Unemployment and financial struggles affect big and small communities alike. The current economic climate, coupled with changes to the health care environment, presents a unique opportunity for health care providers and community leaders to collaborate, integrate and network. The benefits of health networks are and can be tremendous during times of economic hardships. It takes great effort to assimilate different entities, but the effort is well worth the positive health impact on a community. The Rural Health Network Development Program (RHND) in the federal Office of Rural Health Policy (ORHP) provides an opportunity not only to assist rural communities in meeting unmet health needs, but also to collect data to document health impact in a way that can allow duplication of successes in both rural and urban communities.

A rural health network is defined as “a formal organizational arrangement among rural health care providers (and possibly insurers and social service providers) that uses the resources of more than one existing organization and specifies the objectives and methods by which various collaborative functions are achieved.”

Rural health networks are designed to respond to an unmet community need and provide benefits to both network partners and the community served by the network in a collaborative or integrative matter. Rural health care providers and rural communities have a plethora of stories relating to how networks have provided substantial benefit in the form of cost savings, implementation of electronic health records, integration of behavioral health care in primary care settings, and a multitude of other health-related projects. Yet, there is very little evidence-based data to support the claim that networks can and have improved the rural health care system, which limits the duplication of many of these rural health network projects.

The RHND Program was initially created in the late 1990s in response to modifications to the health care delivery system that directly impacted rural providers. During that era, changes were being made to the underlying system of health care financing and delivery, including: a move from fee-for-service payments to capitation and other risk-sharing payment methods; the implementation of market-based strategies for containing costs; an increase in integrated health care organizations; and a move toward more managed care. Rural stakeholders were concerned that the shift to more managed costs would cause people to lose sight of the unique needs of rural patients and providers. Similarly, there are significant changes to our current health care environment, and rural communities and their providers will need to adapt to ensure adequate health services. The current changes that may affect rural health care providers and communities include: (1) improving the quality of care by focusing on patient value as opposed to patient volume;
Integrated health networks will collaborate to achieve efficiencies. The RHND Program has a new approach that is designed to help rural health care providers acclimate to the new health care delivery adaptations by addressing relevant topics to the health care environment as identified by the rural community. This approach will also enable rural health networks to build evidence through evaluation to support the replicable facets of a network in rural areas.

The Rural Health Network Development Program: New Approach

The new Rural Health Network Development approach attempts to directly align the activities of the program with its authorizing legislation in a manner that will address the challenges and opportunities in the new health care setting and provide outcome-based data to inform duplication. The new approach requires applicants to select a prescribed activity from 1 of the 3 topical areas identified in the legislation:

- Achieving efficiencies
  - Integrated health networks will focus on integrating health care services and/or health care delivery of services to achieve efficiencies and improve rural health care services;
- Expanding access to, coordinating and improving the quality of essential health care services
  - Integrated health networks will collaborate to expand access to and improve the quality of essential health care services by focusing on projects and/or network activities directly related to the evolving health care environment; and
- Strengthening the rural health care system as whole
  - Integrated health networks will collaborate to achieve population health goals through the use of technology.

In addition, grantees will be permitted to use up to 30% of grant funds provided for direct delivery of services in order to pilot a particular product and/or service. The allowance of a direct service activity will assist grantees in developing a revenue source that may increase the chance of sustainability of the network and/or activities of the network. Along the same lines of creating a business or revenue-generating framework, grantees will be required to submit a strategic plan, a business plan and a final evaluation report over the 3-year project period.

In previous RHND grant cycles, there was not a large focus on evaluation of the networks. But the 2014 grantee cohort is required to include an evaluation component in their project plan. Grantees are required to identify baseline measures associated with the selected topical area(s), which will be tracked throughout the duration of the grant, submit a robust evaluation plan and submit an outcomes-based evaluation report at the conclusion of their project period. In addition, the federal Office of Rural Health Policy will provide specific objective-driven performance measures that grantees will be required to report on each year of the grant. The collected data from the performance measures and evaluation reports will help provide ORHP with evidence to support the use of networks in rural communities.

Eligibility

Eligibility requirements in previous funding opportunity announcements for the RHND Program stipulated that networks be located in a rural area, consist of at least 3 health care providers that are separately owned entities, have some type of formal collaborative agreement (memorandum of agreement or understanding), and share a history of collaboration and accomplishment. The 2014 funding opportunity announcement included the previous requirements and additional eligibility requirements consisting of “mature” network characteristics, such as: having a highly functioning network board, offering integrated products and services, engaging in common resource planning, having revenue from diverse sources, and having the capability to build capital reserves to be financially self-sufficient. These eligibility requirements are imperative as they will allow for grantees to focus on implementation of projects rather than strict network entity planning activities.

The changes to the RHND Program will enable rural health networks to continue to be a locus of innovation in maximizing limited rural health resources in times of economic uncertainty. The innovative models created by networks can be modeled in other communities, both rural and urban. As such, the new approach to the RHND program will not only capture information on the positive impact to the health of rural communities, but it also will develop a quantitative evidence base to support the use of networks.

References