

Rural Healthcare into 2040

Trends, Challenges, and Opportunities

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NRHA

Your voice. Louder.

NRHA is a national nonprofit membership organization with more than 21,000 members, made up of a diverse collection of individuals and organizations with the common goal of ensuring all rural communities have access to quality, affordable health care.

Our mission is to provide leadership on rural health issues.

NRHA 2022 PRIORITIES

Addressing Rural Declining
Life Expectancy and Inequality

Reducing Rural Healthcare
Workforce Shortages

Invest in a Strong Rural Health
Safety Net



Agenda

- Review the health care landscape in Montana
- Discussing challenges facing rural areas
- Talking Telehealth
- Sharing Rural Innovations

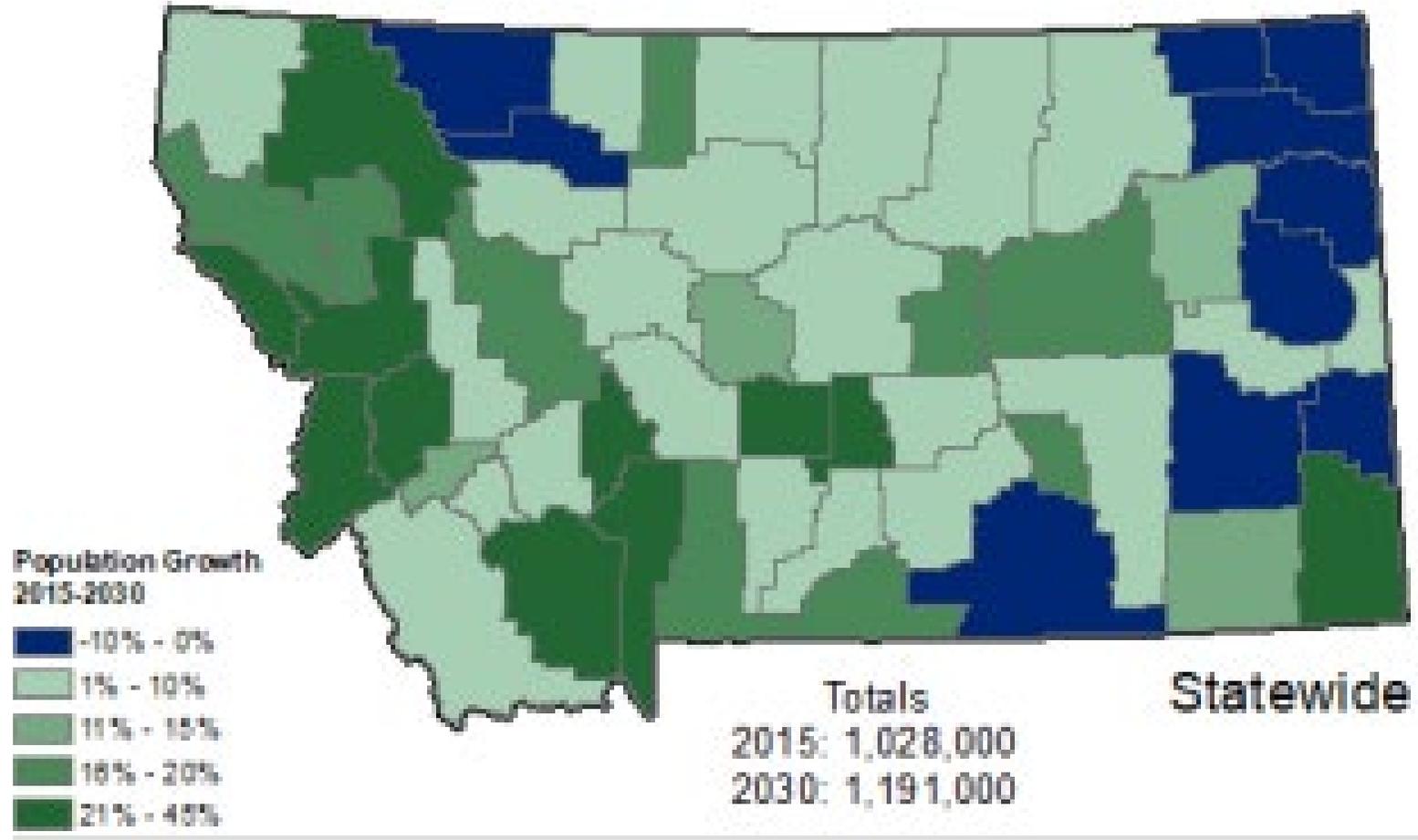
The MT Landscape

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

MT Demographics: An important Factor

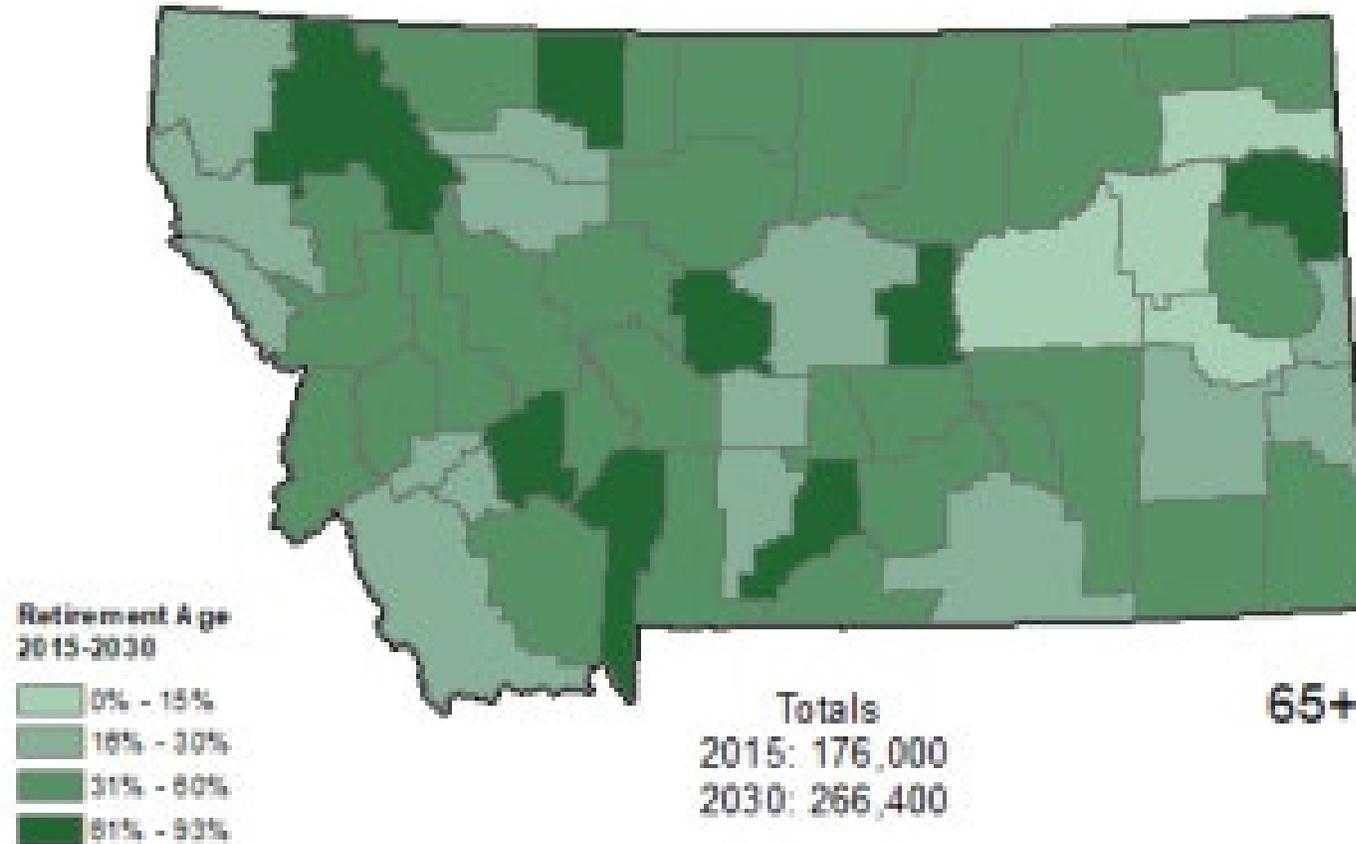
Total Population Change 2015-2030



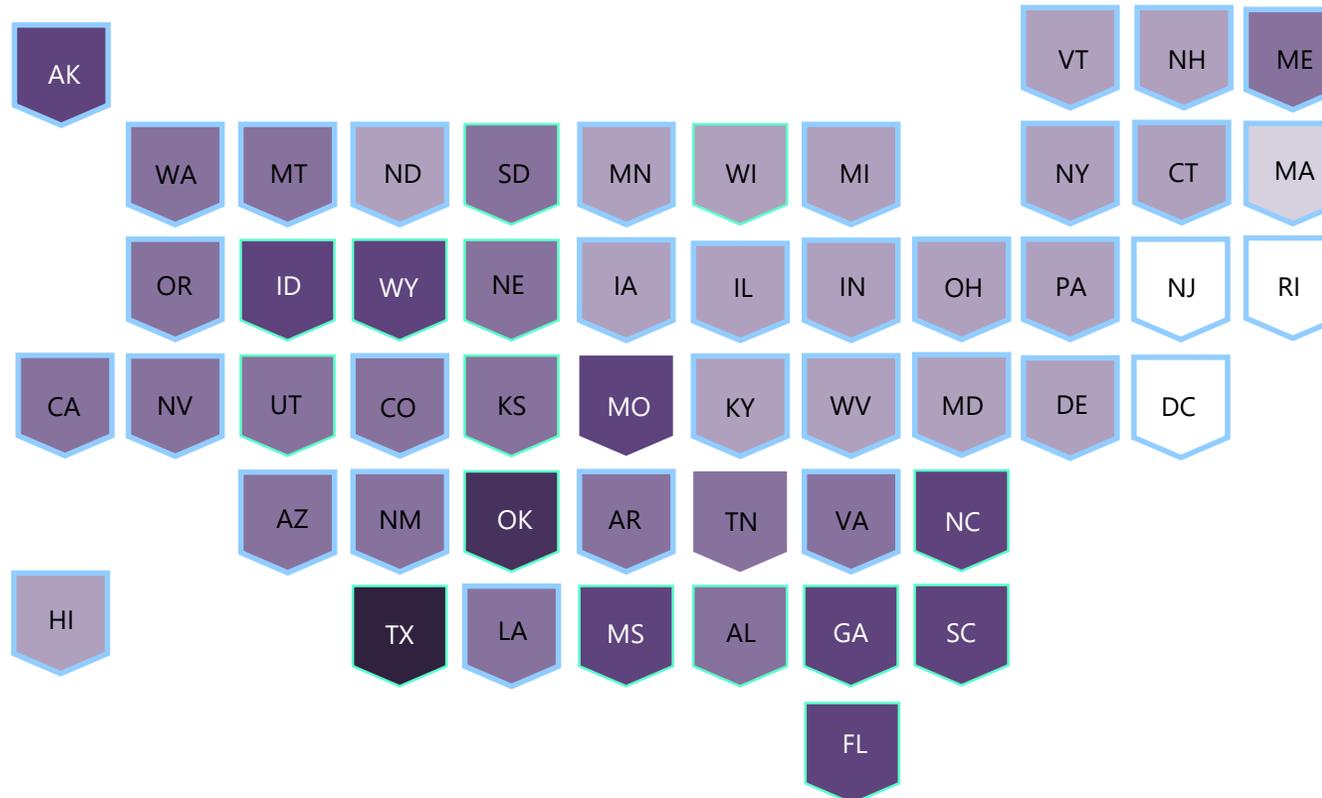
Source: Montana's Changing Demographics, LFD Montana Legislative Fiscal Division, 2019

MT Demographics: An important Factor

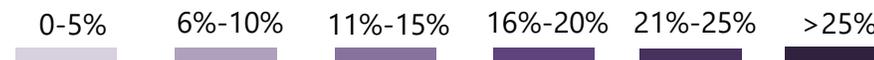
Retirement Age Change 2015-2030



Rural Population Disparity Uninsured Adults



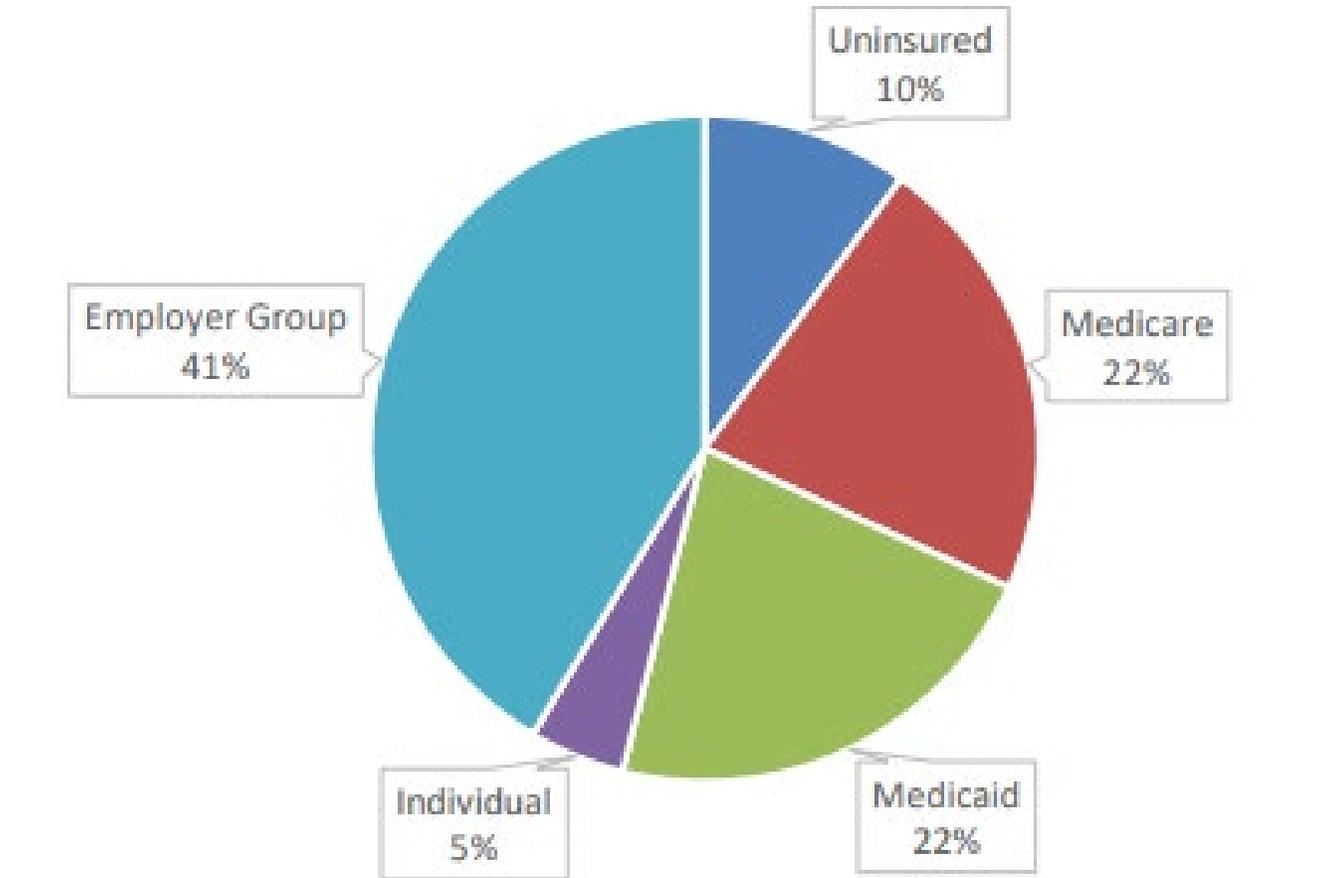
Percentage of population served by rural hospitals that is adults under age 65 without health insurance.



