



A better approach to rural health

The KPMG perspective



Twenty percent of Americans—60 million people—live in rural areas across the US.¹ Those living in such low-density-population areas outside of cities and towns are struggling to deal with long-standing and worsening health challenges. These include an inadequate supply of providers and limited local healthcare infrastructure, both of which challenge access to care,² particularly specialty care. Residents of rural communities are increasingly forced to travel longer distances to secure medical services.³ The lack of accessibility is compounded by other challenges facing rural populations, such as inadequate transportation options, broadband coverage issues, healthcare coverage limitations, lower health literacy, and/or economic insecurity and inability to pay for care.^{4,5}

Additionally, underlying social vulnerabilities⁶ and higher rates of health risk behaviors have led to worse health outcomes in rural communities, with rural residents facing higher rates of chronic disease, suicide, and maternal mortality, as compared with their urban counterparts.⁷ And not all rural populations are equal. Some populations within rural communities are disproportionately affected by health challenges, such as pregnant people, older adults, American Indians and Alaska Natives, migrant populations, and veterans.^{2,8,9} The need for rural healthcare services is great. **To drive opportunities for good health for all Americans, distinct considerations are needed in developing and aligning health and human services for rural communities.**



¹ Source: "Bridging the Gap in Potentially Excess Deaths Between Rural and Urban Counties in the United States," Macarena C. Garcia, et al., Public Health Rep, Mar-April, 2020

² Source: "Designated Health Professional Shortage Area Statistics," Bureau of Health Workforce Health Resources and Services Administration (HRSA) U.S. Department of Health & Human Services, March 31, 2024, <https://data.hrsa.gov/Default/GenerateHPSAQuarterlyReport>

³ Source: "Rural Hospital Closures: Affected Residents Had Reduced Access to Health Care Services" | U.S. GAO-21-93, Jan 21, 2021

⁴ Source: "How might internet connectivity affect health care access?," Peterson-KFF Health System Tracker, December 14, 2020

⁵ Source: "Exposing some important barriers to health care access in the rural USA," Krutika Amin, et al., Peterson-KFF Health System Tracker, December 14, 2020

⁶ Source: "The equity of economic opportunity in rural America," Center on Rural Innovation, October 12, 2023

⁷ Source: "Rural health disparities," Rural Health Information Hub, April 4, 2024

⁸ Source: "Rural health research RECAP: Rural behavioral health workforce," Rural Health Research Gateway, August 2023

⁹ Source: "Rural health research RECAP: Maternal health disparities: An intersection of race and rurality," Rural Health Research Gateway, October 2022

The current approach: Piecemeal efforts and missed opportunities

Many different federal agencies play a role in rural community support and rural health improvement. While attention from these many parties reflects the salience of addressing rural issues, it has led to fragmentation of efforts and missed opportunities for the cross-agency collaboration and coordination that could have a multiplier effect on gains realized from federal investments. Similarly, multiple agency involvement has resulted in disjointed funding strategies and disparate opportunities that are often confusing for rural organizations to navigate. At worst, such funding opportunities are at odds or even in competition with one another.

Piecemeal attempts to improve rural health are not effective on their own and have failed to make meaningful change for rural communities. Despite well-intentioned efforts, experience has demonstrated that the federal government cannot solve these issues on its own. Rural health challenges have persisted for decades with little overall improvement, even with government resources and interventions. Why?

The complexity of the issue: a multitude of stakeholders, fragmented federal interventions, and underutilized rural expertise have collectively undermined efforts resulting in less-than-optimal rural health improvements.

