Planning for Outcomes with Health Care Reform

Brock Slabach, MPH, FACHE
Senior Vice President for Member Services
National Rural Health Association
Agenda

• Brief history
• Power of the ACA
• Flex program: a catalyst
• Program evaluation matters
• Conclusion
Rural disparities/challenges

- War on Poverty in the 60’s
- Rural Health Clinics – just turned 36 (1978), >4,000 RHC’s nationwide
- Community Health Centers, created in the War on Poverty
- Advent of PPS 1983: 400 hospital closures
- Policy Response: SORH, Flex, MDH, CAH and LVH
- Rural serves more challenging populations:
  - “Rural Americans are older, poorer and sicker than their urban counterparts... Rural areas have higher rates of poverty, chronic disease, and uninsured and underinsured, and millions of rural Americans have limited access to a primary care provider.” (HHS, 2011)
- Disparities are compounded if you are a senior or minority in rural America.
Problems still exist...

- *Health equates to wealth* according to Univ. of Washington Study, July 2013

- Key Finding:

- The study found that 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.
ACA, What it Does:

• Covers Incrementally 10% More Of The Population Through Subsidies, Modified Community Rating, No Pre-Existing Exclusions, Guaranteed Issue and Expanded Dependent and Medicaid Eligibility
• Leaves About 7% Not Covered
• Defines Essential Benefits For Health Plans
• Defines Commoditized Products (Metals)
• Prompts Delivery Integration Through Creation Of ACOs, Bundling, Medical Homes And Other Innovations
• It’s largest impact...
The Largest Impact – Consumer Empowerment

The most profound effect on the delivery of care of the ACA is Consumer Empowerment. The key Drivers Are:

- Public Health Insurance Exchanges
- Product Commoditization (Metals)
- Subsidies: Poor and low-middle class which may prompt termination of employment-based coverage
- Transparency: Quality and Cost
ACA Implications For Providers

• Demand For Price Transparency, Advantages Flowing To Those Able to produce bundled pricing
• Increased Provider Discrimination Among Patients Based On Credit Risk
  – Revenue Cycle Management (Billing, Credit And Collection) Has Been and Still Will Be A Provider **Core Competency**
  – There Will Be More Cost-Shifting To Those Able To Pay, Where Possible
• Quality Information Will be Required to compete for contracts
• High Value Providers Able To Discriminate Based On A Patient’s Ability To Pay
Form Follows Finance

• How we deliver care is predicated on how we get paid for care
• Health care reform is changing both
• Fundamentally, reform involves a transfer of financial risk from payers to providers
Flex Programs as Catalysts

Merriam-Webster Definition:

One that precipitates a process or event, especially without being involved in or changed by the consequences,

A substance, usually used in small amounts relative to the reactants, that modifies and increases the rate of a reaction without being consumed in the process
FLEX Program as Catalyst

- Use a small amount of resources, relative to the need, to modify and increase the rate of change of CAH’s and their ability to meet the demands of this turbulent environment (without being consumed in the process).
Catalysts Needed

- Optimize fee-for-service
- Performance and innovation
- Efficiency and effectiveness
- Eliminate variation
- Population health
- Professional staff
Program Evaluation Matters

- Transparency
- Effectiveness
- Feedback loop
- Rationale for continuation
- Educate stakeholders
- Prove results
Conclusion

• Cast a vision
• Be a catalyst for your communities
• Report your results
• Feedback loop
• Don’t be consumed in the process
Q&A

THANK YOU

Brock Slabach, MPH, FACHE
Sr. Vice-President for Member Services
National Rural Health Association
4501 College Blvd., Suite 225
bslabach@nrharural.org
816-423-8201 (Office)