



Challenges Surrounding Rural Health Care in Pennsylvania

[Senate Majority Policy Committee](#)

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Testimony Submitted by:

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Good afternoon, Chairman Laughlin, and members of the Senate Majority Policy Committee. On behalf of UPMC, thank you for letting me testify today on access to rural medicine and health care in Pennsylvania.

My name is Dr. Beth Piccione, and I am the President of UPMC Horizon and UPMC Jameson hospitals, serving Mercer and Lawrence counties. I was born and raised in New Castle and am a proud graduate of New Castle High School. After finishing college, medical school, residency, and fellowship training, I returned home to practice medicine in 2003. I have been blessed to build my cardiology practice in my hometown, caring for my friends, family, and neighbors. I've spent the entirety of my career focused on **building and maintaining sustainable health care delivery systems** that serve the residents of Lawrence and Mercer counties.

One of our critical paths to **ensure availability of the right care and services for the area** has been **aggressively recruiting clinicians with local ties to our rural community**. We identify people whose passions and vision align with caring for residents of our area. And we **support those providers and embed them in the communities to grow their practices there**.

In fact, **we've developed a local Family Medicine Residency Program to train physicians right in the community**. My colleague, Dr. Mary Johns, who leads our program there, has **quadrupled the amount of access we are able to provide** by growing our UPMC Horizon Family Medicine Residency Program. Just last month, we expanded the program that's based in Farrell, Pa., into New Castle, and will grow to have 18 residents in the program. Any patient who is treated in our UPMC Horizon or UPMC Jameson Emergency Department and does not yet have an assigned primary care physician, is offered an appointment to be seen at one of our Family Medicine Residency locations.

It's estimated that only about 1% of residents train in rural areas today, and only about 11% of doctors serve rural locations. Creating programs that encourage physicians and providers to practice in rural settings is one essential solution that will support closing the serious access to care gaps that persist today. **Dr. John's has an incredible track record of retaining the majority of our residents to stay and build their practices in our community**.

As a front-line physician, I have come to appreciate and understand how patients' inability to access health care services can lead to negative outcomes. And like Dr. Johns, **I have doubled down on efforts to preserve and enhance access** – not just in my specialty but **across all service lines**, including staffing our hospitals and outpatient services with **providers who will serve the defined community health needs of our area**.



As the country's third largest rural state by size, we know **20 percent of Pennsylvanians live in a rural area.**¹ Nearly **3.4 million people**, or about 26 percent of the state's 13 million residents, live in Pennsylvania's **48 rural counties** – and 71 percent of rural municipalities have 2,000 or fewer people.²

We **applaud the Committee for applying a rural lens on policy, payment, and deliberating reforms to give rural providers like UPMC** the flexibility needed to ensure that patients have access to care.

Joining key stakeholders and rural hospital leaders, UPMC appreciated the opportunity last month to participate in **Governor Shapiro's roundtable discussion about preserving and expanding rural health** – as the Administration promises to deliver a bold rural health transformation plan by year's end.

The convening was a **first step toward new rural health policy recommendations**, which included:

- **Developing an innovative, hybrid payment model** such as stand-by capacity payments to conduct core services plus a supplemental services payment.
- **Determining primary and secondary functions of each rural hospital** and calibrating what critical services are needed in the community vs. the telemedicine services that are sustainable.
- **Providing regulatory flexibility to decrease administrative burden** and promote retention and growth of the workforce.
- **Increasing investment to address EMS constraints**, transportation, and capital improvements.

To define and address challenges facing our rural families, I will take a few minutes to discuss how UPMC has established specialized initiatives to secure care – close to home – and to better meet the community's needs. Let us be your partner – and lean on us for subject matter expertise on how we utilize data resources to shape the **solutions** embedded in our hub and spoke model.

And given our experience in rural health care transformation, we join key stakeholders, in urging the Legislature and Administration to:

- **Continue investing in broadband throughout the Commonwealth, enabling telemedicine to proliferate.** Telemedicine is one strategy that is not geographically limited and is relatively inexpensive to implement.

¹ [Research and Reports Archives | Pennsylvania Office of Rural Health \(psu.edu\)](#)

² [Rural Quick Facts - Center for Rural PA](#)



- **Geographical disparities remain, and Pitt research released last month highlights how the digital divide impacts access to virtual mental health care services.**³
- Counties like **Clarion** and **Armstrong**, that have reduced broadband access, are nearly **three times as likely to have no mental health physicians and no outpatient facilities**, and **twice as likely to have no psychiatric or substantive use hospitals** as those counties that have increased broadband access.

What must be avoided are protectionist and old paradigm barriers to innovative models such as **outdated regulations, ratios, and requirements that try to hold health care back within older models of care** which are **not** sustainable.

UPMC has **seven key recommendations** to ensure available care in rural settings.

