ISSUES RAISED BY NEW PROPOSAL

It is unclear what the net effect of these new definitions would be in Pennsylvania. Estimations of the impact of the new regulations range from little to no impact on current designations to 30%-50% of areas and centers losing their designation as underserved areas.

The safety net designation requires inflexible calculations for percentages of Medicaid patients, percentages of uninsured, and populations under 200 percent of the poverty line. This inflexibility creates difficulties for underinsured populations as well as those located in the Northeast and other locations where the cost of living is higher.

While most states monitor their physician numbers for various federal requirements, the data needed to count midlevel practitioners is not comprehensive and will need extensive efforts on the part of states to collect this data. States will need additional funding to track these positions.

WHAT DOES THIS MEAN FOR PENNSYLVANIA?

Of the 67 counties in PA, only thirteen do not have a HPSA designation of "the whole county" or "one or more parts of the county" as a shortage area for primary care. These include Berks, Bucks, Carbon, Chester, Delaware, Lawrence, Lebanon, Lehigh, Luzerne, Montour, Northampton, Perry, and Wyoming counties. Eleven of these thirteen are designated as metropolitan counties, only Montour (home to Geisinger Health System) and Lawrence are not identified as metropolitan counties. The remaining 53 counties in Pennsylvania have a primary health care professional shortage and many of these counties are rural. Additionally, most counties in the state also have a shortage of dentists and mental health professionals. Only five counties are not designated in part or in whole as a shortage area in any category (dental, mental health or primary care).

ACTION

While it is unclear exactly what form the next proposed regulations will take, it is clear that states will need reliable data in order to analyze the impact of future proposals. State legislatures need to develop and fund systems to track midlevel medical providers and provide accurate county and community-level information on all medical providers. These proposals only address the needs of primary care health professional shortage areas; however rural regions are facing acute shortages in dental and mental health care providers. States need to lobby the federal government to update the regulations governing these shortage areas as well.

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GLOSSARY:

CHC: Community Health Centers are federally-funded health centers that provide care to the under and uninsured. Patients pay what they can afford, based on their income. Health centers provide: wellness checkups, sick visits, pregnancy care, immunizations, dental care, prescription drugs, mental health care and substance abuse care.

HPSA: Health Professional Shortage Areas are part of the National Health Service Corps authorization. An area is defined as HPSA when there is only one full-time equivalent primary care physician per 3,500 people for geographic areas, or 1:3,000 for underserved population areas. HPSA designations are required to be updated every three years.

MUA: Medically Underserved Areas designation is used to qualify areas as eligible for Community Health Centers (CHC) grants. The MUA designation is based on the Index of Medical Underservice. MUA/MUP are not subject to review once the designation is granted.

MUP: Medically Underserved Populations are granted status as MUP if they face significant economic, sociological and/or cultural and linguistic barriers to primary care.

RHC: Rural Health Clinics improve access to primary care in underserved rural areas. RHCs are required to use a team approach of physicians and midlevel practitioners such as nurse practitioners, physician assistants, and certified nurse midwives to provide services. The clinic must be staffed at least 50% of the time with a midlevel practitioner. RHCs receive special Medicare and Medicaid reimbursement.

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OCTOBER, 2008

RURAL HEALTH POLICY INSTITUTE THE POLICY REPORT

NEW DEFINITIONS OF HEALTH PROFESSIONAL SHORTAGE AREAS MAY RESULT IN FUNDING LOSSES

With healthcare costs and the number of uninsured rising, healthcare safety net programs play an increasingly vital role as a measure of last resort for individuals and families without other resources. Safety net programs are determined to be eligible for funding based on federal definitions of Health Professional Shortage Areas (HPSAs) and Medically Underserved Areas and Populations (MUA/P). Safety net programs may be jeopardized by recently proposed changes in federal definitions of underserved areas.

In Pennsylvania, 53 counties are designated as Health Professional Shortage Areas. It is vital that legislators understand these terms and the effect that proposed language changes will have on federal healthcare dollars coming in to their districts.

CHANGES IN HEALTH PROFESSIONAL SHORTAGE AREA DESIGNATIONS

More than 34 federal programs depend on designation of areas as Health Professional Shortage Areas (HPSA) or as Medically Underserved Areas (MUA) or Medically Underserved Populations (MUP) to determine eligibility or as a funding preference. In particular

(Continued on inside)

COMBAT STRESS INJURY CONFERENCE UPDATE

On Tuesday, May 13 over 100 clinicians, veteran's advocates, and policy makers gathered to discuss Combat Stress Injuries, Rural Veterans and their families. Slide presentations from the conference are available on the web at: http://www.geisinger.org/research/centers_departments/rural_policy/ptsd/agenda.html

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HEALTH PROFESSIONAL SHORTAGE POLICY REPORT

- Changes in Shortage Area Designations
- Definitions of Underservice Today
- History of Revision
- Key Components of the New Designations
- Issues Raised by New Proposal
- What Does This Mean for Pennsylvania?
- Action
- Glossary

The Policy Report is published periodically for the Geisinger Center for Health Research. Additional copies of this report or other reports from the Geisinger Center for Health Research are available at http://www.geisinger.org/research/centers_departments/rural_policy/index.html

Citation of the source is appreciated.

