



Federal Update

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New Mexico Hospital Association Annual Meeting
September 28, 2010

**Department of Health and Human Services
Health Resources and Services Administration
Office of Rural Health Policy**

Summary

- Federal update
 - President's Initiative on Rural Health
 - White House Rural Council
 - Partnership for Patients
 - Overview of Office of Rural Health Policy
 - Medicare Beneficiary Quality Improvement Program
- Regulatory and Reimbursement updates



Federal Update

Department of Health & Human Services (HHS)

Update

- Protecting and enhancing the Nation's Health and Well Being
- A Key Focus in 2011: Implementation of the Affordable Care Act (ACA)

HHS Headquarters



Health Resources & Services Administration (HRSA)

Key Focus Areas

- Primary Care Access
- Workforce Training, Recruitment & Retention
- Serving Those with HIV/AIDS
- Maternal & Child Health Block Grant
- 340B Discount Drug Program
- Organ Donation

HRSA Administrator
Mary Wakefield



Office of Rural Health Policy (ORHP)

Overview

- “Voice for Rural” within HHS
- Rural-Focused Review of HHS Regulations
- Research & Policy Development
- Rural-Specific Grant Programs
- Technical Assistance

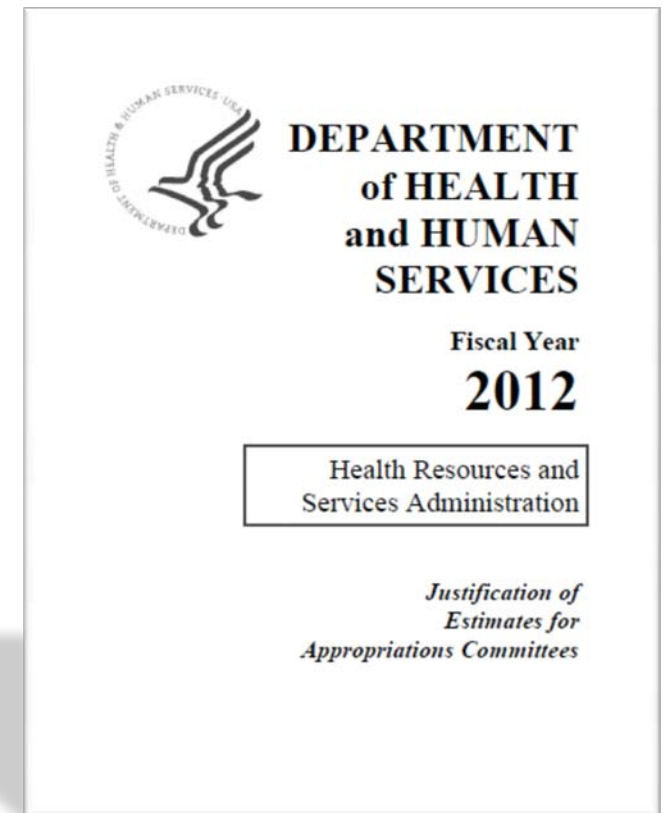
Office of Rural Health Policy



Office of Rural Health Policy (ORHP) Activities


Improving Rural Health Initiative

- “Within the total amount requested for Rural Health Activities, the Budget includes \$79 million to continue the President’s initiative to improve rural health. The goal of this initiative is to improve the access to and quality of health care in rural areas.”



