

# August 31, 2011 Letter to the Secretary: Policy Briefs on Rural Implications of Key ACA Provisions

August 29, 2011

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

Dear Secretary Sebelius,

I am sharing with you the most recent work of the National Advisory Committee on Rural Health and Human Services on key provisions from the Affordable Care Act (ACA). As you may recall, the Committee has devoted its work for the immediate future to providing you with counsel on the rural implications of the ACA so that these policy considerations can be taken into account by the Department of Health and Human Services.

The Committee is pleased to provide you with short policy briefs and recommendations on several important issues. This includes the following:

- The ACA's Value Based Purchasing (VBP) Demonstration Programs for Critical Access Hospitals and other low-volume rural hospitals (Section 3001)
- The Rural Implications of Key ACA Primary Care Provisions (Sections 5207, 5503, 5508, 5509)
- The Rural Implications of the Maternal, Infant and Early Childhood Home Visitation Program (Section 2951)

This work was informed by site visits the Committee held in Northern Michigan, including Traverse City, Kalkaska and Cadillac. At each of these sites, we were able to meet with key stakeholders, policy experts and State leaders and get their input on each of these key provisions. Getting this input at the local level is critical for the work of the Committee and we hope you find it useful in your implementation of these provisions.

The Committee would also like to revisit several issues we have previously addressed. Earlier this year, the Committee shared with you its 2011 Report, which included recommendations on Accountable Care Organizations (ACOs) and Bundled Payments, two key provisions in the ACA. On March 31, 2011 the Department of Health and Human Services (HHS) issued

proposed rules on the Medicare Shared Savings Program (ACOs). In reviewing those draft regulations, the Committee was concerned with the proposed methodology that would prohibit the assignment of beneficiaries to FQHCs and RHCs hoping to participate in the Medicare Shared Savings Program.

We realize that the emphasis in the statute on “primary care services” provided by a “physician” presented a difficult challenge to HHS in developing an assignment methodology that would allow for assignment to FQHC and RHC practitioners given that their all-inclusive claims make it difficult to determine what services were provided by which practitioner. We are hopeful, however, that HHS can find a way to use existing data sources to come up with a methodology for allowing patients served by these important rural health care safety net providers to be part of an ACO.

As HHS gears up to begin work on the bundled payment demonstration we would hope that the analysis and policy recommendations from the 2011 Report would provide staff at the Center for Medicare and Medicaid Services with some important rural considerations to take into account.

Finally, we would like to express our support for the recently announced White House Rural Council and are pleased that you will be serving on this group. The Executive Order creating the Council focuses on collaboration and coordination across Federal programs and Departments. These are themes that the Committee has discussed in detail in previous reports and recommendations. We are hopeful that your participation in the work of the White House Rural Council can help ensure that health and human services are a key part of its ongoing work.

Our next Committee meeting will occur in Hattiesburg, Mississippi. We would welcome having you or your designee join us for our meeting there on September 26-28, 2011.

Please let us know if we can assist you in any way.

Sincerely,

The Honorable Ronnie Musgrove  
Chair