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

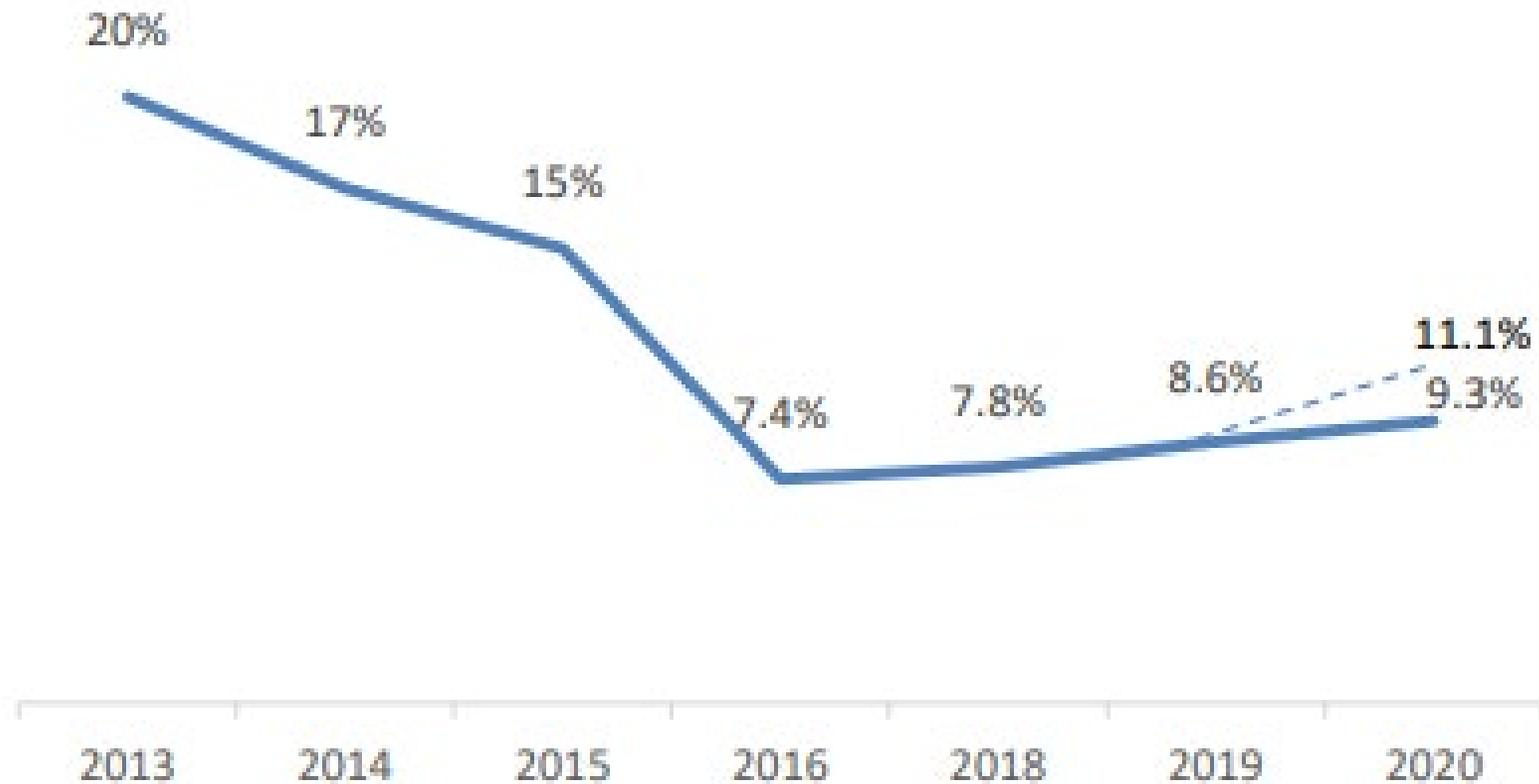
Source: The Chartis Center for Rural Health, 2021.

Health Insurance Coverage in Montana 2020



Source: Kansas Health Institute

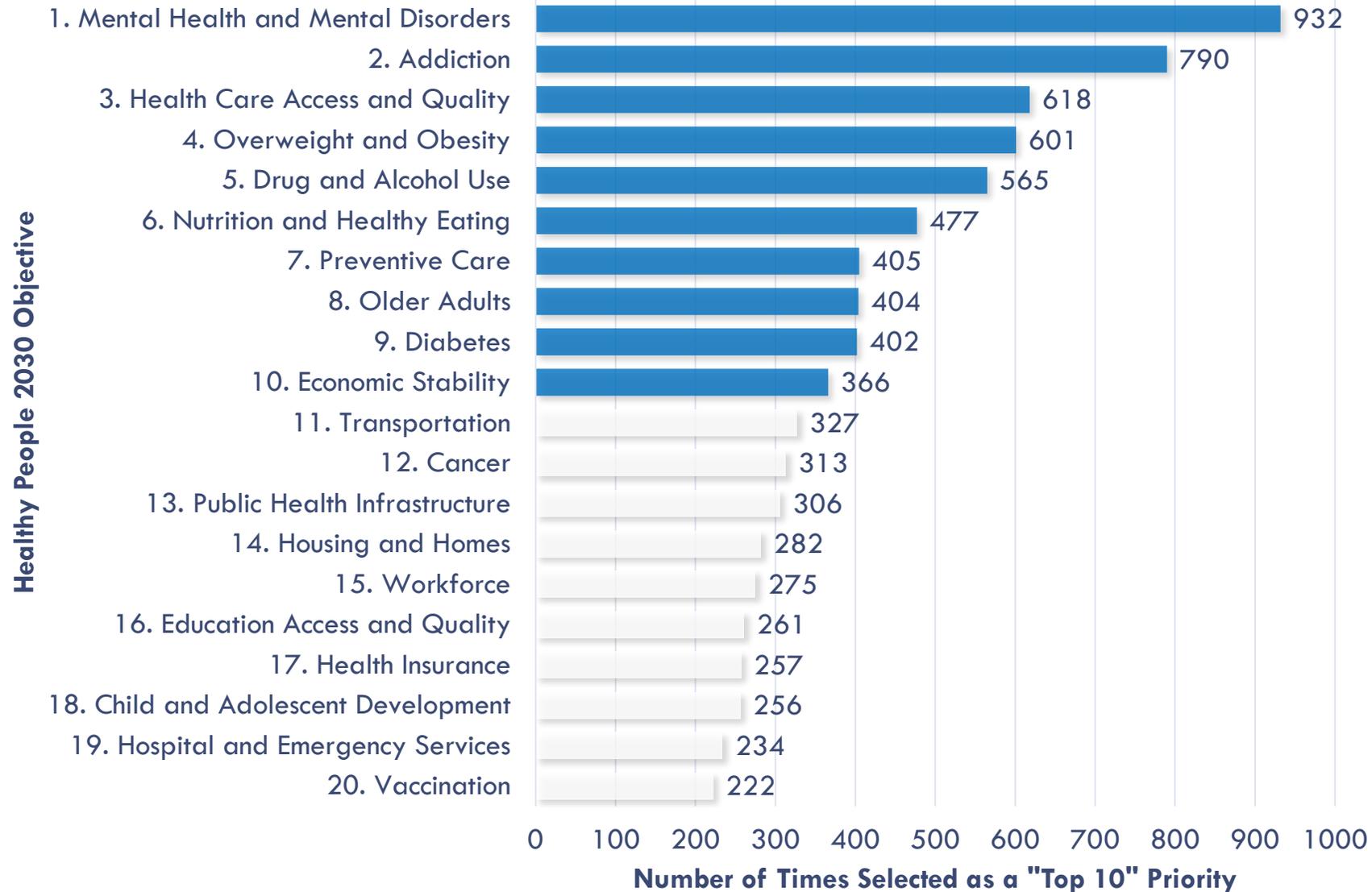
Number of MT Uninsured Patients Grows



Source: 2020 Report on Health Coverage & Montana's Uninsured

The Rural Healthcare Landscape

RHP 2030 Top 20 Healthy People Priorities for Rural America *(n=1,238)*



Top Priorities by Region (n=990)

Top 20 Priorities, Overall	Midwest (n=313)	Northeast (n=126)	South (n=334)	West (n=217)
1 Mental Health and Mental Disorders	1	1	1	1
2 Addiction	2	2	2	2
3 Health Care Access and Quality	4	4	4	3
4 Overweight and Obesity	3	5	3	5
5 Drug and Alcohol Use	5	3	5	4
6 Nutrition and Healthy Eating	7	6	6	6 (Tie)
7 Preventive Care	8 (Tie)	9 (Tie)	8	8
8 Older Adults	10	8	9	6 (Tie)
9 Diabetes	11	13	7	12 (Tie)
10 Economic Stability	6	9 (Tie)	10	11
11 Transportation	8 (Tie)	7	12	17
12 Cancer	13	13	11	18 (Tie)
13 Public Health Infrastructure	14	13	15 (Tie)	9 (Tie)
14 Housing and Homes	15	11	18	9 (Tie)
15 Workforce	12	17	21	12 (Tie)
16 Education Access and Quality	20	15	13 (Tie)	15
17 Health Insurance	16 (Tie)	20	19	15
18 Child and Adolescent Development	21 (Tie)	19	17	18 (Tie)
19 Hospital and Emergency Services	19	17	15 (Tie)	20
20 Vaccination	16 (Tie)	25 (Tie)	20	22 (Tie)

Legend	
	Priorities 1-3
	Priorities 4-10
	Priorities 11-20
	Priorities 21+

RHP 2030 Key Take-Aways So Far

- Rank **access to health care** as the number one public health **priority** for rural America
- Selected priorities are **not homogenous across census regions, demographics, or industries**
- More respondents are including “Mental Health and Mental Disorders” and “Addiction” in their list of top 10 public health priorities, than access to health care
- While **health access** remains a highly concerning issue in many rural areas, **mental health and substance use disorders** have become even more **ubiquitous**

Fragile Rural Health Safety Net Pre-COVID-19

- Vulnerable populations
- Systemic workforce shortages
- Scattered populations with inherent access to care issues
- Limited resources for providers
- Inadequate Medicare, Medicaid and private insurance coverage
- Health disparities among high uninsured populations

Declining Inpatient Volume

United States & Montana Admissions per 1000



State

- United States
- Montana

Source:KFF.org

Data are for community hospitals, which represent 85% of all hospitals. Federal hospitals, long term care hospitals, psychiatric hospitals, institutions for the mentally retarded, and alcoholism and other chemical dependency hospitals are not included.