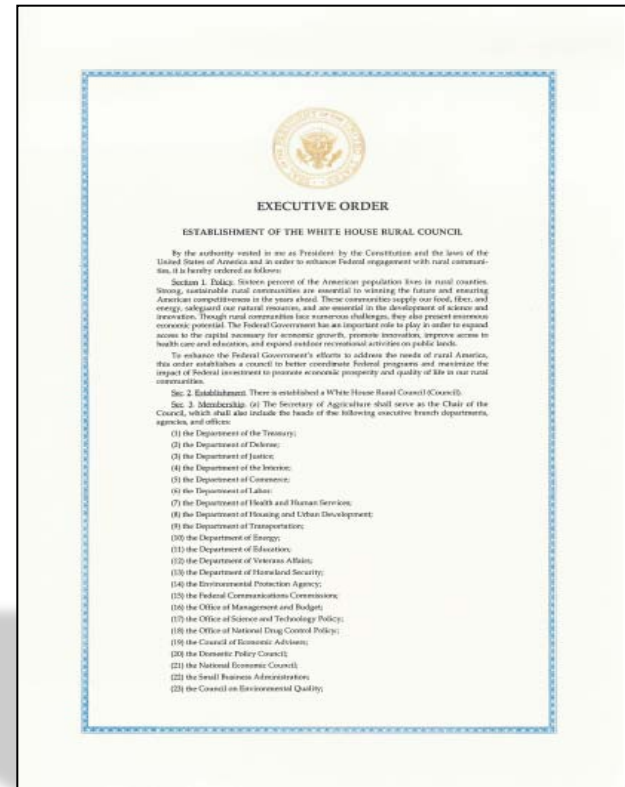
Office of Rural Health Policy (ORHP) Activities

Improving Rural Health Initiative: Key Elements

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- Four blue, downward-pointing chevrons are arranged vertically on the left side of the slide, each pointing to a corresponding key element in a light blue rounded rectangular box.
- Building a Programmatic “Evidence Base”
 - Health Workforce Recruitment & Retention
 - Telehealth/ HIT Coordination
 - Cross Governmental Collaboration

The White House Rural Council Background

- Announced by President Obama on June 9th, 2011
- Chaired by Secretary of Agriculture Vilsack
- Rest of Council composed primarily of Cabinet members.



Executive Order Establishing the Council

Office of Rural Health Policy (ORHP) Activities

White House Council

Purpose

- Coordinate programs across government to encourage public-private partnerships
 - Further economic prosperity
 - Quality of life
- Responsible for:
 - Recommendations for investment in rural areas
 - Coordination of Federal engagement with a variety of rural stakeholders

Areas of Focus

- Jobs
- Agriculture
- Access to Credit
- Innovation
- Networks
- Health Care
- Education
- Broadband
- Infrastructure
- Ecosystem Markets

The White House Rural Council

Three Goals

Streamline and improve effectiveness of current federal programs in rural communities

Engage stakeholders/create dialogue among them and the Administration

Promote and coordinate private sector partnerships in rural communities

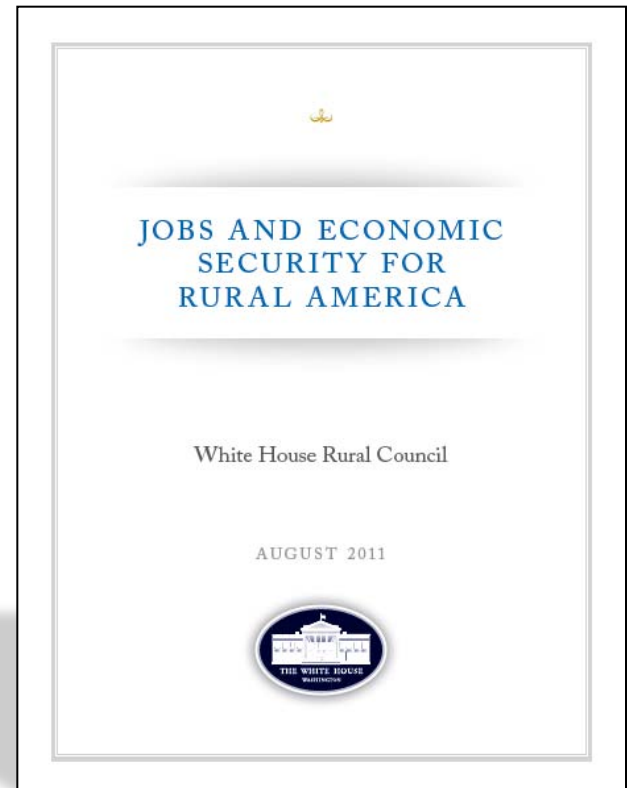
Secretary Vilsack introducing the Council



