DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Resources and Services Administration

Bureau of Health Professions

Rockville, MD 20857

July 13, 2006

The Honorable Theodore R. Kulongoski
Governor
160 State Capitol
900 Court Street
Salem, Oregon 97301

Dear Governor Kulongoski:

We have received your proposed methodology for designation of eligible Governor's Certified Shortage Areas for Rural Health Clinic (RHC) designations.
We approve the methodology submitted with the following modifications.

1) Migratory worker estimates, if population figures include these they should be adjusted for the portion of the year that migrant workers are present in the proposed area.

The Health Resources and Services Administration has an Interagency Agreement with the Centers for Medicare and Medicaid Services to review State methodologies for RHC eligible areas, and approve areas that are designated by the Governor based on this methodology. Once we receive the clarification noted above, areas that meet the criteria in the approved methodology can be certified as a RHC eligible area. Please note that certification is for the Rural Health Clinic Program only and does not constitute Federal designation as a health professional shortage area or a medically underserved area or population.

If you have any further questions, please contact Ms. Diane Douglas at 301-594-3813.

Sincerely yours,

Andy Jordan, Chief
Shortage Designation Branch
Office of Workforce Evaluation and Quality Assurance

cc: Oregon Primary Care Association
Oregon Medical Association

THEODORE R. KULONGOSKI
Governor

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JUN 7 2006

Andy Jordan, Branch Chief
Shortage Designation Branch
Office of Workforce Evaluation and Quality Assurance
Bureau of Health Professions
5600 Fishers Lane, Room 8C-26
Rockville, MD 20857

Re: Request for approval of Governor's Certification Criteria for Governor's Certified Shortage areas for Rural Health Clinic designation

Dear Mr. Jordan:

To enhance support for critical health care infrastructure in Oregon's rural and frontier counties and thereby preserve and enhance health care access, Oregon is requesting approval of a state-based certification process to identify areas where health care systems are fragile, but do not meet the current federal designation criteria.

Although existing federal Health Professional Shortage Areas and Medically Underserved Areas have been critical to helping Oregon address some of its rural health access issues, the state has concluded that existing federal designations are not sufficiently sensitive to the health care access needs of frontier and other rural areas of Oregon. For example, in almost all cases, the provider-to-population ratio in Oregon's frontier counties does not meet the federal designation criteria. Nevertheless, because the population of those counties is spread over a large geographic area, significant health care access challenges exist for the individuals in those communities and the health delivery systems serving those communities struggle to survive.

The attached application defines Oregon's rural health care needs, explains why existing health care shortage area designations fail to meet those needs and proposes Governor's Certification Criteria for a state-based Governor's Certified Shortage Area, as well as a process for applying that certification.

If you have any questions about this application, please call my Health and Human Services Policy Advisor, Erinn Kelley-Siel, at (503) 378-6549, or Joel Young, Manager of Oregon's Health Systems Planning/Oregon Primary Care Office, Oregon Department of Human Services, at (971) 673-1269.

Thank you in advance for your expeditious review of this request. We look forward to hearing from you soon regarding its approval.

Sincerely,

THEODORE R. KULONGOSKI
Governor

TRK:EKS/glv
c: The Honorable Karen Minnis, House Speaker
The Honorable Peter Courtney, Senate President
Bruce Goldberg, Director, DHS
Scott Ekblad, Director, OHSU, Office of Rural Health
Craig Hostetler, Executive Director, Oregon Primary Care Association
Joel Young, Manager, DHS, Health Systems Planning
Enclosure

THEODORE R. KULONGOSKI
Governor

Oregon's Application for approval of Governor's Certification Criteria

June 2, 2006

STATE CAPITOL, SALEM 97301-4047 (503) 378-3111 FAX (503) 378-4863 TTY (503) 378-4859
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I. Introduction

By this Application, the State of Oregon is requesting the Health Resources and Services Administration, Bureau of Health Professions (BHPr) approval of Governor's Certification Criteria for Governor's Certified Shortage Areas for Rural Health Clinic designation purposes.

