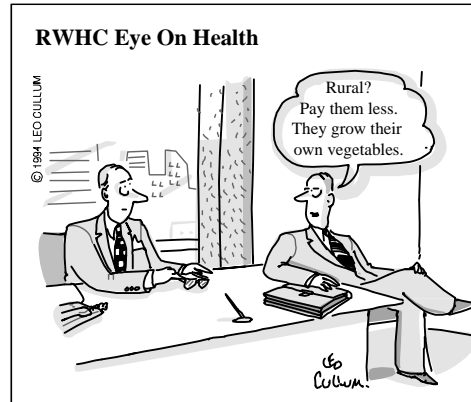




## Rural Myths Will Effect ACO Policy

- Myth: “Rural residents don’t want to get care locally.”
- Myth: “Rural folks are naturally healthy, need less.”
- Myth: “Rural health care costs less than urban but is still too much.”
- Myth: “AND Rural health care is inordinately expensive.”
- Myth: “Rural quality is lower; urban is better.”
- Myth: “Rural hospitals are just band-aide stations.”
- Myth: “Rural hospitals are poorly managed/governed.”



## ACOs = Fundamental Change

- Over long haul, probably not just Medicare.
- **Will change how everyone**—enrollees, providers, private and public payers, and health insurance plans **work with each other.**
- Potential for more efficient care but also...
- Potential for a **real and significant risk to limit enrollees’ access to local care** and to the **ability of rural hospitals and doctors to delivery care locally.**



## Rural Is Unique Context for ACOs

- Scarce resources within rural communities need to lead to **collaboration, not competition.**
- If ACOs are allowed to create **exclusive rural networks**, rural **consumers will be forced to give up choice** among ACOs to **retain local access.**



## What Is “Reasonable” Local Access?

- The CMS Medicare Advantage Manual states:  
*“Plans must...ensure that **services are geographically accessible and consistent with local community patterns of care.**”*
- It is **critical that CMS be clear and transparent** about **how it will apply this principle** to ACOs.



## CAHS Must Be Full Participants

- **CAHs are currently not included in the CMS ACO demonstrations for purposes of “gain-sharing” and governance.**
- If rural hospitals cannot become full participants in ACOs, the **ACO model will quickly evolve into a mechanism of exclusion for local rural health care.**

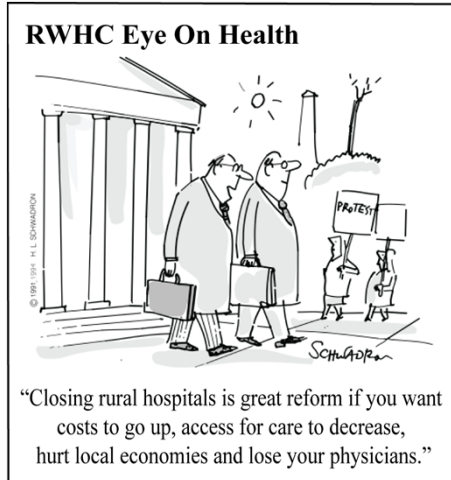


## ACO Impact on Rural Safety Net?

- Medicare and commercial ACOs at some point could pay at levels well below Medicare and require sharing of ACO losses.
- **In the future, the rural safety net could become collateral damage to ACO “success.”**



## ACOs Bias for Bigger is Better?



Many rural providers have little managed care contracting experience and little or no negotiating power to balance ACOs' clout.

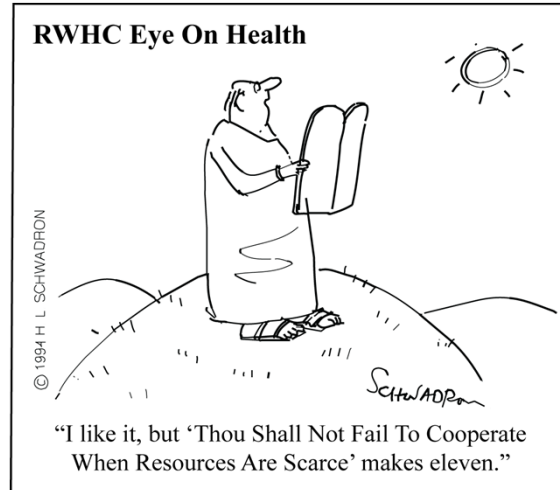


## The Key Rural ACO Policy Agenda

- Assure that **rural providers may contract with multiple ACOs.**
- Assure that ACOs meet **strong rural access standards.**
- Assure that **rural safety net providers** continue to receive **reasonable cost based reimbursement.**



## Improving Coordination of Care is Key



## Rural Health Resources

- **RWHC Web:** <http://www.rwhc.com/>
- **Wisconsin Office of Rural Health:** <http://worh.org/>
- For the free **RWHC Eye on Health e-newsletter**, email [office@rwhc.com](mailto:office@rwhc.com) with “subscribe” on subject line.
- **Rural Assistance Center** at [www.raonline.org/](http://www.raonline.org/) is an incredible federally supported information resource.
- The **Health Workforce Information Center** is RAC’s new “sister,” a comprehensive online library re health workforce programs, funding, data, research & policy [www.healthworkforceinfo.org/](http://www.healthworkforceinfo.org/)
- **Wisconsin State Journal Special Report: Rural Health:** [http://host.madison.com/special-section/rural\\_health/](http://host.madison.com/special-section/rural_health/)

