

Letter to the Secretary: June 9-11, 2009, Rapid City, South Dakota

August 20, 2009

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

Dear Secretary Sebelius,

Congratulations on your appointment as Secretary. I have the honor of chairing one of your Federal Advisory Committees which focuses on rural health and human service issues. I would like to share with you some of the highlights from our most recent field meeting in Rapid City, South Dakota from June 9-11, 2009. This was the first of the two yearly field meetings of the Committee, which provide an opportunity for members to speak with local rural health and human services experts, to inform the annual Report we prepare for you.

During our meeting, a number of issues were discussed that we wish to share with you. As the debate over health care reform continues, we urge the Department to work with Congress to ensure that the many protections established over the past 20 years to improve access to care, support rural clinicians and address rural hospital payment inequities are not undermined. In addition, access to post-acute care and elderly support services are critically important in rural areas given that rural areas have a higher percentage of elderly residents than urban areas.

In Rapid City, the Committee learned how the 2010 Report topics of home and community based care for seniors, health care provider integration, and rural primary care provider workforce are being addressed in rural South Dakota. The meeting was quite informative, with health and human service experts from across the State taking time to discuss the issues facing their communities. The site visits afforded members a chance to visit rural communities and discuss the topics at a local level. We look forward to providing you with more information from the field meeting and the site visits in the 2010 Report.

These are exciting and challenging times for rural America. We were encouraged by the President's 2010 budget which provides broad support for rural programs in the Department of Health and Human Services. In particular, we look forward to hearing more about the "Improve Rural Health Care" Initiative referenced in the budget request. This initiative will be very

important to rural communities, as there is an ongoing need to address long-standing health care workforce issues in rural communities and to continue to modernize the health care infrastructure in rural areas. The Committee looks forward to working with you and your staff on these activities.

The implementation of the American Recovery and Reinvestment Act includes a significant investment in programs and services that will assist rural America. The legislation included investments in broadband deployment, which is needed in rural areas. The Committee received public comment on this issue with concerns raised about how ARRA funding will be coordinated to ensure not only access but affordability.

The Committee received comment from small rural hospitals and physicians about the issue of specialty hospitals. This has been a contentious issue for a number of years. The Committee is concerned that the proliferation of these facilities has undermined the financial viability of full-service hospitals and affected access to care for some rural residents. We recommend that the Department work with Congress to impose a moratorium on new specialty hospitals and revise the regulatory framework under which specialty hospitals operate to ensure a level playing field with full service hospitals.

An additional issue of concern discussed by the Committee is the movement towards utilizing payment incentives to drive quality and efficiency of health care, which has been a key part of many of the discussions around health care reform. Work by researchers on the Dartmouth Atlas of Health Care Project shows that many predominately rural regions of the country such as the upper Midwest consistently achieve high quality scores while also being considered “low-cost” areas. The Committee would caution that any quality-based payment incentive not focus solely on improvement, but also on sustaining high quality and efficiency standards.

Finally, we also wish to raise an issue related to how the Department designates workforce shortage areas. We understand that there are various legislative proposals that would call for negotiated rulemaking to update the way Health Professional Shortage Areas (HPSAs) and Medically Underserved Areas (MUAs) are designated. The Committee is concerned about the use of this process. Negotiated rulemaking is an important tool for rulemaking but it is not designed for every situation. Typically, the stakeholders taking part in this process must commit significant resources in terms of time and analysis. Given the complexity of the shortage designation process, the use of negotiated rulemaking could disenfranchise many rural stakeholder associations, as well as individual stakeholders, who do not have the time or resources to take part in multiple meetings in Washington, D.C. We believe the standard process with a notice of proposed rulemaking is the best option to update shortage areas.

Our Committee looks forward to working with you and under your guidance. The next Committee meeting will take place at the Sheraton Grand Hotel in Sacramento, California from September 9-11, 2009. We know your time is limited given the busy legislative session this Fall but we hope that if you can not participate you will designate one of your staff to join us for the meeting. In addition, we would welcome having a conference call with you, or one of your staff, to better learn how we can best serve you and meet the charge of advising you on rural health and human service issues. We look forward to hearing from you. Thank you again for your leadership, your support of this Committee, and your support of rural America.

Sincerely,

David M. Beasley
Chair