Office of Rural Health Policy (ORHP)

White House Rural Council Report

- August 12th “Jobs and Economic Security for Rural America”
- Included accomplishments from across the Federal Government
- HHS highlights:
 - 2,641 clinicians in rural areas because of NHSC
 - 444 funded community health centers
 - \$76 million in targeted health care access projects from “Improving Rural Healthcare Initiative”



Office of Rural Health Policy (ORHP)

Health Proposals Announced

Expand NHSC to CAHs

- Begins in 2012
- Guidance available in November, 2011

Promote HIT in Rural Areas

- Collaboration with USDA
 - Access to Capital
- Rural HIT Workforce Training



Health Reform Initiatives

Partnership for Patients

- *Reduce harm caused to patients in hospitals.*

We will accelerate the reduction of preventable harms to inpatients starting now, so that by the end of 2013 we will observe a 40% reduction in preventable harm compared to 2010. Based on our calculations, this would mean almost two million fewer injuries to patients and more than 60,000 lives saved.

- *Reduce preventable hospital readmissions.*

We will advance efforts to decrease preventable hospital readmissions within 30 days of discharge, so that by 2013 all readmissions would be reduced by 20% compared to 2010. This would mean prevention of more than 1,600,000 hospital readmissions.

Achieving these two goals will not only save lives and greatly reduce injuries to millions of Americans – it will also result in savings of billions of dollars that help put the nation on the path to having a more sustainable health care system.

Office of Rural Health Policy (ORHP)

Rural Programs: Building a Rural Evidence Base



Policy Research Team



Community Based Programs



Hospital State Programs



Telehealth Programs

Policy Research Team (PRT)

Overview

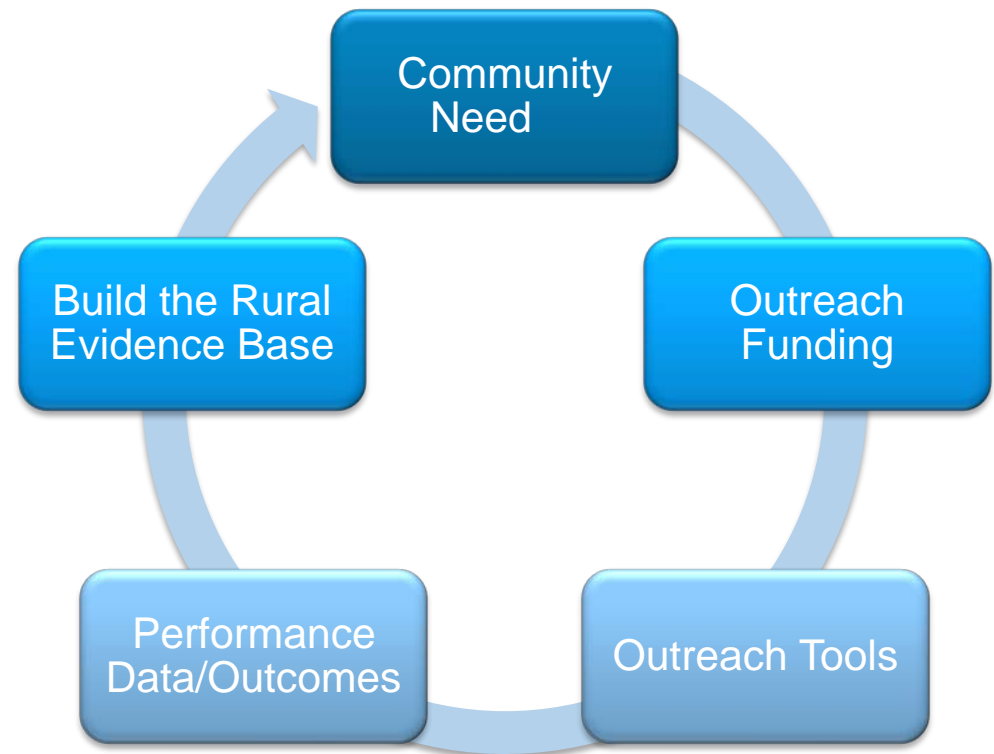
- Review Key Regulations Affecting Rural Providers
 - Advise HHS on the impact
- Support Rural Health Services Research
 - Supports the Policy Role
- Staff the National Advisory Committee on Rural Health and Human Services



