

Letter to the Secretary: January 29-31, 2006, Washington, D.C.

March 16, 2006

The Honorable Michael M. Leavitt
Secretary
U.S. Department of Health and Human Services
200 Independence Ave, SW
Washington, D.C. 20201

Dear Secretary Leavitt,

On behalf of the National Advisory Committee on Rural Health and Human Services, I would like to share with you a copy of the Committee's 2006 Report. I would also like to give you an update on our most recent meeting in Washington, D.C., January 29 - 31, 2006. Each year the Committee convenes in Washington to approve the final draft of the Report to the Secretary and to begin work on the next year's report.

The Committee's 2006 report is the culmination of a year-long effort to examine key health and human service issues affecting rural communities. The report focuses on health information technology in rural communities, access to pharmaceuticals and pharmacy services in rural communities, and family caregiver support of the rural elderly. The report highlights several key findings, including:

Rural adoption of health information technology (HIT) is a major issue as the Office of the National Coordinator for HIT moves forward on its Framework for Strategic Action on HIT. In the context of the four goals of the Framework, the Committee found that rural adoption of electronic health records (EHRs) lags due to a number of barriers including cost, technology infrastructure, workforce and lack of honest brokers in the vendor community. The Committee makes a number of recommendations including making more funds for health technology infrastructure available through the Universal Service Funds, providing technical assistance to rural HIT adopters and making HIT collaboration grants available to rural providers seeking to create HIT networks.

Access to pharmaceuticals and pharmacy services is an increasing concern for rural communities. Among the factors that the chapter highlights are the high and rising costs of prescription drugs and the workforce challenges in recruiting and retaining pharmacists and

other qualified health care providers to rural areas. In addition, the chapter discusses the possible impacts that the Medicare Modernization Act of 2003 (MMA), in particular, Part D of the MMA, would have on rural residents and rural pharmacists. The Committee makes several recommendations including allowing pharmacists to be eligible for the National Health Service Corps' scholarships and loan repayment programs, supporting research on the potential risks of pharmacy closures in rural communities by using evidence-based research and conducting an annual study for the next five years to examine the impact of the MMA on rural residents and rural pharmacies.

Families-not nursing homes, social service agencies or other formal programs-provide the most long-term care to older persons with disabilities. The Administration on Aging (AoA) reported in 1994 that there are 44 million family caregivers in the United States and 34 million of them care for someone 50 years old or older. Research shows that informal caregivers suffer from high levels of stress, burnout and insomnia, and are more likely to use psychotropic drugs. It is estimated that 20 percent of family caregivers suffer from depression, which is twice the rate of the general population. Informal caregiving is the backbone of the American long-term care system, where the value of the services provided by informal caregivers is estimated to be \$257 billion annually, two times the amount currently spent on homecare and nursing home care. The Committee recommends that the Secretary should encourage more research on the links between caregiver stress and the consequence of poorer health among rural caregivers, require the Administration on Aging, the Center for Medicare and Medicaid Services and the Health Resources and Services Administration programs to capture rural-specific data, and lower the match requirement for the Title III E program from 25 percent to 15 percent, in keeping the match required of other AoA programs.

We hope that the 2006 report will help inform the work of the Department as it continues to move forward on the key issues the Committee has identified.

At the most recent meeting, the Committee began work on the 2007 report which will examine the following issues as they relate to rural communities: Medicare Advantage, Head Start and substance abuse. Various members of the Department testified before the Committee on the three topics including Jack Kalavritinos, Director of the Office of Intergovernmental Affairs and Dennis Williams, Deputy Administrator of the Health Resources and Services Administration. The Committee had the opportunity to hear about the Departmental role in each of the areas as well as existing research in the three topics to shape our work plan for the coming months.

The Committee supports the MMA provisions and CMS' efforts to facilitate managed care options through the Medicare Advantage program in order to improve access to quality, affordable care for residents in rural areas. Further, we recognize that certain access and

reimbursement standards have been relaxed in order to accomplish this goal. The Committee also recognizes the growth in Private Fee for Service (PFFS) plans and Regional Preferred Provider Organizations (RPPOs), and the opportunity these present to improve care for rural residents. However, we are concerned that these relaxed standards and confusion around appropriate reimbursement rates for special payments could have an adverse impact on rural providers. As such we recommend that the Secretary require CMS to work with rural providers to issue new, detailed guidance to health plans and providers describing access standards and reimbursement rates.

Over the next year, the Committee will begin to gather data on all of these issues and begin drafting chapters for review at the June 11 - 13, 2006 meeting in Camden, Maine. This meeting will provide an opportunity to examine the 2007 report topics in the context of a northeastern rural community.

A copy of the 2006 report is attached. We are excited about the 2006 report and the opportunity to provide the Department with some analysis of timely rural issues and a number of recommendations on how to better address the challenges facing rural Americans. It is our hope that you can join us for the June meeting as we begin to understand how the 2007 report topics are affecting rural communities. Thank you again for your support of this Committee and your support of rural America.

Sincerely,

David M. Beasley
Chair