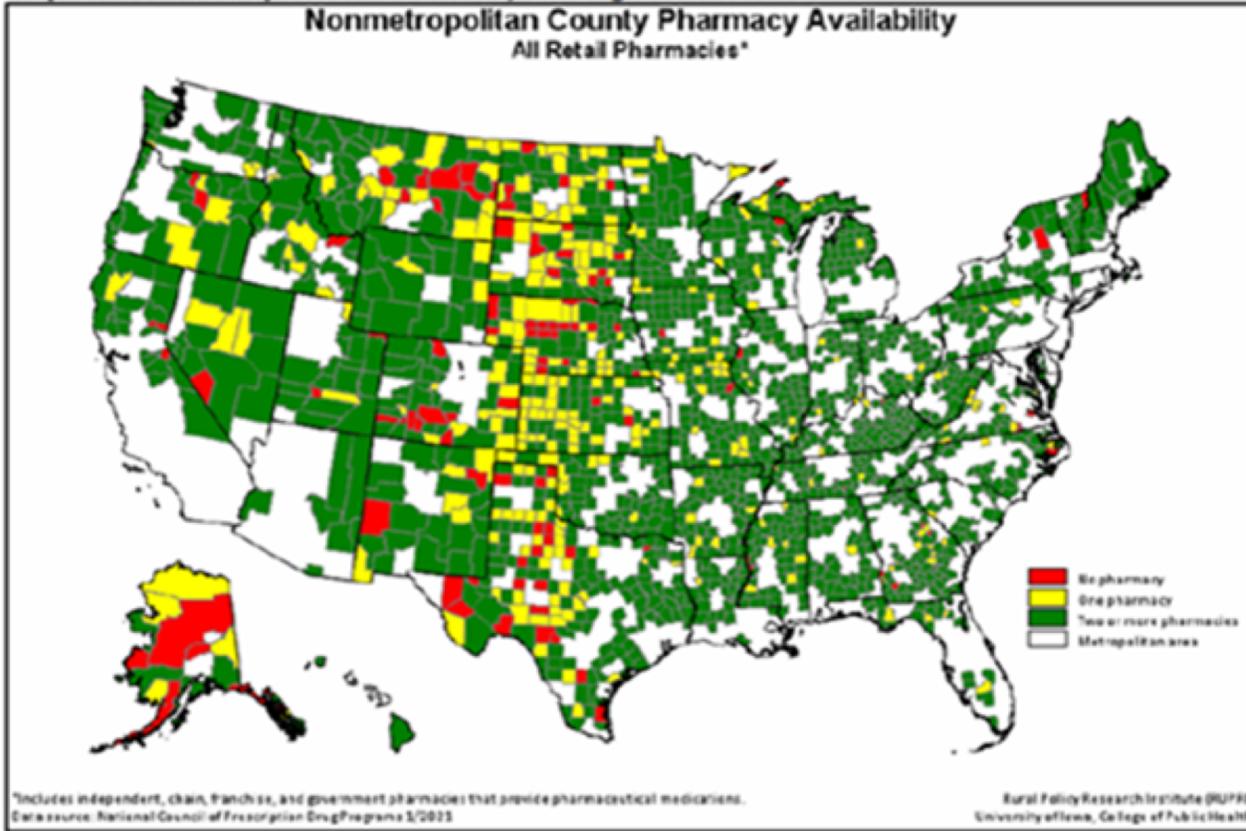
2022 closures are displayed in yellow, closures prior to 2022 are in blue.



Rural Pharmacy Closures

Map 1. Nonmetropolitan Counties, all Eligible Pharmacies

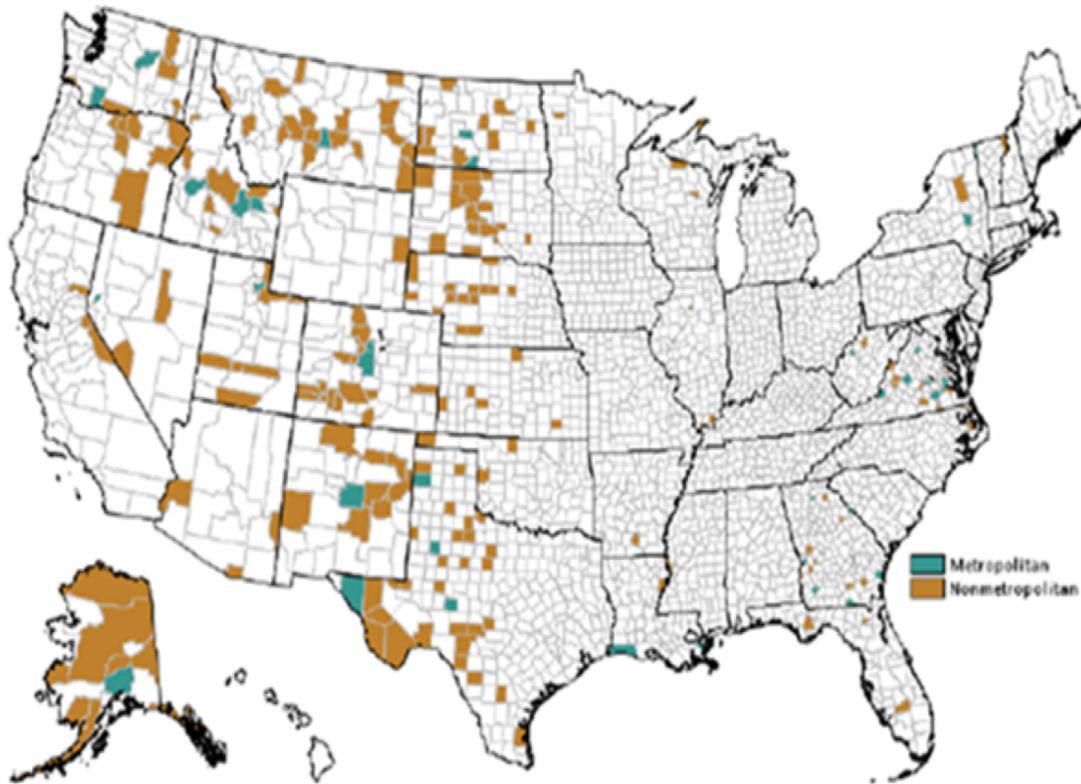
Nonmetropolitan County Pharmacy Availability
All Retail Pharmacies*