Community-Based Programs (CBD)

Overview

- Programs:
 - Rural Health Outreach
 - Rural Network Development
 - Rural Network Planning
 - Quality Improvement
 - Rural Workforce Development
- 2011 Focus:
 - Identify Best Practice Models
 - Push for Sustainability
 - Measure Performance
 - Providing Tools



Office for the Advancement of Telehealth (OAT)

Overview: Offering a Continuum of Program Resources

- Programs
 - Telehealth Network Grant
 - Including Tele-Home Care
 - Telehealth Resource Centers
 - Free Technical Assistance Nationally
 - Telehealth Technology Assessment Center
 - Guidance in Matching Technology to Need and Resources
 - Licensure and Portability Program
 - Information and Collaboration on Cross-State Telehealth Practice
 - <http://www.hrsa.gov/ruralhealth/about/telehealth/telehealth.html>



Hospital State Division (HSD)

Overview

Focus

- Measuring Outcomes
- Sharing Best Practices
- Providing Resources
- Aligning Programs to the Health Care Environment

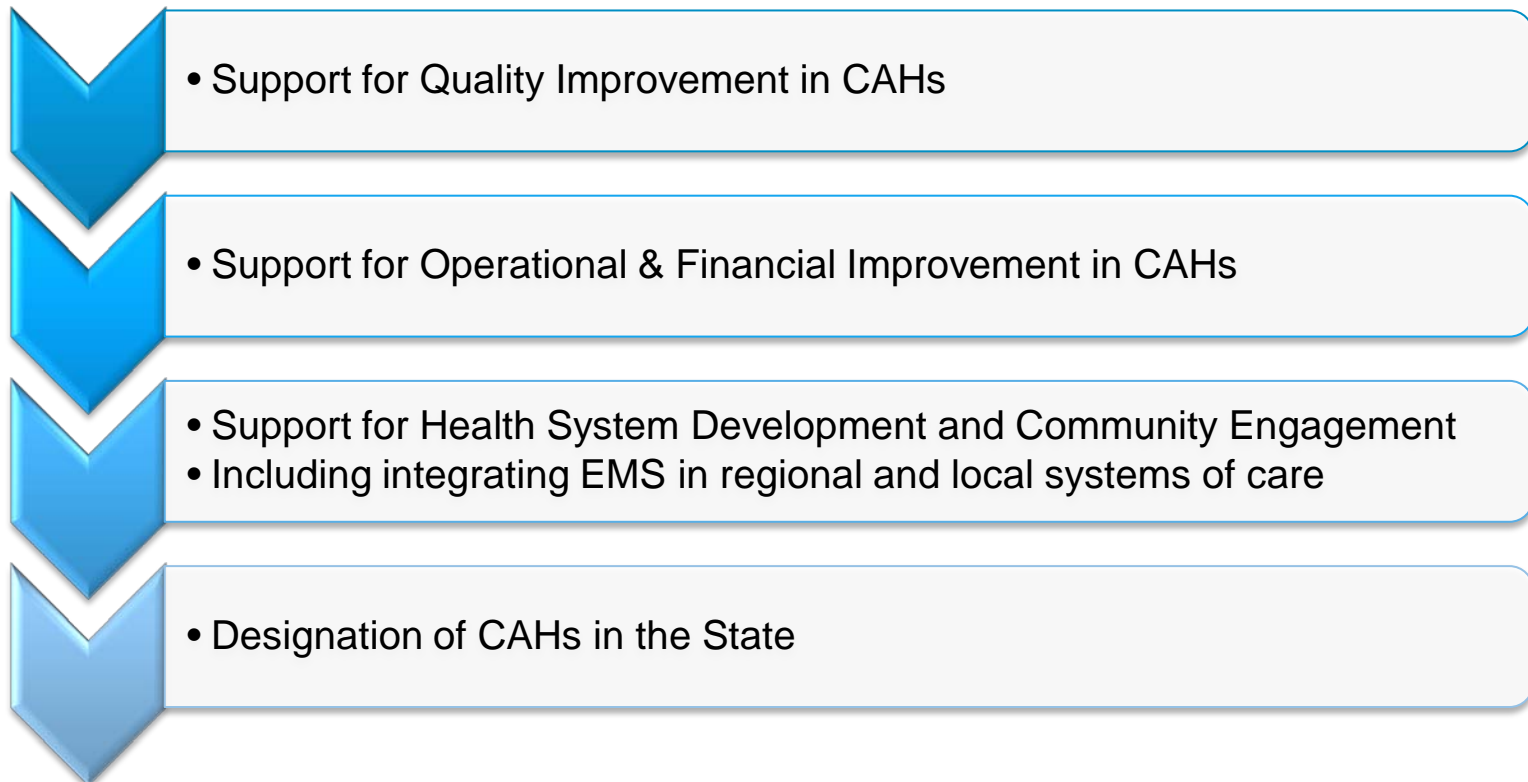
Programs

- Grants
 - Small Hospital Improvement Program (SHIP)
 - State Offices of Rural Health (SORH)
 - Medicare Rural Hospital Flexibility Program (FLEX)
- Initiatives
 - Flex Medicare Beneficiary Quality Improvement Project (MBQIP)
 - Technical Assistance
 - Workforce Programs

Hospital State Division (HSD)

Grants: Medicare Rural Hospital Flexibility Program (FLEX)

- Four Core Focus Areas:





