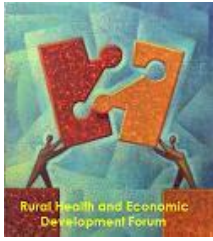


# Rural Health Development Council Meeting Notes



Thursday, September 12, 2013

10:00 a.m. – 2:00 p.m.

WI Department of Agriculture, Trade and

Consumer Protection

Madison, WI

## **Present:**

Molly Bandt, *Covering Kids and Families-WI*

Margaret Bau, *USDA Rural Development*

Blane Christman, *Christman Dental*

Byron Crouse, *UW School of Medicine and Public Health*

John Eich, *WI Office of Rural Health*

Stan Gruszynski, *USDA Rural Development*

Kevin Jacobson, *WI Office of Rural Health*

Jeremy Levin, *Rural WI Health Cooperative*

Wilda Nilsestuen, *UW Department of Family Medicine*

Lisa Olson, *WI Primary Health Care Association*

Kathy Schmitt, *WI Department of Agriculture, Trade and Consumer Protection*

Nancy Sugden, *WI Area Health Education Centers System*

Jackie Szehner, *Community Care of Central Wisconsin*

Charlie Walker, *Chippewa County Economic Development Corporation*

Tom Walsh, *WI Department of Workforce Development*

John Eich convened the meeting at 10:05.

There were no changes to the March 14 notes.

Lisa Olson and Molly Brandt spoke with the Council about the Affordable Care Act and the Health Insurance Exchange in Wisconsin. Because Wisconsin chose not to take advantage of the Medicaid expansion, many adults currently on Badgercare are required to use the Exchange to obtain affordable (= 9.5% of income) insurance coverage. This includes all adults with incomes over 100% of poverty except pregnant women. The ACA has provisions to assist small businesses, such as tax breaks to provide insurance coverage to employees and a separate insurance. ([See presentation for more details](#)) Insurance coverage will be tracked through tax returns and there will be penalties for those without coverage.

Regarding Medicaid reform, some people will have access to Badgercare (adults on the wait list, below 100% poverty) that didn't have it before while some will lose coverage. The most significant change is limiting Badgercare to people at 100% of federal poverty level. All others must get insurance on exchanges. There will be a number of changes in income determination which will allow many more people who currently to qualify, such as allowable deductions like depreciation and student loan interest.

On the insurance marketplace there will be at least two plans offered in every county. The reason an insurer may not be in a county is because they work with provider networks and a network may not have a presence in a county. There will be levels of coverage offered based on premium price and types of coverage, such as deductible amount. If someone doesn't pay their premium there will be a grace period, but eventually their insurance will be dropped and the provider would be responsible. This could be a problem for hospitals and others and could result in large non-reimbursed expenses. However, the uninsured rate will drop so there may be an offset to that.

John Eich presented an overview of the recent federal DHHS Office of Inspector General report on Critical Access Hospital designations. Essentially, the report found that many rural hospitals should not have received CAH status and recommended that status be withdrawn for those hospitals. Many of these hospitals had been designated by states as "necessary providers" and may not have met all CAH criteria, such as a minimum distance from another hospital. If implemented, this could result in hospitals closing because they would lose the financial benefits of being a CAH. John suggested that rural hospitals and providers have recently come up as a potential source of spending reduction, which may be the reason for the OIG's interest. It's also important to note this report was from the OIG, not the Center for Medicare and Medicaid Services. CMS would have to make the final decision on CAH status policy. Jeremy Levin said this has been a catalyst for a lot of people coming together at the state and federal level, to respond to the report. He didn't think it will go anywhere; sources in Washington see it as just another OIG report. John added that while this may not go forward, it does put rural in the crosshairs for future spending cuts. Jeremy said this isn't really cost saving. The consequences will be higher costs. Patients will be referred to more expensive urban hospitals which could result in people delaying care. There is strong bipartisan agreement that this is not a good idea.

#### Loan Assistance Program and the RHDC

Charlie Walker asked if the loan assistance program could take into account whether a physician is building or starting his own practice in a community. He's creating economic development. John Eich replied that this is a good idea, but like the rural physician program, it would have to be a separate legislative initiative using only state funds. Blane Christman noted that a \$50,000 award is not much these days. Education debt has increased. Byron Crouse said the National Health Service Corps is looking at different models, not based on education debt. They are considering how to offer incentives for providers to work in underserved communities.

Charlie Walker asked if the Council can make recommendations to the Governor. Jackie Szehner added that it seems previously the Council had more to do. Maybe we don't need the Council or maybe it should be in another organization than the University. John Eich explained that originally the Council's purpose was to advise the Department of Commerce. Commerce didn't really see a connection between rural health and economic development. After the Council and loan assistance program were moved to the University that advisory role was dropped. Should we change the role to advising the governor? Would he be interested? Charlie replied that he thinks he would be interested. He asked John to send him some language on the Council that he can share with the Governor.

Regarding the loan assistance program, John reminded the Council that at the last meeting there was discussion about guaranteeing an award if someone was eligible. Currently the primary selection criterion is federal shortage area (HPSA) score. Other factors are taken into account, like size of loan balance, likelihood to remain in the community, etc. These are all in statute as selection criteria, so a guaranteed award couldn't be allowed, by statute. Kevin Jacobson gave an update on

the loan assistance programs. Applications to both programs are due November 4. Unlike the last several years, it looks like there will be more applicants than available funds. Therefore, we will need review committees to consider applications and make recommendations for awards. He asked for volunteers for the committees.

Jackie Szehner asked if the Council wants to approach the legislature for guidance or are we satisfied with responding to requests from the Office of Rural Health? Blane Christman replied that although I would love knowing that every time I come to a meeting that we accomplish something. I think it's valuable that we sit at the table with people with similar concerns and interests. John Eich added that the Council operates more on the think tank model. The most I've seen us do is issue a white paper and a couple times applied for a grant, like Strong Rural Communities Initiative. Jackie said the Governor's staff said if a Council member wants to do more and if the Council agrees to that it can approach the legislature. It seems all we do is give advice to the Office of Rural Health. It makes me think what is the purpose of the council? John replied that statutorily, the Council is an advisory group on then loan assistance program. He reminded the Council of discussion at the last meeting; state agency representatives on the Council were uncomfortable taking any kind of advocacy position. The Council can engage in education. Nancy Sugden added that Council meetings inform all of our work.

Tom Walsh asked if anyone has done work on ties to health and broad band. Margaret Bau said USDA Rural Development has funding for that. Nancy Sugden suggested he talk with Marshfield Clinic and Susan Matthews in the Northern AHEC office.

Adjourned at 1:45