Outpatient Volume Declining



In 2018, US hospital outpatient visits declined for the first time since 1983, specifically in the number of emergency outpatient visits



Per the American Hospital Association's [2020 Hospital Statistics report](#), 6,146 US hospitals delivered 879.6 million outpatient visits in 2018, 0.9% less than in 2017, when they delivered 880.5 million outpatient visits



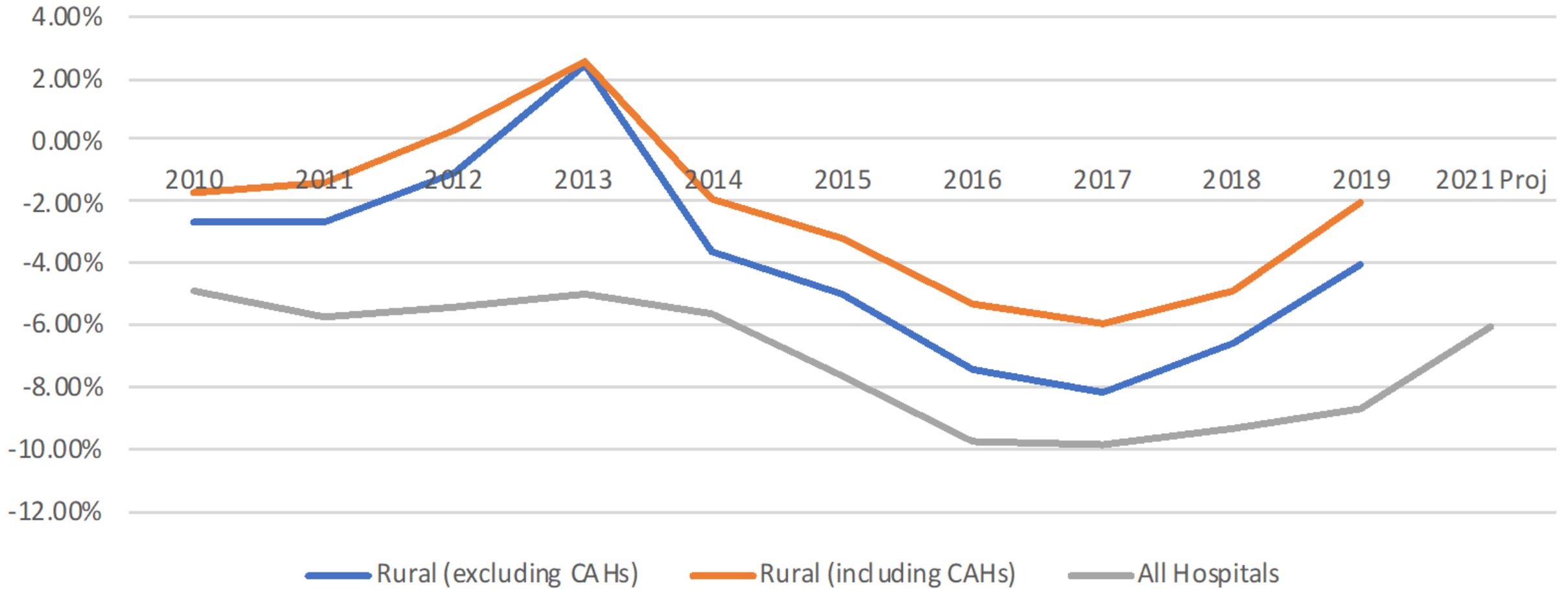
The report cites that the amount of outpatient care delivered has most likely increased, but that care is being delivered in competitive new options such as urgent care centers and retail clinics such as those recently launched by CVS Health



Insurers have contributed to the trend, with UnitedHealthcare recently refusing to pay for certain outpatient surgeries in hospital settings to save money

Declining Medicare Margins

Medicare Margins by Hospital Type

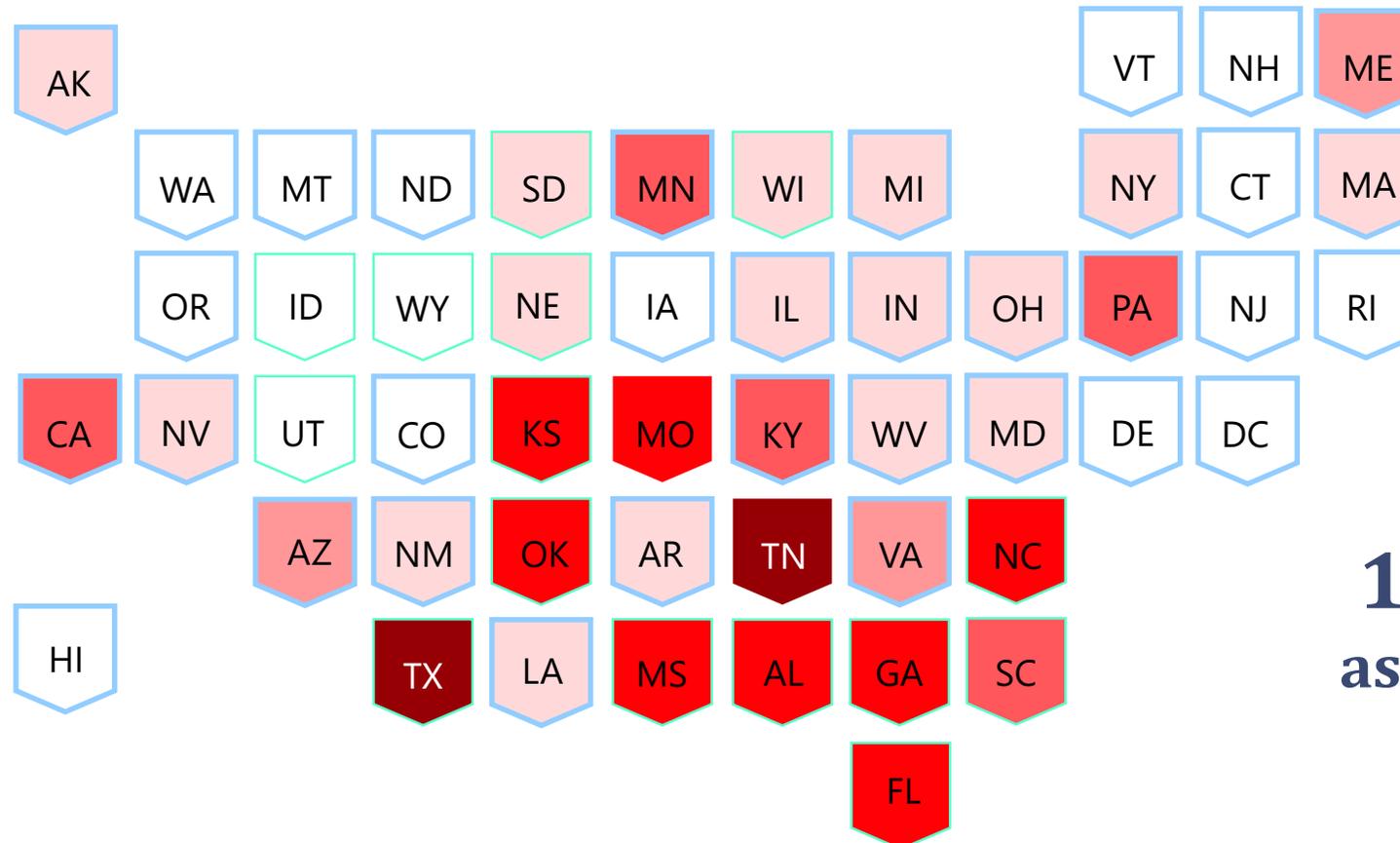


Source: MedPAC Report to Congress, March 15, 2021

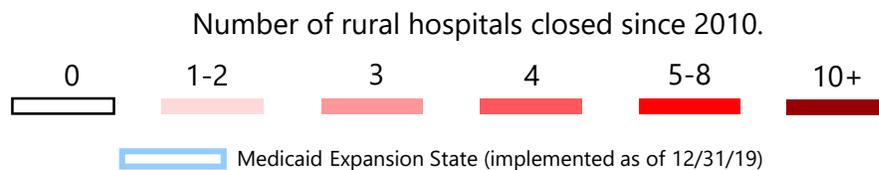
Rural Hospital Financial Pressures

- **45%** of rural hospitals nationally are operating at a financial loss
- **49%** of Montana rural hospitals have negative operating margins (operating at a financial loss)
- **16%** of Montana rural hospitals are vulnerable to closure
- Nationally median operating margins **down 10-11%** compared to pre-pandemic