Hospital State Division (HSD)

Medicare Beneficiary Quality Improvement Project (MBQIP)

- Pilot Project under Quality Improvement
- Common Metrics
- Measuring Outcomes and Demonstrating Improvements
- Sharing Best Practices
- Official Start: Sept 2011

<http://www.hrsa.gov/ruralhealth/about/video/index.html>

Hospital State Division (HSD)

Medicare Beneficiary Quality Improvement Project (MBQIP)



Phase 1 Measures (Begin September 2011)

- Pneumonia: Hospital Compare CMS Core Measure (participate in all sub-measures); AND
- Congestive Heart Failure: Hospital Compare CMS Core Measure (participate in all sub-measures)

Phase 2 Measures (Begin September 2012)

- Outpatient 1-7: Hospital Compare CMS Measure (all sub-measures that apply); AND
- Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS)

Phase 3 Measures* (Begin September 2013)

- Pharmacist CPOE/Verification of Medication Orders Within 24 Hours; AND
- Outpatient Emergency Department Transfer Communication
- **Reporting tool for Phase 3 Measures is yet to be determined*



Hospital State Division (HSD)

Medicare Beneficiary Quality Improvement Project (MBQIP)

- 82% of Flex states are participating in MBQIP (37 of 45)
- 693 MOUs (52% of CAHs nationwide)
- Five states have 100% of CAHs participating (AL, HI, ME, PA, WV)
- Twenty-two additional states have 50% or more of their CAHs participating
- 4 of 7 CAHs in NM are participating in 2011



Hospital State Division (HSD)

