Setting the Stage for Payment Reform in Rural Health Settings

Learning Opportunity for States Interested in Rural Payment and Delivery Reform

Supported by Arnold Ventures

NASHP | NATIONAL ACADEMY FOR STATE HEALTH POLICY

RHRC RURAL HEALTH REDESIGN CENTER

Mathematica® Progress Together

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Agenda

1. **Welcome and Overview**

   Maureen Hensley-Quinn, Senior Director, NASHP

2. **Outlining the foundation for health care transformation & planned gap analysis**

   Janice Walters, CEO and Rachelle Scarfone, Sr. Community Health Strategist, RHRC

3. **Presentation Q & A**
4. **Understanding states' priorities and key issues driving rural transformation**

   Facilitated discussion with webinar participants

5. **Review of next steps and project Q & A**

Learning Opportunity Goals

- **To advance sustainable rural payment and delivery reform** that improves health outcomes without adding cost to the health care system.
- **To foster cross-state learning** and support understanding of a framework and and key decisions points necessary to advance rural health transformation.

  To support states where they are in their payment reform journey and to help them leverage current resources and opportunities to move toward reform (e.g., the Rural Health Transformation Program)
- **To equip states with data and analysis** necessary to understand opportunities and barriers to achieve lasting payment and delivery reform.

Components

State engagement and cross-state learning

Identify common pain points and potential approaches to address them

Gap Analysis*

Assess state activities in the context of a broader framework for rural health

Analytic Profiles

Provide states with data that can inform approaches to payment reform

Issue Briefs

Synthesize and publish key findings and strategies

Blueprint for Rural Payment Reform

Integrate lessons to guide policymakers in rural payment reform

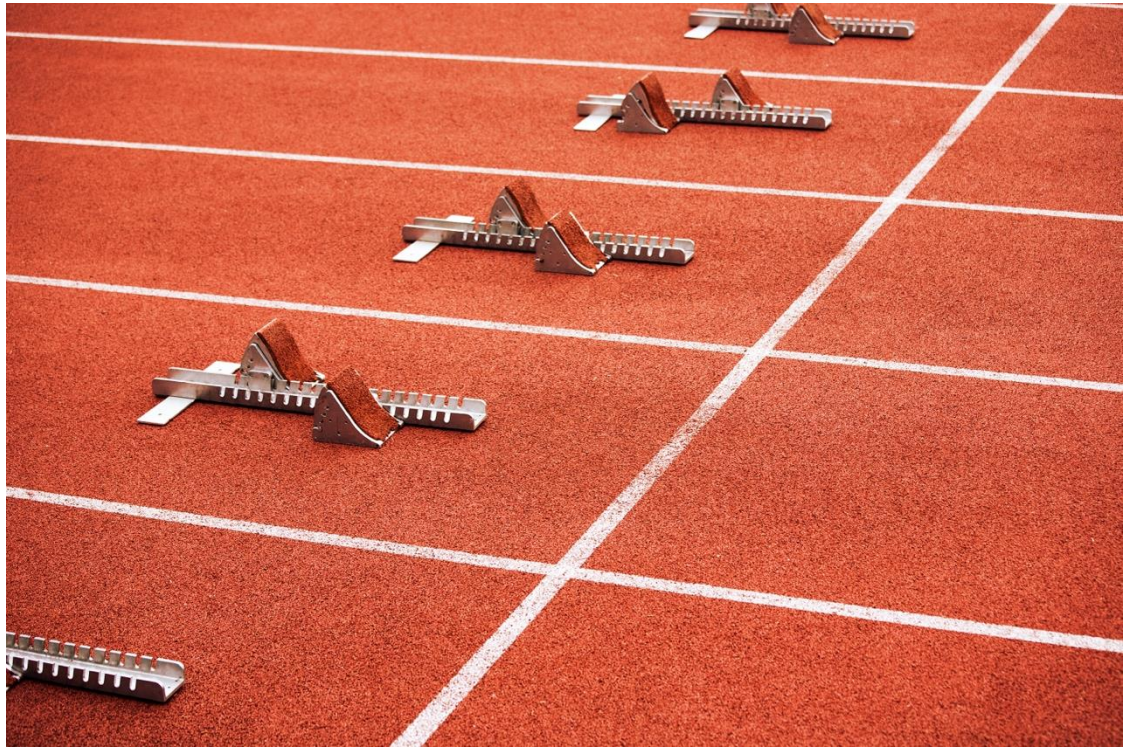


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Alternative Payment for Rural Health Sustainability

