

This is the fourth in a series of Issues Briefs framing the complex issue of affordability. These briefs can be used to initiate conversations with stakeholders in your community.

Health Care Affordability in Rural Communities

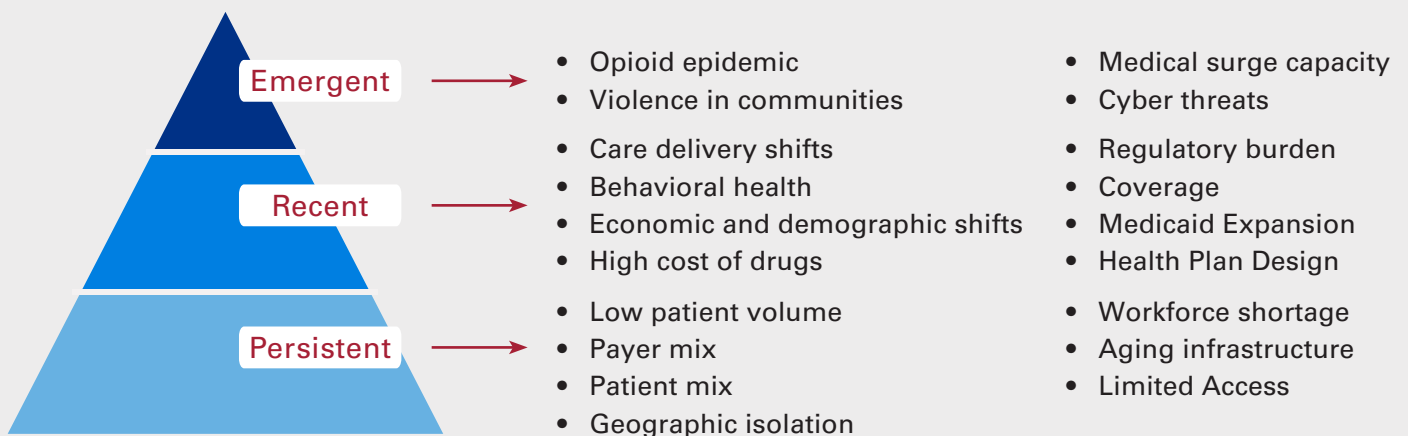
Health care affordability is a significant challenge for individuals living in rural communities. As mentioned in previous Value Initiative Issue Briefs, one in four Americans say the cost of health care is the biggest concern facing their family.¹ This is exacerbated in rural communities where individuals often face higher insurance premiums² and higher poverty rates³ than the national level. In addition, the uninsured rate remains higher than in other areas, even in states that expanded Medicaid.⁴

Rural hospitals are a crucial local access point for urgent medical services, primary care and prevention in their communities. They care for the nearly 20 percent of Americans who live in rural communities.⁵ Rural hospitals also are economic drivers that can leverage their institutional resources to promote equity and economic stability, and improve the health and well-being of the communities they serve. They do this despite facing a variety of challenges, outlined in *Figure 1*.

As a result of these challenges, rural hospitals are actively addressing affordability in their communities. They are implementing solutions that improve the value of the health care services they offer.

Figure 1: Challenges Facing Rural Communities

The AHA’s Rural Report examines the numerous challenges threatening rural hospitals’ ability to thrive and includes policy recommendations to address them. Visit www.aha.org/ruralhealth to learn more.



Source: American Hospital Association, 2019.

Strategies to Improve Value to in Rural Communities

While rural hospitals can implement similar solutions as their urban counterparts, their location, size and population base, among other things, pose challenges that require innovative approaches to care delivery. This Issue Brief highlights four strategies rural hospitals are using to improve value by reducing cost, improving quality or enhancing the patient experience.

Strategy 1: Population Health

Population health is a strategy used to create equitable health and well-being through care management and community-based initiatives.⁶ This approach provides a set of tools to practitioners that allow them to make the most of limited resources and improve outcomes for groups of individuals.

