State Designee for the Federal Rural Health Grant

Joint Commission on Health Care
October 22, 2013

Kim Snead
Executive Director

Review of Designating the Virginia Rural Health Resource Center as the State Office of Rural Health

- Delegate Scott Garrett requested a JCHC-review of designating the Virginia Rural Health Resource Center (VRHRC) as the State Office of Rural Health (SORH).
  - An office within the Virginia Department of Health (VDH) has served the SORH-designee throughout the history of Virginia's participation in the federal program.
- Delegate Garrett's letter-request read in part:
  - "Does naming VRHRC as the SORH designated agency require legislative action? Or can this be completed through administrative changes?
  - What are the advantages, disadvantages, benefits and losses of housing the SORH in a non-profit agency rather than a government entity? How effective are other non-profit SORHs (e.g. Colorado Rural Health Center, South Carolina Office of Rural Health), in meeting the needs of their rural communities, and can the services be delivered more effectively in Virginia in such a setting?"

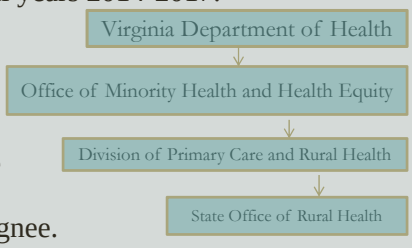
Study Activities

- In-person, telephone, and email contacts with rural stakeholders and federal and state officials
- Regional stakeholder meetings in Charlottesville, Warsaw, Abingdon, and Blacksburg
- Survey regarding SORH activities sent to 22 states
- Review of federal statutes and federal and state grant program information

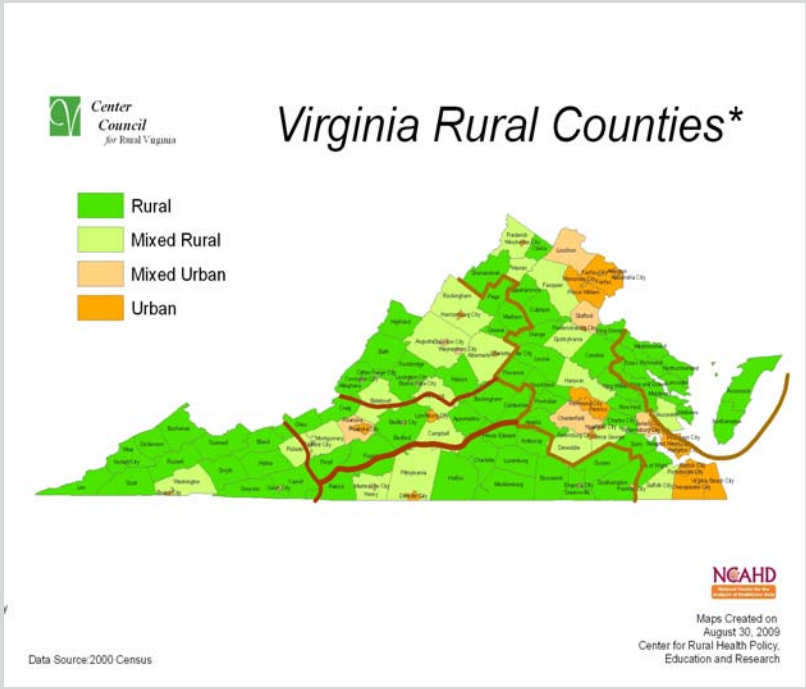
3

Study Findings

- By federal statute, the SORH applicant is approved by a senior official of the state agency overseeing health programs
  - It is not designed to be a legislative decision.
- VDH recently received federal approval to continue to administer the SORH for fiscal years 2014-2017.
- In the course of the study, various opinions were expressed regarding whether VDH should continue to serve as the SORH, and if not, what entity should serve as the designee.



4



5

State Office of Rural Health Program

- The State Offices of Rural Health Program was established in 1991 as a federal-state partnership administered by the Health Resources and Services Administration (HRSA) to establish "a focal point within each State for rural health issues…[to provide] an institutional framework that links communities with State and Federal resources to help develop long-term solutions to rural health problems." (www.hrsa.gov/ruralhealth/about/hospitalstate/stateoffices.html)
- Core SORH functions:
  - Collection and dissemination of information
  - Coordination of rural health activities
  - Provision of technical assistance.
- States have substantial flexibility in using grant funding to address their unique needs.