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The Starting Point



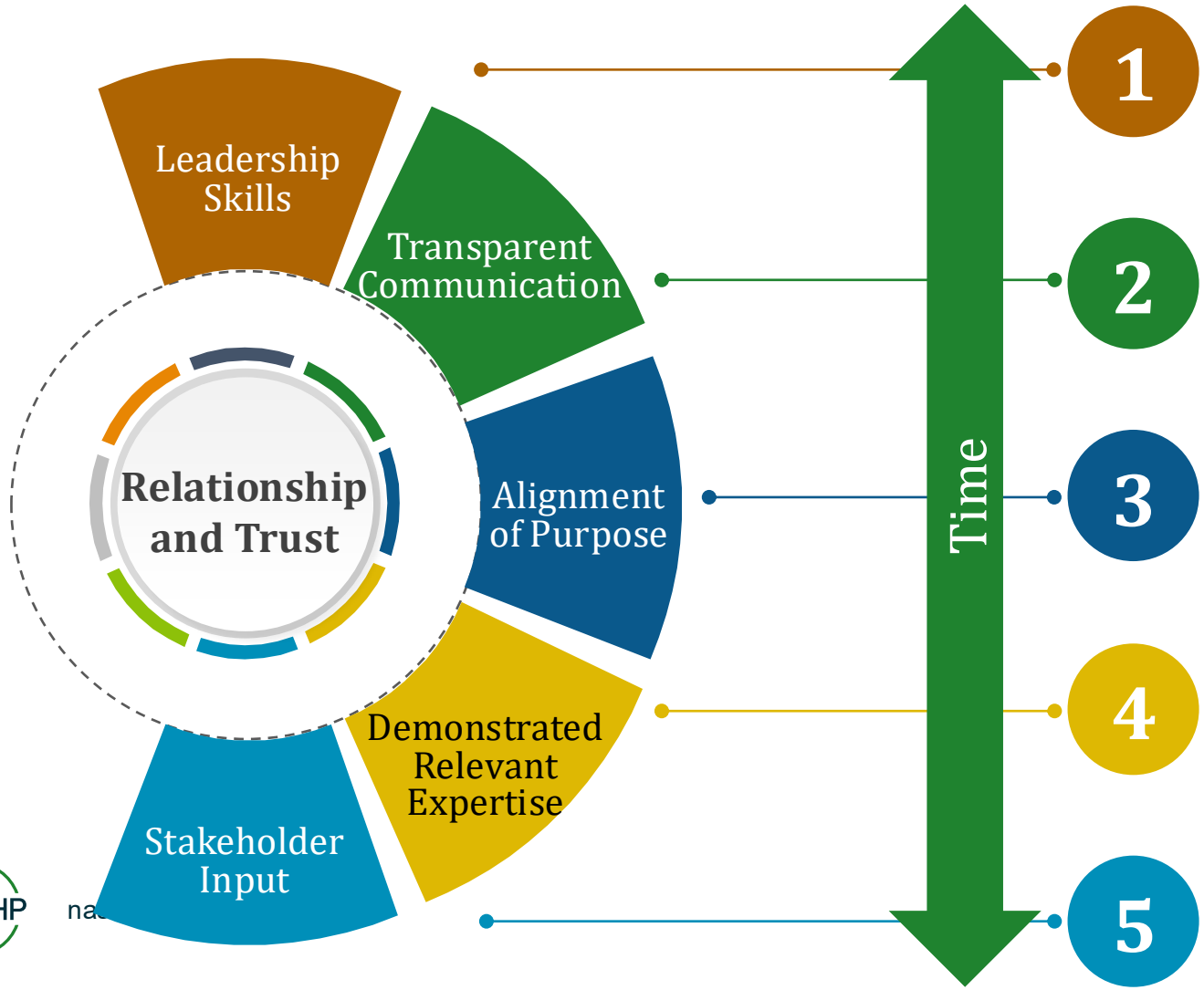
1. Belief that there is a fundamental need for a paradigm change; what we are doing is not working

2. A shared vision that produces value for all partners / stakeholders

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Essential Elements for Success In This Environment

- *How it all works together to build relationships and trust*



- Humility
- Patience
- Understanding
- Resiliency
- Humor

- Honesty in communication
- Formal communication forums to ensure ongoing stakeholder engagement

- Everyone agrees on realistic desired outcomes
- A shared belief that everyone is working for the best interest