Flex Monitoring Team

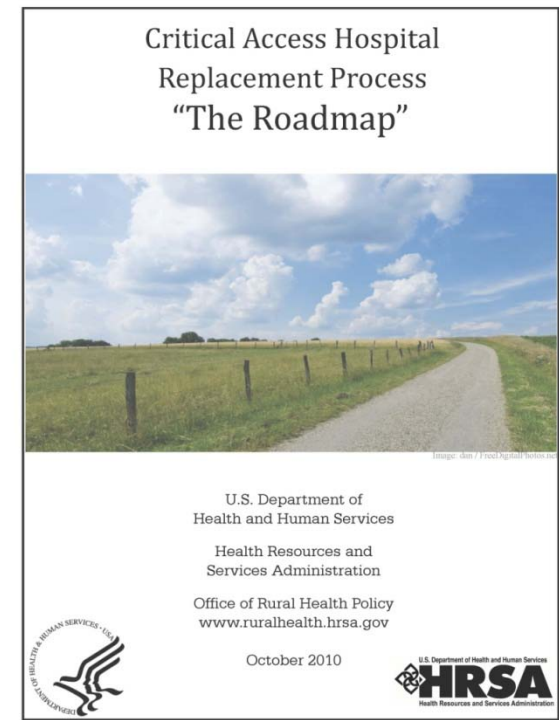
- Purpose
 - Develops products for State Flex Programs to use in designing Flex activities
 - Identifies best practices for States & CAHs to improve performance
- FMT Products
 - CAH Financial Indicator Reports
 - State Hospital Compare & Quality Measure Reports
 - Other briefs & reports yearly on quality, finance, and community engagement

www.flexmonitoring.org

Hospital State Division (HSD)

Technical Assistance: Access to Capital & Building Resources

- Capital Planning Manual
 - <http://www.hrsa.gov/ruralhealth/resources/access/index.html>
- CAH Prototype Design
 - <http://www.rurdev.usda.gov/rhs/cf/Design/PROTOTYPE.pdf>
- USDA's Community Facilities Program
 - Via State USDA Office
- HUD 242 Program
- Rural Hospital Replacement Study
 - <http://www.stroudwaterassociates.com/ResourcesAssets/Rural/2008-Rural-Hospital-Study.pdf>





Regulatory and Reimbursement Update

Final Inpatient Hospital Prospective Payment System (PPS)

- Published Aug 1, 2011; Effective October 1, 2011
- Overall increase in payments to all hospitals 1.1% ; rural hospitals 0.2%
- - 0.1% update to all hospitals
- Documentation and Coding Adjustment: – 2.0%





Final Inpatient Hospital Prospective Payment System (PPS)

- Expanded quality measures for 2014 and 2015
- Hospital Readmissions Reduction Program
- Finalized changes to Critical Access Hospital (CAH) Ambulance Reimbursement

Proposed Outpatient Hospital PPS

Published July 1, 2011; Comments were due Aug. 30, 2011

- 1.5% update to all hospital
 - Overall increase in payments to rural hospitals 0.2%
- Physician Supervision
- Inpatient VBP program additions
- Expanded quality measures for 2014 and 2015
- Adjustment for Rural Sole Community Hospitals (SCH)



Proposed Physician Fee Schedule

Published July 1, 2011; Comments were due Aug. 30, 2011

- Sustainable Growth Rate
- Annual Wellness Visit and Health Risk Assessment
- Physician Quality Reporting System
- Hospital Discharge Care Coordination
- Telehealth
- E-Rx





Consumer Operated and Oriented Plans (CO-OPs)

Published July 18, 2011, Comments were due September 16th, 2011.

- Eligibility
- Standards
- Loans

Applicants Can Apply For:

- Loan provided by CMS to a loan recipient for costs associated with establishing a CO-OP
- Repaid in 5 yrs

Start-up Loans:

Solvency Loans:

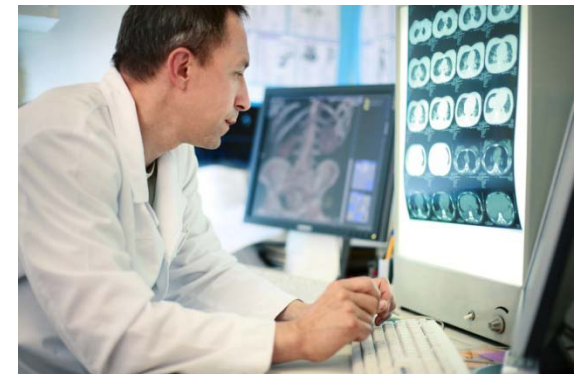
- Loan provided by CMS to a loan recipient in order to meet State solvency and reserve requirements
- Repaid in 15 yrs



Telemedicine Credentialing and Privileging

Published May 5th, Effective July 5th.

