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Governor Wolf Announces \$25 Million Federal Investment in Pennsylvania's Rural Health System

Harrisburg, PA – As in other states across the nation, providing access to quality health care for Pennsylvanians residing in rural communities has become increasingly challenging. Since 1990, health outcomes in rural communities across America have deteriorated. While people living in urban areas have seen better health outcomes and an improved access to care, those in rural areas face much starker health challenges.

For the past 18 months, the Wolf administration has been developing a plan to transform rural health across Pennsylvania. Earlier this year Pennsylvania submitted a plan to the Center for Medicare and Medicaid Innovation to implement a Rural Health Transformation Initiative. The federal government reviewed Pennsylvania's proposal and today announced that they would grant Pennsylvania a \$25 million grant to put this model into place.

"Today, I am proud to announce that the federal government has awarded Pennsylvania a \$25 million grant to enact our initiative to transform rural health," said Governor Tom Wolf. "The Pennsylvania Rural Health Transformation Initiative is designed to address the challenges faced by rural hospitals and promote a transition to higher quality, integrated and value-based care through several changes to the current model. This will improve health outcomes in rural areas, which face significant challenges and have been especially hard hit by the opioid and heroin epidemic. Rural hospitals are the economic engines of many of these communities and the success of health care in our rural communities impacts every Pennsylvanian."

The goals of this new rural health model are to improve population health and quality of care that is delivered locally and to enable rural hospitals to move toward greater financial sustainability through an all-payer global budget model.

'Shortly after Governor Wolf took office and we assessed the state, it became clear to us that our rural hospitals, like those across the nation, were challenged," said Secretary Karen Murphy. "It also quickly became clear that all health outcomes – particularly opioid and heroin addiction – were significantly worse in rural communities. We believe that the Pennsylvania Rural Health Transformation Initiative will help the incredibly committed, rural health-care leaders and health-care workers improve the overall health of their communities."

"CMS looks forward to teaming with Pennsylvania health officials on the Pennsylvania Rural Health Model. We believe it represents a historic opportunity for rural hospitals, which through the model will be able to improve the quality of care they provide to their patients and help address the underlying health needs in their communities," said Patrick Conway, M.D., CMS principal deputy administrator and chief medical officer. "Also, the model will help rural hospitals remain financially viable and continue to provide essential services to the people in their communities."

"The Pennsylvania Rural Health Transformation is an incredibly innovative payment model that will strengthen hospitals across the Commonwealth by creating a path to sustainability for struggling rural hospitals," said Geisinger CEO David Feinberg. "We at Geisinger applaud State Secretary of Health Dr. Karen Murphy and her leadership in transforming health care delivery models to better meet the needs of our patients."

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