Rural Hospital Closures

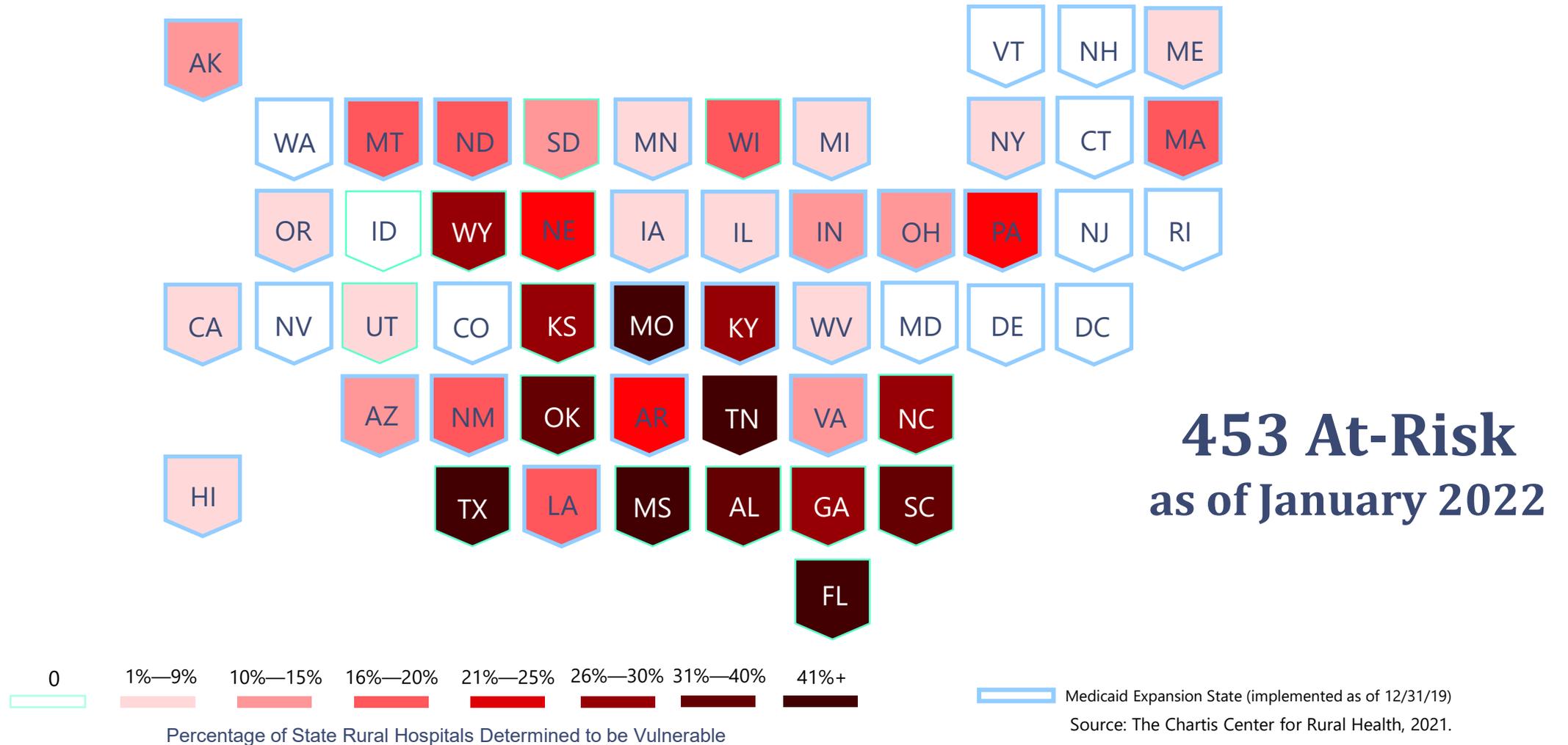


138 Closures
as of January 2022



Source: Sheps Center, UNC
Source: The Chartis Center for Rural Health, 2021.

Rural Hospitals Vulnerable to Closure



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

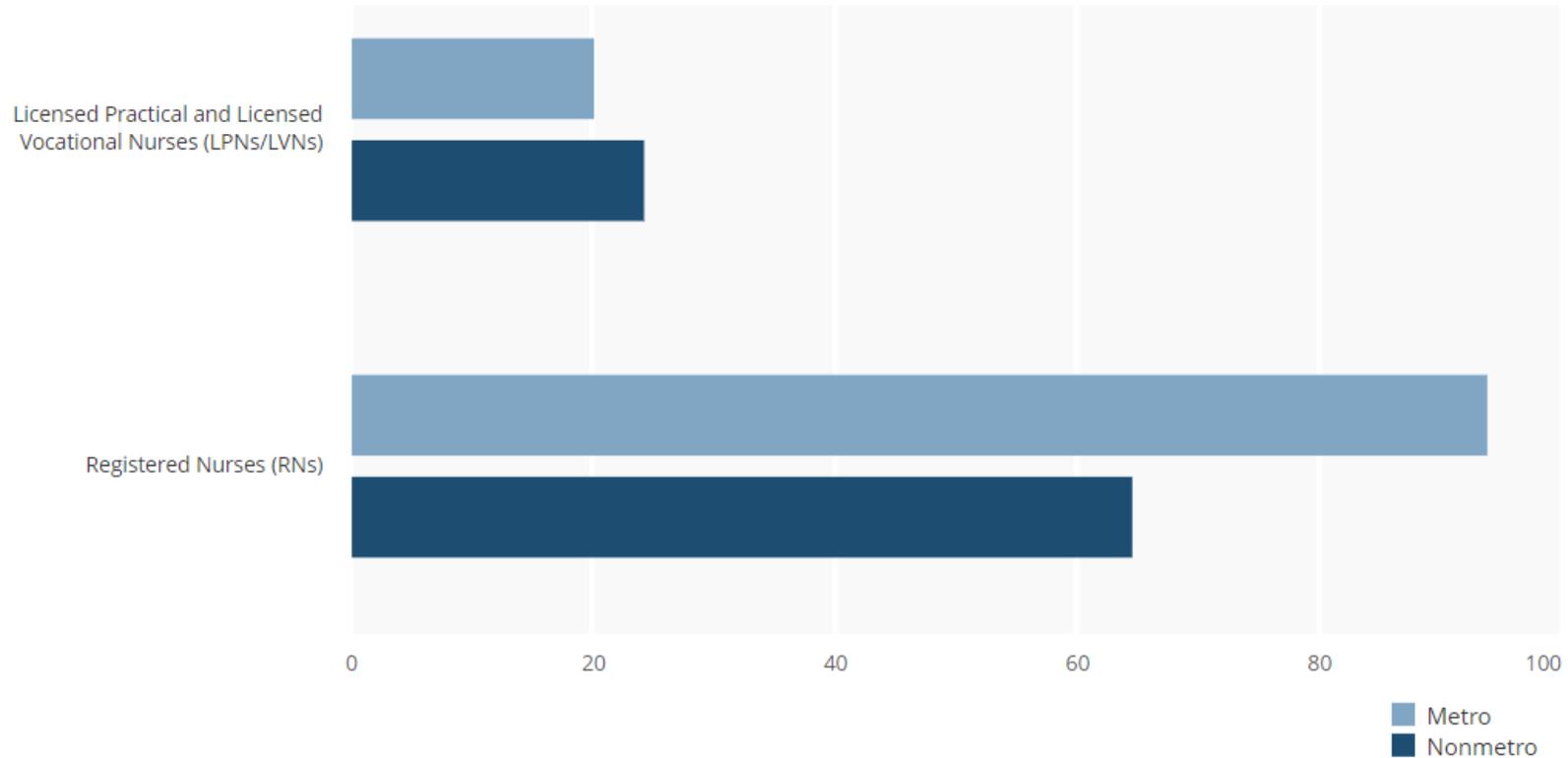
“Three years after a rural hospital community closes, it costs about \$1000 in per capita income.”