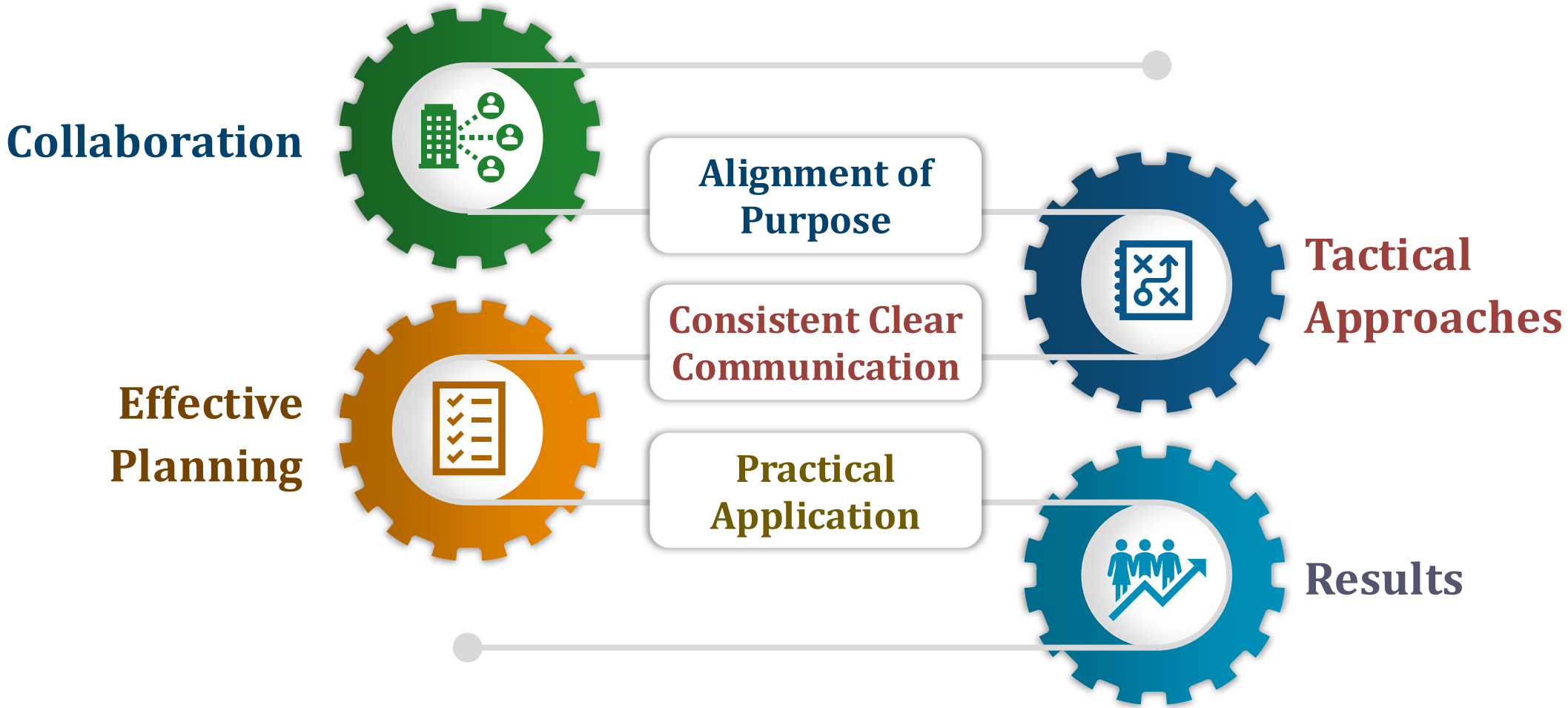
- The ability to connect
- The ability to relate to rural healthcare leaders' reality (walked in their shoes)

- Input is sought and heard from impacted stakeholders
- A feedback loop to keep all stakeholders informed

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Essentials for Innovative Transformation



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Transitioning to Alternative Payment

