



pennsylvania
DEPARTMENT OF HEALTH

**House Majority Policy Committee Hearing on
Rural Health Care Issues in Pennsylvania**

January 19, 2022

Testimony of:

**Keara Klinepeter
Acting Secretary of Health**

Good morning, Chair Caser, Chair Rapp, and members of the House Majority Policy Committee. I am very pleased to be with you this morning to discuss Health Care Issues in Rural Pennsylvania on behalf of the Department of Health.

Pennsylvania has one of the larger rural populations in the United States, and like most, many of its rural residents are older, sicker, and poorer than their urban counterparts.¹ Many rural residents face limited access to health care as the majority of healthcare professionals are choosing to practice in urban areas as opposed to rural communities. Many of the 67 counties within Pennsylvania have been identified as Health Professional Shortage Areas or Medically Underserved Areas, which means that many of our communities have too few primary care providers and health care services. These concerns have been exacerbated by the COVID-19 pandemic. The Pennsylvania Department of Health understands the impact that the pandemic has had on rural hospitals, particularly in the areas of staffing shortages and increased costs of providing care, and unprecedented utilization across the State in recent months.

Many rural communities struggle to find solutions to broader social issues that impact the health of their communities. While many of these social issues are similar to those found in urban areas, finding solutions for rural communities is much more difficult. As an example, according to data provided by the Center for Rural Pennsylvania and PEW Research Center, not only do rural residents have fewer options for healthcare, but they also have longer commutes to reach healthcare facilities.² As a result, addressing a social issue such as lack of transportation within a rural community has a significant impact on the health of the community. As another example, data indicates that rural residents have less access to such things as the internet³, which limits the provision of telehealth services. While lack of access to transportation and internet availability are just two examples, there are many others that lead to rural populations experiencing poorer health outcomes than their urban counterparts. As a result of some of these systemic issues, health equity data gathered by the Pennsylvania Department of Human Services shows that death rates for such things as colorectal cancer and drug-related deaths in young adults are higher in Pennsylvania rural counties in comparison to the state average.

With resources and access to care already scarce, rural hospitals have become the lifeline of healthcare access in rural communities. Keeping rural hospitals open is critical to the Pennsylvania healthcare infrastructure broadly, as well as for the high-risk communities they serve. Nationally, rural hospitals are facing severe economic challenges due to declining revenues driven in part by shrinking populations and inpatient demand as the U.S. healthcare system is moving much of its care from inpatient to outpatient settings in an effort to lower cost and improve quality of care. Pennsylvania rural hospitals face the same challenges as rural hospitals nationally, and the Commonwealth has had a couple rural hospitals close in the last several years. Most rural hospitals play critical roles in their communities, not only as providers of much needed access to care, but also as major employers in their communities.

1 "About Rural Health." Pennsylvania Office of Rural Health. Accessed January 11, 2022.

<https://www.porh.psu.edu/about/about-rural-health/>.

2 "Rural Quick Facts." *Rural Quick Facts - The Center for Rural PA*. The Center for Rural PA. Web. 29 Apr. 2021.

https://www.rural.palegislature.us/demographics_about_rural_pa.html

3 "Rural Quick Facts." *Rural Quick Facts - The Center for Rural PA*. The Center for Rural PA. Web. 29 Apr. 2021.

https://www.rural.palegislature.us/demographics_about_rural_pa.html

The COVID pandemic has reinforced the need to ensure rural hospitals remain in these vulnerable communities. The rural hospitals serve as the front-line defense to public health emergencies, such as the COVID-19 pandemic, for the public residing in their service areas. These hospitals not only provide much needed emergency and acute care to the public, but they also serve as the primary mechanism to provide testing and immunizations.

The Pennsylvania Department of Health has been pursuing several solutions to the issues facing rural healthcare. The first one to be mentioned is the existence of the Pennsylvania Rural Health Model. In partnership with the Centers for Medicare and Medicaid Innovation, the Department of Health negotiated and launched the first of its kind program to address healthcare transformation and innovation for rural hospitals. The Pennsylvania Rural Health Model formally launched in 2019 with an overarching three-pronged goal: provide financial stability to rural hospitals, improve population health outcomes in rural communities, and reduce the total cost of care over time. While this program was founded in the Pennsylvania Department of Health, oversight and operations of this program have been transferred to the Rural Health Redesign Center Authority, an organization that was created legislatively by Act 108 of 2019. This program seeks to provide financial stability to rural hospitals through the payment of global budgets to allow hospitals the flexibility to change the healthcare delivery system to one that focuses on value of care versus volume of care provided. The Department of Health maintains a close relationship with the Rural Health Redesign Center Authority, as the Secretary of Health serves as its board chairperson. The Pennsylvania Department of Human Services as well as the Pennsylvania Insurance Department have seats on its board of directors in addition to participating payers and hospital leaders. According to today's agenda, there will be further testimony regarding the Model as part of a subsequent portion of this hearing.

In addition to this innovative strategy, the Department of Health is also working with rural hospitals to identify and test new organizational structures to allow flexibility and to ensure safe and effective care remains in rural communities. The Department is drafting updates to hospital regulations with the goal of creating sustainable healthcare services in all of Pennsylvania's 67 counties, both urban and rural.

Along with the items already mentioned, the Department's Primary Care Office is dedicated to improving access to care in medically underserved areas, many in rural Pennsylvania. Every year, the Department provides \$3 million in loan forgiveness to primary care providers, mental health providers, and dentists in exchange for their commitment to work in medically underserved areas. Providers are eligible to receive up to \$80,000 of loan repayment for a full-time service commitment. Additionally, on an annual basis, our visa waiver programs grant 30–35 international medical graduates a waiver of the two-year residence requirement in exchange for practicing three years in an underserved area in Pennsylvania. Finally, last year the Department of Health provided \$2 million in funding to create new community-based health care centers located in or serving underserved communities and to expand services at existing ones. This includes certified rural health clinics, federally qualified health centers, and more, who collectively improve access to comprehensive care and reduce unnecessary utilization of hospital emergency services. Between July 1, 2020, and June 30, 2021, a total of 18,776 new patients and 83,363 low-income patient visits were provided care by the community-based health care centers we support.

The Commonwealth continues to be committed to working to find sustainable solutions to rural health issues. Again, I thank you for your interest in these important issues and am happy to take any questions you may have at this time.