

December 6, 2012, Letter on Committee's 2012 Policy Briefs

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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,

The National Advisory Committee on Rural Health and Human Services is pleased to provide you with four short policy briefs which are the results of our meeting in Kansas City, MO in June and our meeting in Austin, TX in September. The briefs discuss the following:

- Implications of proposed changes to special Medicare payment designations for rural hospitals;
- Options for reform of the rural health care system in a changing health care environment;
- Rural child care challenges; and
- Providing general workforce training for low-income individuals in rural areas.

In Kansas City the Committee received presentations by researchers from the North Carolina Rural Health Research and Policy Analysis Center which enabled the Committee to use current national data on the distribution, services, and financial viability of rural hospitals in its evaluation of proposed re-designation measures. While the Committee considered proposed changes to special Medicare payment designations for rural hospitals as part of broader discussions about the future of the rural health care infrastructure, we elected to use this paper to address more immediate concerns prompted by these proposals. The Committee hopes that its informed analysis will be helpful in future conversations between the Administration and the Congress about Federal spending on rural health care, especially with the expiration of both the Medicare-dependent hospital designation and the current configuration of the low-volume hospital payment adjustment.

In its companion paper, based on the presentations from the September meeting in Austin, the Committee examined options for reform of the rural health care system with particular emphasis on two demonstration programs in sparsely populated frontier areas. We believe that the outcomes of these demonstrations can provide valuable guidelines for future rural health care

delivery and payment systems as the basis of the U.S. health care system continues to shift from volume to value.

The Committee's work on rural child care was informed by a visit to a Head Start facility in Ottawa, Kansas. We met with key stakeholders, policy experts and State leaders to get their perspective on both the Head Start program and the Child Care Development Fund (CCDF). The Committee found that the difficulties of providing child care services in rural communities also present unique opportunities and benefits for program collaboration. However, early child care programs face significant infrastructural and regulatory barriers in rural areas. Making the Head Start Program Performance Standards more supportive and aware of the workforce, transportation, and health-shortage challenges in rural areas will stabilize rural Head Start programs and enhance their partnerships with other child care, health care, and community organizations. The Committee believes that an appropriately focused rural demonstration program could allow the Department of Health and Human Services (HHS) to assess more fully the obstacles and advantages to collaboration between Head Start and CCDF programs.

The Committee used its September meeting to examine an integrated workforce program in Bastrop, TX that could serve as a model for other rural areas. The capability to combine resources from different programs such as CCDF, Temporary Assistance for Needy Families (TANF) and the Department of Labor's Workforce Investment Act (WIA) programs could greatly enhance the prospects of rural workers being able to find employment.

The Committee will continue to monitor the state of rural health care infrastructure and possible reforms to rural payment systems. We remain concerned but optimistic on the implementation of the Affordable Care Act in rural America and thank you for your leadership and attention to these issues.

Our next meeting, in Grand Junction, Colorado, will be held from April 3-5, 2013. We would welcome having you or your designee join us there.

As always, please let us know if we can assist you in any way.

Sincerely,

The Honorable Ronnie Musgrove
Chair