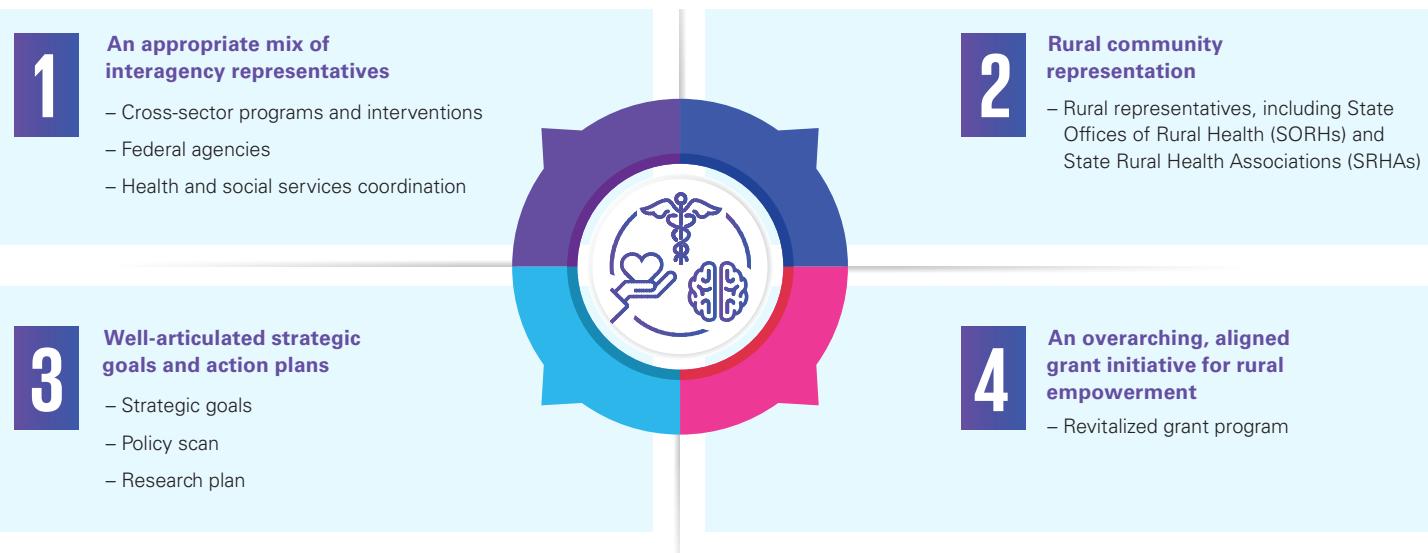
The KPMG recommendation: Explore a more coordinated, collaborative approach

The truth is that rural challenges are multi-faceted and inter-connected. Distinct rural populations and communities have distinct issues and needs, as well as distinct local resources and expertise. Effective federal solutions must reflect, and can capitalize on, this reality. The federal government has the opportunity to invest in, enhance, and accelerate the impact of localized innovations and interventions for rural communities, working from a tightly integrated overarching plan that incorporates local voices to drive good health for all Americans.

To accomplish this, KPMG recommends the adoption of an overarching national **rural health reset strategy**. This would encompass several interlocking and complementary initiatives and include input and action from a cross section of federal agencies with impact on rural populations. We believe the way to empower and accelerate rural health transformation is through a coordinated and collaborative strategy that considers collective goals, a broad range of policy levers, a comprehensive research agenda, and a reformed and flexible grant program. Under this scenario, the federal government could function as a capacity magnifier, providing localized support that incorporates rural community input and direction directly to those communities, and assistance in navigating funding sources across multiple areas while braiding all program components together to support aligned goals.

The rural health reset strategy

KPMG has identified four components that we believe create an effective reset strategy and the fastest track to improved rural health:



1 An appropriate mix of interagency representatives

According to the Brookings Institution, “Over 400 programs are open to rural communities for economic and community development, spanning 13 departments, 10 independent agencies, and over 50 offices and sub-agencies.”¹⁰ Therein lies both the challenge and the opportunity for the government and the rural communities it is seeking to serve. The challenge is communication, coordination, and navigation across many entities; the opportunity is consolidated gains through a holistic, multirepresentative approach.

We believe an effective reset strategy to improve rural health is best developed by an interagency group with congressional support, led by an individual or entity that has expertise in both rural issues and grantmaking, importantly, with representation from rural community members and providers.

Although at first glance it may seem a dauntingly lengthy list, several Health and Human Services (HHS) operating and staff divisions should be considered for inclusion, among them:

- Health Resources and Services Administration (HRSA), including the Federal Office of Rural Health Policy (FORHP)

- Centers for Medicare and Medicaid Services (CMS)
- Indian Health Services (IHS)
- Administration for Children and Families (ACF)
- Administration for Community Living (ACL)
- Food and Drug Administration (FDA)
- National Institutes of Health (NIH)
- Centers for Disease Control and Prevention (CDC), including the Office of Rural Health in CDC’s Public Health Infrastructure Center
- Office of the National Coordinator for Health Information (ONC)
- Office of the Assistant Secretary for Planning and Evaluation (ASPE)

¹⁰ Source: “Reimagining rural policy: Organizing federal assistance to maximize rural prosperity,” Anthony F. Pipa and Natalie Geismar, The Brookings Institution, November 19, 2020

Even this long list is not exhaustive—many other HHS operating and staff divisions could be engaged to add their perspectives, skills, and domain expertise, as appropriate to a given opportunity.