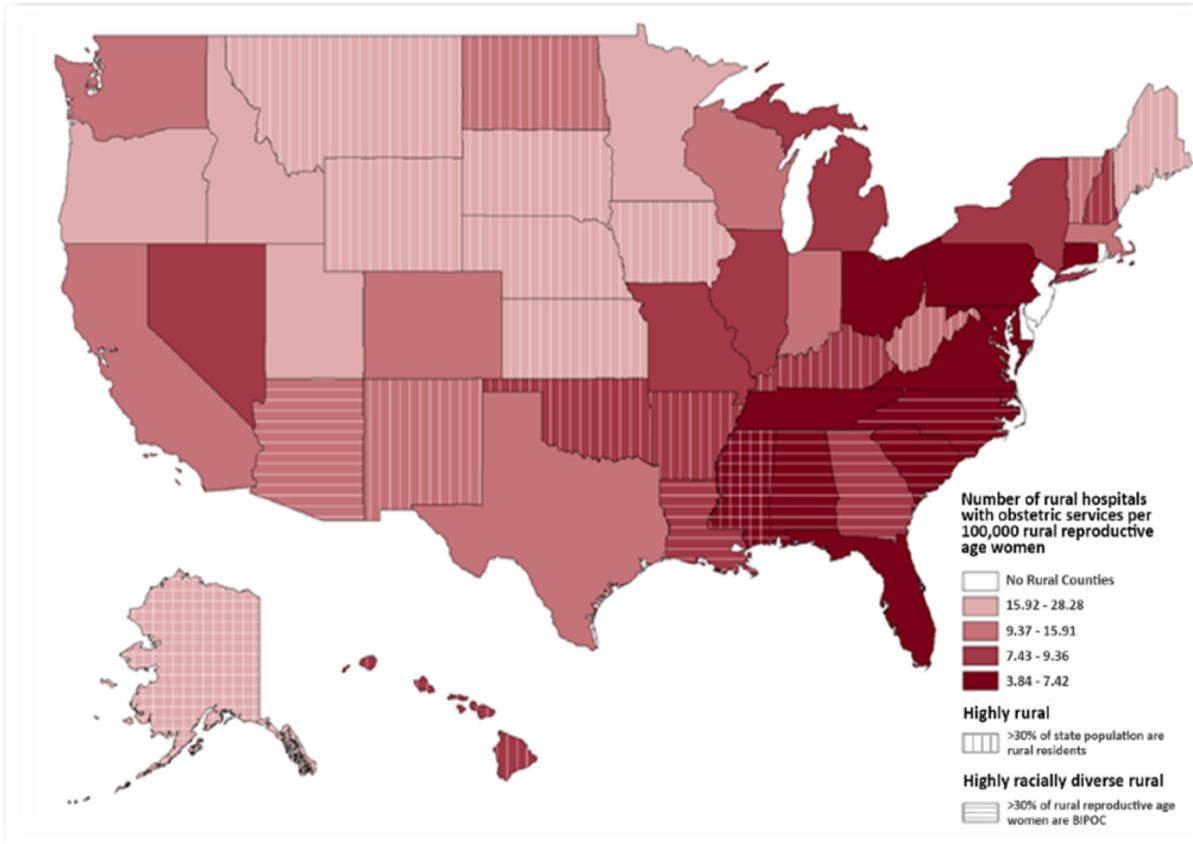
- From 2003 – 2018, 1,231 independently owned rural pharmacies (16.1%) closed
- 630 rural communities with at least 1 retail pharmacy in 2003 had 0 in 2018

Rural Nursing Home Closures

- 10% of rural counties are nursing home deserts
- From 2008-2018, 400 rural counties experienced at least 1 nursing home closure



Maternity Deserts Nationwide



- 56% of rural counties lack hospital-based OB services
- Substantial state and regional variability
- Loss of hospital-based OB services is most prominent in rural communities:
 - With a high proportion of Black residents
 - Where a majority of residents are Black or Indigenous have elevated rates of premature death

Population Health Disparity

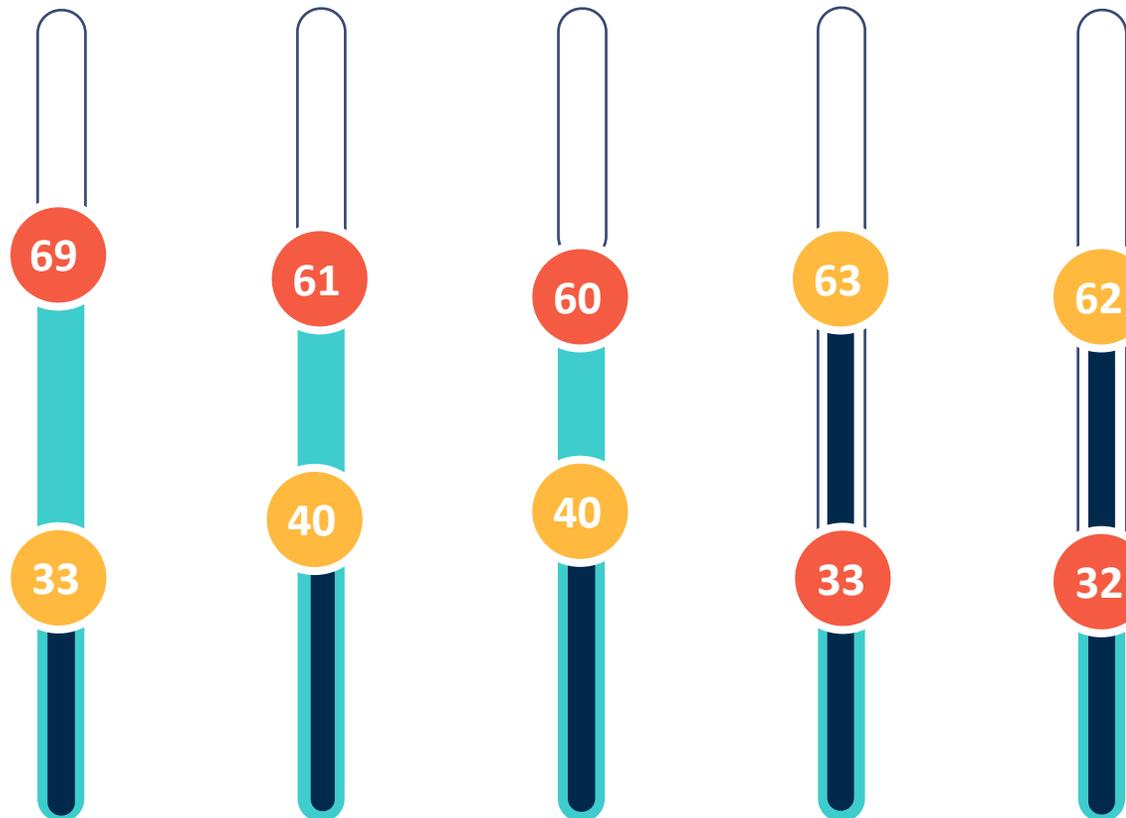
Percentile Ranking



Rural



Urban



Source: The Chartis Center for Rural Health, 2021.