- 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 Areas Have Fewer Health Care Workers

Nurses per 10,000 for urban and rural counties, 2020



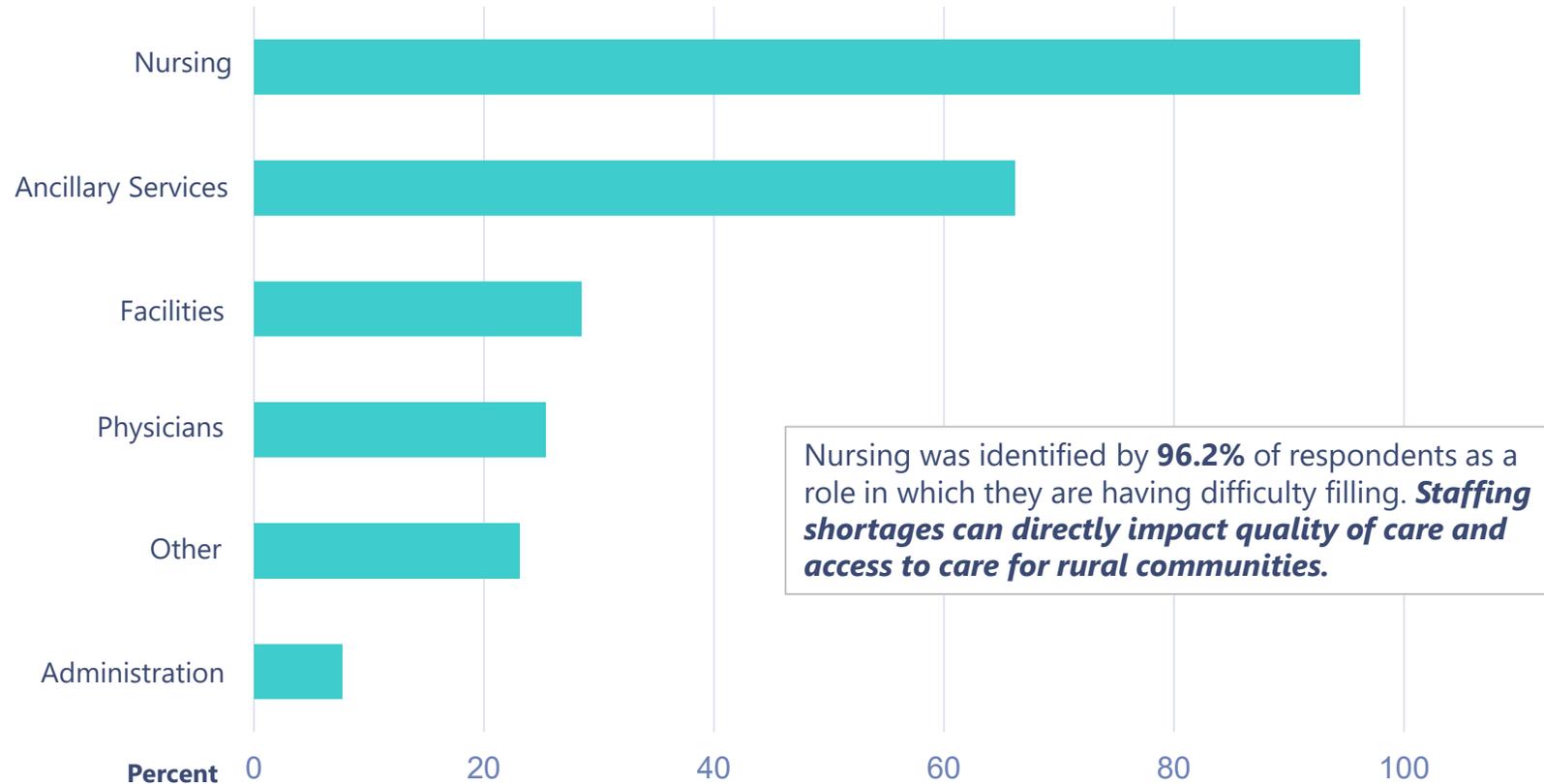
Source: BLS Occupational Employment Statistics , 2020

Why do we have a 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

Rural Hospital Staffing Survey

Which roles are you experiencing the greatest difficulty filling?

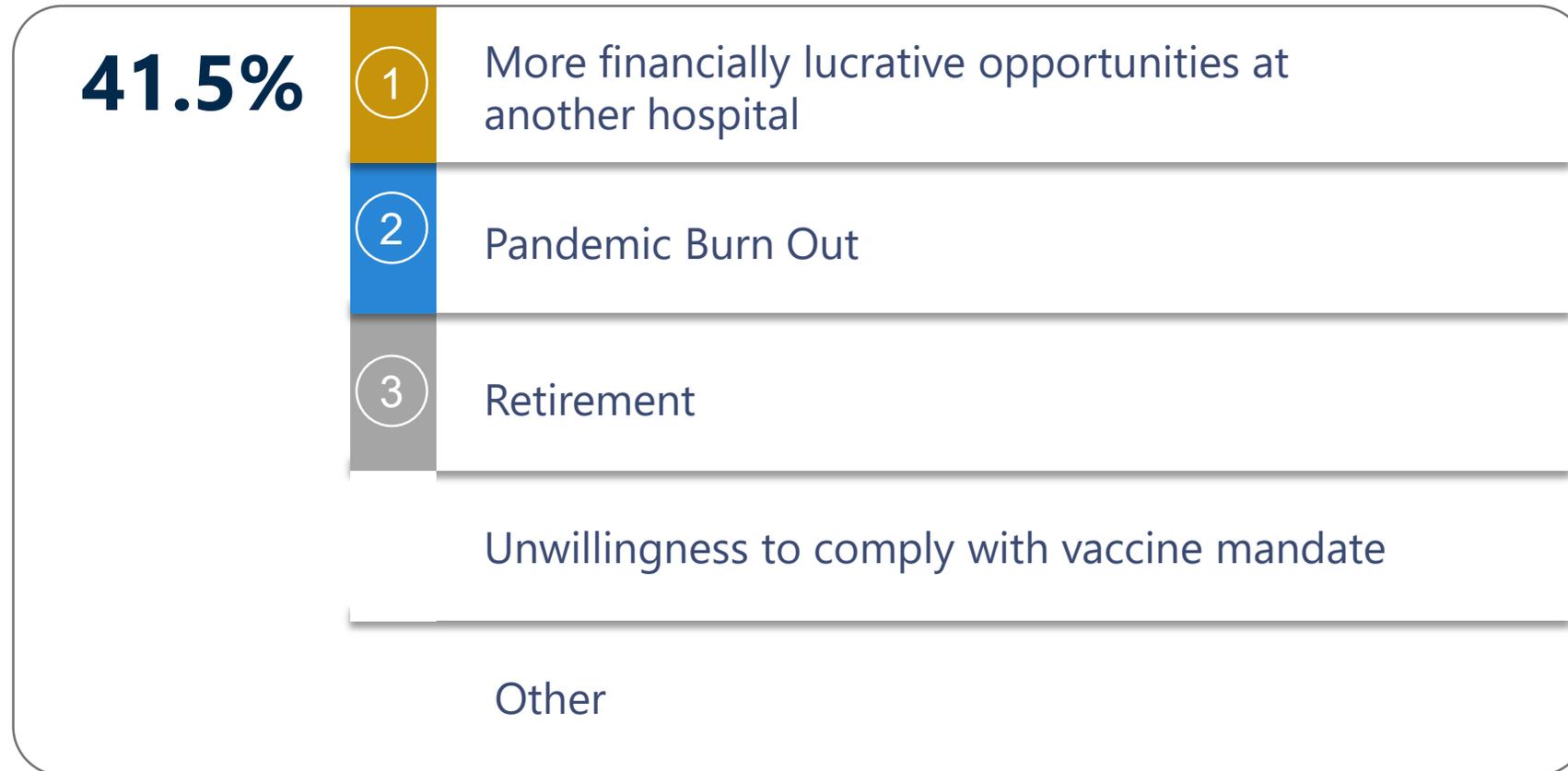


*Survey respondents were able to select multiple positions for which they are having difficulty filling. As a result, the percentages do not equal 100. Survey conducted September 21, 2021 - October 15, 2021.

Rural Hospital Staffing Survey

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

Among survey respondents, **41.5%** ranked more financially lucrative opportunities as the #1 reason for nurse staff departure this year.