This Application defines Oregon's rural health care needs, explains why existing health care shortage area designations fail to meet those needs, and proposes Governor's Certification Criteria for a state-based Governor's Certified Shortage Area, as well as a process for applying that certification.

II. Oregon's Rural Health Care Needs Defined

Oregon is a geographically and demographically diverse state. Oregon is also the tenth largest state in the union by land size. Terrain ranges from ocean beaches in the west that are flanked by the coastal mountain range, to rich agricultural valleys beyond, to the Cascade Mountain Range that bisects the state north to south and the high desert plains that lay to the east. This geography creates health care access challenges for many rural Oregonians. Geographic isolation that leads to time-consuming, long distance travel to seek healthcare is a common problem.

The proposed Governor's Certification Criteria apply definitions of "rural" and "frontier" that are consistent with other Oregon programs. "Rural", as defined by the Oregon Office of Rural Health (ORH), is a geographic area 10 or more miles from the centroid of a population center of 30,000 or more. This definition is used for the state income tax credit program for rural providers, the state Rural Health Services loan repayment program and limited duration state-funded grant programs, among others. "Frontier", as defined by ORH (and the federal Bureau of Primary Health Care) is a county with six or fewer people per square mile. Oregon's 10 frontier counties comprise 45,099 square miles. This is roughly equal to the landmass of Massachusetts, Vermont, New Hampshire, New Jersey, Connecticut, Delaware, and Rhode Island combined.

Oregon's rural and frontier areas face many serious, documented challenges maintaining and providing access to adequate health care systems. Rural and frontier counties often report higher unemployment rates, lower income levels, higher percentages of underinsured and/or uninsured people, and a lack of adequate prenatal care resulting in higher risk pregnancies. In addition, data sources document a higher rate of death from unintentional injury in some rural communities due to both a lack of local health services and long travel times to appropriate health care.

Most notably, the 2005 Office of Rural Health report titled "Oregon Federally Certified Rural Health Clinics" identified areas of the state where no federal shortage area designations exist, but where health clinics are economically fragile. A closer look at those economically fragile health clinics revealed that they are primarily located in Oregon's frontier counties that do not qualify for existing federal shortage designations.

III. Limitations of Existing Federal Designations

Although existing federal Health Professional Shortage Areas (HPSAs) and Medically Underserved Areas (MUAs)) have been critical to helping the state address some of its rural health access issues, Oregon has concluded that existing federal designations are not sufficiently sensitive to the health care access needs of frontier and other rural areas of Oregon. For example, in almost all cases, the provider-to-population ratio in Oregon's frontier counties does not meet the federal designation criteria. Nevertheless, because the population of those counties is spread over a large geographic area, significant health care access challenges exist for the individuals in those communities and the health delivery systems serving those communities struggle to survive.

To enhance support for critical health care infrastructure in Oregon's rural and frontier counties and thereby preserve and enhance health care access, Oregon is requesting approval of a state-based certification process to identify areas where health care systems are fragile but do not meet the current federal designation criteria. Oregon proposes a collaborative process in which the community and state share and exchange information to best determine if an area meets state based certification criteria. Utilizing a state-based certification process does not preclude use of the existing federal processes, and either would be used given the particular needs of a given community.

IV. Proposed Governor's Certification Criteria

Oregon is proposing to apply the following Governor's Certification Criteria to determine an area's eligibility for an Oregon Governor's Health Care Shortage Area designation:

- Primary Care Service Areas;
- Areas of Unmet Healthcare Need;
- The definition of frontier used in the Oregon State Rural Health Plan;
- Subtraction of one physician full time equivalency (FTE);
- 200% of the federal poverty level; and
- The percent of people age 65 and older.

Under these criteria, areas may qualify for a Governor's Health Care Shortage Area designation in one of the following three ways:

1) All primary care service areas within a frontier county will automatically be designated Governor's Health Care Shortage Areas.

