



TASC 90 Conference Call
May 11, 2010


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Sr. Vice-President
National Rural Health Association



Upcoming Events

- Annual Conference May 18-21 Savannah, GA
- Rural Pharmacy Conference June 16-19, Kansas City, MO
- Rural Quality/Clinical Conference July 20-23, Portland, ME
- **RHC/CAH Conference Sep 28-Oct 1, Kansas City, MO**
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Agenda

- Rural Policy: What works, what doesn't and what is needed


- Health Reform: Impact for rural

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From 1980 to 1991 at least 360 rural hospitals were closed, an average of 30 per year.

The Inpatient Prospective Payment System (PPS) led to the decline in the numbers of rural hospitals.




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The combined effects of ARRA, HITECH and Affordable Care Act (HCR) will close hospitals in the next 10 years!


This will achieve what "health planning" in the 70's and 80's could not.




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Rural Policy Background and Information

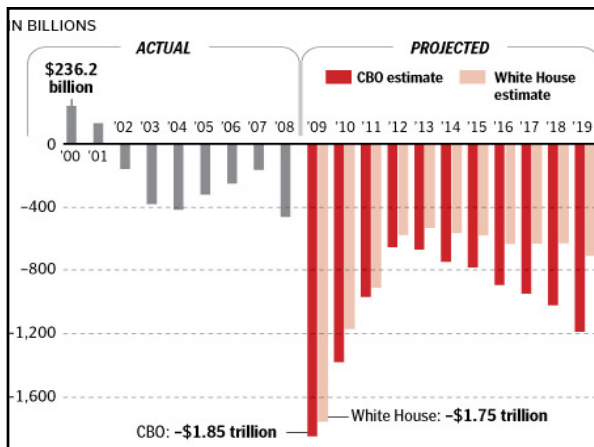


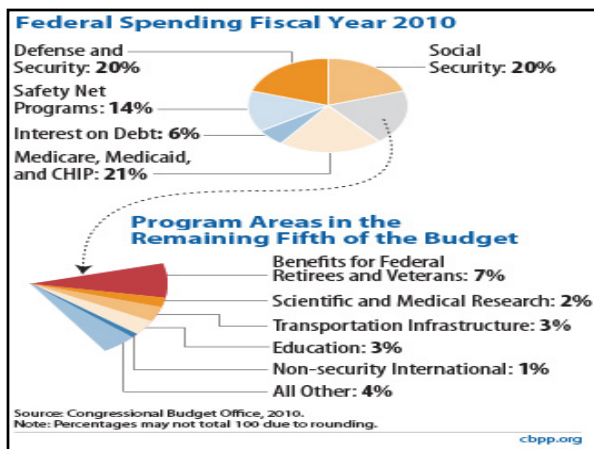
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Deficits Do Matter

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However, remember:

Medicare's payments to 50 bed or fewer hospitals represent less than two percent of overall Medicare budget.

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Healthcare Critical to Rural Economy

- Healthcare is the fastest growing segment of rural economy.
- Each rural physician generates 23 jobs in the local rural economy
- In most rural communities hospitals are the largest or second largest employer
- Health care often represent up to 20 percent of a rural community's employment and income.

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Appropriations and the Budget

- Federal grant programs for rural hospitals: Looking great for 2010. Outlook for 2011?
- So what do these programs include.....

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Rural Health Safety Net Programs

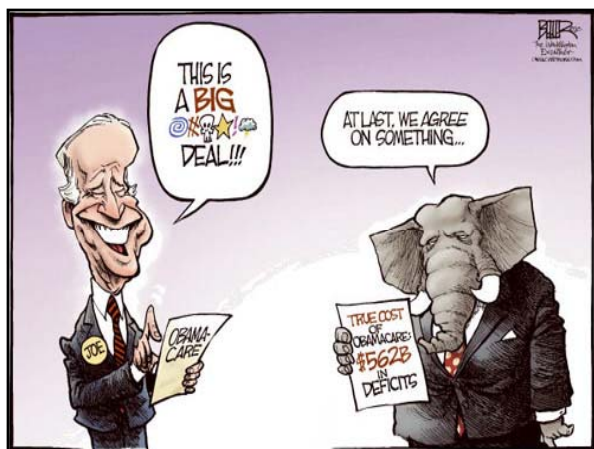
- Rural Outreach and Network Grants
- Rural Health Research
- State Offices of Rural Health
- Rural Hospital Flexibility Grants
- Rural and Community Access to Emergency Devices
- Rural EMS
- Community Health Centers
- National Health Service Corps
- Title VII and Title VIII
 - Areas Health Education Centers
 - Geriatric Programs
- Denali Commission
- Delta Health Initiative

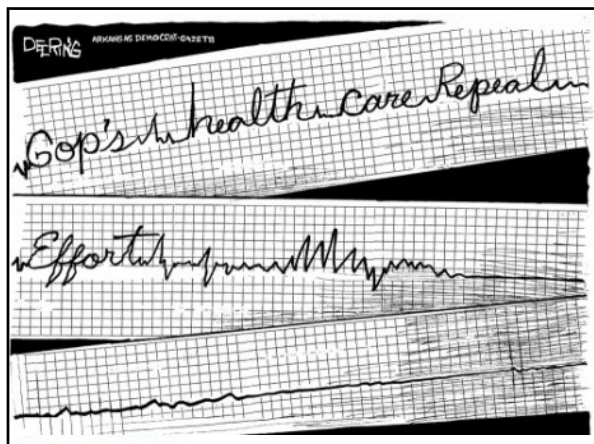
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HEALTH REFORM FOR RURAL AMERICA

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What I am not going to talk about... 