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CHANGES IN HEALTH PROFESSIONAL SHORTAGE AREA DESIGNATIONS

(Continued from front page)

these designations determine funding of: community and rural health centers, medical provider incentive payments, National Health Service Corps scholarships and repayment programs, training for Health Professionals and Mental Health Professionals, and Area Health Education Centers (AHEC). In February 2008, the Department of Health and Human Services (DHHS) released a proposed regulation to alter safety net program and health provider designations related to MUA/P, as well as HPSA. The purpose for this Policy Report is to explain issues surrounding the proposed changes in HPSA /MUA-P definitions and to inform legislators of the possible impact on the Pennsylvania healthcare system.

DEFINITIONS OF UNDERSERVICE TODAY

While MUA/P and HPSA designations are not specifically rural, they are often applicable to rural counties and access to health care in rural settings. According to data released by the General Accounting Office (GAO) in 2003, there remains considerable disparity between rural and urban residents in the number of physicians per capita in Pennsylvania. Metropolitan Pennsylvania had 114 generalist physicians per 100,000 people, whereas Non-metropolitan Pennsylvania had 66 per 100,000.

The MUA/P designations were intended to identify areas and population groups with a shortage of primary care health services and have been required for grant funding as a health center under section 330 of the Public Health Service Act since 1975. Service areas are assessed using the Index of Medical Underservice which involves four variables, weighted according to their perceived importance, including:

- Ratio of primary care physicians per 1000 population
- Infant mortality
- Percentage of population with incomes below poverty level
- Percentage of population age 65 and over.

In addition to MUA/P, the governor can request the use of another designation on documentation of unusual local conditions and barriers accessing personal health services.

Service areas have rational boundaries such as county or other municipal boundaries or are recognizable neighborhoods in metropolitan areas that represent homogeneous populations (socioeconomic, demographic etc.). Some populations with unusual local conditions may also qualify. Clinics serving rural areas designated as MUAs are eligible for certification as Rural Health Centers.

Areas or populations may be designated as HPSA if there is a shortage (provider to population ratio) of primary care, mental health or dental care professionals. To be designated a primary care HPSA the physician to population ratio must be at least 1 physician: 3500 population. In the state of Pennsylvania, currently there are:

- 86 HPSA
- 144 MUA
- 16 MUP
- 2 GOV

HISTORY OF REVISION

Past efforts in 1998 to redefine HPSAs and MUAs led to over 800 comments regarding new standards. Detailed analyses of the proposed changes from 1998 led HRSA to issue new proposed regulations to reconfigure the method for identifying communities as HPSA or MUA. These plans were reported in the Federal Register, Volume 73, No. 41. Due to the level of interest in the newest proposed rule, two 30-day extensions of the comment period were published. The latest comment period closed on June 30, 2008. Based on a preliminary review of the comments, HRSA will issue another Notice of Proposed Rulemaking for further review and comment.

KEY COMPONENTS OF THE NEW DESIGNATIONS

The proposed rules issued in February were approached with three overriding goals in mind. First the new rules aimed to streamline the process to determine designation of HPSA and MUA/P areas. This was accomplished by creating a single "Index of Primary Care Underservice". The second goal was to have science-based criteria for determining designation. The third goal was to keep the number of areas and facilities designated as underserved or serving the underserved basically unchanged.

One of the key changes in the proposed regulations was to create a two-tiered system of qualification. A community will be designated as a Tier 1 HPSA/MUA if there is a population to practitioner ratio of 3000:1. If the area has a ratio below this threshold, a second calculation will be made, excluding federally sponsored positions (primary care physicians [PCP], physician assistants [PA], nurse practitioners [NP], certified nurse midwives [CNM], National Health Service Corps, J-1 visa program physicians, etc.). If the area qualifies at the 3000:1 level after removing these positions from the calculation, the area would be designated as Tier 2. The purpose of this proposal is to stop the "yo-yo" effect of areas qualifying for underserved status, gaining resources through federal safety net programs, and then losing those same resources because they no longer qualify for underserved status.

In addition to the two tiers described above, there is a third category, the Safety-net Facility. Safety-net Facilities serve high-need populations, but do not meet other eligibility criteria. The new proposal includes criteria pertaining to uninsured and Medicaid users as well as location to be designated as a safety net provider.

A third proposed change involves methods used to quantify medical providers. Currently, only PCPs are considered. Proposed regulations would assess MDs and DOs at 1.0 full time equivalent (FTE); NPs, PAs and CNMs at 0.5 FTE; and interns and residents at 0.1 FTE. Nurse Practitioners, Physician Assistants and Certified Nurse Midwives are all essential providers of primary care in rural America so these calculations more accurately reflect level of service.

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