Azar: Future Of Rural Health May Not Be Hospital Based

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HHS Secretary Alex Azar urged rural health advocates on Tuesday (Feb. 5) to consider new health care models for delivering rural health care in a sustainable manner, and indicated it may be time to rethink the role of hospitals in the future of rural health care. He pointed to community health centers and telehealth as possible solutions to increase access to care.

“We need to think about how to deliver care in rural areas in a sustainable manner -- sustainable for providers, for patients, and for the taxpayer,” Azar told attendees at the National Rural Health Association’s annual policy institute. “There is no reason to invest new resources and stretch existing ones to prop up models that are not going to be economically sustainable long-term.”

Azar said HHS is concerned about the closure of rural hospitals and is working to understand how to support them such as by adjusting the wage-index, but is also looking at other solutions. He noted a Government Accountability Office report that found 64 rural hospitals closed from 2013 to 2017 -- 3 percent of all rural hospitals in 2013.

Democratic Sens. Doug Jones (AL), Tim Kaine (VA) and Tina Smith (MN) likewise raised concerns with access issues in rural areas, with Smith particularly focused on maternal health services. The lawmakers touted Medicaid and Medicaid expansion as a way to help ensure access in rural areas and keep providers from closing their doors.

Azar, however, said it may be time to rethink how care is delivered.

“[W]e are concerned about the closure of rural hospitals, and we’re working to understand how we can support them. But we also have got to think broadly about what rural health care may look like in the future: The right economically viable and sustainable model for health care in an area may not always be the traditional 1960s inpatient, staffed-up hospital model. Other models may offer better care, at a more sustainable cost,” Azar said.

He added that HHS’ rural health task force is looking at all aspects of rural health policies and is considering where the most sustainable models may not be hospitals. He also said accessing high-quality care may not require going to a hospital.

“A truly sustainable model for rural health care is going to require thinking about where we absolutely need traditional hospitals, and where we can provide the same quality of care or even better [care] through some other model, which may not yet exist,” Azar said.

One model for low-cost, high-quality care is community health centers, he said. Funding for those centers runs out at the end of the fiscal year, and lawmakers on the Senate health committee have introduced a five-year funding extension, which is more than twice as long as the last extension. Smith, a member of that committee, said lawmakers need to fund community health centers for a longer period of time so they can plan to provide care in rural areas. Jones, also on that committee, said lawmakers need to act now so that the community health centers and teaching health centers have the funds to continue providing care.

Azar also touted telehealth services as a way to extend providers’ expertise to rural areas. He pushed back on Medicare restrictions on such services.

“Still, for all the innovation going on, we know that there are a number of regulatory and payment barriers that have held back telehealth. The Medicare fee-for-service system currently pays for telehealth services only in a limited range of circumstances -- typically rural areas with a shortage of health care professionals,” Azar said. "We believe that can sometimes be a penny-wise and pound-foolish restriction, and we want to continue searching out areas where technology, including telehealth, can increase access to care and decrease costs.”
Azar also said HHS has continued an annual review to identify services that can be removed from the statutory limits on telehealth so that the services can be paid for by Medicare regardless of whether they originate in rural shortage areas.

He added that new telehealth flexibilities in Medicare Advantage could be an important model for the department in drawing lessons to apply in fee-for-service.

**Azar also said CMS is thinking about how to adjust the wage-index formula to “avoid exacerbating the already stark disparities between urban and rural providers.”** That index can present challenges to rural hospitals, he noted.

Jones described fixing the wage index as an uphill battle. He said it’s not fair that Alabama providers are paid less for the same services and those providers were being shortchanged. Issues with the wage index are contributing to rural hospitals in Alabama going by the wayside, Jones said.

Azar, however, said changing the wage index isn’t the “endgame,” and a look at rural health care needs to be broader.

He said that a lack of access is rural areas shouldn’t undermine rural communities or drive urbanization, and that rural health is a priority for the administration.

Maggie Elehwany, vice president of government affairs and policy for the National Rural Health Association, said the group appreciates Azar’s look forward. NRHA understands and agrees that in some parts of rural America, a hospital-based model with rigid rules around critical access hospitals doesn’t make sense -- but “we sure as heck need an emergency room, we sure as heck need access to care,” she said.

Brock Slabach, senior vice president for member services with NRHA, said rural communities are interconnected, and putting rural health care together is going to take work in many areas, including both Medicaid expansion and new models. -- Michelle M. Stein (mstein@iwpnews.com)

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