2) If the primary care service area does not meet the level one criterion, but the area has a population-to-physician ratio equal to or greater than 2,400:1 (where the physician full time equivalency (FTE) is calculated with one physician FTE subtracted), the area will automatically be designated a Governor's Health Care Shortage Area.

3) If the primary care service area does not meet the level one or level two criteria, the service area will be eligible for designation as a Governor's Health Care Shortage Area if:

1) The area has a population-to-physician ratio equal to or greater than 1500:1 (where the physician FTE is calculated with one physician FTE subtracted); and

2) At least two of the following three conditions are met:

a. The service area is defined by the Office of Rural Health as an Area of Unmet Health Care Need;

b. The area contains a population of people age 65 and older that is at least 20% greater than the rate of the State of Oregon;

c. The area contains a population with incomes at or below 200% federal poverty level that is 30% or higher than the rate of the State of Oregon.

Definitions:

The following definitions apply to the proposed Governor's Certification Criteria:

Primary Care Service Areas:

Oregon's Office of Rural Health uses a geographic denominator to define the state's primary care service areas. Because of the large scale and variations in geography and population centers of Oregon's 36 counties, the ORH has determined that sub-county units more accurately represent community use of primary medical care services. This process uses zip code data because: (1) Zip codes follow logical transportation and market patterns, unlike census tracks; (2) Zip codes are linked to demographic, socioeconomic, and health status information that is updated on a more frequent basis than the census and; (3) Most individuals know and recognize their own zip code, making it a logical option for data collection..

The Office of Rural Health determines primary care service areas using the following criteria:

1. Health resources are generally located within 30 to 40 minutes travel time;
2. Defined areas are not smaller than a single zip code and zip codes used are geographically contiguous; and
3. Defined areas contain a population of generally 800 to 1,000 or more people.
4. Areas constitute a "rational" medical trade or market area considering topography, social and political boundaries, and travel patterns. Additional consideration for service areas are boundaries that:

a. Are congruent with existing special taxing districts (e.g., health or hospital); and
b. Include a population with the perception that it constitutes a "community of need" for primary health care services, or demonstrates demographic, socioeconomic or ethnic homogeneity. The population should be large enough (800 –1,000 or more) to be financially capable of supporting at least a single midlevel provider.

Unmet Health Care Need:

The Oregon Office of Rural Health uses five different variables representing crucial aspects of access to health services in rural areas to determine "Areas of Unmet Health Care Need." These include the following:

1. Percentage of primary care visits met;
2. Ambulatory care sensitive conditions ratio;
3. Travel time to nearest hospital;
4. Comparative mortality ratio; and
5. Low birth weight rate.

Each year, primary care service areas "health care need" criteria are updated with new data from the Oregon Center for Health Statistics, the Board of Medical Examiners, the Board of Nursing, Claritas, COMPdata, and Mapblast.com. Each variable is converted from a raw score, (e.g., percentage, rate or number) to a uniform score of 0 (worst) to 20 (best), using a method that measures incremental deviations from the mean (set at 10). The best possible Unmet Health Care Need score (i.e., no need exists) is 100. The highest and lowest total scores are discarded and the mean is calculated. Service areas with totals below the mean are the most medically underserved.

Frontier:

Oregon definition as "frontier" for purposes of this proposal is the same of that of the federal government: counties with an average population of six persons or less per square mile. Currently, 10 counties in Oregon qualify as "frontier" counties: Baker, Wallowa, Grant, Wheeler, Sherman, Gilliam, Morrow, Harney, Malheur and Lake. The average population in Oregon's frontier counties is 2.1 persons per square mile. Out of the ten counties in Oregon that qualify as frontier, seven have populations less than three persons per square mile, five are less than two persons per square mile and three are less than one person per square mile. Oregon frontier counties have 2.6% of the population in the state and only 1.3% of physicians.

