“Healthcare Transformation: Is it Good for Rural Health Systems?

September 23, 2019

Overview

• What is the Blue Cross of Idaho Foundation Rural Health Initiative?
Rural Health Initiative

To facilitate best in class health care in rural areas and reduce rural health care disparities in Idaho.

To become a major player and well known leader in rural health initiatives in Idaho.

To facilitate equity in health in rural areas by the reduction of health care disparities in Idaho.

To facilitate the collaboration of major influencers focused on transformational changes in rural health delivery in Idaho.
• The Foundation brings various capabilities as investments into initiatives, tailoring them to the specific needs:
  • **Advisory** – provide access and engagement of subject matter experts, and other skill sets.
  • **Connecting** – facilitate connections of relevant organizations and influencers in specific areas.
  • **Convening/Facilitation** - bring together different factions for brainstorming, informative forums or teams to work through complex and “wicked” problems.
  • **Monetary Support** – issuing solo grants or through a collaborative partnership with other funders for sustainable initiatives.
  • **Active Engagement/Leadership** - assume full direct or indirect accountability of project leadership for an initiative.

BCIFH Adopted the Department of Labor Definition of Rurality

**Defining Rural Idaho**
Four Types of Counties

- **Urban Counties** contain a city with at least 20,000 residents.
- **Rural Centers** contain a city with between 7,500 and 20,000 residents.
- **Commuting Counties** send at least 25% of their working residents to an urban county.
- **Open Rural Counties** meet none of the above criteria.
Rural counties, defined by the foundation are the commuting, rural center and open rural counties. We are building profiles on all counties. Urban counties are used as a comparative.

<table>
<thead>
<tr>
<th>Urban (9)</th>
<th>Commuting (8)</th>
<th>Rural Center (5)</th>
<th>Open Rural (22)</th>
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<tr>
<td>Ada</td>
<td>Boise</td>
<td>Bingham</td>
<td>Adams</td>
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<td>Bannock</td>
<td>Butte</td>
<td>Blaine</td>
<td>Bear Lake</td>
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<td>Canyon</td>
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<td>Twin Falls</td>
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<td>Shoshone</td>
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*Based on the Department of Labor's designation*

Rural Idaho is Made Up of Many Small Towns and Villages with Populations Less Than 1K

- 107 towns or villages in Idaho with less than 1,000 residents.
- Population count in these towns and villages is about 55,000.
Early Directional Focus

Payment Transformation Improves Cost Management
Anticipated Value-Based Outcomes

- **Value-based healthcare** is a healthcare delivery model in which providers, including hospitals and physicians, are paid based on patient health outcomes. The “value” in value-based healthcare is derived from measuring health outcomes against the cost of delivering the outcomes.
- First venture into value-based contracting was during the 1980’s with the HMO initiatives.
- Historically when implemented it has resulted in the following depending on the drivers, contract stipulations, and the provider delivery system:
  - Decrease hospitalization rates
  - Decrease in ER visits
  - Increase outpatient care services
  - Expansion of provider roles
  - Decrease specialty visits

**Rural Provider Operating Margins are Declining**

Currently, 44 percent of rural hospitals have negative operating margins.
Maternity services in 100 hospitals has closed 2010.
- 20% are at risk for closure
- ½ of rural counties are without OB services. In Idaho highest hit area for no facility-based OB services.

Maternity Care Disparities

The Advisory Panel met for several months to give input to the issues they face as a part of system change and involvement in rural communities.

The outcomes from this work was:
- Value-based Clinical Tenets
- Prioritized Issues
- Design of the Forum

- Practice/Finance Advisory Panel Participants
- Idaho Hospital Association
- Idaho Physician Association
- Idaho Rural Health Association
- Bureau of Rural Health and Primary care
- Bureau of Emergency medical Services and Emergency Preparedness
- DHW-Office of healthcare Policy Initiative
- The Hospital Collaborative
- Idaho Association of Free Medical Clinics
- Idaho Academy of Family Physicians
- Idaho academy of Physician Assistants
- Idaho alliance of Leaders in Nursing
- Idaho Oral Health Alliance
- Idaho Primary Care Association
- Northwest Hospital Alliance
Basic Tenets

Basic tenets for value-based population management

- Value based care is a “team sport” from a provider perspective. Providers need to work together to create a system of care that is efficient, limits duplication and unnecessary competition and is accountable to their community.

- Value base contracting for rural areas needs to be based on the community’s services delivery area and the system of care delivery.

- Not all existing participant in health care delivery today will be a part of the transformed delivery system. They have a choice and must be flexible and be willing to invest in change.

- Cross accountability of the community health status amongst the providers and participants for quality and efficiency of care is essential.

- Value base care must focus on balancing quality and cost efficiency of care

- Transparency to providers, community leaders, community resident and funders on quality, efficiency and cost is essential to driving change. The circle of transparency may need to be incremental.

- Practice change is essential and primary to population managed care and must be financially supported fully and early in the process to allow the change.

- Coordination of care services are essential and need to be driven by cross accountability, transparency and appropriate financial support

- Core services need to be identified and made to be universally available for all population segments with financial methodologies that are sustainable, (e.g. emergency triage linked directly to accountable providers for engagement, essential ancillary providers in rural/underserved areas)

- Strongest driver of change is for all payers to participate and drive uniformity around VBC approaches on a community provider system level.

- Electronic medical records are essential for core providers to manage value-based population management.
Forum/Think Tank Activities

Background Evidence

Think/Tank Pillars (draft cohort)

Hospital Profiles
Provider Profiles
Ancillary Provider Profiles
Community Organization Profiles

Solvency strategies?
Value Base Contracting Readiness?
Value Base Contracting Model(s) for Rural Practice?

Payers
Providers
Health Community Based Organizations

Personalized Rural Community Health Profile - Narrative

Data Appendix
Geography and Demographics Data - County, State, National Comparison
National studies are starting to demonstrate the difference in health outcomes based on geographical location and the relevant social determinants of health. The story of Idaho health status is a good illustration of elevated areas of positive health status and others where there are Disparities in Idaho in general and Particularly in some of our vast rural Communities.

A Healthier America Report identified Custer County in Idaho as one of ten counties with the higher average life expectancy for the population.
• The distribution of the safety net system resources vary by community and greatly effects health care delivery in rural communities.
• Rural communities have a higher elder population.
• Having sufficient resources to support their care varies by county and zip code.
• The graphic displays the distribution of assisted living and family alternative care homes.
• Adams County has one of the highest elder population and no assistant living or family alternative care homes.

What are Possible Next Steps?

• Forum – conversation with CMS and early participants in models to learn new direction for rural delivery systems.
• Think tanks to help begin the discussions on health delivery changes and begin to create the strategies.
• Do we need a new structure for transformational planning of a guided and mindful change?
  • State level
  • County level
  • Community level
THANK YOU