



Governor's Designation of Shortage Areas for Rural Health Clinics: Criteria and Process

Wisconsin Department of Health Services

I. Introduction

The Governor's Designation of Shortage Areas for Rural Health Clinics (RHCs) in Wisconsin will identify rural areas which have significant provider shortages and other population indicators of high need, but which do not meet federal criteria for Health Professional Shortage Area designation. This additional type of shortage designation and associated eligibility for RHC certification will help support the ability of RHCs to increase access to primary and preventive care in these rural areas.

Wisconsin has historically been among states with the highest level of health insurance coverage for our population and this has increased the real demand for health care services and providers. The Governor's Designation Criteria for Wisconsin requires that RHCs in Governor's Health Care Shortage Areas must serve both Medicaid and Medicare enrollees, as well as adopt a sliding-fee schedule to assure access to the low-income population and others who need care the most.

Existing federal Health Professional Shortage Area (HPSA) and Medically Underserved Area (MUA) designations have been important in helping to address rural health provider shortage and access to care issues in Wisconsin. But HPSAs and MUAs by themselves, do not adequately assess the status or stability of access to care in many rural communities. The recruitment of just one physician can mean the rural community no longer qualifies for a HPSA designation and the associated benefits designed to increase and maintain access to care for underserved populations. These small swings in physician numbers contribute to a "yo-yo" effect on a rural community's eligibility for HPSA designation and the linked federal benefits (e.g., CMS RHC certification).

There are some vital RHCs that are located outside of or within outdated HPSAs and may lose their RHC certification due to the Centers for Medicare and Medicaid Services (CMS) proposed RHC Rule in the Federal Register in June 2008. The loss of certification for these RHCs would have a devastating impact on access to care in these rural communities as well as the stability of their health care systems and community economy.

A Governor's Shortage Designation can be used to maintain and establish financially viable RHCs in communities with significant need, and will help stabilize the state's safety net provider resources in rural communities. Wisconsin firmly believes that a Governor's Shortage Designation with the following criteria will serve to complement the HPSA/MUA designation criteria, to help the State better identify rural areas of higher need and develop and retain Rural Health Clinic safety net providers to improve access to primary and preventive care for rural populations.

II. Wisconsin Governor's Designation Criteria

The following Governor's Designation Criteria will determine an area's eligibility for a Wisconsin Governor's Health Care Shortage Area designation for Rural Health Clinics:

- Contiguous service area;
- Subtraction of physicians who are age 62 and older from the full-time equivalency (FTE) total;
- Percent of the population below 200% of the Federal Poverty Level;
- Percent of the population that is age 65 and older;
- Percent of the population that is unemployed; and
- Percent of the population that is uninsured.

Under these criteria, areas may qualify for a Governor's Health Care Shortage Area designation by fulfilling items 1 through 5, and either item 6 OR item 7:

- 1) The service area must be located within a non-urbanized area. RHCs located in urbanized areas will not be eligible for a Governor's Health Care Shortage Area designation. To see if a street address is located in a rural area that is eligible for RHC certification, go to: "Am I Rural" <http://maps.rupri.org/circ/racural/amirural.asp>
- 2) The applicant clinic must not be eligible for or located within a HPSA or MUA designated within the past 4 years, and must not be eligible for a CMS exception as an "essential provider" (if/when the Proposed RHC Rule is finalized by CMS). The RHC's service area for a Governor's Shortage Designation may include a portion of an existing HPSA service area.
 - To see if a street address is located in a federally designated HPSA or MUA, go to: <http://datawarehouse.hrsa.gov/GeoAdvisor/ShortageDesignationAdvisor.aspx>
 - For more information on the CMS RHC Proposed Rule – Essential Provider, see Section IV – Definitions.
- 3) The service area must be a contiguous service area (e.g., no "carve-outs" of areas with many physicians).
- 4) The applicant clinic must accept patients covered by Medicare and Medicaid/BadgerCare Plus, AND have a sliding or discount fee schedule for patients with incomes below 200% of the federal poverty level. For information on a sliding fee schedule, go to: <http://nhsc.hrsa.gov/sites/becomenhscapprovedsite/eligibility/discountfeeschedule/index.html>
- 5) The applicant clinic must submit a letter of support from the service area's Local Health Department which clearly states that a Governor's Health Care Shortage Area designation for the Rural Health Clinic is in the public interest to improve access to primary care for underserved populations in the rural service area. To find your local health department, go to: <http://www.dhs.wisconsin.gov/localhealth/index.htm>

- 6) The service area must have a physician shortage with a population to primary care physician ratio of at least 2,400:1 FTE where the following physicians are not counted towards the FTE: J-1 visa waiver and H-1B visa physicians (temporary visitor status), physicians 62 or older, physicians under sanction (license, Medicaid, or Medicare), and physicians who have documented plans to leave practice within the next 6 months; OR
- 7) The service area must have a physician shortage with a population to primary care physician ratio between 2,000:1 FTE and 2,399:1 FTE, where the physicians specified above are not counted towards the FTE, and the service area population meets *at least one of the following high need criteria*:
 - a. The percent of the population below 200% of the federal poverty level is higher than the state average;
 - b. The percent of the population age 65 or older is higher than the state average;
 - c. The percent of the population that is unemployed is higher than the state average; or
 - d. The percent of the population that is uninsured is higher than the state average.