Over 65

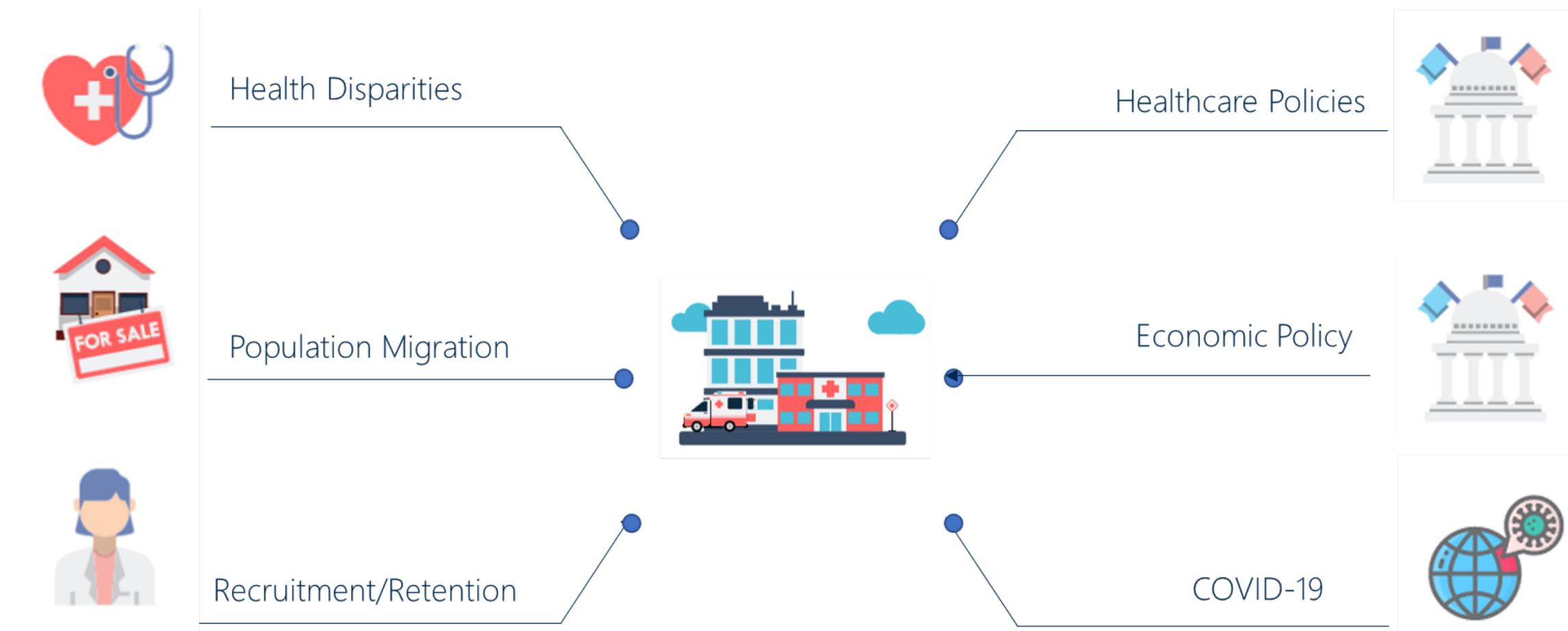
Premature
Death

Uninsured
Children

Access to
Primary Care

Access to
Mental Health

Rural Hospitals: Convergence of Multiple Pressure Points



Need for a New Model

- Rural hospital closures
 - Closures could resume after covid funding is gone
- Declining inpatient utilization
 - Average revenue coming from outpatient services increased from 66.5% in 2011 to 74.2% in 2019
- Access to emergency care
 - Study show rural ED care for potentially life-threatening conditions is comparable to that in urban settings
 - Importance of ensuring access to treatment at local EDs in rural and frontier communities