Engagement

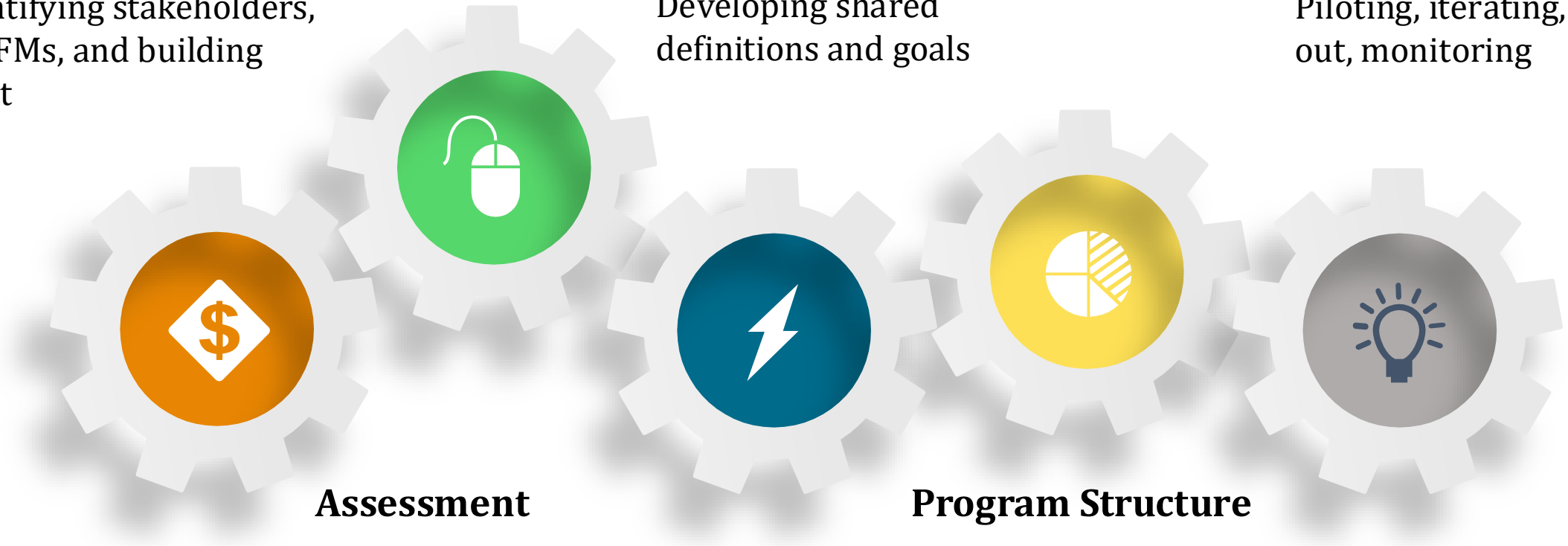
Identifying stakeholders, WIIFMs, and building trust

Shared Vision

Developing shared definitions and goals

Implementation

Piloting, iterating, roll out, monitoring



Assessment

Essential services, community health needs, access, quality, and sustainability

Program Structure

Payment structure, participation requirements, evaluation

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- **Identifying the WIIFM value-proposition across all stakeholders is critical to gaining and sustaining forward momentum.**

Ensuring alignment and generating consensus can be done through:

- **Conversation**
- **in-room engagement**
- **Polling, and other modalities.**

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Examples of the Stakeholders We Work With

- Center for Rural PA
- Centers for Medicare and Medicaid Innovation
- Centers for Medicare and Medicaid Services
- Clinically Integrated Networks
- Community Benefit Organizations
- Community Health Workers & Midwives
- Community Members
- Dental Clinics
- Department of Education
- Department of Health
- Department of Human Services
- Department of Transportation
- Education Institutions (schools, colleges)
- EMS Providers
- Federal Office of Rural Health Policy
- Funders / Philanthropists
- **Health Insurance Providers (UPMC, Highmark, Aetna, etc.)**
- Hospital Associations
- **Hospitals and Healthcare Providers**
- Housing Authorities
- Labor and Industry
- Legislators
- National Rural Health Association
- National Academy for State Health Policy
- Nursing Homes
- PA Insurance Department
- Policy Makers
- Primary Care
- Single County Authorities
- State Offices of Rural Health
- Rehab/Treatment Providers
- USDA
- Vendors / Technical Partners
- Workforce Development Boards
- + More

Identifying the WIIFM (what's in it for me) value-proposition across all stakeholders is critical to gaining forward momentum.

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Setting the Stage for APM using RHTP initiatives