III. Wisconsin Governor's Designation Process

The Governor of the State of Wisconsin delegates signing authority for this Governor's Shortage Designation to the State Health Officer in the Department of Health Services.

The following is the process to determine eligible Governor's Health Care Shortage Areas in Wisconsin for Rural Health Clinics:

- 1) The applicant clinic must submit a request to the Wisconsin Division of Public Health - Primary Care Office for a Governor's Health Care Shortage Area designation.

Send request to:

[Wisconsin Primary Care Office HPSA team](#)

Request must include all required documentation:

- Reason for request: to retain an existing or establish a new RHC in an area not eligible for HPSA/MUA designation (priority will be given to at-risk RHCs);
- Explanation of why the RHC is not eligible for a CMS exception as an "essential provider" if/when the Proposed RHC Rule is finalized by CMS (see Section IV – Definitions);
- Proposed contiguous service area for the Governor's Health Care Shortage Area designation request (e.g., the area is connected and no holes carved out where there are larger numbers of physicians);
- Letter of support from the Health Officer in the Local Health Department which clearly states that a Governor's Shortage Designation for the RHC is in the public interest to improve access to primary care for the underserved rural population;
- Copy of the RHC's schedule of sliding/discounted fees for patients with incomes below 200% of the federal poverty level, public notice for the sliding fees, and RHC policy for implementation (see Section IV – Definitions); and

- Clinic names and contacts for other clinics in proposed service area.
- 2) The Primary Care Office will review the request and documentation of public interest, and then ask the RHC to help collect primary care physician FTE data for the service area (e.g., clinic HPSA provider survey).
 - 3) The Primary Care Office reviews the physician data and service area data.
 - If the data and the request meet the Wisconsin Governor’s Designation Criteria, the Primary Care Office submits a Governor’s Health Care Shortage Area designation request for the area through the State Health Officer to the DHHS HRSA Office of Shortage Designation, and sends a 30-day public notice to the requestor, local health department, and key state health partners (Governor’s Office, DHS-Division of Quality Assurance, DHS-Division of Health Care Access & Accountability, Wisconsin Primary Health Care Association, Wisconsin Office of Rural Health, Wisconsin Hospital Association, Wisconsin Medical Society, Wisconsin Nurses Association, Wisconsin Academy of Physician Assistants).
 - If the data and request do not meet all requirements, the Primary Care Office informs the original requestor.
 - 4) The HRSA Office of Shortage Designation will review the Governor’s request for the area to confirm that it meets the DHHS-HRSA approved Wisconsin Governor’s Health Care Shortage Area designation criteria, approves the area as HRSA certified under the Governor’s Health Care Shortage Area designation, and notifies the State Health Officer and Primary Care Office of its’ decision.
 - 5) The Primary Care Office will send the HRSA decision/approval to the original requestor, the DHS-Division of Quality Assurance, DHS-Division of Health Care Access & Accountability and the Wisconsin Office of Rural Health of the HRSA certification.
 - 6) The requestor may then submit an application to the DHS-Division of Quality Assurance for certification as a Rural Health Clinic.
 - 7) Eligibility for a Wisconsin Governor’s Health Care Shortage Area designation must be reviewed and updated using the same update cycle used by the HRSA Office of Shortage Designation for HPSA updates (e.g., every 4 years as of January 2009).

IV. Definition of Terms

The following definitions apply to the Governor’s Designated Shortage Area Criteria and process.

Non-urbanized area:

The CMS Rural Health Clinic program requires that RHCs must be located outside an “urbanized area” as defined by the U.S. Census Bureau. To see if an address is rural and eligible for RHC certification, go to: <http://maps.rupri.org/circ/racural/amirural.asp>

Sliding fee/discount schedule for patients with incomes less than 200% of FPL:

This supports the purpose of the federal Rural Health Clinic program, to improve access to care for rural underserved populations. To be eligible for the proposed Governor's Designation, the RHC must have and implement a policy:

- To publicly and prominently display a notice about the availability of a discounted fee schedule for patients who are unable to pay for services.
- To offer a schedule of sliding/discounted fees for patients whose family incomes are less than 200% of the federal poverty level (FPL). This can be initiated at the time of service or after the service has been billed to the patient.
- To make a total of 3 follow-ups by phone and mail on failure to pay the discounted fees, and to try to negotiate a payment plan and review any change in income for patients with delinquent payments.
- To allow termination of services for patients only after the follow-up policies cited above have failed and been documented.
- For information on establishing a sliding fee schedule go to:
<http://nhsc.hrsa.gov/sites/becomenhscapprovedsite/eligibility/discountfeeschedule/index.html>

Counting primary care physicians:

The physician-to-population ratio is an important indicator of the availability of health care services in a community. Primary care physicians will be counted similar to how they are counted for HPSA designations:

- Only primary care physicians are counted (family practice, pediatrics, internal medicine, Ob/Gyn, general Gyn).
- Only average hours per week for outpatient care and hospital rounds are counted. Hours spent on administration, teaching, research, and subspecialty care are not counted.