Addressing COVID-19

COVID-19 – A Rural Story

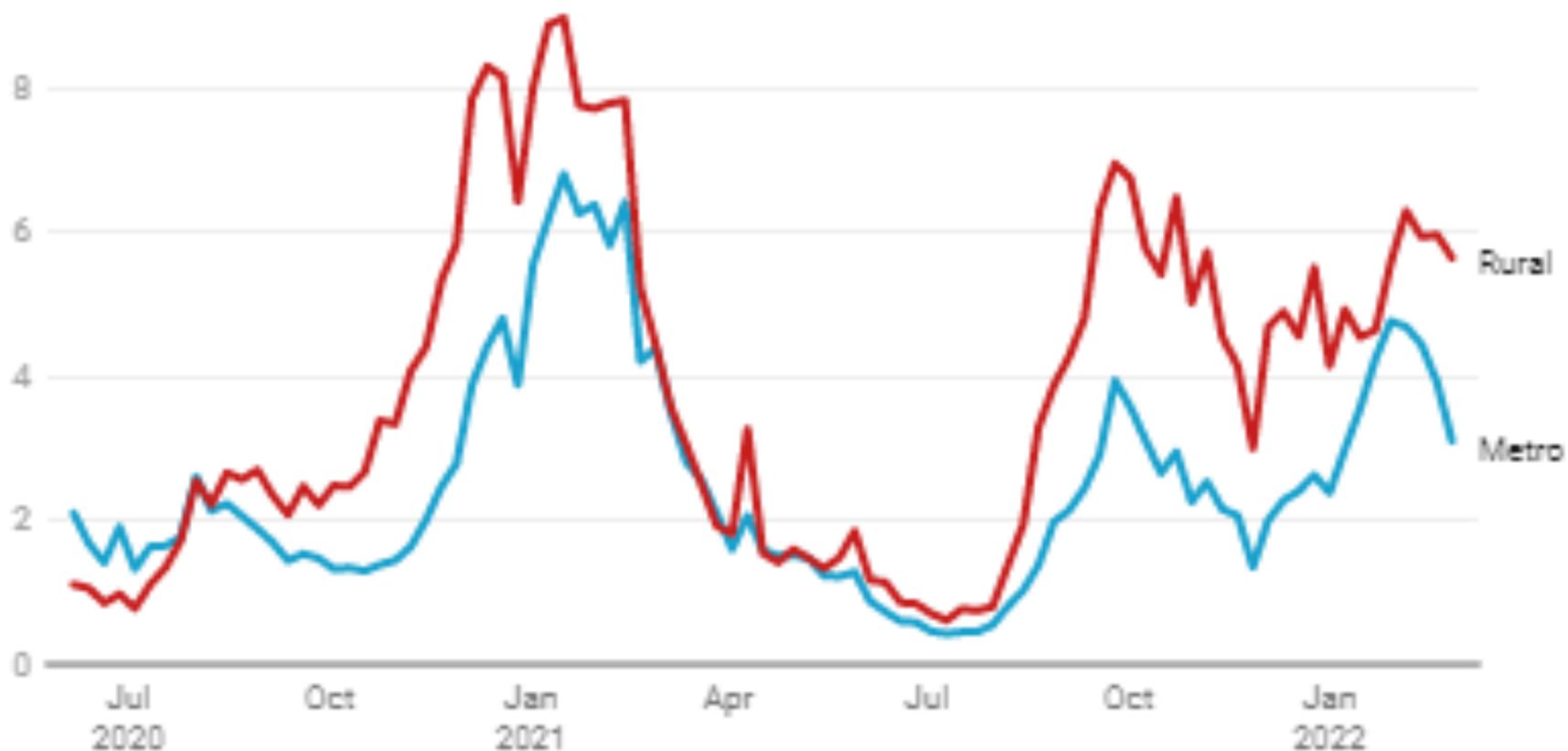


CORONAVIRUS

Covid is killing rural Americans at twice the rate of people in urban areas

The pandemic is devastating rural America, where lower vaccination rates are compounding the already limited medical care.

Rural COVID-19 Mortality Rate



As of March, 2022

Source: CDC and selected state departments of health
<https://dailyonder.com/covid-19-dashboard-for-rural-america/>

Rural Hospital Staffing Survey

Which roles are you experiencing the greatest difficulty filling?



Nursing 96.2%

Ancillary Services 66.2%

Facilities

Physicians

Other

Admin

Nursing was identified by **96.2%** of respondents as a role in which they are having difficulty filling. ***Staffing shortages can directly impact quality of care and access to care for rural communities.***

Rural Hospital Staffing Survey

How would you rank the following reasons for nurse staff departures in 2021?

48%



1

More financially lucrative opportunities at staffing agency

More financially lucrative opportunities at another hospital

3

Pandemic Burn Out

Retirement

5

Unwillingness to comply with vaccine mandate

Other

Among survey respondents, **48%** ranked more financially lucrative opportunities at staffing agencies as the #1 reason for nurse staff departure this year.

Drivers behind rural workforce shortage

- COVID-19 burnout/exhaustion
- Baby Boomers are retiring
- Desire for flexible work schedules
- New options like remote work/digital opportunities
- Salary and benefit limitations
- Education opportunities limited
- Rural patients need more services
- Rural practice characteristics
- Rural communities lack spouse opportunities

Physician Workforce

- 2021: 117,000 physicians left workforce
- 2021: Less than 40,000 joined workforce
- Survey: 1 in 5 physicians say they plan to leave workforce in the coming years
- Two-thirds of physicians report symptoms of “burnout”

- Source: [NY Times, February 4, 2023](#)

Rural Health Workforce

1. Expand the Medicare Graduate Medical Education (GME) Program

- *S. 1893, the Rural Physician Workforce Production Act*

2. Provide supplemental appropriations to National Health Service Corps

3. Support the nursing workforce to expand access to care

- *S. 246 / H.R. 851, the Future Advancement of Academic Nursing (FAAN) Act*



The 2022 Budget and 2023 Budget: Workforce

Addressing rural workforce needs by tapping into other HRSA programs



National Health Service Corps and Nurse Corps

support primary care and mental health providers

> 6,000 serve in rural communities



Public Health Scholarships

\$39 Million available now with applications due June 1, 2022

Community Health Worker Training

\$226 million available now with applications due June 14th, 2022



Area Health Education Centers Program

builds a pipeline of trainees with experience in rural and underserved areas



Teaching Health Center Graduate Medical Education Program

trains in community-based outpatient settings

> 93% train in medically underserved or rural communities



Pre-doctoral Training in General, Pediatric, and Public Health Dentistry and Dental Hygiene

improves oral health care for those with complex conditions and special health care needs



Nurse Education, Practice, Quality and Retention; Advanced Nursing Education Workforce Program; Nurse Education, Practice, Quality and Retention and Nurse Practitioner Residencies:

A range of programs to support the training of nurses and broader nurse education needs.



Behavioral Health Workforce Development Programs

enhance training for professionals and paraprofessionals

52% gain experience in treating substance use disorders

Updates from Congress

H.R. 6400, Save America's Rural Hospitals Act

In January, Representatives Graves (R-MO) and Huffman (D-CA) introduced the [Save America's Rural Hospitals Act](#) which included several of [NRHA's](#) rural hospital and rural health clinic priorities.

Sec. 114: Restore full CBR AIR in exchange for reporting requirements for provider-based RHCs.

Sec. 101: Elimination of Medicare sequestration for rural providers.

Sec. 111: Makes permanent increased payments for ground ambulances.

Sec. 113: Makes permanent telehealth distant site status for FQHCs and RHCs.

Sec. 401: Reauthorizes the Medicare Rural Hospital Flexibility Program.



