



2009 Health Reform Policy Brief National Health Reform in Rural America

The Problem

Rural areas of the United States face special difficulties in terms of health care delivery and health promotion. Among the unique problems are the older average age of the population; higher poverty rates; local economies frequently dependent on struggling, extractive industries; high public health insurance coverage; provider shortages; and financially challenged institutions, such as hospitals. Health reform offers the possibility to solve many of these problems in whole or part, but national and state health reform proposals are often developed without much rural focus. Limited local capacity hinders implementation of new change models, and few private funders are willing to invest in rural-based change processes and projects.

The Solution

The Healthiest State Campaign believes that the goals and means for implementing health reform legislation in rural areas should be specifically included in health reform legislation. At a minimum, a bill must declare congressional intent to address key rural health issues and, better yet, should specify solutions to key rural health issues. These policy solutions must address the unique characteristics of rural areas, especially with regard to the Healthiest State Campaign's priorities of prevention, universal participation and redesign of the medical care system. Please note the ten rural health reform action principles below.

Discussion

The Washington Health Foundation (WHF) was deeply involved in the development and passage of Washington State's comprehensive health reform act of 1993, as well as that year's proposed federal health reform legislation. Staff became expert in the specific policy issues that showed how health reform might work in rural areas. Additionally, WHF spent considerable time and resources to understand how to pursue practical implementation of these reform proposals in Washington State's rural communities. WHF designed an innovative, large-scale Rural Initiative to implement the Washington Health Services Act in 1993, providing substantial grant funding, technical assistance and other leadership support to rural communities struggling to implement health reform.

While the Washington state health reform law was repealed in large part in 1995, WHF has maintained its rural focus, including working with community leaders to support major health change efforts. One of the key lessons from the 1990's experience was that essential inclusion of rural questions in initial health reform legislation (as policy implementers in government and the private sector show far less interest in rural questions once law is enacted). Also, it is essential that the intent of health reform encompass the broader ambition of promoting health for the people who live in rural areas, as this is the cornerstone of rural health's long-term sustainability. It is also clear that large scale implementation support is necessary, such as WHF's Rural Initiative.

The specific policy features of rural reform must build upon frame that is being proposed for national health reform. For example, in 1993 the Washington state law envisioned competition among a new class of coverage and health integration

organizations called Certified Health Plans (CHPs) and rural policy and program efforts revolved around ways to include CHPs in coverage and practice scope.

Proposal

Based on current leading proposals for national health reform, the Healthiest State Campaign has developed 10 key principles relating to how reform might be implemented in rural communities. Each principle is intended to discern the questions and potential answers to issues identified in the current national health reform debate, as discussed below:

1. Another Insurance Option, or Geographic Coverage Mandates

One of the key debating points in Congress's consideration of health reform is expanded coverage options for Americans—and specifically, whether a “public option” should be provided to give a choice beyond private health insurance. In rural areas, private health plans have been proven undependable partners in offering coverage; in fact, for periods of time, no health plans have been willing to provide offerings in rural areas—and more commonly the choice of health plans is very limited. This requires the inclusion of some other option for rural residents, whether it is a “public” option or some other policy variation. Alternatively, Congress would need to mandate the inclusion of rural areas as required geographic territory for private health plans. Without such a mandate, many rural Americans will continue to have little or no choice of coverage options.

2. Local Rural Access Requirements or Incentives

An unacceptable outcome of health reform would be to only provide inconvenient and theoretical health coverage to rural residents by requiring them to travel long distances for their care, especially when there are viable local health service options. Private health plans, and any other coverage options created by reform, must include a set of rural access provisions to require or create incentives for local access. While reform must be careful not to impose a mandate for local residents to use local service, it must accommodate reasonable local care choices. The legal force of these accommodations should be strongest for essential health services that one would expect to get locally, such as preventive and primary care services. Long-term care or custodial services should be supported locally in order to accommodate family and personal support systems that can aid with this care. Transportation support or incentives for people living in communities without a medical care service base should also be prioritized. Secondary health care services may be available locally in many rural communities, and a balancing test should be developed to provide reasonable incentives for the use of local services. It may be appropriate to have local access to tertiary health services in limited cases, but this should largely be available through travel to urban centers of excellence.

3. Medicare and Medicaid Stabilization and Support

Current health reform proposals anticipate the continuation of Medicare and Medicaid as part of universal participation in health coverage. Historically, these public programs have been an extraordinarily high percentage of the coverage base for many rural communities because of these populations' age, poverty and employment characteristics. Various policies have been developed at the federal and state levels to ensure effective rural inclusion, especially to deal with the inability to “cost shift” to the private sector because of the limited private coverage base. Policy innovations such as cost-based payments to providers, operating subsidies to providers through disproportionate share hospitals or community clinics, and other financial support programs for rural health should be continued and, in some cases, expanded.