Recommendation I: Leverage Timely, Comprehensive Data to Drive Decision Making

- The Goal:
 - **Utilize the tremendous data resources that the hospital community produces to shape health care interventions.** Data builds consensus – and sets the table – to build partnerships across communities to promote sustainability.
 - The Opportunity:
 - The Commonwealth’s data resources are generally dated and may not provide enough depth to be actionable.
 - UPMC conducts **Community Health Needs Assessments every three years for every region we serve** to identify each region’s significant health needs, establish action plans, and identify resources to address those needs. The assessment, which **informs our strategic planning and resource allocation**, includes **public health data, socioeconomic factors, and a structured community input survey process** — including medically underserved, low-income, and minority populations.
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Recommendation II: Create a Regional Response Team for Hospitals at Risk

- The Goal:
 - **Identify regional resources to provide clinical expertise, operational support, and an educational platform** for hospitals as they face financial strain.
- The Opportunity:

³ Kohli, K., Jain, B., Patel, T.A. *et al.* (2024). The digital divide in access to broadband internet and mental healthcare. *Nature Mental Health*. [doi:10.1038/s44220-023-00176-z](https://doi.org/10.1038/s44220-023-00176-z)



- In several states, **partnerships** among rural hospitals and larger health systems have emerged to share staffing, expertise, supplies, and services to address most prevalent needs.
 - We would recommend evaluating structures that support a **public-private partnership approach for sustainability**, with a focus on core services and positioning rural hospitals to succeed under current and emerging value-based reimbursement models.
 - As a hospital approaches financial instability, a regionally selected entity can provide on-site leadership, fiscal management, etc. to determine the pathway forward for the hospital.
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Recommendation III: Facilitate Regulatory Flexibility to Encourage Evolution

- The Goal:
 - Evolve care in the community by **encouraging non-traditional, local models of care.**
- The Opportunity:
 - **Remove the Department of Health’s regulatory barriers to non-traditional models of care.**
 - Models such as **tele-emergency departments, micro-hospitals, and outpatient emergency departments** are opportunities to transition away from expensive, aging facilities.
 - **Tele-ED at Kane:** UPMC leveraged its clinical expertise and innovative technology and worked with the DOH to launch the **first tele-Emergency Department in Pennsylvania** at UPMC Kane in rural McKean County, where average daily census had been 5 to 6 inpatients, with 6,000 ED visits each year. **Bedside care is now delivered by physician assistants and certified registered nurse practitioners using advanced video, audio, and examination technology to connect patients seamlessly and quickly with board-certified emergency medicine physicians at UPMC Hamot.** UPMC Kane has successfully sustained needed services in its rural community, with the highest quality and safety standards.
 - **Tele-Hospitalist at UPMC Horizon-Greenville**
 - **Outpatient ED at UPMC Lock Haven**
 - **Tele-Stroke at UPMC Cole:** UPMC has expanded stroke specialty care services at UPMC Cole by offering 24/7, 365 virtual consultation services with world-renowned stroke specialists from UPMC Stroke Institute at UPMC Presbyterian, a certified Comprehensive Stroke Center.



- **This gives our patients superior access to quality stroke specialty care, close to home, with time a critical element of stroke care.**
 - **It harnesses telemedicine technology to enhance and support the local emergency department teams** who are already providing exceptional care and can benefit from additional medical expertise in complicated cases.
 - **With this service, the tools are in place to provide fast access to lifesaving treatments** helping improve outcomes and prevent or reduce long-term disability from stroke.
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Recommendation IV: Fund a Capital Grant Program for Hospitals to Evolve

- The Goal:
 - **Establish a health care infrastructure grant program to facilitate the evolution of hospitals’ physical footprint.** Rural hospitals are caught in an aging-facility dilemma. **Increased costs – payroll, inflation – amid lower payments from payors** make it harder for small hospitals to fund capital improvements. And **rising interest rates** are making it tougher for aging facilities to qualify for loans to upgrade their facilities to meet ever-changing standards of medical care.
 - The Opportunity:
 - **Establish a grant program similar to the Commonwealth’s Redevelopment Assistance Capital Program (RACP)** that supports projects that are intended to enable hospital transformation to maintain access.
 - **Care delivery models — such as micro-hospitals, tele-emergency departments, outpatient emergency departments, and strong primary care networks —** are capital intensive to build.
 - **Remove the traditional RACP grant requirements of a \$1M threshold and match funding,** which may be prohibitive for certain facilities.
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Recommendation V: Invest in Health Care Transportation System

- The Goal:
 - **Create a system of health care transportation infrastructure and workforce to ensure patients get safely and promptly to next proper site of care.**
- The Opportunity:
 - **Create a health care transportation network strategy** for the Commonwealth that includes:



- Efficiently stationed and staffed ambulances at rural hospitals.
 - Flexibility to fashion the right crew composition.
 - Investment in select super-rural counties to develop transportation portal; and
 - Partnership with the federal government to permanently extend the existing rural, “super-rural” and urban ambulance add-on payments.
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Recommendation VI: Implement Sustainable Payment Incentives

- The Goal:
 - Transition away from the PA Rural Health Model toward **payment models that foster sustainability and spur evolution.**
 - The Opportunity:
 - Pennsylvania can **transition participating PaRHM hospitals to the federal Rural Emergency Hospital (REH) designation.** REHs are a new Medicare provider type to which **small, rural, and critical access hospitals** can convert to provide emergency and outpatient services without needing to provide inpatient care.
 - The Commonwealth can support hospitals converting to an REH with an RACP program for rural hospitals.
 - Additionally, explore an add-on Medicaid payment for services delivered in rural regions.
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Recommendation VII: Incentivize Clinicians to Work in Rural Communities

- The Goal:
 - **Incentivize the health care workforce to train and remain serving rural populations.**
 - Reverse the current trend: By 2026, it is estimated that the Commonwealth will face **a deficit of more than 20,000 registered nurses**, the largest gap of any state.
- Opportunity:
 - **Scale and invest in models where loan forgiveness for rural clinicians has proven successful long term.**