Health is influenced both by what happens in a clinician's office and the circumstances in which people live, learn, work and play.⁷ Social determinants, such as housing, transportation, employment or education can impact health outcomes and, as illustrated in Figure 2, the overall cost of care. A holistic population health approach addresses both the medical and non-medical factors that can affect an individual's overall well-being. Learn more about equity, value and the social determinants of health in The Value Initiative's Issue Brief #3, [Connecting the Dots: Value and Health Equity](#).



While population health strategies are broad and multi-faceted, there are many ways rural hospitals connect clinical and community approaches to improve health. This includes programs that:

- Improve care coordination and collaboration with community partners and stakeholders;
- Implement preventive health services through upstream interventions and coordinated care across the continuum;
- Identify and address the social determinants of health;
- Provide culturally and linguistically appropriate care;
- Promote healthy behaviors such as healthy eating and exercise; and
- Participate in alternative payment models that incentivize prevention.

Rural hospitals are uniquely positioned to engage in partnerships with community-based organizations and other stakeholders, such as government and social service agencies. In many rural communities, hospital leaders have long-standing partnerships with community stakeholders to address the social and medical factors impacting the health of their communities. Due to a sense of community closeness and limited resources in rural areas, hospitals and their community stakeholders have developed trusting relationships that encourage collaboration and information exchange to advance the health of the community. This active engagement with a diverse spectrum of community members can support local needs assessments, hospital strategic planning, and the development of strategies and resources to address local population health needs.

Figure 2: Social Determinants of Health

Economic Stability	Neighborhood and Physical Environment	Education	Food	Community and Social Context	Health Care System
Employment	Housing	Literacy	Hunger	Social integration	Health coverage
Income	Transportation	Language	Access to healthy options	Support systems	Provider availability
Expenses	Safety	Early childhood education		Community engagement	Provider linguistic and cultural competency
Debt	Parks	Vocational training		Discrimination	Quality of care
Medical bills	Playgrounds	Higher education		Stress	
Support	Walkability				
	Zip code/Geography				
Health Outcomes					
Mortality, morbidity, life expectancy, health care expenditures, health status, functional limitations					

Source: Kaiser Family Foundation. <https://www.kff.org/disparities-policy/issue-brief/beyond-health-care-the-role-of-social-determinants-in-promoting-health-and-health-equity/>.

Case study: Clinch Valley Medical Center, Richlands, Va.

Clinch Valley Medical Center partnered with the Appalachia Agency for Senior Citizens to develop the Bridge Program. The multi-disciplinary team makes home visits to recently discharged patients to address upstream health issues and social determinants that may hinder patients’ recovery and well-being. Home assessments uncover issues such as inability to afford prescriptions, lack of heat in the home, food insecurity, misunderstanding of discharge instructions and other social and environmental barriers to health. Since launching in 2012, the program has served 165 patients and has been successful in reducing readmissions from 11.8 percent to 7.8 percent, reducing the cost of prescription drugs and reducing hospital admissions. Learn more in their [Members in Action case study](#).

Case study: OSF HealthCare, Streator, Ill.

OSF HealthCare transformed a former hospital in rural Streator to create a facility called the OSF Center for Health that houses a freestanding emergency department (ED) and space for primary care, outpatient services and community resources. Partnering with 10 community-based organizations to address the social determinants of health, OSF HealthCare adopted a new software, Pieces Iris, a cloud-based health management platform, to connect the Center for Health with community-based organizations that address issues related to housing, food insecurity, transportation, behavioral health, prescription assistance, job training and other social needs. The system follows patients/clients in

both the clinical and community settings to ensure they receive the services they need to maintain good health. OSF expects to experience a return on the investment in a year as a result of reduced unnecessary utilization. Learn more in their [Members in Action case study](#).