Subtraction of One Physician FTE:

The physician-to-population ratio is an important indicator of the availability of health care services in a community. In frontier and many rural communities, which have relatively few physicians, the loss of one physician means a serious reduction in access to services for the area's residents. By subtracting one physician FTE as one of the

Governor's Certification Criteria, Oregon seeks to reduce the "yo-yo" effect on a community that is able to benefit from a shortage designation by recruiting a physician, then immediately loses all other forms of assistance accrued by the designation because the addition of that one physician renders the community unable to meet the shortage area designation criteria. This strategy is well documented in the State of Kansas plan for a state-based certification process.

V. Proposed Certification Process

Oregon proposes a process similar to the current HPSA/MUA protocol.

STEP ONE: Requesting entities can submit Requests for Review of Qualification pursuant to the Governor's Certification Criteria ("Request for Qualification") to either the Primary Care Office (PCO) or the Office of Rural Health.

STEP TWO: Both the Primary Care Office and the Office of Rural Health ("the Offices") will jointly review each Request for Qualification on an individual basis to determine whether the request meets the Governor's Certification Criteria. To support this work, the Office of Rural Health will be responsible for producing a map on an annual basis that identifies areas in the state that meet the selected criteria for a state based certification.

STEP THREE: If the Offices determine that a Request for Qualification meets the Governor's Certification Criteria, the PCO will submit a summary of their analysis to BHPr for approval.

STEP FOUR: BHPr will then review the analysis and confirm that the request meets the Governor's Certification Criteria.

STEP FIVE: BHPr will then notify the PCO of its decision. The PCO will then notify the Office of Rural Health, which will then notify the requesting entity and the Oregon Department of Human Services, State Public Health Office, Health Care Licensure and Certification Section.

STEP SIX: With the BHPr approval in hand, the requesting entity is then eligible to apply to the Oregon Department of Human Services, State Public Health Office, Health Care Licensure and Certification Section for certification as a rural health clinic.

VI. Conclusion

Oregon respectfully requests speedy approval of this proposed state-certification process. If approved, the benefit to certified rural areas will be significant, providing the state a critical tool to help stabilize rural and frontier health care system infrastructure and, thereby, the economic infrastructure of those regions.

