

RURAL HEALTH REDESIGN IN PENNSYLVANIA

IMPLEMENTATION PLAN

Background

Pennsylvania has the third largest rural population of any state. One out of every five Pennsylvanians lives in a rural area, but many face very limited access to care as urban areas have higher concentrations of provider-to-population ratios. Access to care remains one of the largest issues affecting rural residents' health. Some rural counties see as many as 3,670 residents per one primary care physician.¹ For dentists, this can be as many as 7,320 residents per dentist. And, for mental health providers, the ratio is 8,270 residents per provider.

Many rural hospitals in the commonwealth are struggling with low or declining operating margins. Rural hospitals provide access to care for 1.8 million Pennsylvanians; however, 47% of rural PA hospitals faced negative operating margins in 2015.² An additional 21% of rural hospitals experienced operating margins of zero to three percent (0-3%). Overall, rural hospitals across the commonwealth have observed declining margins of approximately five percent per year since 2011. The current fee-for-service reimbursement system that relies heavily on inpatient admission volume has led to an unpredictable and unsustainable environment for rural hospitals. As admissions decline, the revenue base similarly declines, providing few resources to support delivery system transformation that focuses on population health improvements.

Pennsylvania's rural counties also struggle with poor health outcomes. Thirty-two percent (32%) of rural residents are obese, compared to 29% statewide.¹ Preventable hospital stays in rural areas topped 67 per 1,000 Medicare enrollees, compared to 57 per 1,000 Medicare enrollees statewide.

Overview

Through this priority, the commonwealth aims to ensure that its citizens achieve greater health, whether or not they live in rural or urban areas. Health care delivery system transformation efforts will help extend the rural workforce and provide enhanced access in currently underserved communities. The launch of the prescription drug monitoring program (PDMP), the expansion of tele-health services, and the use of community health workers, among other efforts, will elevate the health status of people living outside the densely populated urban

centers of Pittsburgh and Philadelphia. In addition, the commonwealth is exploring the potential for alternative payment models, including global budgets, targeted at sustaining access to health care services at hospitals in rural settings. These initiatives will help improve access to high quality health care for those living in rural Pennsylvania.

Vision

By redesigning rural health through hospital financing, population health, health care workforce, and health information technology solutions, Pennsylvania will ensure that rural residents achieve greater health status and can readily access care when needed.

Scope of Work

Goal

Pennsylvania will improve the health status and health care access for residents living in rural areas in a manner that is sustainable and better serves the health needs of local populations.

Strategies and Tactics

Strategy A: Transform health care delivery in rural communities.

Tactic(s):

1. Remove barriers to adoption of tele-health services.
2. Increase access to oral health providers and oral health services.
3. Increase access to behavioral health providers and behavioral health services.
4. Expand opportunities for health professions students to learn and work in rural and underserved areas.

Strategy B: Improve the population health status of rural Pennsylvanians.

Tactic(s):

1. Improve oral health outcomes among children.
2. Reduce prescription opioid use among rural residents.
3. Increase tobacco cessation among women ages 18-44.
4. Increase opportunities for physical activity for rural residents.
5. Improve diabetes management among adults.

Strategy C: Create health care services that match the needs of the community.

Tactic(s):

1. Pilot global budgets in rural hospitals to enhance financial sustainability.
2. Identify core sets of quality measures that will improve quality and provide incentives for providers
3. Work with rural hospitals to reduce avoidable utilization of services and increase access to preventive health services.

Governance

Health Innovation in Pennsylvania is a governor-led initiative. In addition to Governor Wolf, the Governor's Policy Secretary Sarah Galbally is actively engaged in the implementation of the plan. The Governor's office is briefed biweekly on the work to accelerate health transformation in Pennsylvania. Multiple state agencies, coordinated by the Department of Health, will work together to improve the health of rural residents in Pennsylvania.

The daily operations of the work to redesign rural health in Pennsylvania will be spearheaded by the Health Innovation Office within the Department of Health. The Health Innovation Office is led by the Deputy Secretary for Health Innovation and includes a Director of Population Health and Health Innovation Analyst. The Secretary of Health provides direct oversight to the Health Innovation Office.

In addition, a new entity – the Rural Health Redesign Center (RHRC) – will be created to oversee the rural hospital global budget initiative specifically. The RHRC will be a public-private partnership that will assist hospitals develop and adjust their global budgets and create transformation plans in concert with community organizations.

Stakeholder Engagement

Pennsylvania's plan to redesign rural health requires significant and ongoing stakeholder engagement, input, and leadership to ensure that transformation initiatives will be aligned and effective. Governor Wolf has convened a Steering Committee to lead health care innovation across the commonwealth that is comprised of diverse stakeholders across Pennsylvania from health care systems and hospitals, health care providers, public health professionals, consumers, business leaders, private insurers, foundations, and academic institutions. Also serving on the Steering Committee are the Secretaries for Health, Human Services, and Aging; Deputy Secretary for Health Innovation, and the Insurance



Commissioner. The Steering Committee is tasked with providing oversight for the implementation of the Health Innovation in Pennsylvania (HIP) plan.

In addition to the Steering Committee, Pennsylvania will convene smaller work groups around the areas of health care transformation, health information technology (including tele-health), and population health in order to advance improvements in rural health. Members will be representative of payers, providers, hospitals, population health experts, academic professionals, state officials, employers, consumers and patients, foundations, associations, and community-based organizations (e.g. social service agencies).

Timeline for Implementation

The work to advance rural health is slated to begin in October 2016 and go through January 2019.

| Strategy | Begin Date | End Date |
|---|-------------------|-----------------|
| Health care transformation | January 2017 | January 2019 |
| Population health | October 2016 | January 2019 |
| Global budget model for rural hospitals | November 2016 | January 2019 |

How We Will Define Success

Pennsylvania will measure success in the following ways:

- Access to behavioral health services / specialists (e.g., behavioral health specialists per capita)
- Access to addiction and addictive drug services
- Access to oral health services for children
- Tele-health adoption and utilization (among institutions and providers)
- Global budget implementation at six rural hospitals in the first year of the model

References:

1. Robert Wood Johnson Foundation County Health Rankings 2016 for Pennsylvania
2. PA Department of Health Innovation Center Rural Profile, September 2016