

Key Points: Rural Health and Health Reform in North Dakota

Health reform in rural North Dakota is about maintaining and improving access to care and the availability of care. CAHs are essential providers of care and contribute not only to health status, but also to the local economy. Rural North Dakotans do not expect more or better access to care than their friends and relatives in our cities, but they do expect to have continued access to quality health services either in their communities or in some collaborative arrangement with urban providers.

- About 58 percent of the people who have health insurance through Medicaid Expansion live in rural North Dakota.
- Medicaid Expansion has a significant impact on rural North Dakota CAHs as it has provided at least \$20 million in reimbursement that is used to assess, diagnose, and care for patients who have not had access before or for many years.
- The ACA expanded the 340 B drug discount program to CAHs. RHCs are excluded.
- There has been a discernable increase in the number of North Dakota CAHs with positive operating margins that is likely associated with both 340 B and Medicaid Expansion. This offers these critical health providers the opportunity to stay viable, to maintain access to necessary care, and to be an important contributor to the local economy to help maintain the viability of rural North Dakota communities.
- North Dakota CAHs are the anchor for rural health services as 35 of the 36 own other health enterprises such as primary care clinics, nursing homes, ambulance services, assisted living, basic care, and more.
- Health insurance coverage is important, but so too is maintaining a viable rural health delivery system. If the CAH closes and the medical provider leaves town, having insurance is small comfort if there is no place to receive care.

Health workforce supply is still a critical issue in rural North Dakota. There is a growing shortage of physicians, RNs, Physician Assistants, and Nurse Practitioners.

- The UNDSMHS, through its Health Workforce Initiative (HWI) is investing significant resources in funding, staffing, and time to help address the problem.
- Still there are shortages, and some rural hospitals/clinics are relying more on NPs and PAs than primary care physicians as an alternative.
- Health reform needs to be a vehicle to help address rural health workforce needs by collaborating with states through health and medical education initiatives with academic centers and working with State Offices of Rural Health.

Population health has become and needs to be the focus of health reform, both through maintaining access to insurance and in reforming the rural delivery system.

- Our country's greatest opportunities to improve the health status of the citizens rests on efforts to improve population health.
- Population health as a focus allows health providers and systems to experiment with new models where reimbursement is associated more with health outcomes and organizational performance.

- Concentrating on prevention in a manner to help patients stay healthy is better for the patient and as long as providers are adequately compensated for preventive services, care coordination, and overall population health efforts, the delivery system can be improved.
- Continuing to engage the public for their ideas through community health needs assessments remains important.
- Better care, better health, and reducing appropriate costs are a national goal.

The CMS Innovation Center can be a catalyst for rural health delivery reform through Accountable Care Organization Improvement Model (AIM) grants and/or increased efforts to include rural provides in Medicare Shared Savings models.

- North Dakota has five CAHs involved in an AIM grant (along with two CAHs in CA) that is producing dividends in building local capacity to become an ACO to provide better population health and strengthen the CAHs and clinics.
- The CAHs are developing skills in care coordination, patient coaching, acquiring health data and learning how to use patient data for better health outcomes, and understanding how the determinants of health (e.g., poverty, income, education, transportation, housing, and more) impact the patient and how the health system can work with the patient and/or family for better health status.

Support is needed for rural specific legislation that can be incorporated into health reform legislation. A primary “access and availability” bill is HR 3225 the Save Rural Hospital Act, first introduced in 2015.

- This bill would help to stabilize the rural health delivery system by addressing the Medicare sequestration cuts and addressing bad debt reimbursement.
- The Act would provide some regulatory relief by eliminating the hard 96 hour condition for payment, rebasing the supervision requirements for outpatient therapy services in CAHs, and addressing other regulatory problems.
- The Act would allow for additional areas of innovation and grants by creating a new rural hospital category called the Community Outpatient Hospital (COH) which can be viewed as a non-acute hospital that provides essential community health services such as emergency and outpatient care, and could work in tandem with a primary care clinic like a federally certified rural health clinic and/or a nursing home. The COH model may help to stem the rash of rural hospital closures. The goal is not to shore up a hospital that maybe should close, but to give the community an alternative to either a CAH or small rural PPS hospital when the market can no longer support an acute care facility but the rural citizens still have a right to expect access to primary, emergency, and outpatient care. Patients could stay in observation beds for up to two nights.
- The Act would create a new grant programs for CAHs, COHs, and small rural PPS hospitals for quality improvement and compliance, population health grants for COHs, and an EMS improvement grant.

Additional regulatory issues face rural North Dakota providers in the form of readmission penalties that can penalize rural hospitals and high levels of reporting.

For More Information

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