Rural Health Clinics

NRHAs advocates to modernize and improve the rural health clinic program

- Allow provider-based RHCs to receive reimbursement rates not subject to the upper-payment limit cap in exchange for quality reporting measures
- Permanently extend CARES Act telehealth flexibilities for both RHCs and FQHCs and allow for telehealth service reimbursement closer to their in-person rate
- Rural Health Clinic Behavioral Health Initiative at \$10 million in the FY23 Appropriation
- Modernize Medicare mental health benefits to allow licensed professional counselors and family therapists
- Census bureau rural definition change alignment with RHC location requirements

340B Program Lifeline

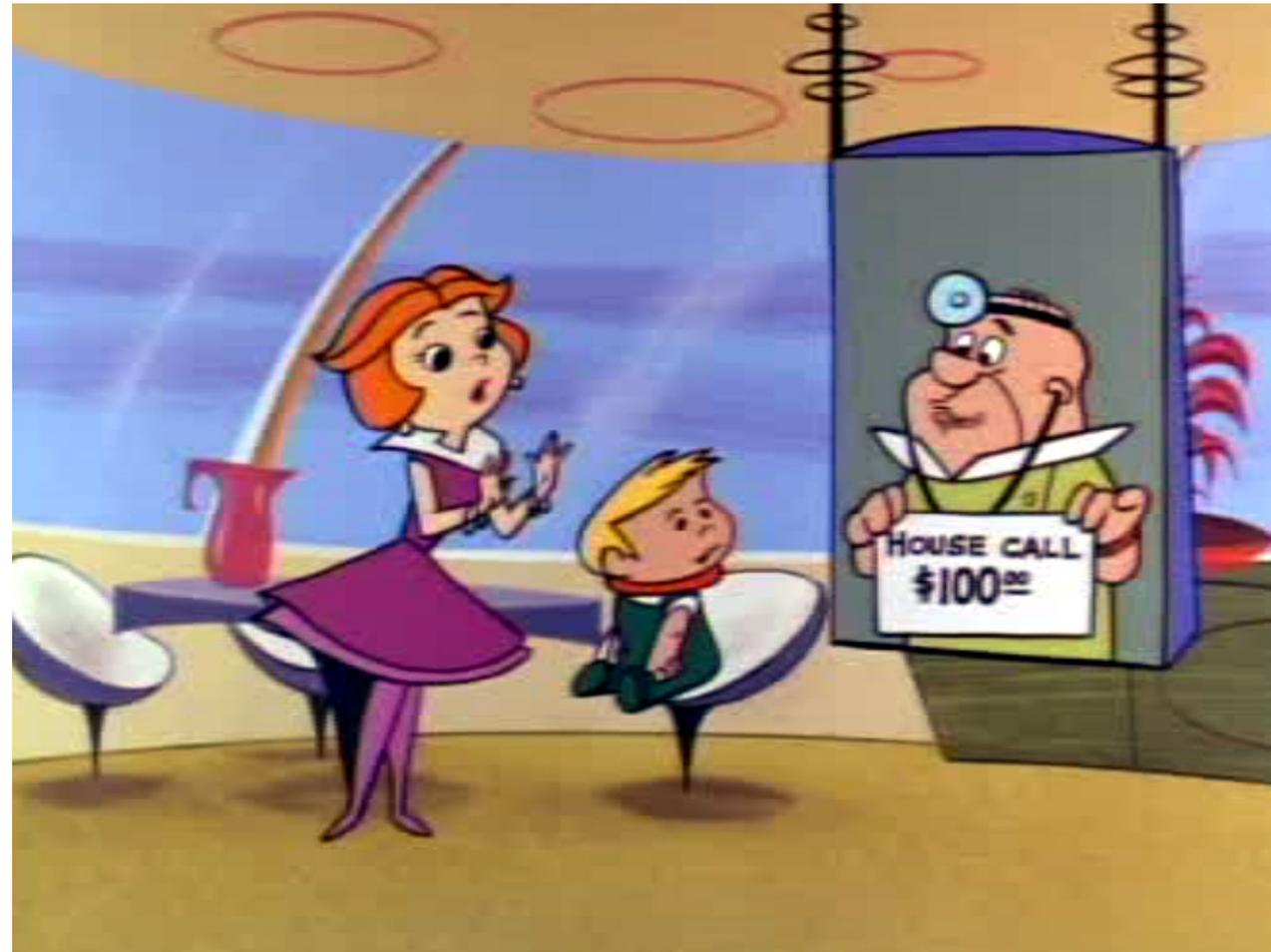
- Ensure the 340B Drug Pricing Program remains a critical resource for rural hospitals by addressing:
 - Attacks on contract pharmacies
 - Medicare payment cuts
 - Pharmacy Benefit Manufacture restrictions
 - Scope of patient definition
- 340B Program reforms:
 - Protect rural hospitals
 - Increase HRSA's enforcement authority
 - NRHA urges support for H.R. 4390, the Protect 340B Act of 2021



