State of Our State
“Calm” Before the Storm?

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Overview of Opportunities/Threats

- Myths that Undermine Rural Health
- Medicare Issues in Play
- Workforce Shortage/Maldistribution
- Cost of Care & Insurance
- Quality Accountability/Transparency
- Workforce Shortage/Maldistribution
- Community Focus Increasing
- Partisan Brinkmanship/Gridlock
Myths that Undermine Rural Health

- Rural health care should be cheap
- Rural health care is inordinately expensive
- Rural residents don’t care about local access to care
- Rural health care needs can be met by urban centers; urban is better
- Rural America is a homogenous healthy agrarian society
- Rural populations are disappearing


Medicare: Legislative Issues

- Medicare Modernization Act caused “health care fatigue” re any “major” additional hospital help*
- Conrad State 30 J-1 Visa Waivers*
- Restoration $100 m FLEX/SHIP*
- Expand RCH Pilot as placeholder*
- Budget problems “on horizon,” focus on preparing for BBA II*
- Rural essential provider wrap around under Medicare Advantage


Equitable rural payments don’t threaten or distort Medicare’s primary PPS focus.
Medicare: Regulatory Issues

- **Implementation Medicare Modernization Act provisions**
- Cardiac Rehab Phys. Supervision*
- Occupational Mix & Wage Index*
- CAH Lab $ For Off Site Draws*
- Medical Education changes*
- Metropolitan Statistical Areas*
- Medicare Advantage Access standards respect or undermine Wisconsin’s regulatory requirement of “reflecting usual medical travel times within the community”?*

*Don May, AHA VP Policy at NRHA Annual Conference, 5/27/04

Cost: Health Care

- Increased overall health care costs leading to concern re hospital charges and their transparency*
- Increased number of uninsured leading to concern re hospital collection & billing practices*
- Increased overall scrutiny leading to concern re community benefit & not for profit status*
- Medicaid & Taxpayer Bill of Rights (TABOR)*


RWHC Eye On Health

"Why is it legal for our only doctors to be denied payment from our only insurance?"

"He's a third generation Conservative but his firm's health care costs just outstripped payroll."

*Don May, AHA VP Policy at NRHA Annual Conference, 5/27/04

Cost: Insurance

- Average health care premiums will exceed $12,000 per capita in two years
- Responses: shift costs to employees, more low-wage workers uninsured, abandon health benefits for employees or to cut employee positions.
- Many believe it will be almost impossible to sustain the employer-based health care system in the future.

Wisconsin Economic Summit IV, Health Care Workgroup, 10/03

Cost: Shift from Defined Benefit to Defined Contribution

- More about employer cost and risk shift then overall cost containment?
- Problem is 80% of population uses only 20% resources while the 20% who use 80% of care “blow” past high deductibles and still may not get needed case management.
- Poorly designed plans may discourage preventive care, actually increasing costs over time.
- Will this radicalize the middle to accept new government controls?

Rural Wisconsin Health Cooperative
Quality: Growing Consensus Re Public Accountability

- Rural confronts same quality challenges as urban; health care quality is seen as too variable and falling short of what is possible
- Quality infrastructure needed: (1) leadership and quality improvement knowledge, (2) practice guidelines and local protocols, (3) standardized performance measures, (4) measurement, data feedback and (5) quality improvement programs
- Cacophony of voices still an issue

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Quality: Information & Communications Technology

- Move from episodic-institutional care treating illnesses to greater consumer involvement in the prevention and management of illness across the life-span.
- ICT is critical element of transition to gain more immediate access to clinical knowledge, specialized expertise, and services not readily available.
- Rural need Hill-Burton II?

Rural Wisconsin Health Cooperative
Quality: Health Literacy

- Nearly half of all American adults, 90 million, have difficulty understanding and using health information causing significant preventable hospitalization & emergency care.
- Increasing consumer role makes this issue increasingly critical.
- Responsibility for improving health literacy must be borne not only by the health system, but also by educators, employers, community organizations...

**Health Literacy: A Prescription to End Confusion**, IOM, 4/04

Workforce: Shortage & Maldistribution

- Recruit, enroll and train in schools individuals likely to practice in underserved areas
- Develop care models that enhance, leverage practitioner resources
- Create policy/practices to encourage retention, return to WI
- Provide adequate/targeted funding for education.
- Develop statewide Council to guide WI medical education policy.

**WHA/SMS 2004 Task Force on Wisconsin’s Future Physician Workforce**
Community Focus: Population Health

- Growing awareness that we need to reduce future need for services
- Health outcomes (mortality and general health status) are driven by health determinants as follows:
  - Access to Health Care (10%)*
  - Health Behaviors (40%)* e.g. smoking, physical inactivity, overweight, sexually transmitted disease, motor vehicle crashes.
  - Socioeconomic factors (40%)* e.g. education, poverty, divorce rates.
  - Physical environment (10%)*

*Wisconsin County Health Rankings 2003, Wisconsin Public Health and Health Policy Institute

Community Focus: Economic Development

- Rural development must become a major state policy goal, associated with ag. policy, not secondary to it
- State rural development policy must be cross-sectoral and cross-jurisdictional
- Communities must (1) foster new economic engines, (2) be change agents and (3) support entrepreneurs, public and private.
- Rural hospital leadership must join other community leadership to make it happen

Toward a Place-Based Rural Policy Keith Mueller, Director, RUPRI Center for Rural Health Policy Analysis, 6/03

RWHC Eye On Health

"Wait for the cost or move upstream and deal with the problem."

"You're right; tough to run a health system when the community keeps shrinking."

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Community Focus: Collaboration

- Increasingly limited resources make it a necessity
- It is the only way to address population health threats
- It a traditional approach in many rural communities
- Basis of most major rural health grant opportunities (Flex, Outreach, Network, BlueCross, Kellogg, RWJ)

Partisan Brinkmanship/Gridlock Not Future Most Want

- "You're too dumb to understand why you're wrong and I'm right, even if I could explain it."

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