Strategy 2: New Care Models

Rural hospitals are participating in alternative payment models that provided added incentive payments to those providing high-quality and cost-efficient care – allowing them to make care more accessible

and affordable for their communities. A number of new models are being tested or adopted in rural settings including:

Accountable care organizations – Rural hospitals are developing the capacity to participate in accountable care organizations (ACOs) offered by the Centers for Medicare & Medicaid Services (CMS). Improving care coordination through ACOs may improve quality of care and reduce fragmentation. While the geographically dispersed patient population may make care coordination challenging, rural hospitals and medical practices are aligning and leveraging technology to support their patient population.



Case study: Illinois Rural Community Care Organization, Princeton, Ill.

The Illinois Rural Community Care Organization (IRCCO) is an ACO Investment Model (AIM), funded by CMS’s Innovation Center, which encourages coordinated, accountable care in rural areas by offering pre-payment of shared saving in both upfront and on-going per-beneficiary per-month payments. The IRCCO is comprised of 24 critical access and rural hospitals and their associated medical practices in rural communities across Illinois and have 25,000 attributed Medicare beneficiaries. IRCCO focuses on providing patient-centric primary care and keeping the patients close to home, allowing rural providers to build their primary care base. Having access to AIM funding allowed IRCCO to invest in infrastructure and staffing to support care management activities. IRCCO has found that in their population, readmissions have decreased and post-discharge follow-up visits have increased. Learn more in their [Members in Action case study](#).

Global budget payments – Global budget payments, a model currently being implemented in Maryland and Pennsylvania, provide rural hospitals with a set budget for all inpatient and outpatient services for Medicare, Medicaid and some private payers.⁸ Generally speaking, if a hospital’s costs are less than the budget, they retain the difference; if a hospital’s costs exceed the budget, the provider must absorb the difference. This enables rural hospitals flexibility to transform toward a value-based payment model and address some of the financial uncertainties of operating as a rural hospital.⁹ Learn more in AHA’s [Task Force on Ensuring Access in Vulnerable Communities Report](#).

Case study: Maryland All-payer Global Budget Revenue Program

In January 2014, Maryland established a Global Budget Revenue Program to move state hospitals, including those in rural communities, toward a value-driven approach. Maryland hospitals receive a pre-established budget for all inpatient and outpatient services provided to all Maryland resident patients, regardless of payer, within a calendar year. Hospitals in the state committed to cost-saving and enhanced quality benchmarks. Early results are positive. Operating margins increased from 3 to 5 percent for rural hospitals. In addition, the occurrence of hospital-acquired conditions declined by 25 percent in the first year of statewide participation in the demonstration. Learn more about this model from [CMS](#).

Case study: Pennsylvania Rural Health Model

Pennsylvania is piloting an all-payer global budget payment structure along with care delivery design for certain rural hospitals in the state to improve health care quality and access to care while reducing hospital expenditures. Rural hospitals will receive a set budget for all inpatient and outpatient services

for Medicare, Medicaid and some private payers,¹⁰ enabling them to move toward a value-based payment model while addressing some of the financial challenges of operating as a rural hospital.¹¹ Learn more about the model from [CMS](#).

Strategy 3: Telehealth

Rural hospitals are leveraging technology to expand access to health care services, address health disparities and enhance population health strategies. Telehealth solutions can reduce cost while ensuring quality care, offer a convenient solution for patients who cannot or do not want to travel long distances to access health care services, and allow hospitals to offer specialty services that would otherwise be unavailable in their community. Not only is telehealth beneficial for patients, but it supports the rural workforce by creating a virtual professional network of peers, reducing practitioner burnout and isolation.¹²



Telehealth may be done in a variety of ways, including remote monitoring of chronic diseases or by seamlessly connecting patients with clinicians no matter where they are. Evidence continues to show that telehealth is an effective tool for chronic care management, emergency care, home monitoring, intensive care units, long-term care and therapy¹³.

Case study: University of Mississippi Medical Center, Jackson, Miss.