Telehealth During COVID-19

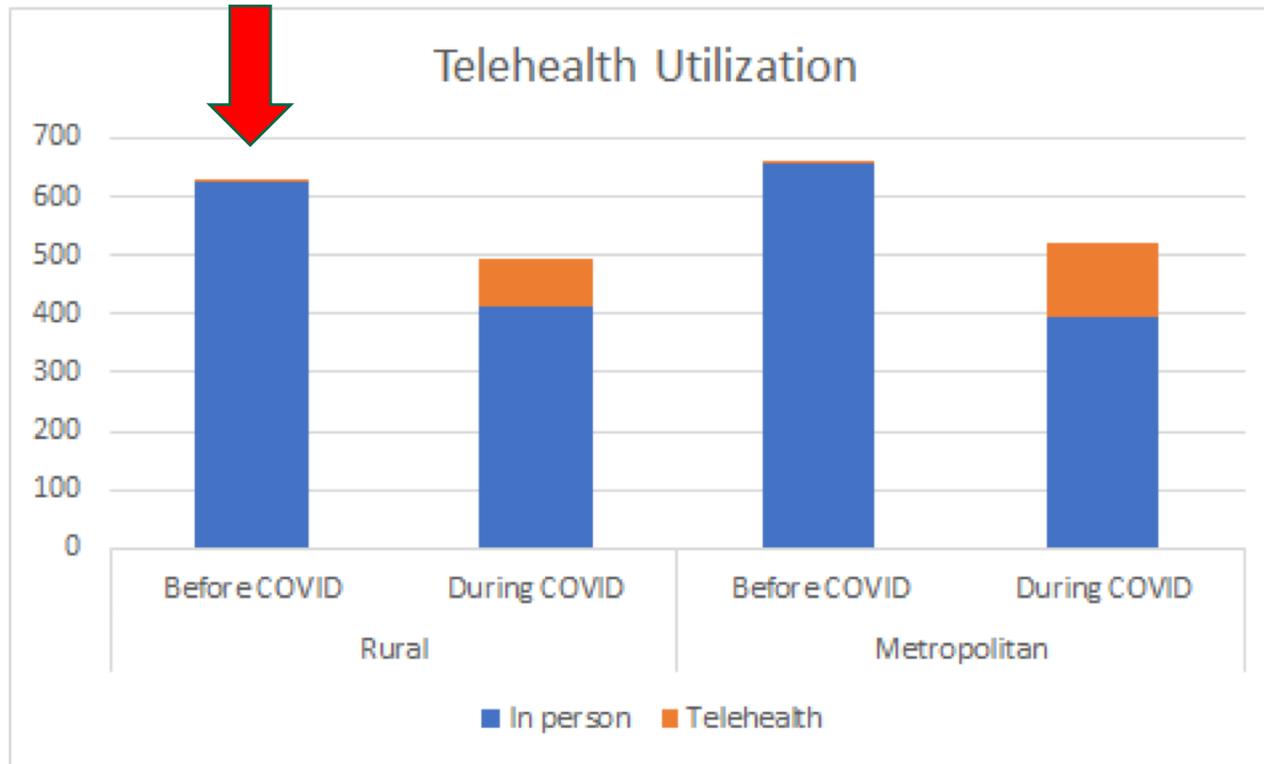
- CARES Act provided the largest expansion of telehealth flexibilities in history for the duration of the public health emergency.
 - Medicare to pay for telehealth services provided by a Federally Qualified Health Center (FQHC) or a Rural Health Clinic (RHC) (Sec. 3704).
- The administration, through the 1135 waiver process also enhanced telehealth access.
- Unfortunately, all notable telehealth provisions are tied to the end of the public health emergency.
- NRHA is adamant that telehealth provisions be extended beyond the duration of the public health emergency so rural providers and patients can continue an increased access to care.

1962 - 2021



Pre COVID

- Low utilization

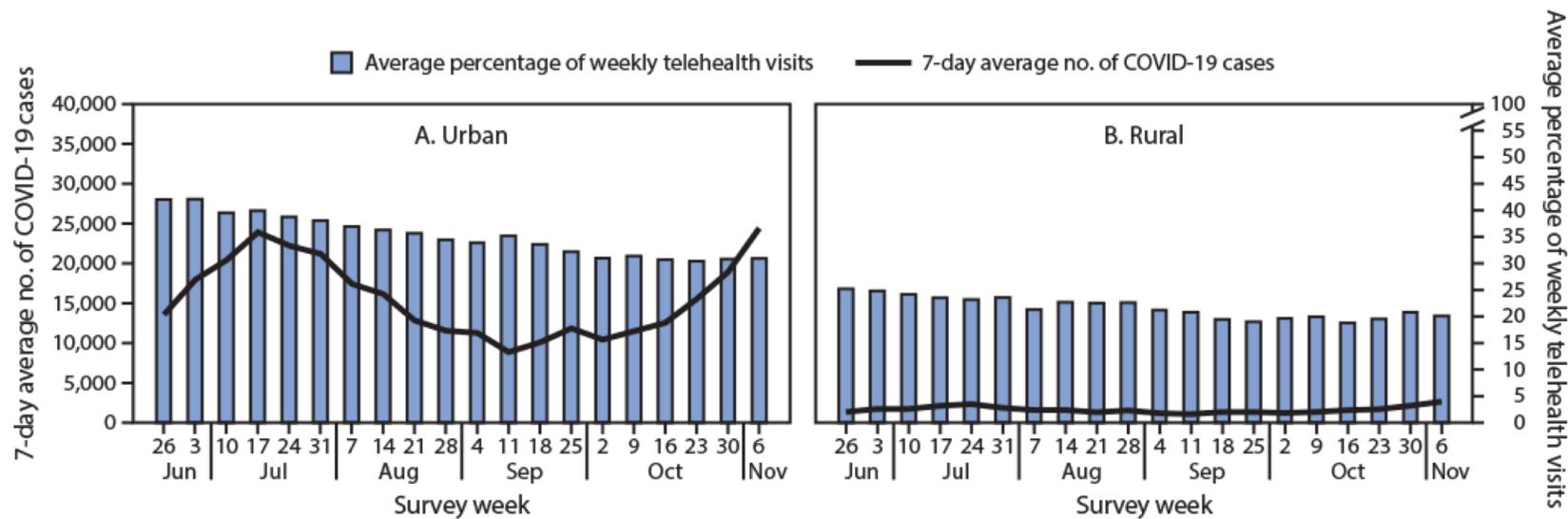


Why?

- Regulation
- Infrastructure (and cost)
- Reimbursement

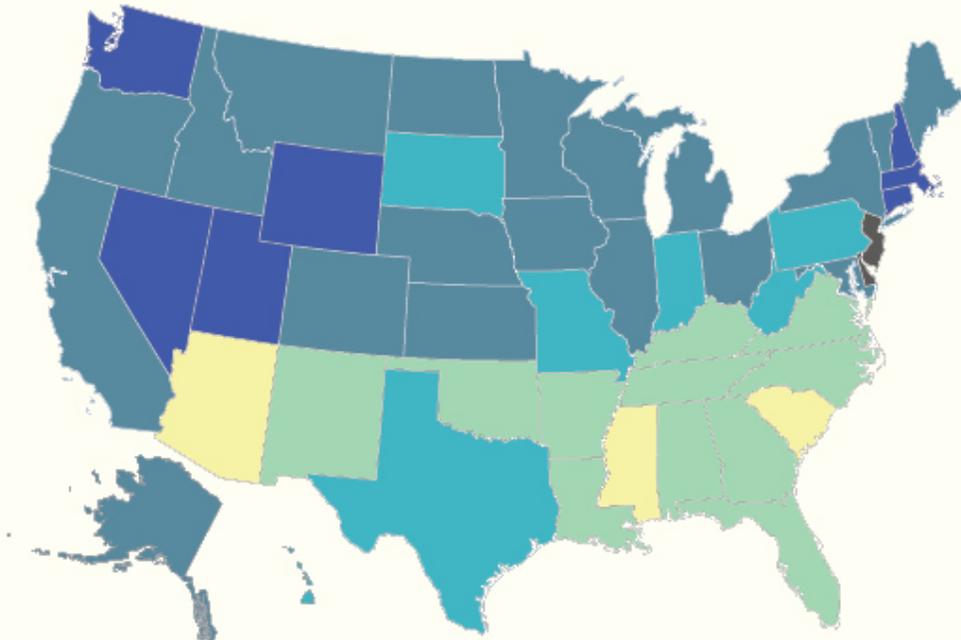
2021 Rural vs. Urban

- Cohort study of 36 million Americans with private insurance
- 0.3% of contacts in 2019 to 23.6% of all contacts in 2020 (March-June)
- This represents a 79x increase
- Rural-urban disparity

