



CENTER *for*
RURAL AFFAIRS
Lyons, NE 68038 Population 963

October 1, 2010

Centers for Medicare and Medicaid Services
Department of Health and Human Services
Attention: OCIO-9989
P.O. Box 8010
Baltimore, MD 21244-8010

Re: Comments regarding Exchange-Related Provisions in Title I of the Patient Protection and Affordable Care Act, 45 CFR Part 170 (published August 3, 2010)

To whom it may concern:

About the Center for Rural Affairs

The Center for Rural Affairs is a private, non-profit organization headquartered in Lyons, Nebraska. CFRA works to strengthen small businesses, family farms and ranches, and rural communities through action oriented programs addressing social, economic, and environmental issues. CFRA is most concerned with how public policy can be made to work for rural people and rural communities. As such, an emphasis of CFRA's policy, organizing and outreach and research and analysis programs has been how health care reform as articulated in the Patient Protection and Affordable Care Act affects residents of rural America.

We welcome and appreciate the opportunity to provide comments on this crucial portion of the Patient Protection and Affordable Care Act. We urge you to consider and address the unique challenges of the 60 million people who call rural America home. For years rural Americans have endured significant disparities related to health insurance and access to affordable, quality health insurance. The Patient Protection and Affordable Care Act now provides a path to quality health care coverage for many rural individuals and families. As you undertake future rulemaking and grant solicitations for the Health Benefit Exchanges portion of the law, we look

forward to being a resource for you. If you should have any questions about anything contained in these comments or wish to discuss any of our comments further, we are willing to answer any questions or engage in discussion.

1. Exchanges must consider the unique circumstances of rural places and rural people

Rural places and the residents of them have unique circumstances that must be considered and addressed in the development of Health Benefits Exchanges, state-based or otherwise. By their very nature rural places and their residents are more isolated. That is particularly true of low-income rural residents. Information about Exchanges will be difficult to spread to these populations without a specific emphasis and significant resources.

We are concerned about what seems like the conventional wisdom that Exchanges must be web-based to be effective and efficient. This may be true for the largest number of people across the nation, but it is not necessarily true for many rural residents. Generally, rural people have less access to high speed telecommunications technology. Again, that is particularly true for low-income rural residents. A web-based Exchange will leave out a significant portion of the rural population and provide less than optimum service for a larger share of the rural population. If that is the case, health care reform will accomplish little to address the health insurance disparities currently endured by many rural people.

We suggest that future rulemaking and grant solicitations by the Department explicitly address rural access issues to health benefit exchanges. We suggest that future rulemaking require states to provide a specific plan on how exchanges will address rural access issues. We further suggest that the Department devise a grant solicitation to states and private entities to provide ideas and best practices on how to address rural access issues related to health benefit exchanges.

2. Outreach to Rural Residents

Section 1311(i) of the Patient Protection and Affordable Care Act provides that Exchanges shall establish grant programs for outreach to the public for education, enrollment information, to facilitate enrolment and referrals for grievances, complaints or questions. This outreach and the information it provides will be very important for rural residents. Outreach in rural areas is challenging for a number of reasons. Residents are scattered across vast expanses of land, making personal or community outreach difficult. Communication vehicles in rural areas are limited and different than in urban settings. Resources dedicated to rural outreach are also limited.

We suggest that the grant programs established pursuant to Section 1311(i) of the Patient

Protection and Affordable Care Act be written to specifically address rural outreach initiatives and that some portion of grant resources be made available to implement rural outreach initiatives. Further, we suggest that state governments or other public Navigators be encouraged to involve rural-based organizations and non-profits in their rural outreach initiatives. Information and educational materials provided to rural people by rural organizations is likely to be better received and rural organizations are familiar with the outreach challenges in rural settings and how to address and overcome them.

3. Rating Areas

Section 2701(a)(2) of the Public Health Service Act as amended by Section 1201 of the Patient Protection and Affordable Care Act allows for geography to be used as one of the factors that insurance companies may take into account when assigning insurance rates. Lower population density and smaller overall population sizes may lead insurers to charge rates in rural areas that are much higher and unaffordable for rural residents, especially low-income rural residents. Small premium rating areas would disadvantage rural areas, so we believe rating areas should be at least statewide. In states with particularly small populations, interstate rating areas should be allowed. We would also recommend that a rate band be instituted to minimize abuses by insurers of charging unfair rates to rural customers.

4. Small Business and Pooling

Small businesses and self-employed individuals make up a substantial percentage of the rural population compared to urban areas. Historically these workers have the highest likelihood of being uninsured due to the high cost resulting from very small risk pools. The Exchanges must be structured to insure that rural small businesses can pool their employees with other small businesses in order to spread the risk and lower insurance costs. Regulations should create incentives for states to create one insurance pool, and allow people buying in both the individual and the small business pool to be captured in that one insurance pool. Such a structure will be extremely beneficial to rural small businesses and their employees and families. The opportunity for broader pools will address many of the issues that lead to high rates of uninsurance and underinsurance in rural areas.

Sincerely,

Jon M. Bailey
Director, Rural Research and Analysis Program
Center for Rural Affairs