Building a Framework

Improve access to hospitals, providers, and health care

Action

Improve health care outcomes of rural residents

Specific Elements

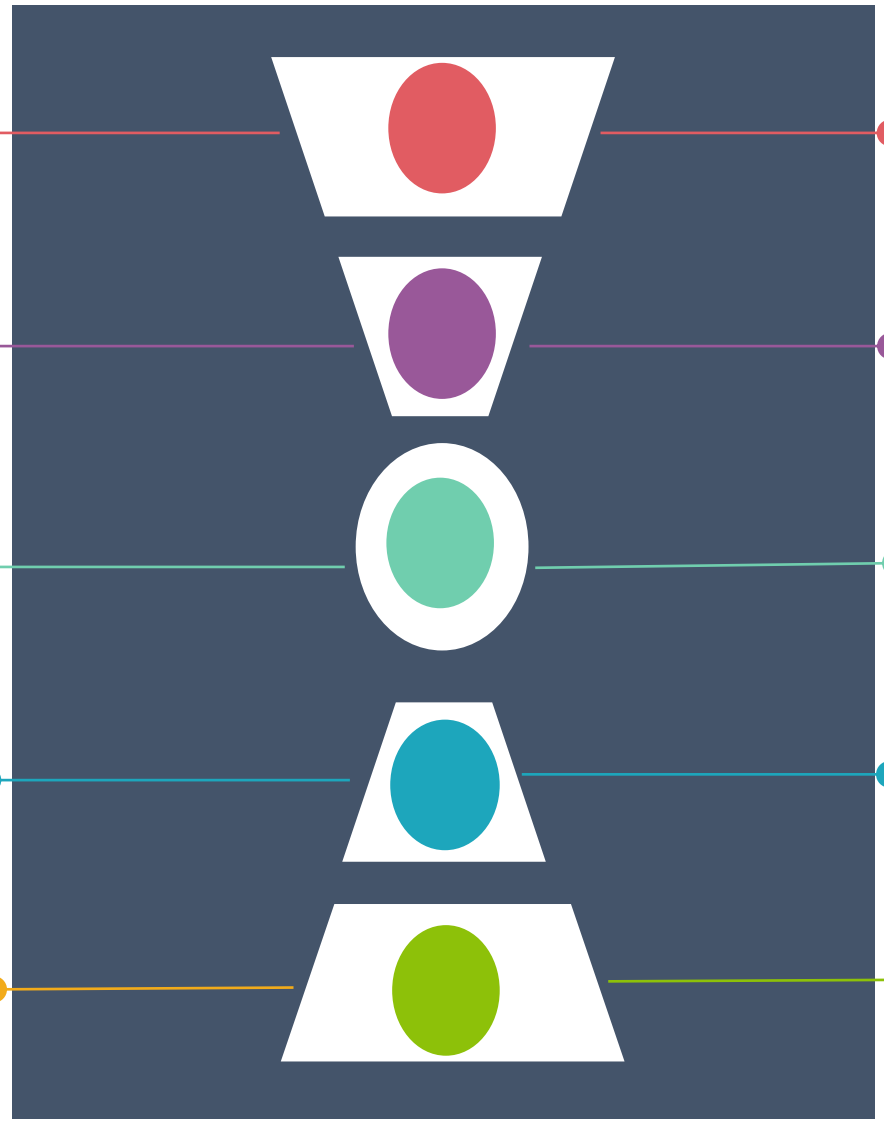
Prioritize new/emerging technology; enhance economic opportunity; data driven solutions; manage financial solvency; innovative care

Policy Actions

Initiate, foster, and strengthen partnerships; identify causes of at-risk hospital statuses; workforce development

Transitioning to a Sustainable System

Sustainable access; technology innovations



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Key Requirements of APM Based On PA Lessons Learned

01 Is palatable for both payers and hospitals.

02 Preserves the right care within the local community.

03 Takes into consideration hospital costs.

04 Provides truly predictable revenue.

05 Is easily understood by program participants.

06 Reduces burden of program administration.

07 Drives affordable healthcare for the community.

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Types of Alternative Payment Models

Utility Based

- *Bundled Payments:* A fixed payment for all services related to a specific treatment or condition, incentivizing cost-efficient, high-quality care
- *Capitation with Quality Adjustments:* Providers are paid a per-member-per-month fee for managing a patient population, with adjustments based on quality metrics and outcomes
- *Shared Savings Programs:* Providers who reduce costs while meeting quality benchmarks share in the savings generated, aligning financial incentives with patient benefit
- *Examples:* BPCI, ACO

Global Budget

- Fixed annual budget for a specific population or program
- Adjustments for demographic changes, service mix, market dynamics, and payer mix
- Incentives tied to quality, patient experience, and outcomes
- Financial accountability for the facility or provider
- *Examples:* Pennsylvania Rural Health Model (PARHM), Maryland All-Payer Total Cost of Care

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What We Mean By Alternative Payment

Fee for Service

Hospital is paid for the # of services provided, but as the community is getting smaller, so is revenue



Alternative Payment

Hospital is paid predictable revenue in exchange for keeping people healthy



Alternative payment coupled with population health efforts, provide predictable revenue while realigning incentives for hospitals to provide services that the community actually needs.

Current Standard

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What Does Transformation Mean Within Alt. Payment?



Shift toward value-based care and population health.

Focus on collaboration with other rural providers and community organizations.

Opportunity to rethink service delivery and financial models.

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Gap Analysis Overview

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Future of Rural Health: Roadmap to Action
Strengthening Rural Health

This document ,published by RUPRI/NRHA/West Health, was informed by the Pennsylvania Rural Health Model. This road map provides a path to sustainability but needs alignment with CMS and the RHTP program to achieve the overarching objectives.