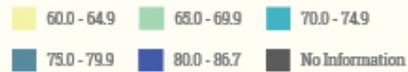


The Digital Divide in Rural America

RURAL HOUSEHOLDS WITH BROADBAND SUBSCRIPTIONS



% Rural Households with Broadband Subscriptions



Source: Housing Assistance Council tabulations of American Community Survey 2010-1 year variable B28002. Rural refers to outside OMB-designated metropolitan area.

HOUSEHOLDS WITH BROADBAND SUBSCRIPTIONS

Source: Housing Assistance Council tabulations of American Community Survey 2010-1 year.

83%
METROPOLITAN

vs

73%
OUTSIDE METROPOLITAN

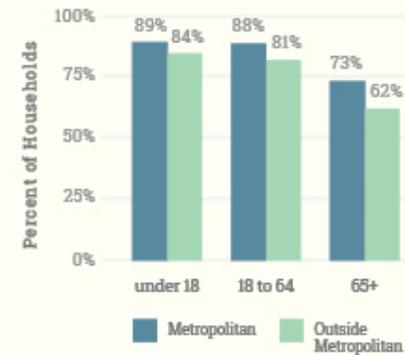
BROADBAND SUBSCRIPTIONS

BY INCOME



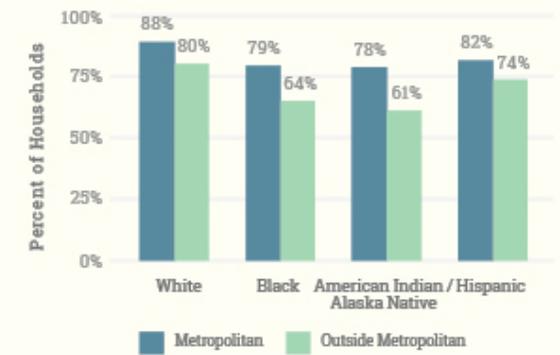
Source: Housing Assistance Council tabulations of American Community Survey 2010-1 year.

BY AGE



Source: Housing Assistance Council tabulations of American Community Survey 2010-1 year.

BY RACE / ETHNICITY



Source: Housing Assistance Council tabulations of American Community Survey 2010-1 year.

Key Rural Telehealth Legislation

- **CONNECT Act (S. 1512/H.R. 2903)**
 - Comprehensive telehealth legislation that includes the extension of several CARES Act flexibilities. Included is the permanent extension of RHCs and FQHCs to serve as distant-site providers, with payment parity.
- **Telehealth Modernization Act (S. 368/H.R. 1332)**
 - Makes permanent CARES Act provisions with no modifications.
- **Protecting Rural Telehealth Access Act (S. 1988)**
 - Allows payment-parity for audio-only health services. Brings CAHs into the fold, and updates RHC and FQHC payment rates to consider geographic constraints.
- **Telehealth Extension and Evaluation Act (S. 3593)**
 - Two-year extension of telehealth services. Provides payment parity for RHCs and FQHCs. Brings CAHs into the fold.

CMS Center for Innovation

OLDER MODELS

- Frontier Extended Stay Clinic (FESC)
- Frontier Community Health Integration Project (F-CHIP)
- Rural Community Hospital Demonstration Program

NEWER MODELS

- Global Budget Model
 - Sen. Bob Casey (D-PA)
- 24/7 ER Model with Cost-Based Reimbursement
 - Community Outpatient Hospital
 - REACH ACT