6

State Office of Rural Health Program

- Only one SORH grant application is accepted from each state; submission of the application requires approval by a senior official of the state agency overseeing health programs
- There are 3 organizational structures used for SORHs:
  - In 37 states – the state agency overseeing health programs
  - In 10 states – within a state university
  - In 3 states – established as a non-profit organization.
- SORH-grant funding requires a 3 to 1 match of state to federal funds; the federal funding amount is the same for each state
  - In FY 2014, federal funding will be $172,000 requiring a state match of $516,000 per year (in funding or in-kind contributions)
    - This is a reduction from the $180,000 in federal funds previously available during fiscal years 2010 – 2013.

7

Virginia SORH Budget for FY 2014

	Personnel	Contracts	Supplies/Office/Other	Travel
State	$417,713	$87,170	$27,365	$7,751
Federal	$139,238	$13,317	$18,562	$8,884
TOTAL	$556,951	$100,487	$45,927	$16,635

Source: JCHC-staff analysis of budget information provided by the Virginia Department of Health.

8

Associated Federal Rural Health Programs*

- Small Rural Hospital Improvement Grant Program (SHIP Grant)
  - Established in 2002; currently funds "quality improvement and meaningful use of health information technology [as well as] delivery system reforms outline in the Affordable Care Act." SSA Sec. 1820(g)(3) (http://www.hrsa.gov/ruralhealth/about/hospital_state/smallimprovement.html)
    - Rural acute care hospitals with ≤ 49 beds may apply through SORH which submits one grant proposal to HRSA;
  - In Virginia, 24 hospitals currently receive SHIP funding; budget of $209,379 in federal funds in FY 2014.

*In every state that receives the SHIP grant, the designated SORH is the grantee of record and no match is required to receive the federal funding.

9

Additional Federal Rural Health Programs*

- Medicare Rural Hospital Flexibility Program (FLEX Grant)
  - Established in 1997; "intent to assist rural hospitals and improve access through critical access hospital (CAH) designation….
    - FLEX program…assists CAHs through providing funding to state governments to spur quality and performance improvement activities, stabilize rural hospital finance; and integrate emergency medical services into their health care system." SSA Sec. 1820(g)(1) (http://www.hrsa.gov/ruralhealth/about/hospitalstate/medicareflexibility_.html)
  - Most FLEX grants are administered by the SORH designee; Virginia's FLEX budget was $322,540 in federal funds in FY 2014.
- Primary Care Office Cooperative Agreement (PCO Grant)
  - Endeavors to "assure the availability of quality health care to low-income, uninsured, isolated, vulnerable and special needs populations." (http://www.vdh.virginia.gov/omhhe/primarycare/)
  - Virginia's SORH PCO budget was $152,170 in federal funds in FY 2014.

*No match for the federal funding is required.

10

Additional Federal Rural Health Programs

- Flex Rural Veterans Health Access Program
  - Established in 2012 as a joint effort of the U.S. Department of Health and Human Services and the U.S. Department of Veterans Affairs "to expand health care delivery to veterans living in rural areas."
- Virginia was 1 of 3 states to receive a 3-year grant (fiscal years 2011-2013 of approximately $300,000 per year)
  - Virginia was not chosen to receive a subsequent 3-year grant. http://www.hhs.gov/news/press/2012pres/09/20120912b.html
  - No match for the federal funding is required.

11

Virginia Rural Health Resource Center

- VRHRC, a 501(c)(3) NFP organization, serves as a clearinghouse for local, state and national rural health information. VRHRC staff include an executive director and 3 staff and is directed by a volunteer board of 10 individuals who represent the breadth of health and healthcare services throughout rural Virginia.
  - **MISSION:** To serve as a resource for communities and organizations seeking to improve the health status of persons in rural Virginia.
  - **VISION:** Envision a single point through which rural communities and rural stakeholders can access a full range of available programs, funding, and research that can enable them to provide quality health and human services to rural residents.
- VRHRC provides technical assistance and collaborates with various public and private organizations to identify and address rural health issues, thus ensuring access to quality healthcare for all rural Virginians.
- Annual operating budget averages $300,000:
  - 48% services for VDH through a contract with Va. Rural Health Association
  - 25% government grants
  - 15% services provided to other non-profit organizations
  - 12% consulting for health care providers in rural communities.