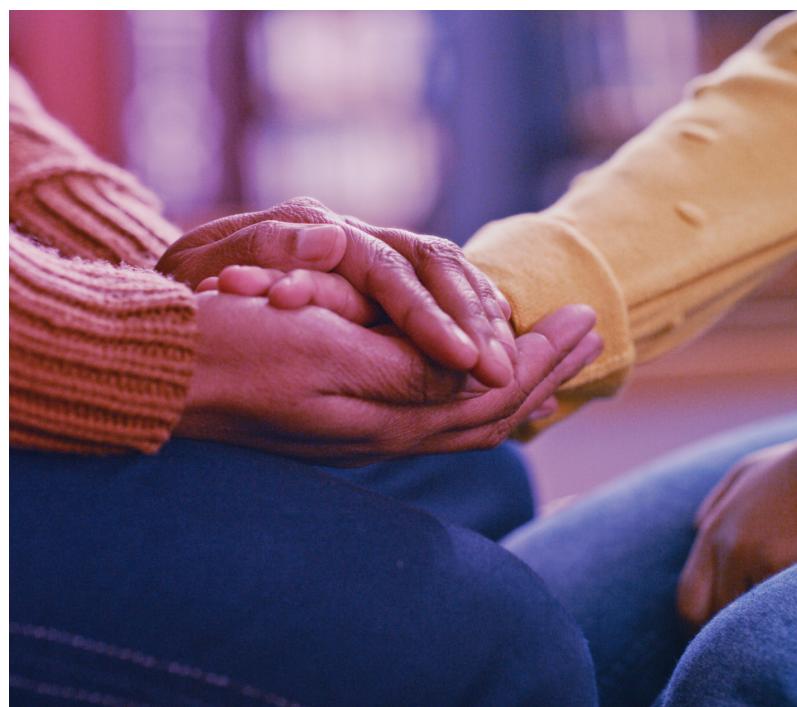
Furthermore, federal initiatives that employ a “whole-of-government” approach can lead to more comprehensive solutions and sustainable momentum. Additional agencies to be considered for inclusion and/or consultation for the rural health reset strategy could extend to:

- Department of Agriculture (USDA)
- Federal Communications Commission (FCC)
- Veterans Affairs (VA)
- Department of Housing and Urban Development (HUD)
- Department of Labor (DOL)
- Department of Education (ED)
- Department of Energy (DOE)
- Environmental Protection Agency (EPA)
- Department of Transportation (DOT)
- Department of the Interior
- Department of Homeland Security

Whatever the final composition, a broad cross-section of relevant representation, at minimum including a congressional liaison, will be needed to support the strategy so that it is unified, holistic, and effective, addressing both upstream and downstream factors affecting health.

2 **Rural community representation**

Creating a strategy for rural communities without their input would omit essential insights; having representatives from frontline groups and community members is critical to success for any federal initiative. This includes State Offices of Rural Health (SORHs) and State Rural Health Associations (SRHAs). Federal entities acknowledge this fact when they host listening sessions, travel to local communities for outreach and learning, and make requests for information to the public. It is essential to continue amplifying the voices of local communities to get buy-in, make progress, and establish and maintain trust between the government entities providing resources and those local organizations implementing strategies in communities. Building durable networks is the jumping off point for meaningful social impact.¹¹ The recently deployed Rural Partners Network¹² is a promising example of how networks have great potential to inform federal action and support rural communities from within. Without a doubt, an effective rural health reset strategy incorporates the voice of rural Americans.



¹¹ Source: “Why networks are crucial for social impact,” Gabriela Gandel, TEDxDonauinsel, November 2023

¹² Source: “Rural partners network: Building stronger futures together,” US Department of Agriculture, April 2022

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Well-articulated strategic goals and action plans

An effective strategy is founded on defined and measurable goals, with an associated action plan incorporating tactical next steps along the way for each goal. It should include transparent performance measurement yardsticks to track progress. Although the focus of the strategy will be rural health, it should go beyond health matters per se to include goals related to economic development, environmental needs, or infrastructure—encompassing any area of focus that impacts health in rural communities.