New! Rural Emergency Hospital



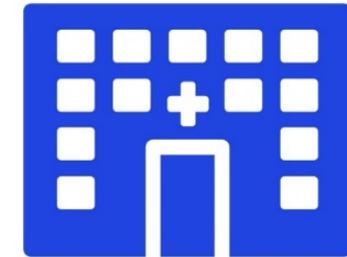
Clinic

Limited hours
No Emergency Services
No Overnight Stays
Primary Care



Rural Emergency Hospital

Open 24/7
Emergency Services
No Overnight Stays
Primary Care
Telemedicine



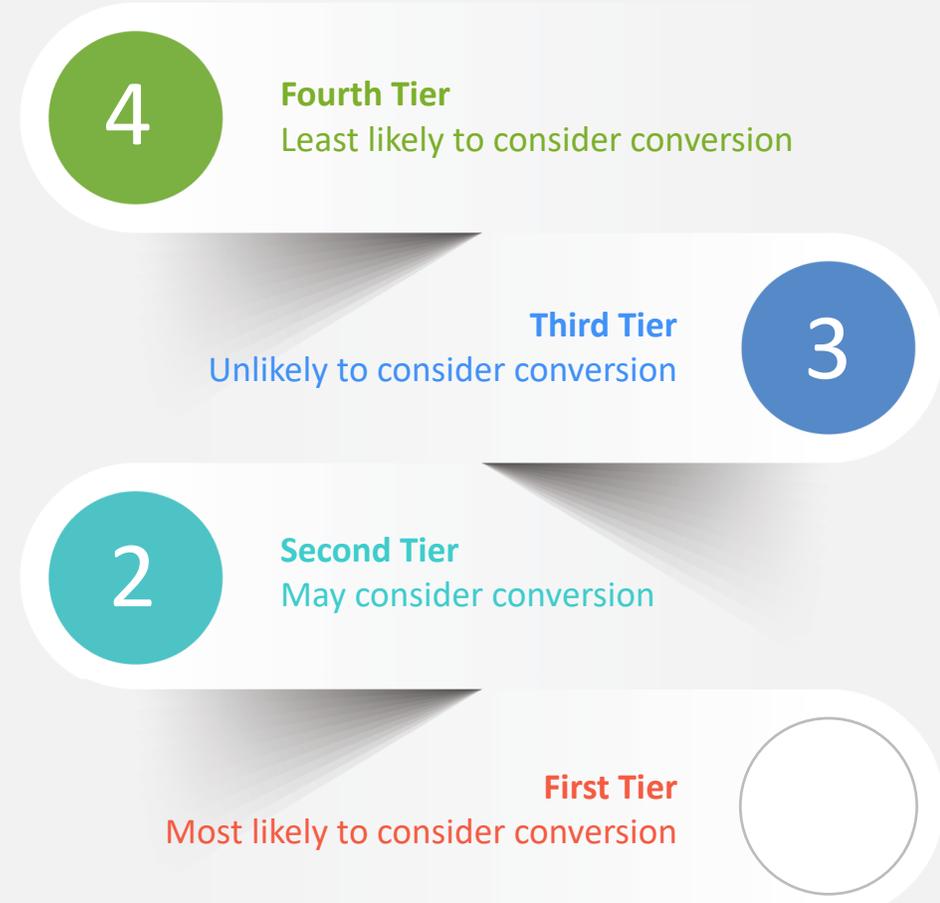
Hospital

Open 24/7
Emergency Services
Overnight Stays

Making Sense of REH

Which rural hospitals would likely consider converting to REH?

-  390 hospitals (269 CAH/121 RPPS)
-  389 hospitals (336 CAH/53 RPPS)
-  389 hospitals (360 CAH/29 RPPS)
-  **389 hospitals (373 CAH/16 RPPS)**

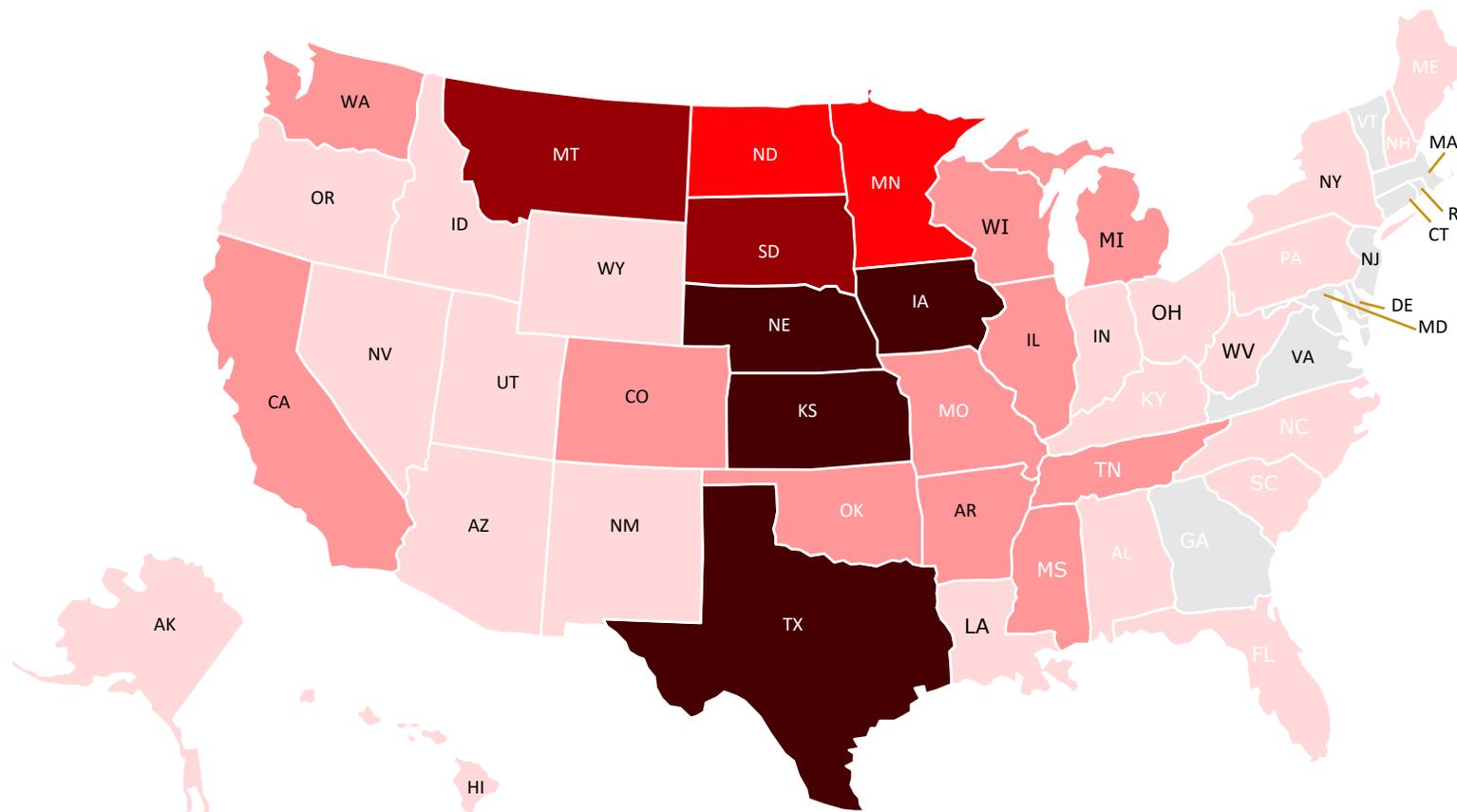


Tier 1: Most Likely to consider REH Conversion

Model identified 389 rural hospitals most likely to consider conversion. Nearly every state is represented.

Highest concentration of likely candidates for conversion runs from Texas up to the Dakotas.

Within this group, 65 facilities do not participate in 340B.



Number of rural hospitals most likely to consider REH conversion.



Potential Legislative Fixes and/or Areas for Clarification

- Expanded eligibility for closed facilities prior to 2020
- Participation in the 340B program
- Distinct-part Units like Geri-Psych disqualified
- Medicaid/Commercial insurance coverage for services
- Training time towards residency requirements



NRHA

Your voice. Louder.

amorgan@nrharural.org

@amorganrural (TWITTER)