VI. Table of Attachments:

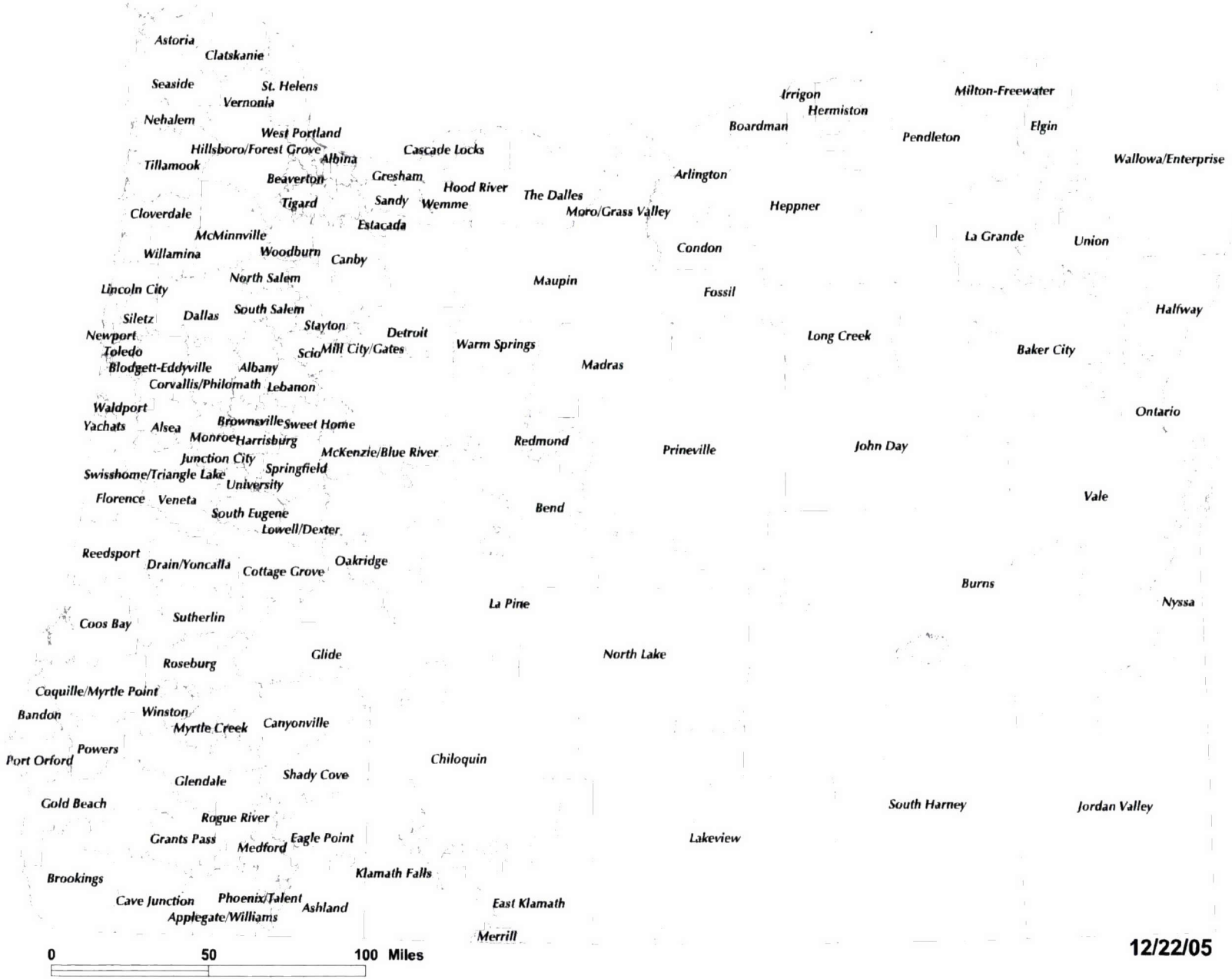
A. Map of 2005 Office of Rural Health Primary Care Service Areas
B. Map of 2005-2006 Oregon Rural Unmet Healthcare Need by Service Area
C. Map of Newly Eligible Areas using Governor's Certification Criteria

Acknowledgements

The Governor's Office would like to recognize the following individuals who participated in the development of this application: Troy Soenen, Director, Field Services, Office of Rural Health; Dr. Grant Higginson, Administrator, Office of Community Health and Health Planning, State Public Health Services, Oregon Department of Human Services; Dr. Susan Allen, Director of Public Health Services and State Public Health Officer, Oregon Department of Human Services; Meadow Martell, Designations Contractor, Oregon Primary Care Office, Oregon Department of Human Services; Daneka Karma, Program Analyst, Office of Medical Assistance Programs, Oregon Department of Human Services; Joel Young, Manager, Health Systems Planning/Oregon Primary Care Office, Oregon Department of Human Services; Nancy Abrams, Primary Care Planner, Oregon Primary Care Office, Oregon Department of Human Services; Scott Ekblad, Director, Office of Rural Health; Emerson Ong, Data Coordinator, Office of Rural Health; Karen Whitaker-Knapp, Director, Center for Rural Health; and Paul McGinnis, Community Health and Practice Development Director, Oregon Rural Practice-Based Research Network.