12

VRHRC Services Related to VDH Grants

- Technical assistance to small rural hospitals such as:
  - Critical Access Hospital designation determination
  - Billing practice standards
  - Research on state regulations
  - Rural Health Clinic conversion guidelines
  - Use of Behavioral Health professionals, Physician Assistants, and Nurse Practitioners
  - Development of pro forma documents
  - Physician contracts
  - Loan repayment program information
  - Development of certificate of need applications
  - Development of quality improvement initiatives.
- Oversight of implementation of the Virginia State Rural Health Plan, such as:
  - Facilitating the State Rural Health Plan Oversight Committee
  - Supervision of the State Rural Health Plan Councils
  - Management of the State Rural Health Plan Council budgets
  - Liaison with GeoHealth Innovations (formerly Virginia Network for Geospatial Health Research) in the development and maintenance of the Virginia Rural Health Data Portal
  - Development, promotion, hosting and evaluation of the Rural Health Summit, Access Council Summit, Workforce Council Summit and Telehealth Summit
  - Maintenance of the Virginia State Rural Health Plan website.
- Research of Health Professional Shortage Area designations.
- Technical assistance to free clinics in rural areas to determine if it would be advantageous to convert to a Rural Health Clinic.
- Reporting all activities conducted on behalf of VDH in the TruServe on-line reporting system.

13

JCHC Staff Survey of SORHs

- Nine state-agency designees (including Virginia) were sent a survey; selected based on proximity or similarity in population-size
  - 7 state-agency representatives completed and returned surveys
- The 10 university-based designees were sent a survey
  - 7 state-university representatives completed and returned surveys
- The 3 non-profit designees were sent a survey
  - 3 surveys were completed and returned.

14

State Agency-Based SORH Responses

		Funding by Source-Type			
	FTEs	State	In-Kind	Other	% Contracts
Alabama Dept. of Public Health	1.7	$543,314	$0	$0	0
Georgia Dept. of Community Health	12	$540,000	$0	$4 million*	0
Maryland Dept. of Health and Mental Hygiene	2	$501,800	$0	$0	74
Massachusetts Dept. of Public Health	2.8	$540,000	$80,000	$18,000	75
North Carolina Dept. of Health & Human Services	39	$540,000	$0	$0	0
South Dakota Dept. of Health	7	$540,000	$0	$0	30
Virginia Dept. of Health	**6**	**$540,000**	**$0**	**$0**	**13**

***This figure includes funding for many related activities within Georgia's SORH such as support for AHECs, FQHCs, breast cancer prevention, and programs for the homeless.

Source: Analysis of responses to surveys administered by JCHC staff.

15

University-Based SORH Responses

		Funding by Source-Type			
	FTEs	State	In-Kind	Other	Contracts
Northwestern Connecticut Community College	1	$540,000	$0	$0	20%
Montana State University	Did not answer	$474,794	$0	$65,206	10%
North Dakota School of Medicine & Health Sciences	Unable to answer	$ 40,770	$258,817	$240,413	<5%
Oklahoma State University	3				20-25%
Oregon Health and Science University	10.5	$984,595	$0	$1.35 million	0%
Pennsylvania State University	4	$299,943	$0	$240,057	10%
University of Wisconsin	8	$300,000	$0	$240,000	0%

Source: Analysis of responses to surveys administered by JCHC staff.

16

Non-Profit SORH Responses

		Funding by Source-Type			
	FTEs	State	In-Kind	Other	Contracts
Colorado Rural Health Center	22	$0	$0	$2.19 million	<5%
Michigan Center for Rural Health[1]	6.5	$151,000[2]	$0	$54,325	<5%
South Carolina Office of Rural Health	17	$260,000	$100,000	$3 million	0%

[1]The Michigan Center for Rural Health operates as a non-profit organization within Michigan State University.

[2]The Michigan Center only used $81,641 of the available federal funding (allowing the remainder to be used to fund a rural health analyst position in the Michigan State Department of Community Health).

Source: Analysis of responses to surveys administered by JCHC staff.

17

Closer Look: Colorado Rural Health Center

22 FTEs/$180,000 federal/$0 state and in-kind/$2.19 million
Non-profit, member-based association

The Colorado Rural Health Center (CRHC) was established in 1992 after a Consortium of "major health agencies, state legislators, and concerned individuals" determined "a focal point for addressing rural health concerns" was needed.

- CRHC members, including "hospitals, clinics, students and other small organizations [pay a fee and receive benefits]…focused on discounts on events and programs, access to grants and scholarships, technical assistance services, resources, and information sharing."
- CRHC partners include "large hospital systems, foundations, major corporations, and other organizations interested in making a significant investment in rural healthcare."