Started in 2014, the University of Mississippi Medical Center piloted its Diabetes Telehealth Network to patients in the Mississippi Delta, one of the most impoverished areas in the country. Participants were treated remotely through the use of tablet computers, where they reported their own vital signs daily and received small doses of education. In the pilot group of 100 individuals, A1C levels dropped 1.7 percent in the first six months. Participants “saved” over 9,500 miles they would have traveled to visit a specialist and estimated to have saved \$339,000 in health costs. This successful telehealth model is being expanded to provide care to patients with other chronic diseases that require intensive management. Learn more in their [Members in Action case study](#).

Case study: Acadia Health, Bangor, Maine

Acadia Hospital is an acute care psychiatric hospital that serves the entire state of Maine, where access to specialty care services has been a long-standing challenge in rural communities. To reach the rural hospitals in need of additional psychiatric services, Acadia Hospital piloted a telepsychiatry program, allowing rural patients to have the same access to psychiatric services as their urban counterparts. Psychiatrists evaluate the patient using videoconferencing from their remote location and offer treatment recommendations to a provider in the local ED. Acadia Hospital offers around-the-clock services to 15 rural EDs, allowing staff to stabilize patients more effectively and improve care. Learn more in their [Members in Action case study](#).

Strategy 4: Workforce

While recruitment and retention of qualified clinicians is an ongoing issue for rural hospitals, some see this as an opportunity to develop a workforce committed to providing high-value care and fostering a culture that promotes improved delivery of quality care at a lower cost. Two ways hospitals are improving value by focusing on workforce include:

Local training and hiring - Through local and inclusive hiring, rural hospitals can invest in an ecosystem that helps create career pathways and transforms communities while developing a more efficient workforce pipeline.¹⁴

Case study: Wagner Community Memorial Hospital–Avera, Wagner, S.D.

Wagner’s Community Health Needs Assessment identified a shortage of primary care providers. Physician recruitment efforts were minimally successful and 11 of 12 physicians left within four years of initial employment. Wagner’s “Grow Your Own” program recruited hospitals nurses to become nurse practitioners, enabling them to provide primary care. The home-grown NPs also helped with ED coverage, using advanced practice providers for 60 percent of visits, reducing ED costs by 25 percent. Inpatient satisfaction improved from the 33rd to the 99th percentile, and ED services improved from the 60th to the 93rd percentile. Learn more in this [AHA profile](#).



Multi-disciplinary teams – Providers with diverse skills and backgrounds contribute to high-value care. Team members can include physicians, nurses, community health workers, social workers and other who can address the medical and social needs of the patient in the health care setting and community.

Case study: Columbus Community Hospital, Columbus, Neb.

Through building relationships among an interdisciplinary team of providers, Columbus Community Hospital (CCH) successfully decreased its avoidable readmission rate and enhanced patient care. The care teams at CCH are comprised of three registered nurse case managers in addition to hospitalists, social workers, pharmacists, nurses and clinical therapists. The teams conduct risk assessments to identify at-risk patients and provide additional support to connect the patient with their providers outside of the hospital. Through this approach, CCH was able to reduce their readmissions by 42 percent. Learn more in their [Members in Action case study](#).

AHA Resources on Value and Affordability

Explore AHA resources that can support your work on value and rural hospitals.

Rural Report: Challenges Facing Rural Communities and the Roadmap to Ensure Local Access to High-quality, Affordable Care – This resource outlines the challenges and policy opportunities to support rural hospitals. www.aha.org/ruralhealth

AHA Task Force on Vulnerable Communities – The report and related resources provide recommendations for strategies to ensure continued access to essential health care services in vulnerable communities. www.aha.org/EnsuringAccess.

The Value Initiative Issue Briefs – This series frames the issue of affordability and addresses topics that relate to value. www.aha.org/2018-02-01-issue-briefs.

Social Determinants Presentation – Learn and share how hospitals and health systems, including those in rural communities are addressing the social determinants of health. www.aha.org/social-determinants-health-presentation.

Conclusion

Rural hospitals play a crucial role in the future of health and health care. Despite multi-faceted and complex challenges, rural hospitals continue to transform and adapt to meet the needs of their populations. Rural hospitals are adopting and implementing solutions that improve the value of services they offer to their communities. They are advancing health in America.

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