Full report can be found at: https://rupri.org/wp-content/uploads/Report-Future-of-Rural-Health-Summit.pdf



BUILDING A FRAMEWORK WITH SPECIFIC ELEMENTS

- LEVERAGE the full continuum of care
- Address Health-Related Social Needs (HRSN)
- Use the framework of the High-Performing Rural Health System to guide specific actions

ACTION

- Designing a local & regional decision-making structure
- Determine local needs and actions—an ongoing process taking advantage of changes in health care organization and delivery

TRANSITIONING TO A SUSTAINABLE SYSTEM IN THRIVING RURAL COMMUNITIES

- Transitioning health services finance
- Actions to re-organize health services
- Assuring high-quality rural health services

SPECIFIC ELEMENTS SUPPORTING THE RURAL HEALTH SYSTEM

- Blended Funds Flow
- Payment Policies
- Workforce Considerations
- Use of Technology & Data

POLICY ACTIONS

- Financing Rural Health Services
- Support workforce initiatives already underway
- Support current infrastructure, physical and organizational
- Undertake discussions and actions through local and regional coalitions of stakeholders in rural health

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Building a Framework with Specific Elements

Recommendation	Example Assessment Questions
Leverage the full continuum of care	Is there a discussion of access to healthcare across life stages? (prenatal to end-of-life) Are essential local services addressed?
Address Health-Related Social Needs (HRSN)	Which individual health-related service needs are addressed? Is there capacity for organizations and communities to address these issues?
Use the framework of the High-Performing Rural Health System to guide specific actions	Are systemic SDoH barriers addressed? Are there efforts to ensure the appropriate, lowest cost setting for care?

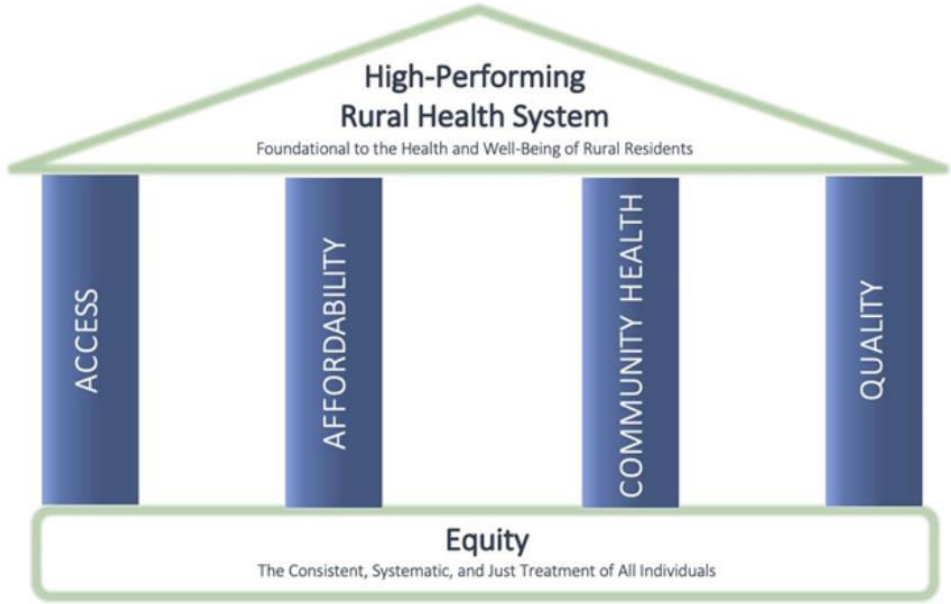


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Action

Recommendation	Example Assessment Questions
Designing a local and regional decision-making structure	Are stakeholders involved in decision-making? Is there a formal governing council for rural health sustainability work? Are there local and regional entities communicating to advance the work?
Determine local needs and actions – an ongoing process taking advantage of changes in health care organization and delivery	Are CHNAs used to identify community health needs and actions? Are there other types of community health need assessments being utilized? Is there a coalition focused on community needs where key stakeholders work together to pursue opportunities and address challenges?

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Specific Elements Supporting the Rural Health System

Recommendation	Example Assessment Questions
Blended Funds Flow	Are community-based strategies considered in the budget? Is funding success evaluated based on strategy implementation and health impact?
Payment Policies	Does the state have REH legislation? Are there any existing payment policies targeting rural health?
Workforce Considerations	Does the RHTP include structured apprenticeship programs? Is there a “grow your own” strategy partnering with school districts?
Use of Technology & Data	Are there incentives to incorporate AI to reduce provider or staff burdens? Do telehealth incentives encourage complementary care rather than replacement of care?

