

Rural Healthcare Challenges

Testimony for Healthcare Issues in Rural Pennsylvania Hearing

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Thank you for convening this very important and timely hearing. I appreciate the opportunity to provide input on the challenges facing the healthcare systems with a focus on the current realities of rural providers and the actions needed to help us.

The COVID-19 pandemic has exacerbated the crisis in healthcare, particularly the workforce shortage for key professionals and the most recent trend dubbed the “Great Resignation”. The United States healthcare system is in crisis and rural hospitals are in the most jeopardy.

The Sheps Center for Health Services Research tells us that since 2005, 181 rural hospitals have closed, 138 of them since 2010, and 21 since the pandemic began in early 2020. It is also clear that the Northeastern region of the US has the highest utilization rates in the country and will likely face the most significant challenges as the system resets.

As primary care does a better job keeping people healthy, less individuals need emergency room visits and hospitalization. Even when hospitalized, patients won't stay as long. Surgical procedures continue to shift to the outpatient setting and patients requiring admission will have much shorter hospital stays than even a decade ago. Hospital utilization is dropping and along with it, revenue. So as health systems focus on outpatient and preventative care, people will ultimately become healthier and able to avoid ER visits and hospitalization. This is the right thing to do; however, without assistance in this significant transition of healthcare delivery, small rural hospitals will continue to close. Please recognize that rural hospitals are vital resources for recruiting new physicians and providers to rural areas. We need interventions to prevent any decline in access to these critical healthcare providers.

Simultaneous to utilization and revenue decline, is an increase in cost. Patients admitted to hospitals are now sicker and require more resources. With the national nursing shortage, hospitals are forced to hire staff through staffing agencies, specifically nurses and ancillary staff, at astronomically higher rates just to adequately staff inpatient units. Outpatient settings and long-term care facilities are also affected. This is not sustainable.

To compound the problem, physician training is more specialized and we simply are not training enough doctors. There is a need to focus on physician training in general medicine, general surgery, and most importantly those interested in practicing in rural settings. We must fund training that supplies rural communities with access to care. The average medical student now has over \$240,000 of debt. It's not really a stretch to see why doctors don't want to practice in the lowest paid specialties or in poorly reimbursed areas with unstable systems. They simply can't afford to. And, although physician assistants and nurse practitioners help supplement care in rural communities, we still need physicians to lead the healthcare teams into the future.

These are certainly not easy problems to solve. A solution will require everyone to lean in. As the healthcare system shifts rapidly, we must adapt and transform our models into sustainable ones. Regionalizing care is an important step. Taking care of larger populations allows for better recruitment of not just primary care, but specialists as well, which is what we have done at Upper Allegheny Health System. We are already seeing results with improvement in recruiting for our 2021 and 2022 class of physicians. Partnering with tertiary institutions is also key to establish continuity for patient care and to assist rural providers with resources to improve efficiency and lower cost.

And finally, there must be payment reform. You get what you pay for and we're currently paying for a fragmented system that incentivizes testing and procedures over good primary care, competition over collaboration, and individual desires over population needs. The large systems need to have financial pressure to collaborate and provide care to the populations they serve without duplicating resources and wasting money. Physicians and other providers need be incentivized to clinically integrate and work as teams to improve the health of their communities. As previously mentioned, we need to train and support the workforce that is essential to our survival. And we must take care of the patients locally whenever possible as it improves quality and reduces cost.

To summarize our needs:

- We need fiscal relief (Provider Relief Funding, adjustment to Medicare Accelerated loan repayment, and Medicare Sequestration Relief)
- We need workforce assistance (opposing anticompetitive conduct of staffing agencies and support of incentives to attract providers to rural areas)

Lastly, we are fortunate to participate in the Rural Health Model which is being presented today. As a partner in the Rural Health Model, I anticipate we will navigate this difficult terrain, find solutions and help stabilize and save rural healthcare for generations to come.

Thank you.