- 32 million more insured
- Tax on tanning beds
- Medicaid expansion
- Insurance is mandated
- No funding of abortion
- Subsidies for low income to purchase insurance


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The President's 8 Principles 

- Reduce health care costs
- Protect families from bankruptcy and debt of medical costs
- Guarantee choice of doctors and health plans
- Invest in prevention and wellness
- Improve patient safety and quality of care
- Ensure affordable coverage for everyone
- Maintain coverage when you lose job
- End barriers to coverage for pre-existing conditions.




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NRHA's Principles

- To resolve the health care crisis in rural America, the rural health care safety net must be prevented from crumbling. Four reforms are crucial:
 - The workforce shortage crisis must be abated;
 - Equity in reimbursement must occur;
 - Decaying rural health care infrastructure must be repaired and non-existent infrastructure must be created; and
 - Health disparities among vulnerable populations must be corrected.

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What was in health care reform?

- House and Senate Bill **Does Not** contain all provisions needed to combat access to care crisis in rural America.

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Workforce Improvements

- Significant Expansion of National Health Service Corp
- Significant funding of Title VII and Title VIII
- Rural Physician Training Grants to medical colleges
- Graduate Medical Education Improvements
- Grants to Improve Primary Care Training
- Redistributes unused residency training slots to rural
- Establishes Health Care Workforce Commission




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Reimbursement Improvements

- Primary Care bonus payments
 - General Surgeons 10% add-on for major surgery in HPSA
 - 10% add-on bonus for fee schedule payment on certain E&M codes related to office, home, nursing facility or hospital visits.
 - For 2010, 5% bonus to mental health physicians
- MedPAC study on Adequacy of Medicare Payments in Rural Areas.
- Expansion of 340B Drug Program
- Community Transformation Grants (evidence-based community preventive health activities.)
- Improvement in Community Pharmacy Reimbursement.
- And, prevented Medicare Cuts to Rural Providers (see next slide)


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Medicare “Extenders” for Rural Providers

- Rural Hospital Demonstration Program (5yr)
- Medicare - Work GPCI 1.0 Floor for Providers
- Outpatient Hold Harmless
- Physician Pathology Services
- Section 508 Hospital Payments
- Two percent bonus for rural ambulance trips
- 3 percent Add-on payment for home health services.


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This Just In....

- Congress voted in April, 2010 to delay SGR cuts of 21% to physician fee schedule to June 1, 2010
- Cuts were to begin April 16, 2010
- Kicked the can down the road

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ACA GPCI Effects on Sample State: OR


--FY 2010

- Work GPCI Increase: 1.8%
- Practice Expense GPCI Increase: 1.7%
- Combined Effect: 3.5% **increase**

--FY 2011

- Combined Effect: 1.7% **increase**


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Other Key Provisions Impacting Rural

- Reauthorization of Indian Health Care Improvement Act.
- Increases in funding for Community Health Center Program
- Establishment of the Office of Minority Health
- Extension of Rural Hospital Flex Program w/changes to scope: ACO, VBP or Bundling
- Extension of Medicare Dependant Hospital Program

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Wait, still more...

Other Key Provisions Impacting Rural

- Extension of physician fee schedule mental health add-on.
- Continued moratorium on new specialty care hospitals.
- CAH Technical Correction for Method II Payments
- Independent Payment Advisory Board (IPAB)


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But wait, still more??? 

Reconciliation

- DSH reductions start one year earlier (2014) but \$3 billion less.
- National summit on geographic variation
- 340B drug expansion program only to CAH, SCH and RRC outpatient.
- Community Needs Assessment required for non-profits every 3 years as part of community benefit determination.

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Reconciliation 

- 2010-2011 \$400 million boost for rural GPCI (see earlier slide).
- 2011-2012 \$400 million boost to rural hospitals to address geographic disparities.


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Wait again, the last time... 

- Accountable care organizations
- State based exchanges
- Medical homes
- Value based purchasing

- CMS Center for Innovation

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IPPS Rule Released 4/19/2010

- -0.1% Market-basket update for PPS
- CAH Provisions:
 1. Method II permanent election
 2. Remove geographic exclusions for CRNA cost-based pass-thru


Comments are due June 18, 2010

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We Need You

- You are your own best voice
- Your member of Congress listens when you speak
- You will have more success than I



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