



The State of Minnesota Rural Health 2015

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Minnesota Rural Health Association



As rural communities in Minnesota pursue the triple aim of greater access to higher quality, more cost effective health care, along with improved health and wellness, they face many unique challenges compared to metro-area residents.

Unique Challenges In Our Rural Communities

- An increasingly **older and lower income** population which relies more heavily on **public health care programs** that pay below cost
- An older and dramatically **shrinking health care workforce** (primary and specialty care) with fewer new providers to replace them
- Hospitals, clinics, nursing homes and other providers under **increasing financial stress** - many having to close their doors
- **Limited access** to dental, mental health, obstetrics and other specialty care
- **New health care requirements** (EHR, Meaningful Use, value-based payment, quality measures, and more) but with **fewer resources** to achieve them
- The need for access to a **skilled healthcare workforce** and **data analytics**

Top Issues Impacting Rural Health

- **Healthcare Workforce Shortage**
- **Access Challenges**
- **Transportation**
- **Broadband Shortage**
- **Reimbursement Disparities**
- **Hospitals, Clinics, Nursing Homes In Crisis**



Healthcare Workforce Shortage

- The MN Medical Association (MMA), MN Hospital Association (MHA) and Minnesota Department of Health (MDH) all predict a **physician shortage of between 800 to a few thousand** in both primary and specialty care in the next several years
- **Fewer** medical students are **choosing primary care**
- Lack of funding, facilities, faculty and the federal cap on residency slots are **barriers to producing more rural health care providers**
- **Recruiting challenges**, including cost of recruiting, pay disparities, call rotations, spousal employment and others

Healthcare Workforce Shortage

Population per physician in Minnesota:

- Twin Cities metro – **297**
- Small town/Small rural – **674**
- Rural/Isolated – **2,043**

Source: Minnesota Department of Health, Office of Rural Health and Primary Care

Access Challenges

In addition to a **growing shortage of primary care**, the Minnesota Department of Health, Office of Rural Health and Primary Care, has identified **lack of access to certain specialty care**, including

- Obstetrics
- Mental health
- Dental care
- Language interpreters
- Pharmacy / medication therapy management

Transportation

- Rural Minnesotans list **access to transportation as their top concern**, especially among seniors who often require door-to-door rides that public services cannot accommodate.
- **Volunteers are filling gaps** in some rural communities while many more rural residents are simply too far from the transportation they need to remain healthy in-place.

Broadband Shortage

- **Telemedicine**, tele-mental health, tele-education, tele-monitoring, telephone apps and robotic assistance are all vital to extending quality, cost-effective care to rural communities
- Major portions of rural Minnesota **lack the broadband access** necessary for tele-health and tele-medicine applications

Reimbursement Disparities

- Rural health care providers serve a disproportionately large number of residents who rely on **public health care programs**
- Public programs (Medicare, Medicaid and others) often **pay below cost** and are increasingly **reducing reimbursement**
- Despite a high percentage of Minnesotans with health insurance, many still **face unaffordable deductibles and other barriers** to covering health care costs

Hospitals, Clinics, Nursing Homes In Crisis

- Most hospitals in rural Minnesota operate **in the red or with margins of less than 5 percent**, making new health care reform requirements more difficult to afford.
- The health care infrastructure in much of rural Minnesota is a web of small hospitals, clinics and nursing homes, often attached to the hospitals and often **experiencing significant financial stress**.
- Many rural hospitals have financial margins too narrow or **too low to support investments in critical plant and technological upgrades**.

Hospitals, Clinics, Nursing Homes In Crisis

- Medicaid and Medicare **reimbursement rates remain generally below actual costs** of services provided, stressing rural providers that depend more heavily on reimbursements from public programs.
- Many rural long-term care facilities are **at risk of closure**, affecting the health care safety net for the rural elderly.

Achieving and Maintaining Health and Wellness

According to a study by the University of Wisconsin and the Robert Wood Johnson Foundation which ranked the overall health of Minnesotans by county, **the worst health problems were found in rural parts of our state.** Poor health outcomes were particularly concentrated in **north central and northeastern Minnesota.**

Overview of 2015 Legislation:

HF 211/ SF 3 Adds certain providers to the state's health professional education loan forgiveness program.

HF 380/ SF 382 Increased payment rates for rural special transportation services

HF 423/ SF 379 Alternative ambulance staffing allowed in rural communities (outside Twin Cities and regional centers)

HF 576/ SF 622 \$2 million in state subsidies provided to Federally Qualified Health Centers (FQHCs) – 5 located in rural Minnesota

HF 776/ SF 895 PUC prohibited from regulating Internet/broadband as a public utility (inhibition to broadband development)

HF 1011/ SF 453 Allows a physician assistant to provide mental health services in an outpatient setting

HF 1151/ SF 801 Increased Medical Assistance coverage for dental services; creates a “Oral Health Administrative Simplification Work Group”; requires coverage of basic dental screenings performed by dental hygienists and dental therapists

- HF 1246/ SF 981** Minnesota Telemedicine Act – requires telemedicine services to be paid the same as face-to-face services
- HF 1447/ SF 1246** Establishes a Legislative Health Care Workforce Council with a min. of five rural members; expand clinical training, primary care residency and preceptor slots
- HF 1853/ (No SF)** Increased payments to Critical Access Hospitals

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Thank you.

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