The following primary care physicians will not be included in the physician FTE count:

- Physicians age 62 or older (because they are more likely to reduce their services within the next four years, see below);
- Physicians who have documented plans to discontinue practice in the next 6 months (e.g., retire, move, family leave);
- Physicians who have sanctions related to professional licensure, Medicaid, or Medicare;
- Primary care residents and fellows in training (because they are more likely to re-locate within the next four years after completion of training); and
- J-1 visa waiver and H-1B visa physicians (temporary visitor status).

The rationale for excluding physicians who are 62 or older, is based on several factors in combination, including:

- Rural areas have a higher percent of older physicians than urban/suburban areas. This contributes to a greater likelihood of sudden illness, death, reduced hours or retirement.
- Rural areas have fewer physicians than urban/suburban areas. The loss of just one physician has a significant impact on the community's access to care, especially since the

surrounding rural areas are likely to also have physician shortages or severe physician shortages.

- Rural areas have a much more difficult time recruiting a new physician when a physician retires, reduces hours, moves, becomes ill or dies. It can take two years or longer to replace a physician, and although rural communities tend to have lower incomes, rural clinics typically have to offer higher salaries to compete with clinics in urban/suburban areas.

Population below 200% of the federal poverty rate:

Poverty is a well-recognized measure of population need. The percent of the population below 200% of the federal poverty level is a good measure of the expected real demand for primary care services by populations that are eligible for Wisconsin's BadgerCare Plus program (Source: U.S. Census Bureau).

Population age 65 or older:

Demand for primary and medical care increases with age. This is a good measure of expected real demand for primary care by populations that are eligible for Medicare (Source: U.S. Census Bureau).

Unemployment rate:

Unemployment rate is a measure of the percentage of civilian population age 15 years or older that is seeking work, and is a good measure of the expected real demand for primary care services on a sliding or discount fee schedule. Employment has been shown to correlate positively with health, and is associated with slower declines in health status over time (Source: Wisconsin Department of Workforce Development).

Uninsured:

The percent of the population that is uninsured is a good measure of the expected real demand for primary care services on a sliding or discount fee schedule (Source: U.S. Census of Small Area Health Insurance Estimates).

“Essential Provider” exception as proposed by CMS:

Background:

The CMS RHC Proposed Rule published in the Federal Register June 26, 2008, included an exception to the proposed new shortage designation location requirement for Rural Health Clinic (RHC) certification. Please note that the proposed exception could be revised when the CMS RHC Rule is finalized. Please see the original Federal Register Notice for more detail (see page 36700): <http://www.gpoaccess.gov/fr/index.html>

Definition:

“Participating primary care provider”: a RHC, FQHC, or primary care provider that is actively accepting and treating Medicare beneficiaries, Medicaid beneficiaries, low-income patients, and

the uninsured patients (regardless of their ability to pay). This definition will be updated if/when CMS finalizes the RHC Rule.

A Rural Health Clinic (RHC) can be eligible for the proposed CMS RHC location exception as an “essential provider” if it meets any one of the following criteria:

1. Sole Community Provider

The RHC is the only “participating primary care provider” that meets one of the following criteria:

- RHC is 25 or more miles from the nearest “participating primary care provider” or,
- RHC is at least 15 miles but less than 25 miles and more than 30 minutes from the nearest “participating primary care provider”.

2. Major Community Provider

The RHC meets each of the following requirements:

- Has a Medicare, Medicaid, low-income, and uninsured patient utilization rate of 51% or higher, and
- Is actively accepting and treating a major share of Medicare, Medicaid, low-income and uninsured patients (regardless of their ability to pay) compared to other “participating primary care providers that are within 25 miles of the RHC.

3. Specialty Clinic

The RHC meets each of the following requirements:

- Exclusively provides Ob/Gyn or Pediatric health services,
- Is the sole or major source of Ob/Gyn or Pediatric care for Medicare, Medicaid, and uninsured patients (regardless of their ability to pay), and is either:
 - 25 or more miles from the nearest “participating provider” of same services, or
 - Between 15 and 25 miles and more than 30 minutes from the nearest “participating provider”.
- Is actively accepting and treating Medicare, Medicaid, low-income, and uninsured patients.
- Has a Medicare, Medicaid, low-income patient and uninsured utilization rate of 31% or higher.
- Provides Ob/Gyn (including prenatal care) or Pediatric services to clinic patients.

4. Extremely Rural Community Provider

E.g., located within a frontier county or census tract with RUCA code “10”.

Wisconsin RHCs are not expected to qualify for this.

CONTACT FOR WISCONSIN GOVERNOR’S SHORTAGE DESIGNATION:

[Wisconsin Primary Care Office HPSA team](#)