Effectively activating the rural health reset strategic goals relies on understanding available policy levers and making evidence-based decisions. The two following activities are therefore foundational to the strategy overall:

A wide-ranging policy and environmental scan

Getting the lay of the land is essential to avoid significant re-work and prevent duplication of effort. It begins with a full review of definitions, policy, payment, and regulatory levers across federal agencies that can be utilized for rural health improvement. Importantly, examining the various definitions of “rural” will be critical since no single federal standard currently exists. A key facet of the policy scan should involve identifying and comparing rural classifications used across federal agencies and considering how they can be made appropriately inclusive and possibly streamlined.

Another core foundational effort is an inventory of current efforts targeting rural populations. It would include identification of what has worked and what has not, policy obstructions that might be resolved, how efforts may be facilitating each other and companion opportunities for amplification, as well as how they may be hindering each other with attendant opportunities for amelioration.

A comprehensive research plan

The research plan would identify areas for further exploration, including a gap analysis to identify data to be collected. The research agenda will be guided by the strategic goals and focused on identifying and amplifying leading solutions with positive results. It would also enrich federal insight into emerging or under-researched trends affecting rural health.



4

An overarching, aligned grant initiative for rural empowerment

We believe a streamlined rural grant program is key to redressing problems associated with the complexity and fragmentation of current efforts.

First, define the principles of a streamlined rural grant program and the plans for its deployment. The newly established Council on Federal Financial Assistance (COFFA)¹³ may offer an initial organizational infrastructure to leverage for coordinating the agencies, examining current grant options open to rural organizations and their requirements, and assessing opportunities to improve the grantee experience in navigating available assistance.

Program parameters should be tailored to grantmaking procedures and their management and monitoring processes, all specific to rural communities—for example, broadening eligibility, reducing burden, providing technical assistance, limiting reporting requirements to only what is strictly necessary, establishing common reporting standards and schedules within and across agencies, as well as considering up-front resources and longer time horizons for performance measurement.

The grant program plan should be informed by the experiences and recommendations of local rural communities and organizations. These local representatives can speak to their own firsthand experience in applying for and managing their grants and help isolate concerns around unnecessary requirements and reporting to avoid pitfalls and institutionalize a truly rural-centric approach in the process.

For maximum flexibility, we also recommend that primary funding be outside of conventional, medicalized pathways in order to avoid the requirements or restrictions such programs might impose. Healthcare payment systems and resources should complement the rural empowerment grant program and be aligned in goals and approach. New funding pathways are best paired with dedicated federal teams that work directly with rural communities. These can act as an amplifier, helping to navigate complementary funding streams and strategically braid resources together. Such a partnership, the Rural Partners Network, is already being tested to accelerate rural economic opportunity.¹⁴ It can be scaled and broadened in scope to address the spectrum of social factors that affect rural health and well-being.

Additionally, the concept of promoting joint funding opportunities to allow multiple agencies to pool resources toward a common goal should be explored—this could significantly reduce the need for separate grants intended to achieve similar outcomes. Further, federal actors can continue to build upon interoperability and coordination efforts (for example, those established by the Grant Reporting Efficiency and Agreements Transparency (GREAT) Act of 2019) to promote data sharing and reduce operational inconsistencies.

Similar to the rural health reset strategy policy scan, we suggest that a methodical, comprehensive assessment be conducted across the grant landscape to determine where similarities exist and to what extent activities may be duplicative. With this baseline understanding, agencies will be empowered to outline where redundancies may be minimized or even removed and highlight how different grants may complement one another, promoting synergies to improve the impact of federal dollars and reduce the reporting burden for rural communities.