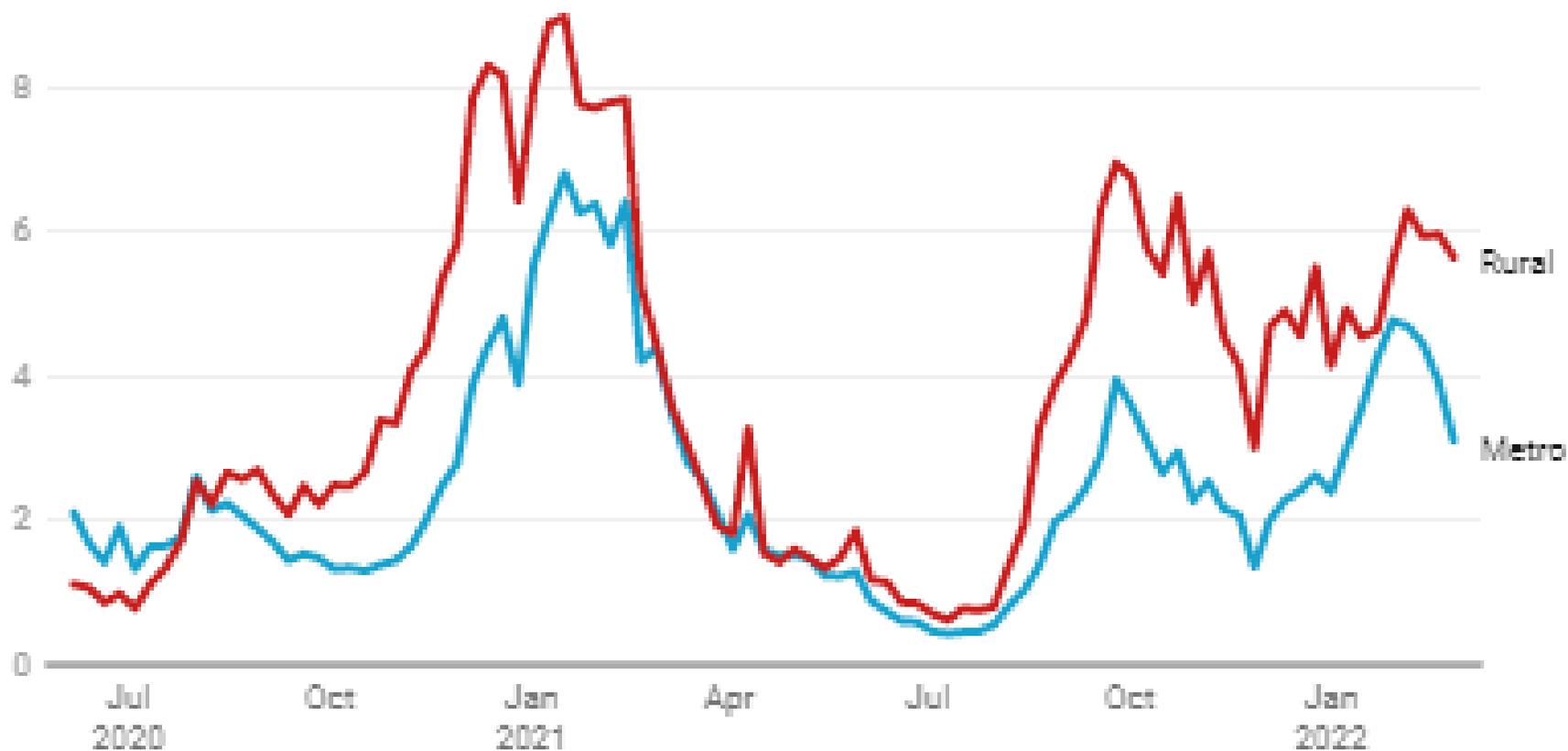


*Survey conducted September 21, 2021 - October 15, 2021.

COVID-19 Has Increased Challenges

- Rural Americans are at higher risk of severe illness from COVID-19
- Health disparities are exacerbated during a pandemic
- Public health departments have limited resources
- Rural communities have fewer health resources to respond to COVID-19 and other public health emergencies
- Shortages of PPE, testing supplies, and ventilators
- COVID-19 has exacerbated the financial instability of rural providers
- Outdated facilities and support services makes response harder
- Reduced revenues and utilization
- Limited COVID-19 surge capacity
- Transferring patients to higher levels of care has been challenging
- Workforce supply can't meet demand for care due to shortages

Rural COVID-19 Death Rate



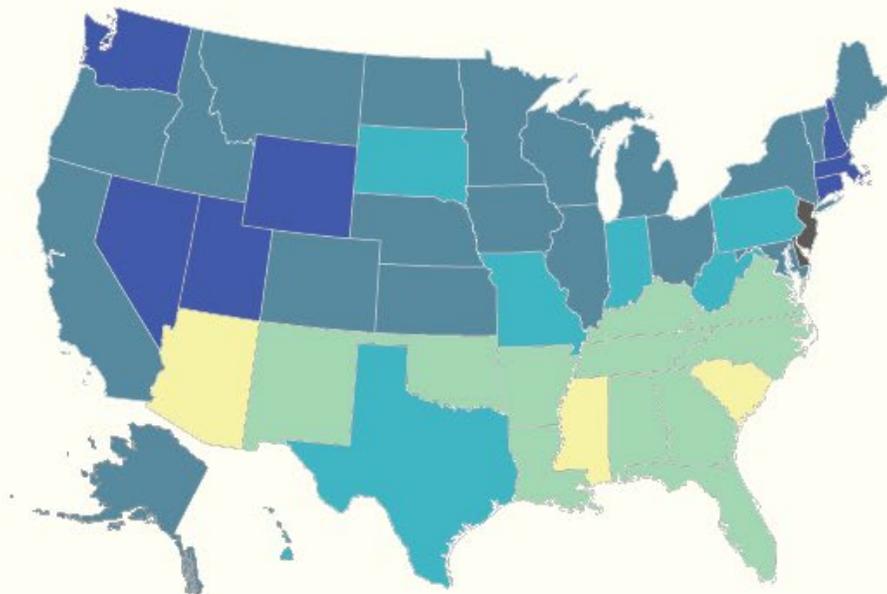
As of March, 2022

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

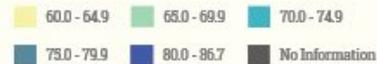
Telehealth

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 2016-1 year variable B28002. Rural refers to outside OMB-designated metropolitan areas.

HOUSEHOLDS WITH BROADBAND SUBSCRIPTIONS

Source: Housing Assistance Council tabulations of American Community Survey 2016-1 year.

83%
METROPOLITAN

vs

73%
OUTSIDE METROPOLITAN

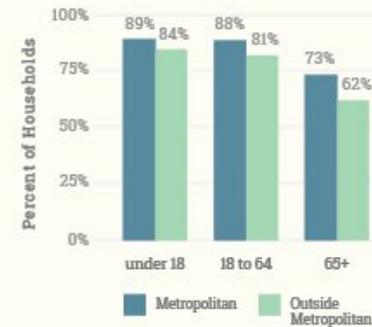
BROADBAND SUBSCRIPTIONS

BY INCOME



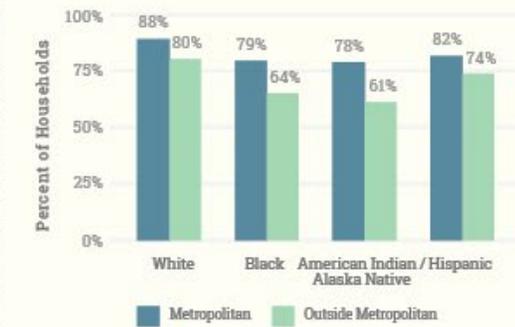
Source: Housing Assistance Council tabulations of American Community Survey 2016-1 year.

BY AGE



Source: Housing Assistance Council tabulations of American Community Survey 2016-1 year.

