Oregon Office of Rural Health

Mail code: L593
3181 S.W. Sam Jackson Park Road
Portland, Oregon 97239-3098
tel 503 494-4450 | fax 503 494-4798
toll free 866 674-4376
www.ohsu.edu/oregonruralhealth

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Testimony of Scott Ekblad, Director
Oregon Office of Rural Health
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State Offices of Rural Health

Some may wonder why there is a need for something as specific as an Office of *Rural* Health. The answer is simple: rural people are generally older, sicker, poorer and more likely to be under- or uninsured than their urban counterparts. Health care services are relatively few and far between for rural people, and many are accessible only in distant urban communities. There are far fewer physicians in rural communities, and most of them are overwhelmed. In Oregon, there is a physician for every 327 urban dwellers, compared to one for every 819 rural Oregonians.

Rural physicians, clinics and hospitals must survive financially with small population bases, in an environment in which too many of their patients can't pay for their health care, and when government programs such as Medicare pay less than the cost of delivering a service. That is why there are state Offices of Rural Health – we help rural providers stay in business, and meet the needs of their patients.

There is a state Office of Rural Health in each of the 50 states. Most are located within state government; a dozen or so, like Oregon's, are located at health sciences Universities. There are also a few private, non-profit Offices of Rural Health.

All state Offices of Rural Health share certain core functions. They are:

1. Establish and maintain within the state a clearinghouse for collecting and disseminating information on rural health care issues;
2. Coordinate the activities carried out in the state that relate to rural health care;
3. Facilitate participation of rural health care entities in federal, state, and nongovernmental health care programs;
4. Assist in the recruitment and retention of health professionals in rural areas; and
5. Participate in strengthening state, local and federal partnerships in rural health.

Oregon's Office of Rural Health, created by state statute in 1979, is one of the oldest in the country. We were part of state government until 1989, when it was relocated to Oregon Health & Science University. The synergy that results from being located at the state's only schools of medicine and dentistry, as well as a school of nursing and pharmacy, helps us accomplish our mission, which is to *improve the quality and availability of health care for rural Oregonians.*

The Oregon Office of Rural Health is involved in many activities to achieve our mission, including preparation of a rural health care workforce, advocacy for rural providers, and access to oral and mental health services, but I will focus today on the services we provide that are of particular benefit to Oregon's rural seniors.

Medicare Rural Hospital Flexibility ("Flex") Program

The "Flex Program" ensures the viability of small, rural hospitals by assuring cost-based Medicare reimbursement for those that qualify to become Critical Access Hospitals (CAH). In Oregon, the state legislature guarantees cost-based reimbursement for Medicaid services, as well. Dennis Burke, CEO of one of the finest rural hospitals in Oregon, will speak to you about the role of a CAH in a rural community. The Flex Program does much more than enable enhanced reimbursement for CAHs. It also grants funds to each participating state to provide technical assistance and other services to hospitals that help them improve the quality and scope of services to their communities. These activities help rural hospitals match services to the needs of their communities, and retain the market share needed to remain financially viable.

Examples of Flex Program activities in Oregon include:

- Monthly webcast seminars on topics such as preventing surgical infections, effective provider recruitment and retention strategies, and updates on CMS regulations.
- Creation of a state rural health plan to serve as a "roadmap" for quality improvement in health care in rural Oregon.
- Innovation grants made to communities to foster appropriate solutions for unique health care challenges.
- Training for local emergency medical service agencies, the local hospital and community clinicians to facilitate collaborative, high quality care for patients from first contact through transfer to inpatient care.
- Coordination of Community Health Improvement Partnerships (CHIPs), which are year-long community assessment and decision-making processes that engage the entire community to identify and meet their health care needs.

- Creation and support of the Oregon Rural Healthcare Quality Network, a collaborative of 20 rural hospitals that works together to develop and implement quality improvement programs that work in small, rural settings.
- Ongoing, open exchange of best practices in the areas of pneumonia, AMI transfer, heart failure and other CMS Core Measures.
- Facilitate learning and decision-making among CAHs regarding electronic health records (EHR) and other health information technology (HIT) applications.
- Development of a recruitment and retention tool kit for rural EMS volunteers.
- Foster network development among hospitals, rural health clinics, federally qualified health centers, and other providers of health and social services in order to provide more comprehensive care to rural residents.
- Support distance learning and on-site training of incumbent hospital workers to become nurses.

Oregon began its state Flex program in 2000. We had lost roughly ten rural hospitals in the preceding decade due to financial failure. I am happy to report that not one rural Oregon hospital has been forced to close since the advent of the Flex program. Not only does it ensure adequate reimbursement for the care provided to Medicare beneficiaries, it provides the technical assistance and other forms of support necessary to help rural hospitals meet the evolving needs of its community.

Federally Certified Rural Health Clinics

Mr. Finerfrock has already discussed the vital role played by Rural Health Clinics (RHCs) in a rural community, but I wanted to touch on how the Oregon Office of Rural Health uses its resources to support them.