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Policy Actions

Recommendation	Example Assessment Questions
Financing rural health services	Are capital needs for building code compliance, meeting cybersecurity requirements, and preparing for the future addressed? Does the RHTP address emergency medical services?
Support workforce initiatives already underway	Does the RHTP address policies to build rural residency capacities for education in healthcare professions?
Support current infrastructure, physical and organizational	Are there policy limitations on primary care access and does the RHTP include changes to remove those? Are there REH legislation and regulation improvements under consideration?
Undertake discussions and actions through local and regional coalitions of stakeholders in rural health	Does the RHTP include programs to overcome behavioral health stigma? Are there methods for prioritizing and addressing immediate community health needs?

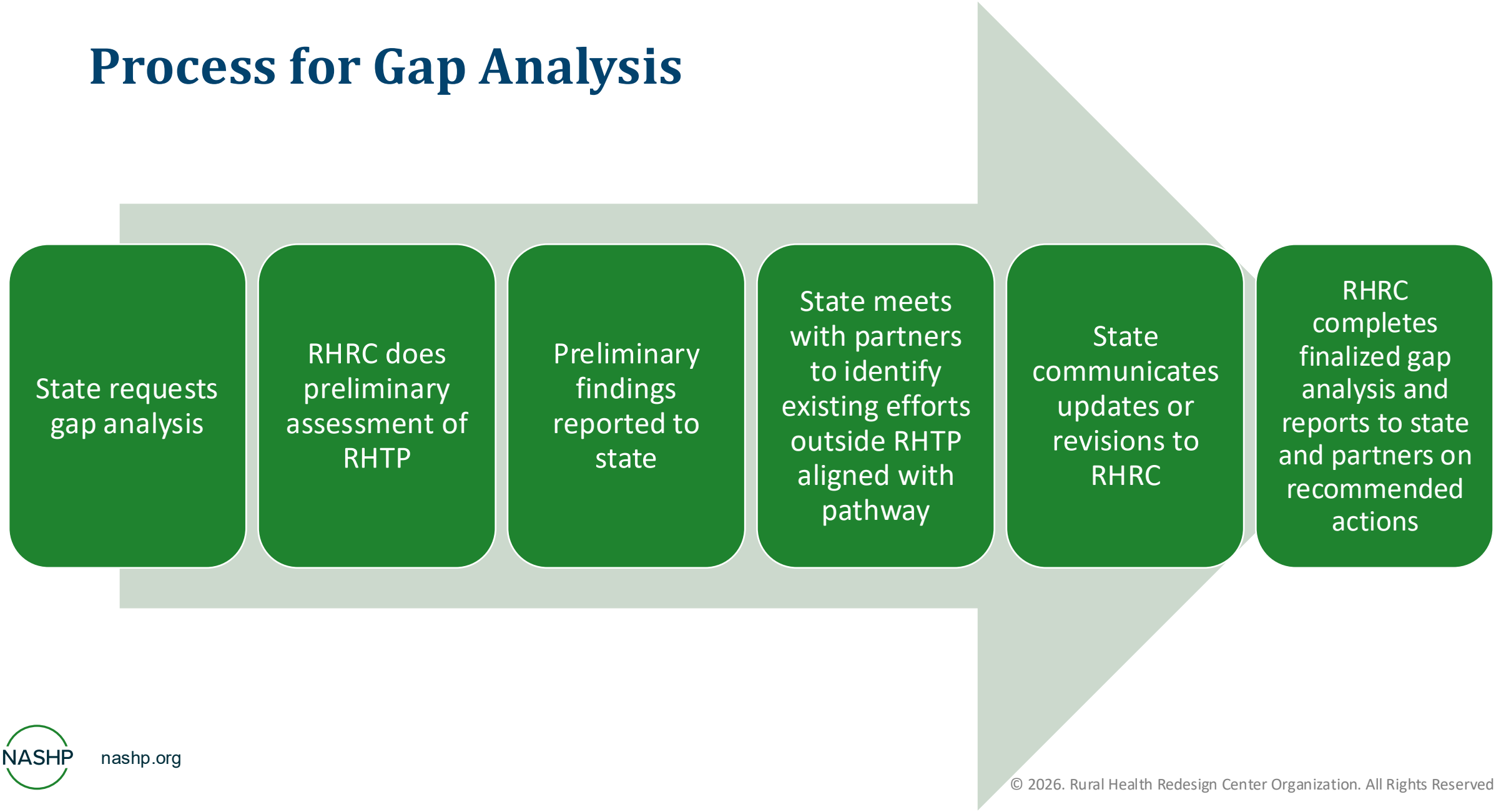
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Transitioning to a sustainable system in thriving rural communities

Recommendation	Example Assessment Questions
Transitioning health services finance	Are organizations able to opt in or out of alternative payments? Are there payments to support capacity building and collaboration as organizations move to value-based care?
Actions to re-organize health services	Does the RHTP include grants for the development of clinically integrated networks? Does the RHTP discuss regional care? Does the RHTP include group purchasing arrangements?
Assuring high-quality rural health services	Are there incentives for high-quality health care organizations to act as preceptors? Is there an alignment of quality metrics across payers? Are the metrics rural-relevant?

