

# Rural Health & Health Care Reform Where Are We Now?

Val Schott, MPH

Director, Rural Health Policy & Advocacy  
Director, Oklahoma Office of Rural Health



**MEDICINE**

# The Health Care Debate

- What We Have

- Confrontation
- Conflict
- Chaos

- What We Need

- Respect
- Reason
- Responsibility

# WHO – Health Rankings

- Overall Efficiency - 2005

- 1 France
- 2 Italy
- 3 San Marino
- 4 Andorra
- 5 Malta
- 6 Singapore
- 7 Spain
- 8 Oman
- 9 Austria
- 10 Japan
- 37 United States

# WHO – Rankings

- Total Health Expenditures as % of GDP – 2005

1	Marshall Islands
2	United States
10	France
15	Austria
27	Italy
36	Malta
39	Japan
40	Spain
62	San Marino
84	Andorra
173	Singapore
184	Oman

# Oklahoma's Rankings

- United Health Foundation
  - 48 Smoking Prevalence
  - 31 Poor Mental Health Days
  - 45 Poor Physical Health Days
  - 38 Infant Mortality
  - 44 Premature Deaths
  - 43 Obesity
  - 42 Lack of Insurance
  - 35 Children in Poverty
  - 43 Overall Ranking

# The Issues

- Costs
- Quality & Outcomes
- Coverage

# Costs - Need For Health Care Reform

- Costs:
  - 16.% of GDP
  - \$7,026 Per Capita Cost
  - \$2.1 Trillion - Total Expenditures

Source: *Health, United States, 2008, CDC*

# Health Care Expenditures by Payment Source - Who Pays?

Private Health Insurance	36%
Federal Government	35%
State & Local Governments	10%
Out of Pocket	15%



# Costs – Real Applications

- General Motors vs. Competition
  - \$1600 More in Health Care Cost vs. Their Competition
  - Truck Competition Sells for \$8,400
  - General Motors Truck Sells for \$10,000
  - Which Will You Buy?

# Quality & Outcomes

- Best System In The World to ‘Fix’ An Individual Problem
- Not So Good For Prevention
  - Behavioral Issues Requiring Personal Responsibility
    - Tobacco Use
    - Obesity
    - Sedentary Life Style – Lack of Activity
- Complacency

# Mis-Information

- 'Death Panels'
  - Advanced Directives - Have Been Required To Inquire for 15 – 20 Years
- Cuts for Medicare
  - Medicare Advantage
    - Less Than 5% Penetration in Oklahoma
    - Costs More Than Traditional Medicare
- Illegal Aliens Do Not Get Coverage

# Real Issues

- Oklahoma Hospitals & Oklahoma Physicians Are Real 'Safety Net' Providers
- Uncompensated Care Costs All Oklahomans
- 661,000 Oklahomans Uninsured
- Uninsured Cost Oklahomans \$954,000,000 Now
- Greater Percentage Uninsured in Rural vs Urban Areas

# Rural ‘Reform’ Issues

- Workforce Crisis
- Equity in Reimbursement
- Prevent Important Rural Payments from Expiring
- Reinstate ‘Necessary Provider’ Provision S. 1171
- Allow Critical Access Hospital Bed Flexibility S.307
- Expand The 340B Drug Program
- Increase Medicare Payment Cap to Rural Health Clinics

# Rural 'Reform' Issues

- Equalize Medicare Disproportionate Share Hospital Payments
- Create Equity for Critical Access Hospitals in HIT Incentive Program
- Eliminate CAH 'Isolation Test' for Ambulance Reimbursement
- Extend & Expand Rural Community Hospital Demonstration Program
- Ensure MedPAC Rural Representation

# Real Reform Needs

- Universal Coverage
  - Reduce Uncompensated Care
  - Reduce Unnecessary Emergency Department Visits
- Real Cost Controls
  - Insurance Companies
  - Providers – Fraud & Abuse
- Tort Reform
- Personal Responsibility
  - Primary Care
  - Prevention Services
- Remember Rural