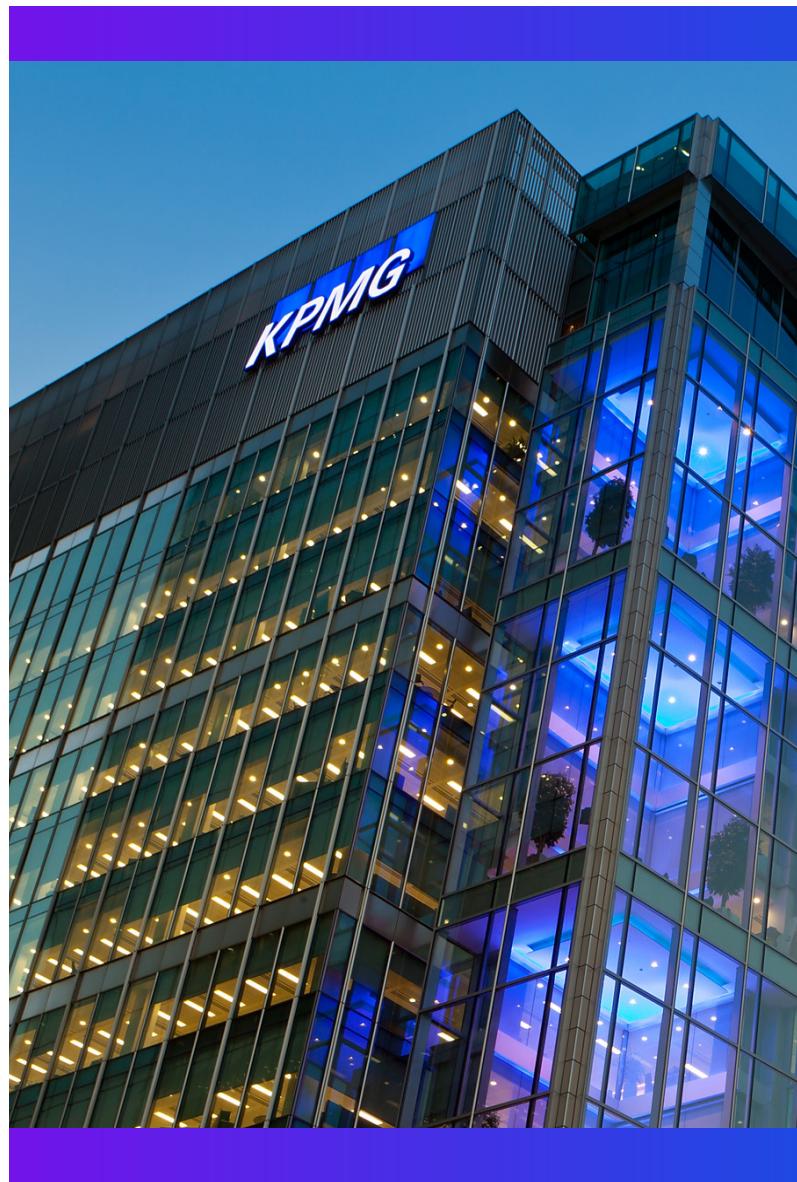
¹³ Source: What is the Council on Federal Financial Assistance (COFFA), and What Does It Do? | Performance.gov

¹⁴ Source: "Fact Sheet: Biden-Harris administration announces the Rural Partners Network to empower rural communities to access federal resources," <https://www.whitehouse.gov/briefing-room/statements-releases/2022/04/20/fact-sheet-biden-harris-administration-announces-the-rural-partners-network-to-empower-rural-communities-to-access-federal-resources/>, April 20, 2022

How KPMG can help

Resetting the current approach to rural health is essential to making meaningful change and driving improved health across America. We can help. Our skills and extensive experience can be deployed in several ways to augment and accelerate your rural health initiatives:

- **Drive connectivity through strategy, partnerships, and governance:** Serve as a catalyst to foster greater connection through cohesive strategies and collaborative interagency activities to define and achieve collective rural health goals.
- **Simplify and streamline the funding:** Design and implement new, streamlined rural grant initiatives through a deep understanding of current statutory and data use constraints to better align resources, streamline processes, and prioritize impact.
- **Prioritize rural health delivery efforts:** Unlock new ways to empower action through targeted policy research and analysis to identify opportunities and methods to impact health delivery models.
- **Engage, motivate, and train your workforce:** Assess gaps in key skills, talent, and human resources to reduce workforce inefficiencies and improve culture to inspire lasting change.
- **Unlock public health infrastructure:** Uncover new insights through advanced data analytics and artificial intelligence solutions to elevate rural health and strengthen communities. Explore advanced intelligence capabilities to quickly process and analyze relevant data sets, enhance decision-making through scenario modeling, and customize health services and interventions based on data-driven insights.
- **Sustain fiscal resilience, strategic agility, and operational integrity:** Drive greater program integrity and auditability through advanced financial reporting and compliance while managing enterprise risks tailored to the needs of rural organizations.



Having worked with numerous agencies at every level of government, KPMG understands the intricacies and challenges of internal and intra-agency coordination efforts. KPMG strategy, healthcare, grants management, and data professionals will work in concert with federal agencies and local rural stakeholders, bringing all parties together—wherever they may be in their process—to meet collective goals and achieve greater success in improving rural health. Call on us.

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