We have two field staff who spend the bulk of their time on the road, providing on-site technical assistance to Oregon's 53 Rural Health Clinics. Our staff are available to conduct practice assessments and advise clinic staff on how to effectively and efficiently operate their businesses while providing care to as many patients as possible. We teach them appropriate coding and billing practices. Many of these clinics are community-supported, and our staff helps boards of directors and clinic staff generate the revenue needed to keep their doors open. Many have formed health districts to generate tax revenue to subsidize the clinics. Others must pursue grants and community fundraising activities to offset their costs. Some are lucky enough to draw from a large enough patient population that patient revenue alone is enough to stay solvent. Our staff also serves as a liaison with regulatory agencies to ensure that Rural Health Clinics stay informed of what is required of them to retain their federal certification as Rural Health Clinics.

Our office recently secured foundation funding to conduct an in-depth analysis of Oregon's RHCs, and I offer the resulting report as a resource to you. It can be found on our web site, at www.ohsu.edu/oregonruralhealth.

Rural Health Outreach and Network Development Grants

These two grant programs are available directly to rural communities and, in my opinion, the reason they are so successful and valuable is that they are intended to encourage local people to develop local solutions to their own health care dilemmas.

Many patients present to their primary care providers with ailments that, upon evaluation, are due to underlying mental or behavioral health problems. Anecdotal reports from some rural Oregon physicians indicate that as many as 50% of their patients are suffering from a mental or behavioral health condition such as stress, depression or drug/alcohol abuse. A drug and alcohol treatment organization in one rural Oregon community received a Rural Health Outreach grant to integrate a behavioral therapist into a local primary care practice. The physician sees the patient, completes his/her assessment and, when appropriate, connects the patient with a behavioral health specialist during the same visit. In addition, the patient may be more likely to agree to subsequent visits with the behaviorist because they are conducted at a primary care facility, rather than at an addictions treatment center.

Earlier I mentioned the Oregon Rural Healthcare Quality Network (ORHQN), the collaboration of rural hospitals working together to improve quality of care. Oregon's Flex Program facilitated their creation, but the network also benefited greatly from receipt of a Network Development grant. The support they received for organizational development, strategic planning and program development is responsible in large part for their ongoing success. One of the outcomes of that grant is the development of a peer review network. Critical Access Hospitals are required to obtain external peer review of a sampling of their physicians' charts. Many CAHs found this requirement to be cost-prohibitive ($200 - $1000+ per chart) and, in many cases, not true *peer* review, as the only services available to them utilize urban physicians. ORHQN put together the training and infrastructure required to create a peer review network using physician reviewers in participating hospitals. The Office of Rural Health acts as the hub, receiving the charts to be reviewed and randomly assigning them to physician reviewers in other rural hospitals within the network. As a result, the review is done by actual peers, and the cost to the hospitals is $35, roughly the cost of postage.

Provider Incentives

The Oregon Office of Rural Health is proud to administer state-sponsored incentive programs such as a state income tax credit program for rural providers, a malpractice subsidy program for rural physicians and nurse practitioners, tax credit programs for rural volunteer emergency medical technicians (EMTs) and physicians who see TRICARE patients. Our office also helps to administer state loan repayment programs for physicians, nurses, physician assistants, dentists and pharmacists who practice in underserved rural areas.

We are currently collaborating with our state Area Health Education Center to develop a training program within the OHSU School of Medicine to support and prepare medical students specifically for rural practice. We are also working together to create a non-profit locum tenens (temporary staffing) service to fill in for rural providers who need to leave their practices for continuing education, vacation, or in a situation where a provider leaves the community and a successor has not yet been recruited.

Thank You

Please allow me the opportunity to thank you and your colleagues in both the Senate and the House of Representatives for passing H.R. 6331, the Medicare Improvements for Providers and Patients Act of 2008. The Medicare provisions in this act are vital to the survival of rural providers. I would like to mention two specifically – reauthorization of the Flex Program and suspension of a 10.6% cut in Medicare payments to rural physicians. If Medicare physician payments are cut, I can guarantee you that it would result in a dramatic reduction in access to care for Medicare beneficiaries. Similarly, if the Flex program is discontinued, the viability of many rural hospitals would be in jeopardy. Thank you for your support on that bill, and I hope we can count on your support for continued essential rural health funding contained in the Labor-HHS-Education bill. That is the source of funding for the federal Office of Rural Health Policy, for State Offices of Rural Health, for the Medicare Rural Hospital Flexibility Program, for Rural Outreach and Network Development grant programs, and for Area Health Education Centers. All have suffered budget cuts in recent years and they are in desperate need of your increased support. The minimal investment these programs represent yields concrete healthcare options for rural seniors and all rural Americans.

Thank you for the opportunity to speak with you today, and I'd be happy to answer any questions you may have.