BY RACE / ETHNICITY

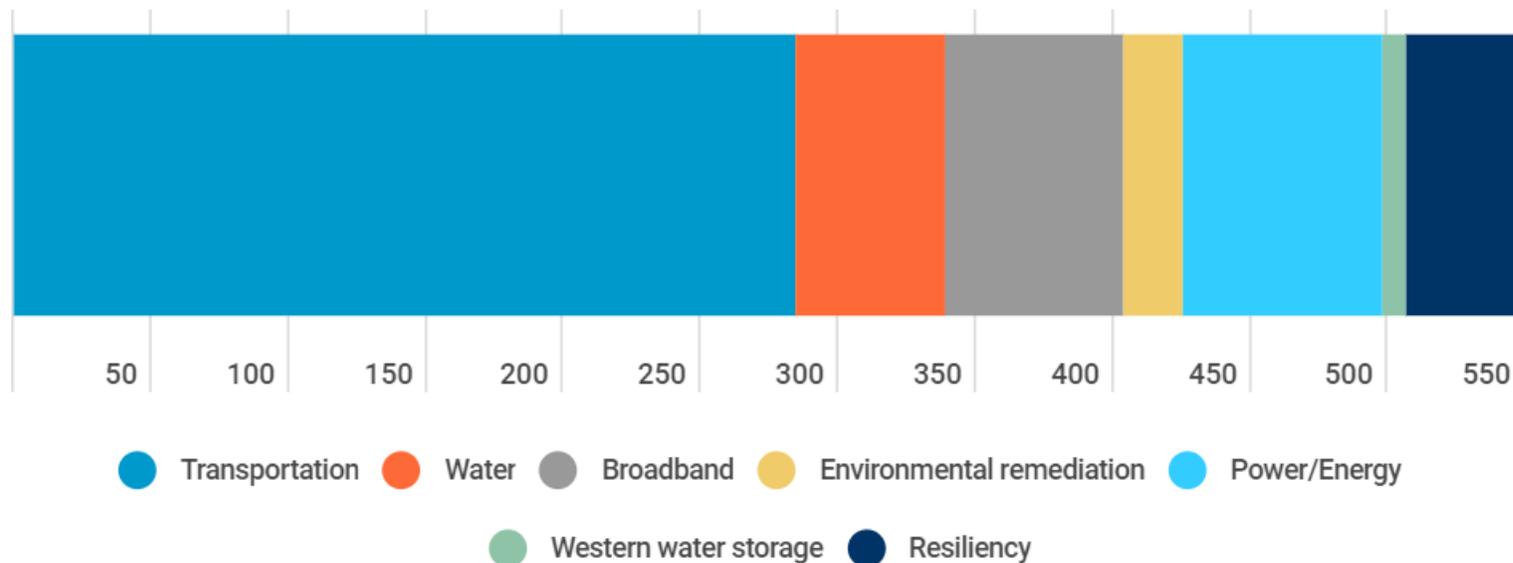


Source: Housing Assistance Council tabulations of American Community Survey 2016-1 year.

The Bipartisan Infrastructure Package

Infrastructure Investment and Jobs Act

- \$65 billion for broadband connectivity buildout, with significant mention of rural.
- \$110 billion for roads, bridges, and major transportation projects.
- \$55 billion for clean drinking water investments.
- \$21 billion in environmental remediation for Superfund sites.



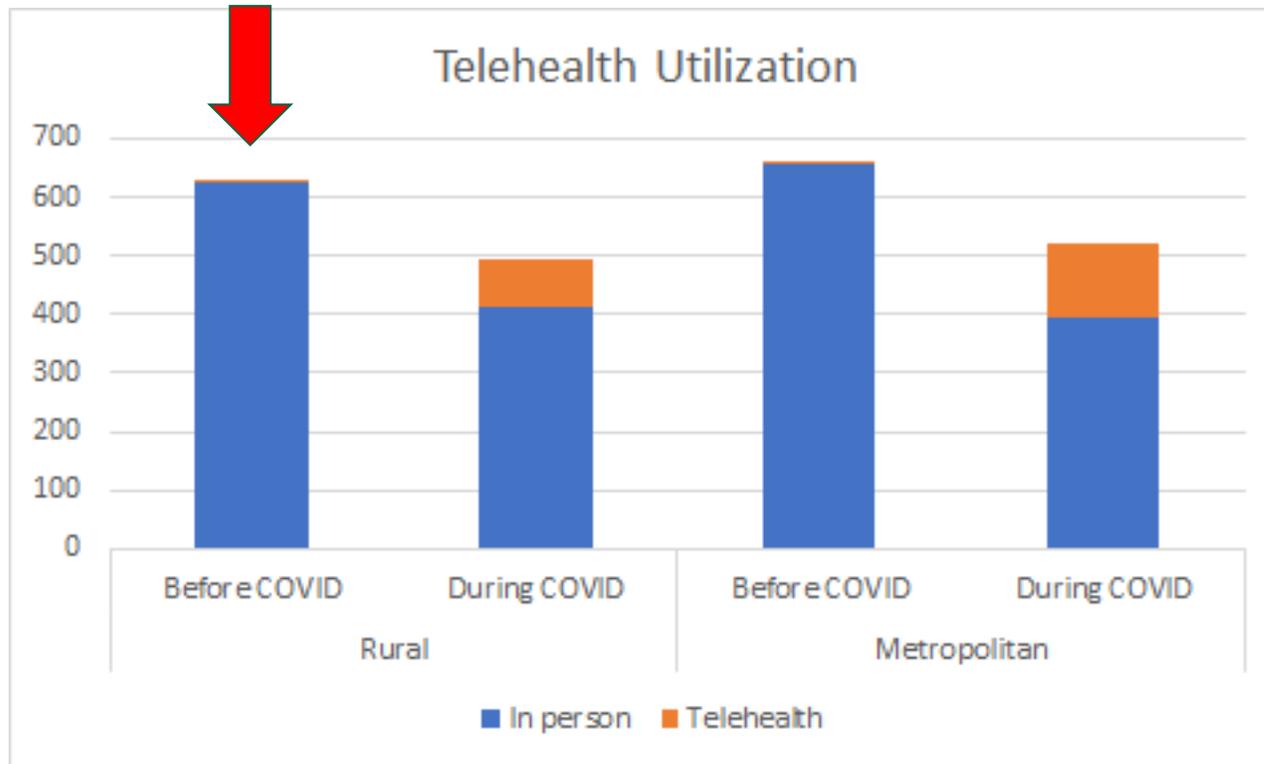
Source: NACO
<https://www.naco.org/resources/legislative-analysis-counties-bipartisan-infrastructure-law>

Telehealth Flexibilities

- Through CARES Act and the Administration's 1135 Waiver Authority, telehealth flexibilities under the Medicare program have been significantly expanded.
- Rural health clinics (RHC) and federally qualified health centers (FQHC) were afforded distant-site provider status through the PHE.
- NRHA is working with Congress to ensure these flexibilities are continued beyond the duration of the PHE.
- NRHA supported legislation: the CONNECT Act; the Telehealth Modernization Act; the Protecting Rural Telehealth Access Act

Rural COVID Telehealth Experience

Rural Had Lower Utilization During COVID-19



Why?

- Broadband Access
- Infrastructure (and cost)
- Provider Readiness
- Lack of HIE capacity
- Lack of patient engagement capability

Rural Innovations

Rural Health Policy Outlook

- Behavioral Health
 - Addressing increases in mental health and substance use
 - Mental health parity
- ACA and paid leave reforms
- Medicare and other public healthcare reforms
- Workforce
- Healthcare Sustainability and Capital
- Telehealth

Where Does Rural Go From Here?

- Challenges are not new to rural hospitals, however, current environment offer new realities and opportunities
- Locally delivered and controlled hospital services has high-value in the emerging value-based delivery system
- Maximize FFS system and its incentives while at the same time transitioning to new payment systems that are value-based

Partnering with Others

Financial Position & Stability

The hospital can't sustain itself financially over the long-term.

Facilities & Equipment

The poor financial position of a hospital makes borrowing money challenging. Patients do not want to come to an old facility with outdated equipment.

Workforce

The ability to recruit and retain physicians and nurses to sustain services that the community needs is deteriorating.

Telemedicine

Telemedicine can bring access to specialty care and additional workforce support to the community.

Maintaining a Primary Care

The **majority** of health care needs in a community can be addressed in a **physicians' office or clinic** instead of a hospital.



Clinics can provide many services:

- Wellness/Preventative Care
- Immunizations
- Chronic Disease Management
- Diagnostic Labs and Imaging
- Family Planning and Prenatal Care
- Prescription Assistance
- Telemedicine access

Rural Emergency Hospital



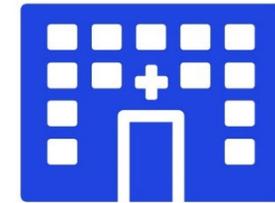
Clinic

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

Services provided by REH

CORE SERVICES

- Primary health care, including prenatal care
- Urgent care
- Emergency care
- Minor outpatient procedures
- Management of chronic conditions
- Telemedicine
- Transportation

OPTIONAL SERVICES

If unavailable locally, may be added:

- Skilled care
- Rehabilitative services
- Behavioral health
- Oral health
- Specialty care (via telemedicine or visiting specialists on site)

REH Might Work in Montana



Findings Brief
NC Rural Health Research Program

July 2021

How Many Hospitals Might Convert to a Rural Emergency Hospital (REH)?

George H. Pink, PhD; Kristie W. Thompson, MA; H. Ann Howard, BS; G. Mark Holmes, PhD

Table 7: State Location of Converters

State	Number
KS	16
TX	7
NE	5
OK	4
IA	3
MT	3
ND	3
HI	2
MN	2
NY	2
OH	2
TN	2
WA	2
WY	2

Rural Health Innovation Update

- FCHIP Demo extended in Aug 2 Medicare IPPS Rule and CAA
- Rural Community Hospital extended in Aug 2 IPPS Rule and CAA
- Pennsylvania Rural Health Model—Global Budget
- Community Health Access and Rural Transformation (CHART) Model- Community Transformation Track (CTT)
- Future of Accountable Care Organizations
 - ACO Realizing Equity, Access, and Community REACH Model
- [Rural Emergency Hospital](#) (REH) passed in CAA—New Provider Type



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