Attachment A

2005 ORH Primary Care Service Areas

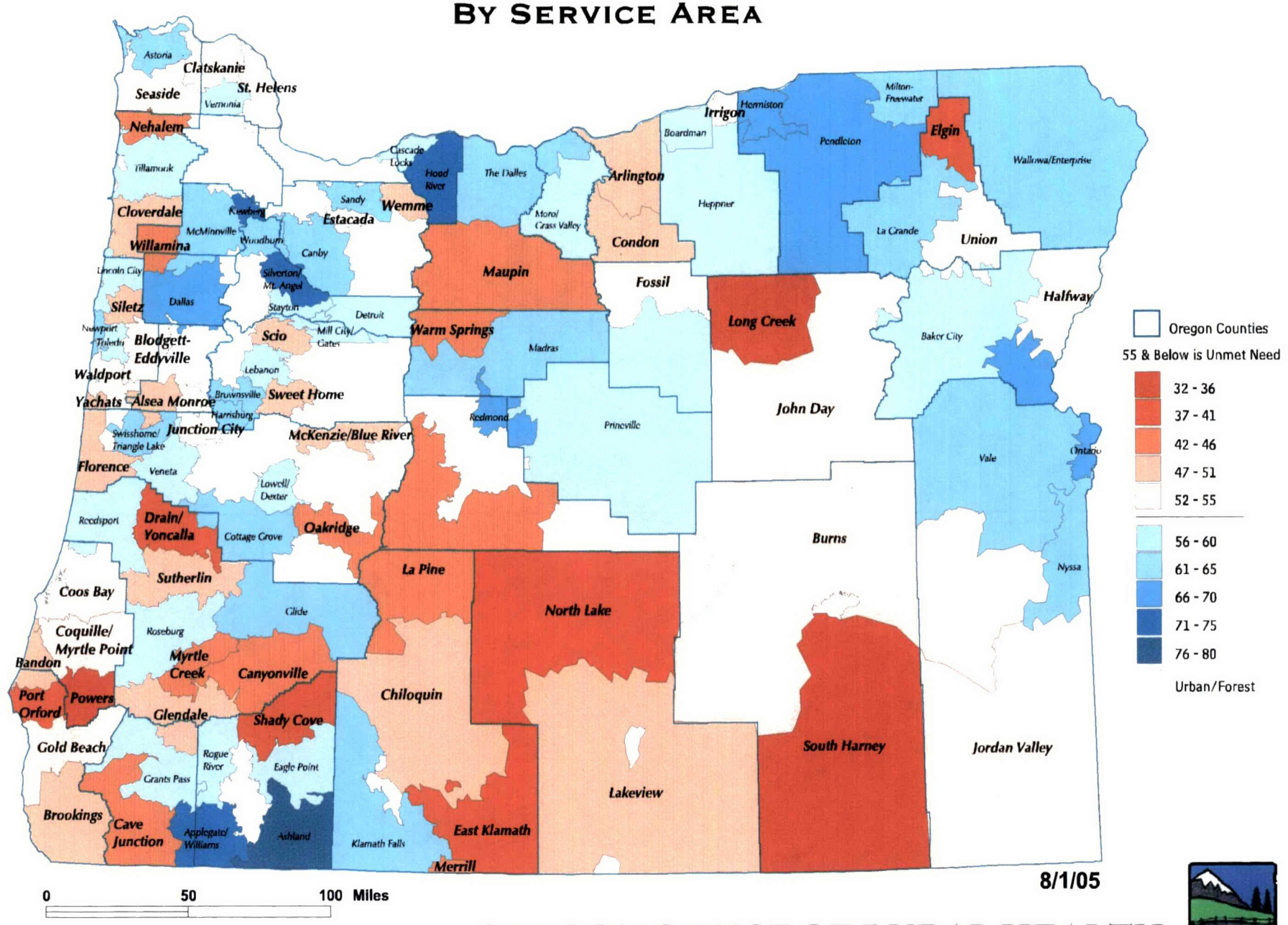


12/22/05

OREGON OFFICE OF RURAL HEALTH

Attachment B

2005-2006 Oregon Rural Unmet Healthcare Need
By Service Area



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www.ohsu.edu/oregonruralhealth/what is rural.html#assessneeds

Attachment C

Eligible Areas Using State-Based Certification Criteria