Unique features of the CRHC program include:

- CRHC advocacy "on behalf of the healthcare needs of rural Colorado; tracking, analyzing, and influencing legislation and regulatory issues…."
- CRHC's GROW (Grants: Research, Opportunities & Writing) program for "individuals, groups, organizations, and communities."
- Seed grants of $\leq$ $500 funded directly from CRHC revenue.

Source: http://www.coruralhealth.org

18

Closer Look: South Carolina Office of Rural Health

17 FTEs/$180,000 federal/$360,000 state and in-kind/$3 million
Established as a 501©3 non-profit in 1991

SORH-designation was transferred from South Carolina Department of Health to this non-profit Office in 1994; SC Health Commissioner made request to HRSA.

Examples of unique programs and services:

- Revolving loan program – $2 million leveraged to $80 million since 1997; interest rates are typically set at prime rate or below.
  - Free related services include underwriting requests to USDA, Small Business Administration, commercial banks; assisting in answering lenders' questions; and providing "seed capital to support the loan request if necessary."
- Billing services for rural health providers at "minimal charge."
- Benefit bank technology and collaboration with 1,000 volunteers to assist individuals and families with applications for benefits with access to Quick Check a screening tool.
- Other services including: information technology – assessments, broadband service consulting, and risk analysis for electronic health records; strategic planning – business plan development, marketing consultation, and grant-application partnerships; regulatory reporting; workforce management; and accounting practices.

19

Source: http://scorh.net/

Closer Look: Office of Rural Health and Community Care (North Carolina)

39 FTEs/$180,000 federal/$540,000 state and in-kind/$0

The Office of Rural Health and Community Care (ORHCC), located within the NC Department of Health and Human Services, administers many more programs than the SORH and is the beneficiary of substantial private funding for some of those programs.

Accomplishments reported for FY 2013 included:

- Recruitment efforts to benefit underserved areas "brought in a record 160 primary care physicians, psychiatrists, and dentists over the past year….[ORHCC] has recruited an average of 149 health professionals to chronically underserved areas of the state each of the past six years." ORHCC uses loan repayment and other incentive programs as well as working with communities in identifying other funding sources.
  - In addition, nurse practitioners, physician assistants, and dental hygienists were recruited.
- A total of 96,000 uninsured adults were connected with a primary care medical home.
- The medication assistance program managed by ORHCC provided "free and low-cost medications donated by pharmaceutical manufacturers to more than 48,000 patients."

20

Source: North Carolina DHHS Press Release, July 17, 2013.

Four Regional Meetings Held

- Meetings were held in **Charlottesville** (Virginia Department of Forestry), **Warsaw** (Rappahannock Community College), **Abingdon** (Highland Community Services), and **Blacksburg** (Edward Via College of Osteopathic Medicine – VCOM).
- Meeting participants represented
  - General Assembly
    - Delegate Joseph P. Johnson, Jr. and Delegate Joseph R. Yost
  - VT (3), VCOM (4), Virginia Cooperative Extension
  - VRHRC (3), VRC, Area Health Education Centers (2)
  - Consultants (3)
  - VDH staff – State office (2), local health districts (2)
  - Hospitals (4), family medical practices (3), rural health centers (2), Telehealth Network (2), behavioral health (2), regional jail (2), volunteer medical corps, child development center.

21

Opinions Expressed in Support of VDH as SORH

- VDH has been successful in receiving the federal grant funding, has experience in meeting the grant requirements which are considerable, and has a good working relationship with HRSA staff.
- It may be confusing to the public if different entities were responsible for the various rural areas of concern; would prefer to see adequate funding for core staff within VDH who could be a repository of information and resources.
- It may be difficult for a not-for-profit organization to secure the required match contribution
  - NFPs often have difficulty attracting donations
  - NFP may not continue to receive the annual State funding of $150,000 GFs (which has not increased since the federal grant funding was $50,000/year).
- Richmond is a relatively central location when all of the rural areas are considered; VDH has a presence throughout the State which can be useful in convening interested parties and stakeholders.
- It is no accident that most SORHs are in state agencies, VDH staff can use the resources available within the agency and in other state agencies; VDH can probably weather financial challenges better than a NFP; there could be unintended consequences that affect other VDH programs, if the SORH were to be moved.