- Makes current Federal requirements more flexible for rural and/or small hospitals and for CAHs
 - Streamlined credentialing and privileging options
 - Recognition of credential and privileging of distant-site telemedicine entity





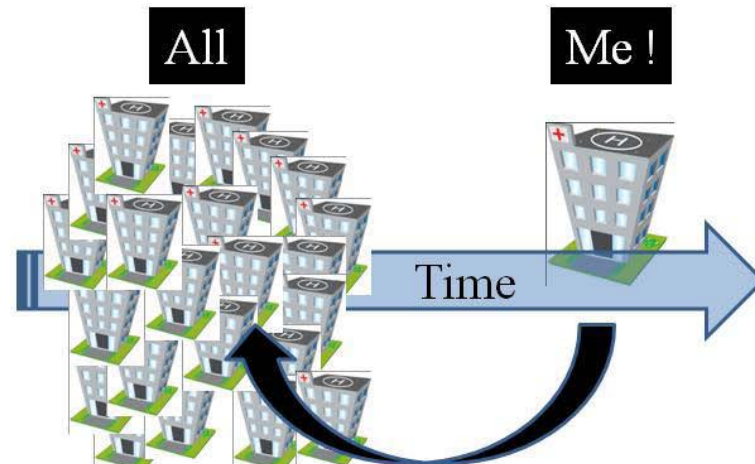
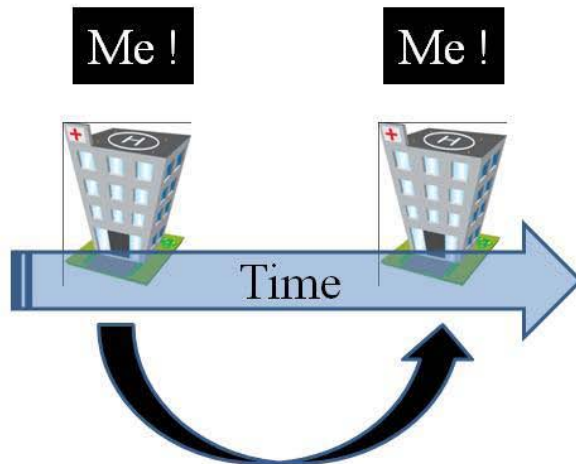
Inpatient Value Based Purchasing Final Rule

Published on April 29, 2011; Effective on July 1, 2011.

- Discharges occurring on or after October 1, 2012.
- 1% reduction to FY 2013 base operating DRG payments in the FY 2013 IPPS rule
- 2013 payment determination will include two domains:
 - Clinical Process of Care
 - Patient Experience of Care
- For 2014 payment determination will begin to include outcome measures
 - Medicare Spending Per Beneficiary

Inpatient Value Based Purchasing Final Rule

How will Hospitals be Scored?





Inpatient Value Based Purchasing Demonstrations

- Section 3001 of the ACA also includes :
 - Inpatient CAH demonstration program
 - Demonstration program for hospitals excluded based on numbers of measures and cases.

The Patient Protection & Affordable Care Act (ACA)

Affordable Health Insurance Exchanges: Legislation

- Section 1311(b) and section 1321(b) of the Affordable Care Act provide that each State has the opportunity to establish an Exchange(s) that:
 - (1) Facilitates the purchase of insurance coverage by qualified individuals through qualified health plans (QHPs);
 - (2) assists qualified employers in the enrollment of their employees in QHPs; and
 - (3) meets other requirements specified in the Affordable Care Act.