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Process for Gap Analysis



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Expectations for Participation

- States interesting in pursuing the gap analysis will be asked to have a few types of representation working on the questionnaire (state agencies, payers, hospitals, providers, rural council, etc.)
- Total expected time investment – approximately 2 days, less or more depending on the depth of knowledge of participants and breadth of the state's approved RHTP
- Identify a lead for communications and coordination
- Commit to a state team meeting with RHRC to review gap analysis results and recommendations

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Q & A



Please respond via the webinar poll or chat



Which approach or type of payment reform is a priority in your state?

- Bundled payments
- Increased capitation with shared risk
- Shared savings
- Global budgets
- Other / unsure

Please respond via the webinar poll or chat



Rank your state's payment reform attributes from 'Strongest' to 'Needs Attention'

- Leadership skills
- Transparent communication
- Alignment of purpose
- Demonstrated relevant experience
- Stakeholder input

Please respond via the webinar poll or chat



Identify what you consider the top 3 most challenging aspects of payment reform in your state:

- Developing a payment method supported by all stakeholders
- Incentivizing the right care in the communities
- Understanding provider costs
- Creating a predictable revenue source
- Building a program that is understood by participants
- Reducing administrative burden
- Achieving affordability for community members
- Other / unsure

Please respond via the webinar poll or chat



What data or information would help your state adopt APMs?

Please respond via the webinar poll or chat



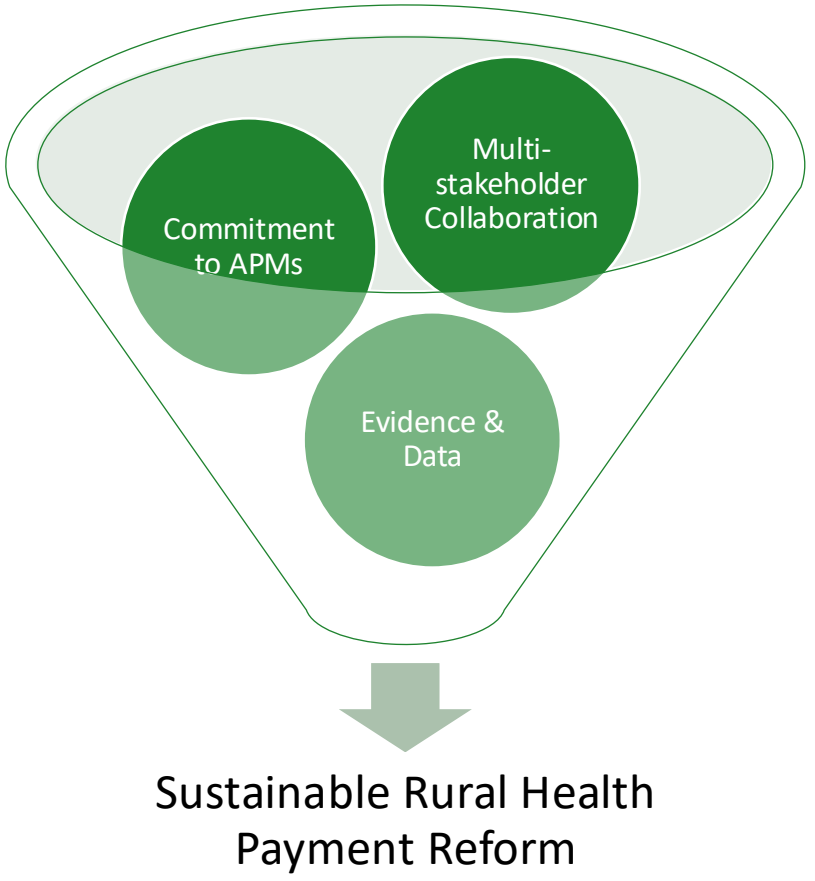
Identify barriers not yet highlighted that have restricted rural communities from adopting APMs to date.


NEXT STEPS

Seeking State Teams…

That are committed to the following:

- Adopting alternative payment methodologies to improve care and patient outcomes
- Bending the cost trend
- Collaborating with stakeholders to ensure the adoption of realistic innovations that avoid unintended consequences
- Use evidence and data to inform policy and payment decisions



For Interested State Teams

- State teams must submit an **interest survey by June 26.**
- **Next call: Thursday, July 16**
  - Additional information will be sent to teams that complete the survey.
- Teams interested in the gap analysis will be contacted in July.

Questions?

For any additional questions, contact Christina Cousart ccousart@nashp.org