Rural Healthcare into 2040
Trends, Challenges, and Opportunities

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Chief Policy Officer

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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

Source: Montana’s Changing Demographics, LFD Montana Legislative Fiscal Division, 2019
Rural Population Disparity
Uninsured Adults

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

0-5% 6%-10% 11%-15% 16%-20% 21%-25% >25%

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

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)

1. Mental Health and Mental Disorders
   Number of Times Selected as a "Top 10" Priority: 932

2. Addiction
   Number of Times Selected as a "Top 10" Priority: 790

3. Health Care Access and Quality
   Number of Times Selected as a "Top 10" Priority: 618

4. Overweight and Obesity
   Number of Times Selected as a "Top 10" Priority: 601

5. Drug and Alcohol Use
   Number of Times Selected as a "Top 10" Priority: 565

6. Nutrition and Healthy Eating
   Number of Times Selected as a "Top 10" Priority: 477

7. Preventive Care
   Number of Times Selected as a "Top 10" Priority: 405

8. Older Adults
   Number of Times Selected as a "Top 10" Priority: 404

9. Diabetes
   Number of Times Selected as a "Top 10" Priority: 402

10. Economic Stability
    Number of Times Selected as a "Top 10" Priority: 366

11. Transportation
    Number of Times Selected as a "Top 10" Priority: 327

12. Cancer
    Number of Times Selected as a "Top 10" Priority: 313

13. Public Health Infrastructure
    Number of Times Selected as a "Top 10" Priority: 306

14. Housing and Homes
    Number of Times Selected as a "Top 10" Priority: 282

15. Workforce
    Number of Times Selected as a "Top 10" Priority: 275

16. Education Access and Quality
    Number of Times Selected as a "Top 10" Priority: 261

17. Health Insurance
    Number of Times Selected as a "Top 10" Priority: 257

18. Child and Adolescent Development
    Number of Times Selected as a "Top 10" Priority: 256

19. Hospital and Emergency Services
    Number of Times Selected as a "Top 10" Priority: 234

20. Vaccination
    Number of Times Selected as a "Top 10" Priority: 222
# Top Priorities by Region (n=990)

## Top 20 Priorities, Overall

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<th>Priority</th>
<th>Mental Health and Mental Disorders</th>
<th>Addiction</th>
<th>Health Care Access and Quality</th>
<th>Overweight and Obesity</th>
<th>Drug and Alcohol Use</th>
<th>Nutrition and Healthy Eating</th>
<th>Preventive Care</th>
<th>Older Adults</th>
<th>Diabetes</th>
<th>Economic Stability</th>
<th>Transportation</th>
<th>Cancer</th>
<th>Public Health Infrastructure</th>
<th>Housing and Homes</th>
<th>Workforce</th>
<th>Education Access and Quality</th>
<th>Health Insurance</th>
<th>Child and Adolescent Development</th>
<th>Hospital and Emergency Services</th>
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### 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

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

Number of rural hospitals closed since 2010.

Source: Sheps Center, UNC
Rural Hospitals Vulnerable to Closure

453 At-Risk as of January 2022

Percentage of State Rural Hospitals Determined to be Vulnerable

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

- Licensed Practical and Licensed Vocational Nurses (LPNs/LVNls)
  - Metro: [Bar Value]
  - Nonmetro: [Bar Value]

- Registered Nurses (RNs)
  - Metro: [Bar Value]
  - Nonmetro: [Bar Value]

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?

- Nursing was identified by 96.2% of respondents as a role in which they are having 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.*

*Staffing shortages can directly impact quality of care and access to care for rural communities.*
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.

1. More financially lucrative opportunities at another hospital
2. Pandemic Burn Out
3. Retirement
4. Unwillingness to comply with vaccine mandate
Other

*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
Telehealth
The Digital Divide in Rural America

RURAL HOUSEHOLDS WITH BROADBAND SUBSCRIPTIONS

83% METROPOLITAN
73% OUTSIDE METROPOLITAN

BROADBAND SUBSCRIPTIONS

BY INCOME

<table>
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<tr>
<th>Income Zone</th>
<th>Metropolitan</th>
<th>Outside Metropolitan</th>
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<tbody>
<tr>
<td>Less than $50k</td>
<td>56%</td>
<td>59%</td>
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<tr>
<td>$50k to $74k</td>
<td>69%</td>
<td>64%</td>
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<tr>
<td>$75k+</td>
<td>79%</td>
<td>78%</td>
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BY AGE

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<th>Age Group</th>
<th>Metropolitan</th>
<th>Outside Metropolitan</th>
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<tr>
<td>Under 18</td>
<td>59%</td>
<td>64%</td>
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<tr>
<td>18 to 64</td>
<td>68%</td>
<td>66%</td>
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<tr>
<td>65+</td>
<td>79%</td>
<td>78%</td>
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Source: U.S. Census Bureau, American Community Survey (2016-2019)

BY RACE / ETHNICITY

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<th>Race/Ethnicity</th>
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<tr>
<td>White</td>
<td>88%</td>
<td>80%</td>
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<tr>
<td>Black</td>
<td>78%</td>
<td>72%</td>
</tr>
<tr>
<td>American Indian / Hispanic</td>
<td>66%</td>
<td>64%</td>
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</tbody>
</table>

Source: U.S. Census Bureau, American Community Survey (2016-2019)
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

<table>
<thead>
<tr>
<th><strong>Financial Position &amp; Stability</strong></th>
<th>The hospital can’t sustain itself financially over the long-term.</th>
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<tbody>
<tr>
<td><strong>Facilities &amp; Equipment</strong></td>
<td>The poor financial position of a hospital makes borrowing money challenging. Patients do not want to come to an old facility with outdated equipment.</td>
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<tr>
<td><strong>Workforce</strong></td>
<td>The ability to recruit and retain physicians and nurses to sustain services that the community needs is deteriorating.</td>
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<tr>
<td><strong>Telemedicine</strong></td>
<td>Telemedicine can bring access to specialty care and additional workforce support to the community.</td>
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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

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

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

**Table 7: State Location of Converters**

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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