The Patient Protection & Affordable Care Act (ACA)

Affordable Health Insurance Exchanges

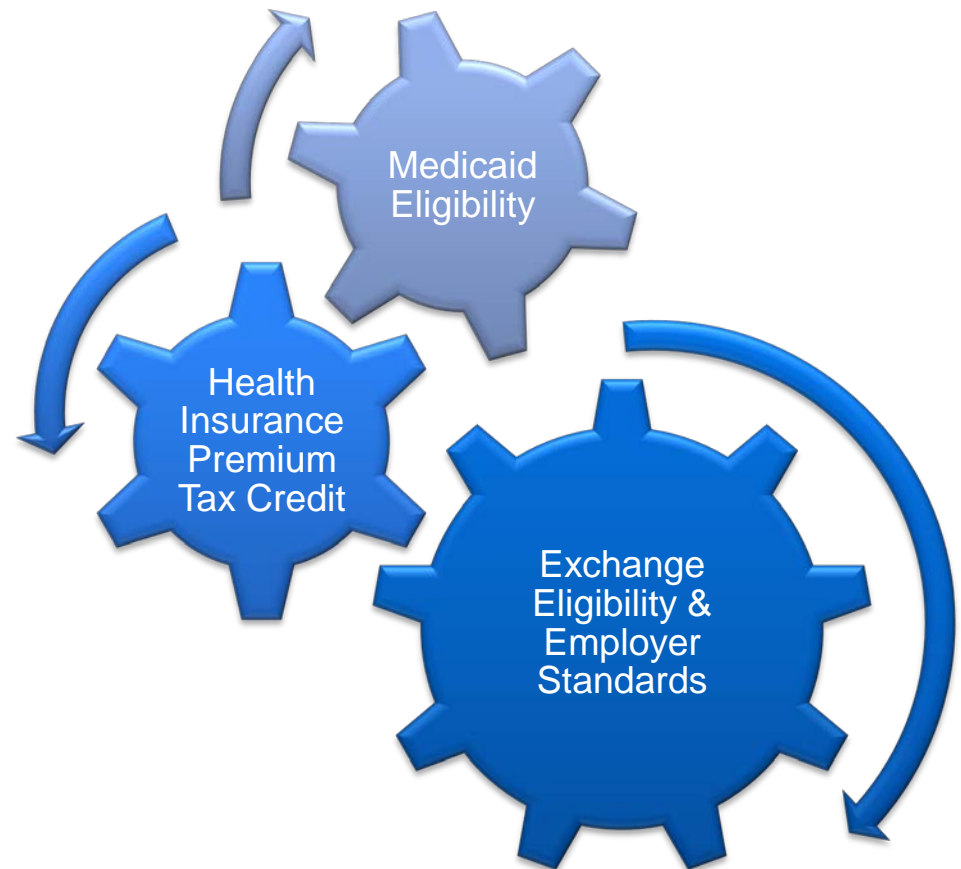
- On July 11, 2011 HHS released two regulations relating to the establishment of Affordable Health Insurance Exchanges:
 - **Establishment of Exchanges and Qualified Health Plans**
 - **Standards Related to Reinsurance, Risk Corridors and Risk Adjustment**
- The proposed rules offer states flexibility, choices, competition and clout for consumers and small businesses
- **Comments on the Proposed Rule are due September 28, 2011**



The Patient Protection & Affordable Care Act (ACA)

Affordable Health Insurance Exchanges: Additional Regulations

- On August 12, 2011 CMS and the Treasury proposed three more regulations aimed at making it easier for consumers to buy private health insurance through the exchanges established in the ACA and reducing the administrative burden on states establishing those exchanges.
- The three proposed rules released by HHS and Treasury focus on the following:





Questions?



Contact Information

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<http://www.hrsa.gov/ruralhealth/>