4. Value Equations that Recognize Rural Realities

Much of the health reform discussion at the national level calls for a new basis for decision-making with respect to the use of health care services. The goal is reduce the variability in use of health services from one area to another across the U.S., often known as evidence-based medicine or comparative effectiveness. The Healthiest State Campaign believes this framework makes sense only when approached from a value standpoint and not just as a matter of cost-cutting (e.g., promoting outcomes such as longer “quality adjusted life years” rather than just limiting certain services or lowering unit costs). As Congress creates mechanisms to achieve a tighter band for use decisions, provisions should be included to ensure that the value equation in rural areas is considered. It must be noted that the value will look differently to those in rural communities who have to travel for care, than to the federal government or private health plans seeking to lower costs and might not care about the additive costs to those living in rural areas.

5. Health Home

The Healthiest State Campaign believes that every Washingtonian and every American should have a Health Home, defined by the following four characteristics: A central source for health and wellness information; a health partner or provider advising on decisions and coordinating care; a central collection point for individual health records; and an individualized health and wellness plan that is actively implemented. More fundamentally, the Campaign believes that the pursuit of a Health Home model would force a true transformation and redesign of medical care around people, rather than continuing the long history of trying to modify imperfect provider care models that do not work well for consumers. Reform legislation should encourage these innovations, and the nature of health service design in rural America makes it a greater opportunity than in many urban communities.

6. Workforce and Primary Care Support

Shortage of health professionals and other resources has been a defining characteristic of many rural health systems. Health reform should continue to create incentives or positions for additional health professionals. Government support of programs such as these enhance the odds a professional health workforce will be available to serve needy rural areas, rather than urban and suburban communities where shortages may not be in existence. Reform should also start to identify new ways of thinking about the health workforce and support—both in terms of how the subsidies to hire and retain professionals may be provided directly by rural health systems rather than through the federal government. The structure of contractual relationships with practitioners should also be considered. Workforce solutions must also radically challenge conventions around scope of practice and professional licensure models, in recognition that the current model cannot be sustained or even applied effectively in rural areas.

7. Technological Support

Health reform proposals, and federal stimulus funding recently created to modernize American health care, identifies the development of electronic medical records as an important innovation that will improve patient safety and system efficiencies. While electronic records are needed to modernize health care, including in rural areas, a more expansive view of the opportunity to dramatically improve health in rural areas should be taken. Electronic systems

must not only connect providers within a system, but also should allow people greater access to a fragmented health care system. It is likely that many rural residents will continue to have multiple sources of care because of local service limitations; and their health records should follow them as simply as financial records. This should also support the inclusion of personal wellness information to grow personal responsibility for health. It is also critical to include other technological innovations in the prioritized list of federally-subsidized modernization, such as distance learning, telemedicine consults and other communication networks.

8. Clinical Prevention and Diverse Populations

The Healthiest State Campaign believes that all Americans should have a right to preventive care, especially to known, relatively inexpensive and cost effective clinical preventive services recognized by the U.S. Clinical Health Services Guidelines. The Campaign has offered specific recommendations regarding the inclusion of clinical prevention in overall health reform (see Clinical Preventive Health Services). It is important to consider additional means to ensure this right is brought effectively to people living in rural areas. For example, the inclusion of local options for receipt of preventive care will increase the odds that residents receive these services; social marketing through radio and word of mouth spread; and the like. A key necessity is to ensure that clinical preventive services are brought to diverse populations who make up many rural communities, now and into the future, with special attention to Latinos and Native American tribes.

9. Community Prevention and Private Sector Innovations

The Healthiest State Campaign also believes that community prevention should be a cornerstone of health reform and has offered specific recommendations in that regard (see Community Prevention). The way these efforts are approached requires special consideration in rural areas. For example, incentives for private sector innovation or private-public collaborative is a necessity, as opposed to only additional funding streams for local public health for obesity or other community prevention programs. Many rural public health departments have limited capacity to operate such programs in addition to their core public health duties. Additionally, many people do not accept government as a health behavior messenger, with a greater proportion of this viewpoint in rural communities where residents value independence and self-sufficiency. Rather than fight this reality, it must be recognized that other messengers can help address this barrier. This is not to say that there is no role for local government and public health in community prevention through reform, only that the models for pursuing this in rural areas must be far more expansive in innovation and structure if they are to expect to succeed.

10. Federal Implementation Support

Experience shows that rural communities will have a great challenge in finding resources to implement national health reform legislation. At the same time, it will take significant investment and leadership to help rural communities adapt to the imperatives of health reform. Most rural communities and provider systems operate on a narrow margin of monetary and human capital. It is asking much of the health system leaders to take on the critical change dynamics of reform while also trying to keep the system working for people today. This relates to the payment and health delivery system changes that will inevitably be part of health reform legislation, the opportunity to pursue broader transformation of these systems, and the even more expansive leadership challenge to create local health reform approaches that will improve health communities. Congress should include \$100 million in federal funds to provide support for rural areas, and should deploy this funding through regional technical assistance centers of excellence.