22

Opinions Expressed in Addressing an Alternative SORH

- Stated advantages of a not-for-profit organization included:
  - More nimble than a governmental agency, could be more entrepreneurial and think beyond the grant requirements.
  - Closer to the rural stakeholders; would have a singular focus on rural issues.
  - Champion the needs of rural areas; could be an outspoken advocate and engage many stakeholders.
  - Funding opportunities including fee-for-service arrangements, low-interest loans.
  - Staff more likely to be from a rural locality (if not living in Richmond) with a better understanding of rural needs and lifestyle; the inability to attract and retain staff with experience and understanding of rural issues was mentioned as a significant concern with VDH-SORH.
  - Broader rural representation and different skill sets could be brought in to assist in related issues such as workforce development, technology, and economic development.
- Other suggestions if alternative organization is considered:
  - The SORH should be established as a foundation to help in obtaining donations.
  - A public-private hybrid could be considered for the SORH to allow for increased collaboration.

23

Letter Submitted by Stakeholder

Dallice Joyner, Executive Director of the Northern Virginia Area Health Education Center (AHEC), wrote in support of retaining the VDH Office of Minority Health and Health Equity as the SORH designee stating that Office

- Has “consistently and successfully seen to the interests of all Virginians, rural, suburban, and urban…and has been and continues to be a neutral source which addresses the needs of all the communities in Virginia.”
- Has ensured inclusion of “rural health challenges…in our efforts to address language access needs of the Limited English Proficient (LEP) communities in rural Virginia…[and the] Virginia Medical Interpreting Collaborative (VMIC) is but one very promising outcome from this partnership” between OMHHE and the Northern Virginia AHEC.

24

Letter Submitted by Stakeholder

William D. Jacobsen, Vice-President of Carilion Clinic, wrote in support of considering the Virginia Rural Health Resource Center as the SORH designee, noting that the Resource Center

- Represents rural hospitals very well and provides invaluable resources
- Focuses solely "on rural health and their proximity to the majority of rural hospitals and other rural delivery systems make a public/private partnership not only feasible, but will add great value to our rural hospitals"
- Has developed "strong alliances with other continuum of care organizations…enhancing the sustainability and potential success of such a partnership…[as well as] the constancy of purpose needed to accomplish long term objectives."
- Mr. Jacobsen also wrote that the VDH Office of Minority Health and Health Equity "does not seem to have the resources or to focus solidly on our key issues to maximize the appropriate use of these funds to advance healthcare in the communities we serve."

25

Letter Submitted by Stakeholder

Janet McDaniel, Ph.D., a private consultant, wrote in support of the Virginia Rural Health Resource Center becoming the organization to serve as the SORH designee.

- "In my work with both VRHRC and VDH, I have found members of VRHRC staff and Board of Directors to be more knowledgeable about issues facing rural populations in Virginia. VDH staff live and work in Richmond....VDH sponsored meetings are usually held in proximity to Richmond. This leads to under-representation of constituencies located in the Southwest regions of Virginia, which must travel 4-6 hours one-way in order to attend meetings. With the VHRHC offices located in Blacksburg, Virginia, I believe that Ms. O'Connor and her staff will be strategically located for contacting key stakeholders and addressing issues related to rural Virginia.
- Another issue that I have identified with the State Office of Rural Health being located in VDH is lack of visibility. When going to the VDH website, one does not see a link for the VA State Office of Rural Health. Only if you enter the title in the VDH search area, can you find that it is located in the Virginia Department of Health (VDH) Office of Minority Health and Health Equity (OMHHE). By locating the VA State Office of Rural Health in VRHRC, it will be more visible and clearly connected to an organization that represents Rural Virginia. Thank you for the opportunity to submit my comments on this important issue."

26

Policy Options

Option 1: Take no action.

Option 2: By letter of the Chair of the Joint Commission on Health Care, request that the Virginia Rural Center convene a workgroup to allow for continuation of the discussion on the needs of rural Virginia; including but not limited to health care, workforce, technology, and economic development and how best to address those needs.

The letter will request a presentation to JCHC regarding the findings, conclusions, and any actions recommended by the workgroup by October 2015.

Public Comments

Written public comments on the proposed options may be submitted to JCHC by close of business on November 12, 2013.

Comments may be submitted via:

- E-mail: ksnead@jchc.virginia.gov
- Fax: 804-786-5538
- Mail: Joint Commission on Health Care
  P.O. Box 1322
  Richmond, Virginia 23218

Comments will be summarized and included in the Decision Matrix which will be considered during the November 18th JCHC meeting.

Website – http://jchc.virginia.gov