

June 26, 2012, Highlights of June 2012 Committee Meeting

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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 want to share with you highlights of the recent meeting of the National Advisory Committee on Rural Health and Human Services (NACRHHS) from June 18-20 in Kansas City, MO.

The Committee used this meeting to focus on two issues. The first issue examined was how to promote collaboration between rural Head Start programs and the Child Care Development Block Grant to offer rural children and families a more comprehensive set of services. The second issue focused on the viability of the current rural hospital designations under Medicare, some of which have become the focus of possible changes in the debt reduction proposals of both the Administration and the Congress.

On the first issue, the Committee believes there is potential for increased collaboration in providing early childhood services under these HHS programs, particularly as they relates to children and families in isolated and low population rural communities. The Committee heard from a number of regional staff from HHS and also visited a Head Start program in Ottawa, KS. We will be sending you a policy brief with specific recommendations on cross-program collaboration in the coming weeks.

The second issue addressed during the meeting was the potential impact of deficit reduction proposals on rural hospitals. We would like to raise several concerns to you at this time, while working to produce a more detailed policy brief with specific recommendations for your consideration that we will send you by the end of the summer. To inform this discussion, the Committee heard from a range of researchers and also held stakeholder meetings with rural hospital administrators in Hiawatha, KS and Carrollton, MO to discuss these issues.

The Committee is examining the debt reduction proposals that have focused on changing the mileage requirements regarding Critical Access Hospitals (CAHs). While the Committee does

agree with the concern about providing special protection for CAHs that are located near other hospitals, we are concerned about relying solely on a mileage cutoff, which is an imprecise tool for determining how essential a hospital may be to a community. The Committee is exploring a range of hospital data regarding service areas, financial viability and quality that also should be taken into account in any future discussions between the Administration and the Congress. We will include that data and outline some general principles that we recommend the Department take into account as these policy discussions continue. We remain concerned that there has been little impact analysis on the various debt reduction proposals that focus on rural hospital designation changes under Medicare. That creates considerable apprehension about unintended consequences.

We plan to use our September meeting to examine the longer-term challenges facing rural health care providers and the communities they serve. Out of that meeting, we will identify principles for HHS and other policy makers to consider in how HHS programs and regulations can help rural health care providers adapt to a changing health care landscape.

Thank you for the opportunity to share highlights from our recent meeting and to raise specific concerns. We benefitted greatly from hearing from Jay Angoff, the HHS Regional Director and from the participation of many of the HHS Regional staff in Kansas City. We thank you for the ongoing high-level engagement we've had with HHS leadership since you met with us in Washington in February of 2011. We would welcome having you or your designee join us for our next Committee meeting in Austin, Texas on September 26-28, 2012. A formal invitation will be sent to you later this summer.

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

Sincerely,

The Honorable Ronnie Musgrove